



## Inclusion in Rural Cooperatives: A Case of Tanahun District of Nepal

### KEYWORDS

Abin Ojha

Ph.D. Research Scholar Department of Sociology School for Social Science Studies Babasaheb Bhimrao Ambedkar University (A Central University), Lucknow

**ABSTRACT** Cooperative movement has taken momentum in Nepal after the enactment of Cooperative Act- 1992 and geared up after the recognition of cooperative sector as a third pillar of socio-economic development of nation by Interim Constitution of Nepal-2006. Today, cooperative sector has occupied a pivotal role in the socio-economic development, especially in rural Nepal. It was expected that Cooperatives in Nepal will play a vital role in the social inclusion particularly in gender and caste based stratified rural society. This study aims to analyze the impact of cooperatives in social inclusion and inclusive development through the case study of Tanahun district of Nepal. Analysis and findings of this study mainly tries to unveil the situation of inclusiveness (particularly gender and caste based) in the cooperative movements.

### Introduction

Cooperative movement is neither a new concept nor a new phenomenon. If we observe the history of human civilization, we find that the people from the nomadic society to today's digital world unite for the communal work. This unity and cooperation of people can be defined as cooperative movement. However, the Rochdale Society of Equitable Pioneer, founded in 1844 A.D. was the first modern cooperative of the world. In the context of Nepal, traditional form of cooperation was practiced since the time was immemorial. *Parma*, *Guthi*, *Dhukuri* etc are the some forms of cooperation in the prior era of Nepal. The modern form of cooperatives emerged in Nepal after the establishment of Department of Cooperatives under the Ministry of Agriculture for Planning and Development in 1953. Modern cooperative was legally initiated in Nepal as 'Bakhan Credit Cooperative' in *Chitwan* district in 1957. Since then, cooperative movement has moved along, every periodic plan of Nepal has given emphasis to the cooperative movement but the significant of cooperatives were not noticed until Cooperative Act- 1992 was enacted. Therefore we can realized that, Cooperative movement has taken momentum in Nepal after the enactment of Cooperative Act- 1992 and geared up after the recognition of cooperative sector as a third pillar of economic development of nation by Interim Constitution of Nepal-2006. Presently, cooperative sector has occupied a pivotal role in the socio-economic development especially in rural Nepal. Nowadays, cooperatives in Nepal have become economic and social system; the people's needs are met through the mobilization of their limited means and resources themselves. In this regard, cooperatives have proved to be such local institutions, which have direct bearing in the social and economical development of the people at local level.

Today, cooperatives in Nepal have extended its coverage in almost all the socio-economic sphere. Its significance can be mirrored from numbers of cooperatives operating in the country and its coverage in economy. Slowly and gradually cooperative movement is gaining its momentum. In the first eight months of fiscal year 2013/2014, 30,080 cooperatives with 43, 96,444 members are operating in throughout the nation. It has been estimated that the contribution of cooperative sectors has been remained 3 percent in

Gross Domestic Product (GDP) of the country and almost 18 percent in the financial sector. The number of cooperatives grew by 209.46 percent, membership by 248.99 percent, capital by 3253.94 percent, net saving by 718.41 percent and net investment by 5496.94 percent in Fiscal Year 2013/14 as compared to that of Fiscal Year 2006/07 (MoF, 2014).

Cooperatives are community based service oriented professional and social autonomous organizations. It encourages self-reliance and equity and strengthens self-reliant economy. Members of cooperatives believe in moral values such as honesty, transparency, social responsibility, and keeping concerns for others. Cooperatives have contributed in economic development, social inclusion and in judicious distribution of benefits and opportunities among the members of the community (NPC, 2010:57-58).

Cooperatives is now broader concept, had their coverage in all most all the countries irrespective to developed and developing and had contributed in social, economical, cultural and political sphere. Cooperatives as local initiatives for the socio-economic development of members in organized way are gaining popularity day by day. Especially, in the resource poor and stratified cultured underdeveloped countries, cooperatives are being instrumental for economic progress and social development. This can be examined from the cases of African and Asian nation's examples. As opined by Attwood and Baviskar (1988:2), in third world countries, cooperatives persist as a vehicle for rural development because they have much promise of success as any other form.

Kornginnaya (2010) in her article mentioned that cooperatives that fulfill both social and economical needs of the weaker community under any kind of economic and political dispensations, are an appropriate system to supplement the growth strategy. She opined that cooperatives as an institution of many roles. Cooperatives can contribute to increase social integration and community cohesion when they specifically address the needs of the weakest and less privileged people of the society.

Social inclusion is a process, which ensures that those at

risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-beings that is considered normal in the society in which they live (WB, 2007).

Social inclusion usually includes promoting equal opportunities for those who are excluded and eliminates discrimination. It is a societal tool for helping socially excluded people and community to overcome inequality and disadvantage (Charity Commission, 2001). Social inclusion is about creating a society where all people are valued and respected, where each person has a fair standard of living that enables them to participate fully in community life. Its goal is to increase opportunities for all people, most especially the disadvantaged, to engage with and build strong and supportive relationship with others (Birchall, 2003).

Issue of social inclusion is broad one and study of some aspect cannot highlight in all areas not in all ways. The concern is that how social inclusion can be enhanced at the local level. Cooperatives being local institutions with members' betterment at the core of the heart, the study aspired to find out the gender and caste based inclusion among the members of cooperatives in the study area. OECD (2007) has figured out the important of social economy organization like cooperatives and mutuals, which mainly operates at the local level and are rooted in local communities have greater role in the social inclusion through the development of formal and informal network of people, knowledge and resources.

Cooperatives enable local people to organize and improve their conditions. Cooperatives promote and support entrepreneurship development, productive employment, raising incomes and helping to reduce poverty while enhancing social inclusion, social protection and community building (UN, 2009).

ILO (2002), explicitly states that special consideration should be given to increase women's participation in the cooperatives movement at all levels, particularly at management and leadership levels. Representation of the women in the various levels of cooperatives determines the status of women in cooperatives. Participation is more than about counting the numbers of women represented; it is about women having voice and influence with groups (Woldu, et al., 2013).

The age long caste based practices have made Dalits-the most deprived group in the society and the representation of Dalits in all socio-economic sectors is negligible. This discrimination is the root cause of exclusion of deprived communities from every sector of public life (BK, 2009). Study made by Williams (2007), revealed that cooperatives among the Dalits is very popular. The Dalits want to participate and consider it an honor to have such an opportunity. Similarly, Paswan and Jaideva (2002:137) opined that cooperatives that aim at good of the largest number are gaining momentum in rural areas. They are supposed to extend the facilities to the needy persons. This is particularly so in the case of backward and deprived sections of the rural society such as Dalits and women.

This study basically focused on the gender and caste issue and representation analysis of women and Dalits in the cooperatives. Women and Dalits are still in the deprived and disadvantaged in the Nepalese rural society and their exposure and representation in the social activity is still poor.

There are lot of disparities in the participation and involvement in the various activities. Cooperatives being local institutional instrument of socio-economic development, it is expected that they can be an instrumental in the empowerment of deprived section especially for Dalits and women.

Therefore, this study has aspired to crave out the situation of women and Dalits' situation and representation in cooperative sector via study of Tanahun district. Involvement and representation in cooperatives may empower women and Dalits to a certain extent in capability building, active participation in decision-making within household and outside in community, in public affairs and involvement in the local markets and this ultimately enhances inclusion.

### Objectives of the Study

The general objective of the study is to unveil the situation of women and Dalits in rural cooperatives. The specific objectives of the study are as follows;

- i) To assess the representations of women and Dalits in the various committees of rural cooperatives.
- ii) To examine the women and Dalits participation in the activities and decision makings of cooperatives.
- iii) To evaluate the role of cooperatives in the reduction of gender and caste based discrimination in community.

### Scope and Limitation of the Study

Cooperative movement has been accelerated in Nepal since some years. It is expected that this movement has vital in the socio-economic development of the members in particular and of the nation in general. Notion of inclusion and inclusiveness is one of the important components of social development and cooperatives being local initiatives, it is expected that they are imperative technique for the inclusion especially in the inclusion of women and Dalits. This study has focused to unveil the situation of women and Dalits in the rural cooperatives through the case study of Tanahun district of Nepal.

Inclusion is a broader concept and connotes many more but this study has focused only the inclusion of women and Dalits in the cooperatives. Cooperatives are spread all over the nation but this study has concentrated only on the cooperatives of Tanahun district. Therefore, the study does not claim that the findings, conclusions and recommendations are generalized in either case.

### Methodology

#### Research Design

This study is descriptive in nature. The major goal of descriptive research is to describe the events, unveil the phenomenon and situations. Data and information are gathered from the primary sources. Data were collected from the interviews of the respondents. Respondent of the study were the secretaries of the management committees of the cooperatives. Semi-structured interview scheduled was used to gather the information from the respondents.

#### Selection of Study Area

The study area selected is Tanahun district of Nepal. Cooperative movement is alarming in the district since some years and more than 16.0% of the total population of the district is the members of cooperatives. 336 cooperatives of various types with more than 70,000 members are operating in the district (DCOT, 2014). This area has been selected for the study, as no such efforts have been made in the past in this area and very few researches were made

on impact of cooperatives in the nation too. This study has analyzed the situation of gender and caste based inclusion in the cooperatives of the district.

### Sampling Design and Respondent

Saving and Credit, Multipurpose and Agriculture and allied cooperatives are dominant cooperatives in term of numbers and memberships in the study area. Therefore, it is expected that these cooperatives had greater influences in the socio-economic development of the members.

In the view of time and resource limits, 15.0% of the total cooperatives i.e., 50 cooperatives were selected for the study. Randomly, minimum 15/15 cooperatives form saving and credit, multipurpose and agriculture and allied were chosen to make study specific and impartial from the district. From each selected cooperative, secretary of the management committee was selected as the respondents. Semi structured interview schedule was applied to acquire the required data and information.

### Results

Cooperatives in Nepal consists various committees for the effective and transparent management as well as to make maximum participation of members in cooperatives. Among them management committee, finance committee and loan committee are important therefore these three committees were taken under consideration and the representation of women and Dalits in these committees were analyzed in this study.

It is impressive to note that female members are more than male in the sampled cooperatives but representation of women in the various committees is puny. In the sampled cooperatives, 57.4% members are female. Whereas, women's representation in the management committee is only 32.5%, likewise in finance committee is only 26.6% and 31.6% in loan committee. Likewise the women's representation in the cooperatives as an employee is also not satisfactory only 40.3% of the total employees of the sampled cooperatives are female.

While taking about the Dalits' representation in cooperatives, it is very much disappointing to state that none of the secretaries were Dalits. Among the members, membership of Dalits in cooperatives is poor and the representation in the various committees is minor. In the sampled cooperatives, only 13.8% are Dalit members. Whereas, only 8.1%, 5.3% and 4.6% members are Dalits in management committee, finance committee and loan committee respectively. Similarly, only 9.7% of the total employees of the sampled cooperatives are Dalits.

The study found that the representation of women and Dalits in various committees of cooperatives is poor. However, the involvement of women and Dalits in the various activities of cooperative was examined too. The study reveals that involvement of women and Dalits in the activities of cooperatives is fair. Statistically, 49.3% of respondents opined that women's participation in the activities and decision making of cooperatives are fair whereas 37.3% said good and 4.0% said very good whereas, only 9.4% respondents said poor. Likewise, 45.3% respondents viewed that Dalits' participation in the activities and decision making of cooperatives is fair whereas, 34.7% said good and only 1.3% very good and only, 18.7% said poor.

In the case of role of cooperatives in the reduction of gender and caste based discrimination, 68.0% opined that

cooperatives are crucial in the reduction of gender and caste based discrimination where as 22.7% observed that cooperatives are not instrumental in this matter and 9.3% respondents replied that they are unknown in this matter.

### Discussions and Conclusions

The study shows that the women's attraction and involvement in cooperatives is very good but their representation in the various committees is not satisfactory. Women's representation in the various committees of cooperatives is very much crucial from the women's empowerment point of view. As well as to visualize the inclusion in cooperatives women's participation should be competitive. Here, women's participation in activities and decision making is good or very good only 9.4% of the respondents opined that women's participation is poor. Therefore, it is obvious that, women's involvement and representation on the string committees of cooperatives should be promoted.

On the other hand, Dalits' involvement in cooperatives is poor and their representation in the various string committees is very much disappointing. From this point of view cooperative movement is not favored by the Dalits. It is very much important task of study why Dalits' attraction and involvement in cooperatives is poor and effective measures to be taken to involve Dalits. However, most of the respondents opined Dalits those who associated with cooperatives, had effective participation in the activities and decision making of the cooperatives. While talking statistically, only 18.7% respondents opined that Dalits participation in activities and decision making of cooperatives is poor. From this we can conclude that, Dalits status in cooperatives is prospect full. Dalits' social and economical inclusion in the community level can be enhanced whereas discrimination can be reduced via cooperative movement but the problem is that how to attract Dalits towards the cooperatives. Involvement of Dalits in cooperatives and their representation in the various committees should be enhanced by the proper means. Mass awareness of cooperative movement among the Dalits should be raised and their active participation should be promoted by the effective means and compulsory representation of Dalits in the string committees of cooperatives should be maintained by the cooperatives.

Most of the respondents of the study opined that cooperatives are very much effective local initiatives for the reduction of discrimination in the society. After the initiation of cooperative activities gender and caste based discrimination has been reduced significantly. All the members irrespective to caste and gender shared the responsibilities and activities of cooperatives and work together for their socio-economic betterments. So, it can be concluded that cooperatives would be suitable local initiatives for the empowerment of Women and Dalits at the local level. So, cooperative movement should be accelerated with the maximum participation of disadvantaged our deprived section of the society, especially women and Dalits' should be enhanced.

Hence, this study found that, women's involvement in cooperatives is noteworthy but the representation is not satisfactory whereas Dalits' approach on cooperatives is poor. The study showed that cooperatives have lots of prospects in the empowerment of women and Dalits' as well as their inclusion in the community via cooperatives. Therefore, their involvement especially of the Dalits should be enhanced by the effective means which may be vital for the rural inclusion.

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