

Cooperatives and Socio-Economic Empowerment Among Rural Women

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Abstracts

This paper discusses the role of cooperative societies in empowering rural women through Nalachhap Pragatisil Women Saving and Credit Cooperatives Limited (NPWSCCL) in Bhaktapur particularly focusing on socio-economic aspects. It also highlights the social and economic challenges faced by rural women, such as limited decision-making power and poor economic conditions. The study uses descriptive research design followed by 55 sample respondents. Data were of both qualitative and quantitative nature collected through survey and interview respectively. The findings indicate a positive change in women's decision-making abilities after joining the cooperative, along with slight improvements in income and expenditure patterns. However, there is a need for skill development training programs for rural women. Overall, the efforts have not only empowered women but also contributed significantly to societal well-being and the promotion of social and economic change within the community but further efforts are needed to provide comprehensive support.

Introduction

The term "cooperative" originates from Latin, meaning to work together. It embodies the concept of collaboration for mutual benefit. Cooperatives prioritize their members' interests and are often described as member-focused organizations. The International Co-operative Alliance (ICA), a leading advocate for cooperatives worldwide, 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," as stated in 1995 (Bharadwaj, 2012).

Robert Owen, William King, and Charles Fourier played pivotal roles in initiating the first cooperative movement during the early 19th century. Through their writings and awareness campaigns in England and France, they advocated for the cooperative form of organization. These well-known utopian socialists not only envisioned ideal communities but also actively worked to establish them in Europe and the United States (Zeuli & Cropp, 2004).

Cooperative is a powerful means of achieving both economic and social empowerment. By forming cooperatives, individuals can pool their resources and work together to improve their economic status and social conditions. This collective action enhances their ability to influence economic and social outcomes, leading to greater economic security, social justice, and community resilience. Cooperative serves as a practical mechanism for achieving both economic and social empowerment. By working together in cooperatives, individuals can collectively improve their economic well-being and social conditions, leading to more equitable and resilient communities.

In Nepal, cooperatives are geographically specific, society-based organizations owned, operated, and governed by their members. While some are formed independently, others receive support from various programs backed by sponsors and the state. Cooperatives grant individuals rights of ownership, shareholder, and consumer, offering tailored policies and programs to meet member interests. This structure allows cooperatives to empower disadvantaged populations, pooling resources and improving living standards in Nepal's marginalized regions (Simkhada, 2013).

The history of cooperatives in Nepal dates back to 1953, although cooperative principles were present earlier through informal organizations. The Cooperative Act of 1992 and subsequent regulations formalized cooperative development. Cooperatives are seen as a solution for poverty reduction, food security, and job creation, especially in underserved regions. SACCOs, or community banking institutions, promote savings and offer fair-interest loans. Credit cooperatives, pioneered in Germany in the 19th century, have become widespread globally.

Nepal has a rich history of cooperative movements dating back to ancient times, with practices like Guthi, Mankaguthi, and others fostering community

support. Modern cooperative initiatives began in 1956, notably aiding flood victims in Chitwan. Key milestones include the Cooperative Bank (1963) and Land Reform Savings Corporation (1966). Legislative support came with the Agricultural Cooperative Act (1960), evolving into the Agricultural Development Bank. By 1992, the Cooperative Act granted autonomy, leading to a surge in cooperatives, from 883 to over 7000 in a decade. NEFSCUN was founded in 1988 to coordinate the growing Savings and Credit movement, reflecting the ongoing evolution of cooperative endeavors in Nepal.

Cooperatives play a vital role in empowering women economically and socially, contributing to sustainable development goals. However, women face challenges such as limited access to resources and ownership, hindering their involvement in cooperatives and economic advancement. Cooperatives are powerful tools for women's economic and social empowerment. By providing opportunities for income generation, financial inclusion, skill development, and democratic participation, cooperatives help women gain greater control over their lives and contribute to more equitable and inclusive societies

Objectives of the Study

The objectives of this study are twofold. First, it aims to analyze the current status and activities of saving and credit cooperatives in the study area. This involves a detailed examination of their organizational structure, membership dynamics, financial health, and the range of services they provide. Second, the study seeks to examine the social and economic conditions of rural women before and after their involvement in these cooperatives. This includes assessing changes in income levels, access to financial services, education, employment opportunities, and overall quality of life, with a particular focus on how participation in saving and credit cooperatives has impacted their economic empowerment and social standing within their communities.

Methodology

This study employed a descriptive research methodology to investigate the impact of cooperatives on the economic and social status of rural women. The study focused on NPWSCCL in Tathali ward no.9, Changunarayan. This area was chosen due to its accessibility, lack of prior research, and the ability to work within limited resources. Both primary and secondary sources of data were utilized. Primary data was gathered through methods such as structured questionnaires, observation, key-

informant interviews, and household surveys. Secondary data was obtained from the organization's yearly reports and online sources.

Quantitative and qualitative techniques were applied depending on the type and sources of data. The analysis aimed to evaluate the cooperative's role in improving the socioeconomic status of rural women through its activities. Overall, a mix of primary and secondary data collection methods ensured the reliability and comprehensiveness of the study's findings.

Study Area and NPWSCCL

Changunarayan Municipality, nestled within Bhaktapur district, boasts rich cultural and archaeological heritage. Spanning an area of 62.98 square kilometers, it is home to 55,430 residents residing in 12,970 households. Established in 2073, the municipality comprises diverse communities, predominantly Newar, with various castes contributing to its vibrant tapestry. Agriculture forms the backbone of the local economy, supplemented by fish farming and a range of other economic activities engaging 19,414 individuals. Basic amenities such as transportation, water, electricity, healthcare, and education are readily available, making it a well-equipped urban center (changunarayanmun.gov.np).

The Nalachhap Pragatisil Women Saving and Credit Cooperative was formed through the merger of Pragatisil Women Farmers Saving and Credit Cooperative Limited and Nalachhap Women Saving and Credit Cooperative Limited, both established in 2057/11/27, and registered on 2076/11/27. Situated in Ward No. 9 of Tathali, Changunarayan Municipality, it saw its membership grow from 1067 to 1763 after the merger, all members being female. Providing savings and credit services since its inception, the cooperative conducted a total business of NRs. 8,34,65,693.46. It accumulated NRs. 6,86,04,974.41 in savings, with NRs. 80,55,300 as share amounts, and NRs. 32,09,286.29 as additional funds. Loans totaling NRs. 6,87,81,320 were disbursed to shareholders. Beyond financial services, the cooperative actively advocates for women's empowerment, challenging societal norms, and collaborates on community development initiatives. (Field Survey, 2023)

Result and Discussion

Role of Cooperative in Social Change of Women

Cooperative plays an important role in changing the social condition of women by involving them in different activities that helps them to understand their

role in society and their household. Cooperative helps in making them aware of their importance in social activities by involving them in meetings, and seminars and making them more active than before. As NPWSCCL was founded by only women there are only female members and it is established with the core idea of helping women in improving their social and economic condition.

Decision-making is a key area that determines whether or not women have changes in their social conditions as most of the decisions are made by men in our country. To have equal participation in decision-making of either household or attending community meetings, the right to decide no. of children she wants to give birth to or deciding basic education, health, expenditure, and purchases for the family and her children shows the changes cooperative have brought in the life of its members. The decision-making role of women is viewed in different aspects in this section.

Table 1

Social Changing Area of the Respondents

Social changing area	No. of respondents		Percentage		
	Before	After	Before	After	
Decision making on					
Children's education	Male	24	8	43.64%	14.55%
	Female	7	9	12.73%	16.36%
	Both	24	38	43.63%	69.09%
Total		55	55	100%	100%
Family's health examination	Male	18	6	32.73%	10.91%
	Female	7	8	12.72%	14.54%
	Both	30	41	54.55%	74.55%
Total		55	55	100%	100%
The number of children to give birth	Male	14	2	25.45%	3.64%
	Female	6	7	10.91%	12.73%
	Both	35	46	63.64%	83.63%
Total		55	55	100%	100%
Involvement in community meetings	Male	17	1	30.91%	1.82%
	Female	12	17	21.82%	30.91%
	Both	26	37	47.27%	67.27%
Total		55	55	100%	100%
Household Expenditures	Male	25	7	45.45%	12.73%
	Female	7	9	12.73%	16.36%
	Both	23	39	41.82%	70.91%
Total		55	55	100%	100%
The purchase of household goods	Male	28	11	50.91%	20%
	Female	10	12	18.18%	21.82%
	Both	17	32	30.91%	58.18%
Total		55	55	100%	100%

Source: Field Survey, 2023

Table 1 shows that the decision-making of women about children's education had changed from 12.73% to 16.36% while the decision-making in the area of family health had also from 12.72% to 14.54% and the decision-making on the number of childbirths had also changed from 10.91 to 12.73%. Likewise, the involvement of women in community meetings had changed from 21.82% to 30.91%. Similarly, the choices regarding household expenditures had changed from 12.73% to 16.36% and the decision about the purchase of household goods had changed from 18.18% to 21.82%. It shows that the women's involvement in decision making had changed after getting involved in the cooperative. It creates the best environment for the women for socio-economic activities. It is good to focus on socio-economic empowerment based on the results highlighted in the above table.

Role of Cooperative in Economic Change of Women

Being economically strong and independent gives a woman the power to take her own decisions by herself and can contribute to the well-being of the family. In this section, the change in the occupation of respondents, income, expenditure before and after involvement in the cooperative, amount of loan taken, and the reason and purpose for taking a loan are discussed.

As an agricultural country, most women are engaged in household and agricultural activities and it's their main occupation. But women are now involved in different occupations to support their family. The change in the occupation of women before and after joining the cooperative is given below.

Table 2

Change in Occupation of the Respondents

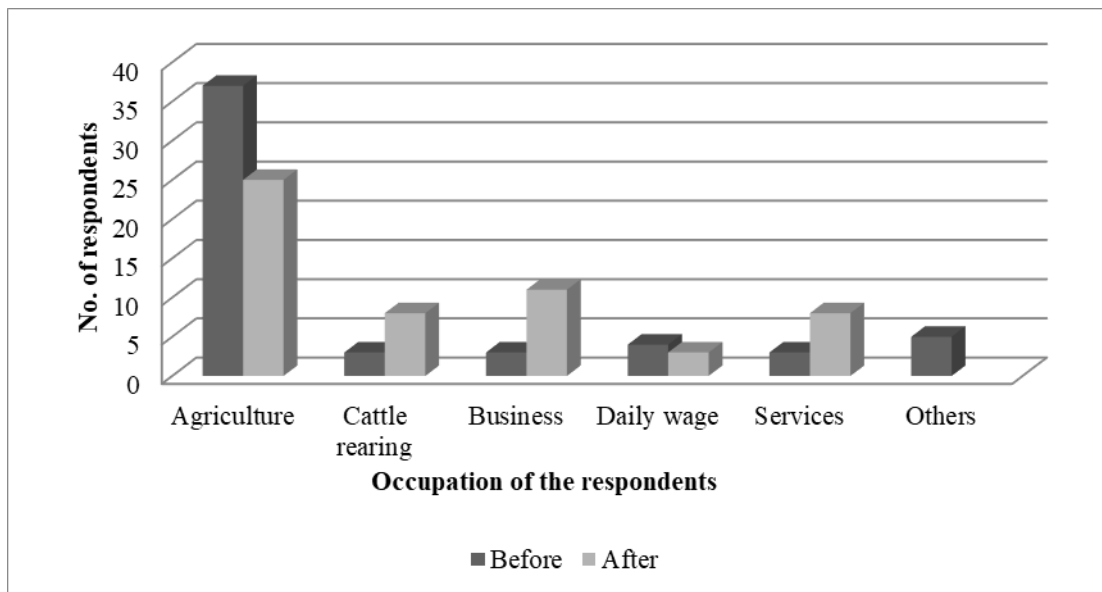
Change in Occupation	No. of respondents		Percentage	
	Before	After	Before	After
Agriculture	37	25	67.3%	45.5%
Cattle rearing	3	8	5.5%	14.5%
Business	3	11	5.5%	20%
Daily wage	4	3	7.3%	5.5%
Services	3	8	5.5%	14.5%
Others	5	-	9.1%	-
Total	55	55	100%	100%

Source: Field Survey, 2023

Table 2. shows that the percentage of women involved in agriculture had decreased from 67.3% to 45.5%. Similarly, the percentage of cattle rearing had

increased from 5.5% to 14.5%. On the other hand, women in business had increased from 5.5% to up to 20% and their involvement in daily wage activities had decreased to 5.5%. Women working in the service sector had increased from 5.5% to 14.5% while the change in other occupations remained the same. What can be said from this analysis?

Figure 1. Distribution of respondents by change in occupation



Source: Field Survey, 2023

The figure 1. shows that the number of the respondents engaged in agriculture was 37 before joining cooperative and was 25 after joining the cooperative. The number of the respondents engaged in Cattle rearing was 3 before and 8 after joining the cooperative. Similarly, the number of the respondents involved in business was 3 before and had increased to 11 after joining the cooperative. Likewise, the number of the respondents involved in daily wage was 4 before and had reduced to 3. The respondents involved in service sector had increased to 8 from 3 after joining and other sector had no change. What can be said from this discussion?

Change in Income and Expenditure of the Respondents

The change in earnings and spending before and after becoming a member of the cooperative determines the actual change in the women’s economic condition.

Thus, the change in income and expenditure on yearly basis of caste were discussed below:

Table 3

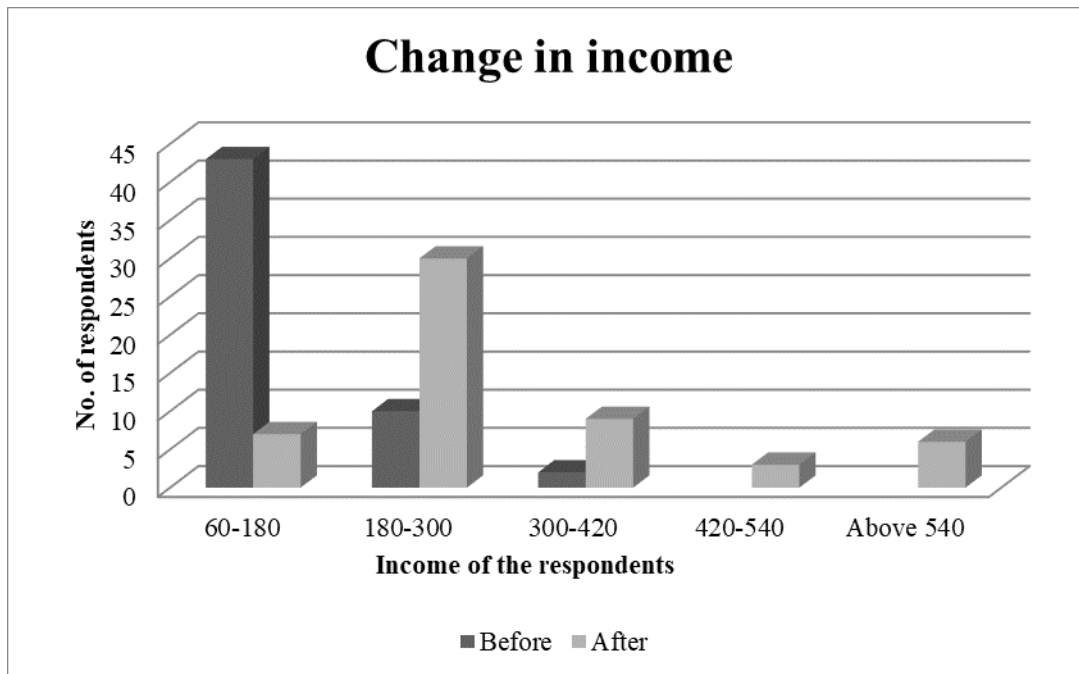
Change in Yearly Income of the Respondents

Income in NRs. (000)	No. of Respondents		Percentage	
	Before	After	Before	After
60-180	43	7	78.18%	12.73%
180-300	10	30	18.18%	54.55%
300-420	2	9	3.64%	16.36%
420-540	-	3	-	5.45%
Above 540	-	6	-	10.91%
Total	55	55	100%	100%

Source: Field Survey, 2023

The Table 3 shows that the yearly income of the respondents had changed from 78.18% before to 12.73% in the 60 to 180 thousand range after joining the cooperative. The percentage of respondents having a change in income were 18.18%, 54.55%, and 16.36% after joining the cooperative as shown in the table. Before joining the cooperative, the percentage of respondents earning between 60-180 thousand was highest at 78.18% but it changed after respondents joined the cooperative the increase in income can be seen. What can be said from this analysis?

Figure 2. Distribution of the respondents by change in income



Source: Field Survey, 2023

The figure 2. shows that the number of respondents earning between 60-180 thousand before joining cooperative was 43 and after joining cooperative was 7. The number of respondents earning between 180-300 thousand before joining was 10 and after joining was 30 while the number of the respondents earning between 300-420 thousand before was 2 and after joining cooperative was 9. The earning of the respondents between 420-540 after joining the cooperative was 3 and above 540 was 6. What can be said from this analysis?

Table 4

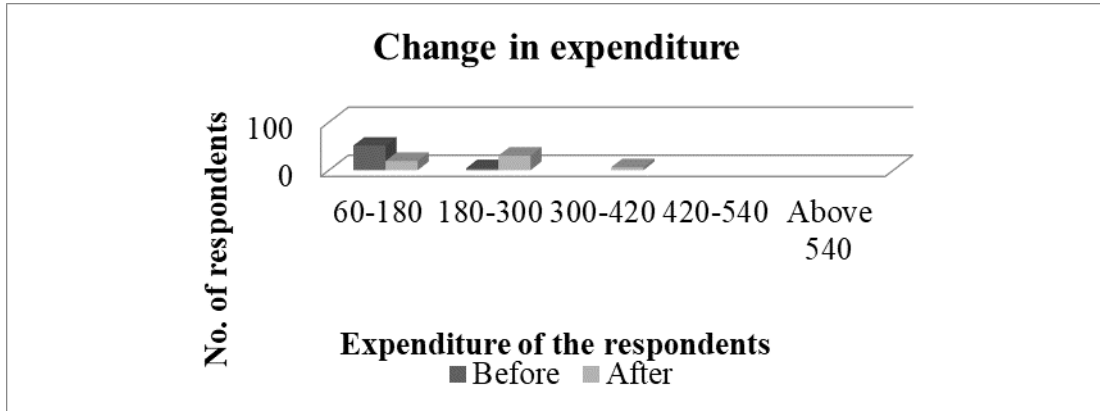
Change in Yearly Expenditure of the Respondents

Expenditure in NRs (000)	No. of Respondents		Percentage	
	Before	After	Before	After
60-180	51	19	92.73%	34.55%
180-300	4	30	7.27%	54.54%
300-420	-	6	-	10.91%
420-540	-	-	-	-
More than 540	-	-	-	-
Total	55	55	100%	100%

Source: Field Survey, 2023

Table 4 shows that the expenditures of the respondents had also changed from 7.27% to 54.54% in the 180-300000 range and no respondents were spending before in between 300-400000 range but it has changed to 10.91% after respondents joined the cooperative. So, the change in the expenditure of the respondents can be seen from the above table.

Figure 3 Distribution of the respondents by change in expenditure



Source: Field Survey, 2023

The above figure 3 shows that the number of the respondents having expenditure between 60-180 thousand before was 51 while it has reduced to 19 after joining the cooperative. While the number of the respondents having expenditure between 180-300 thousand was 4 before joining cooperative and it had increased to 30 after joining the cooperative. There were no respondents with an expenditure between 300-420 thousand before joining the cooperative but the number had increased or changed to 6 after joining the cooperative. There were on respondents with expenditure between 420-540 and above 540 thousand in the study area.

Loan Information of the respondent from NPWSCCL

Another main service provided by the cooperative is loan services and which helps rural women to take out their savings or ask for a loan in need for different reasons and to tackle them in times of difficulty. The loan service is helpful for women in times of need. The amount of loan taken, reason, and purposes for taking the loan are discussed in this section.

Table 5*Loan Information of the Respondents*

Loan in NRs (000)	No. of respondents	Percentage
5-10	8	14.5%
10-15	3	5.5%
15-20	2	3.6%
20-25	3	5.5%
More than 25	23	41.8%
No loans taken	16	29.1%
Total	55	100%

Source: Field Survey, 2023

Table 5 shows that the respondents taking loans of more than 25 thousand were the highest with a number of 23 and a percentage of 41.8%. The next highest was between 5-15 thousand which was 14.5% with a number of respondents 8. The percentage of respondents who didn't take a loan was 29.1%. While the percentage of loans taken between 10-15 and 20-25 thousand were 5.5% and 3.6% respectively.

Contributions of the cooperative for rural women

Cooperative plays an important role in changing the social and economic condition of rural women. From the Key-informant interview, the following are the summary of the contributions made by the cooperative for rural women in the study area.

Providing Financial Education and Encouraging Savings

The cooperative educates women about savings and financial engagement, initially starting with small amounts and gradually increasing savings. Women are taught the importance of saving through group activities and are encouraged to save more over time.

Empowering Women in Economic Activities

Women are actively involved in financial decision-making and economic activities, moving away from dependency on their husbands. They take loans for businesses such as shops and agricultural ventures, enhancing their financial independence and contributing to their families' income.

Boosting Self Esteem and Self Respect

Participation in cooperative activities increases women's self-esteem as they engage in decision-making and economic endeavors. They no longer rely solely on others for financial support, gaining respect within their families and communities as equal contributors.

Enhanced Participation in Community Development

Through cooperative gatherings and meetings, women gain confidence to actively participate in community development activities. Their involvement demonstrates awareness of their rights and responsibilities within society, contributing to overall community development.

Providing Low Interest Loan

The cooperative offers loans to women at low-interest rates, facilitating easy repayment and reducing financial pressure. Loans are accessible without collateral for various purposes, empowering women to invest in businesses and other ventures.

Promoting Financial Independence

Women transition from traditional occupations to entrepreneurship, starting businesses like beauty parlors and shops. Employment opportunities within the cooperative further contribute to women's financial independence, enabling them to support their families and themselves.

Conclusions

The cooperative's diverse savings and loan services, offered at low interest rates, have facilitated financial stability and growth for rural women. Social initiatives, such as honor programs and health checkups in collaboration with local authorities, have enhanced community welfare. Participation in awareness-raising activities and training sessions has led to positive shifts in women's roles in decision-making, especially in education, health, and household expenditures. The cooperative's accessibility and support for business venture loans have fostered economic independence among rural women. Increased involvement of women has resulted in shifts in occupational patterns, income, and expenditure behaviors among members. These efforts have contributed significantly to societal well-being and the promotion of social and economic change within the community.

Overall, women report positive changes in their lives post-involvement with the cooperative, attributing their improved financial habits and decision-making abilities to its services. Satisfaction with the cooperative's efforts is evident among members, underscoring its critical role in fostering both individual and community development.

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