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The Role of Cooperatives in Women's Economic Empowerment: A Study of Sundarharaincha, Morang

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Abstract

Co-operatives are voluntary organizations established to fulfill the common interest of their members. The issue of women's empowerment has been studied by scholars since the twentieth century. Though the Nepal Government has given special rights to women in the constitution against discrimination in any case, women are equal to men. But it was confined mainly to papers, while the majority of women were essentially powerless. The paper studied 100 women co-operative members from different co-operatives in Sundarharaincha ward number one of Morang district, Nepal, using a closed-ended questionnaire. The study was analyzed with both descriptive and simple statistical techniques. The sample was collected through convenience sampling to investigate the economic empowerment of women members in co-operatives. The study found that co-operatives support women's economic empowerment, thereby enhancing the economic welfare of their members.

Keywords: Co-operatives, economic welfare, empowerment, skill development

Introduction

A cooperative is a group of people who voluntarily unite to achieve common economic, social, and cultural needs, wants, and goals through a business who jointly owned and managed democratically. Co-operatives are established to address markets where monopolies exist (Novkovic, 2022). Despite considerable advances in many fields, women, especially in developing countries, still face significant challenges in accessing economic opportunities and resources. But being part of a cooperative can help surmount these obstacles: co-ops are organizations in which every member owns a share and has an equal say; they typically promote cooperation, which has historically proven an effective way to achieve mutual growth (Birchall, 2003).

Empowerment means enhancing individuals' belief in their ability and strengthening employees' self- confidence and competence (Conger & Kanungo, 1988). Women's empowerment refers to the process of developing women's power in life decisions and in their participation in family matters, work, and social life (Richardson, 2018). Economic empowerment of women refers to access to and control over income, education, jobs, assets, and productive activities, which enhances decision-making ability by reducing inequality (Duflo, 2012). The issue of ‘women empowerment’ has become a central point in the programs and activities of the United Nations and other Government and Non-Government Organizations. Subsequently, it has also become a major concern of social scientists, politicians, bureaucrats, and researchers. But there is no unanimity among scholars on the meaning of the term "empowerment". Various scholars have sought to define the term from their respective perspectives. The term empowerment has different meanings in different socio-cultural, economic, and political contexts. An exploration of local terms associated with empowerment around the world often yields a wide range of definitions. These terms include self-strength, self-control, self-power, self-reliance, personal choice, the ability to fight for one's rights, independence, decision-making power, freedom, etc. These definitions are embedded in local value systems and beliefs. Empowerment has both intrinsic and instrumental value. The most common use of the term "empowerment" refers to increasing the power of a low-power group so that it more nearly equals that of a high-power group (Bhadra, 2001).

Cooperatives play a significant role by enabling the pooling of resources and the sharing of risks among members, an approach that can be particularly helpful for women. This is because women are often found wanting in access to financial services, education, and markets, which the strategy could easily address. According to Majurin (2012), women stand to gain various benefits from participating in cooperatives. They include increased income, which leads to improved financial stability and ultimately an elevated social status. All these advantages help steer a broader socio-economic development wave towards individuals, their families, and local communities.

An important way cooperatives help women financially is by providing financial services such as credit, savings, and insurance. These services are required for women to initiate and develop income-generating activities for their families; this, in turn, leads to higher household wealth. Grameen Bank, a cooperative in Bangladesh, was created by Yunus (2007). Microloans from Grameen Bank have enabled millions of women to start small businesses and become financially independent. In addition to financial services, cooperatives provide training and capacity-building opportunities to help women increase their skills and knowledge. Leadership skills, entrepreneurship, agricultural practices, and financial literacy are just a few of the many topics covered in those programs. This type of preparation helps increase women's employability and productivity and provides them with the confidence and ability to take on leadership roles in their community projects, thereby facilitating their access to these projects (ILO, 2016).

. Women in cooperatives can collectively advocate for the recognition of their rights, promote collective action against gender inequality, participate in decision-making processes, challenge traditional gender norms, and pursue greater gender equality. For example, independent studies by Kumar & Mahadevan (2014) show that women in cooperatives have greater voice in household and public community decisions, stronger public status, and greater economic independence. In terms of cooperative inputs to community development, a further significant area for impact from women's participation in cooperatives is community development in the form of cooperative investments and community investments in local public goods, such as clean water, health care facilities, education facilities, and so on (Wanyama et al, 2008).

Cooperative membership offers enormous benefits, but as a woman, I encounter many challenges in fully realizing its potential. Cultural constraints, gender biases and other factors may inhibit women's participation and leadership in co-operatives. Women's mobility and decision-making authority are often limited by broader social norms, resulting in women's exclusion from cooperative activities. Access to important resources such as land, capital and technology is still a serious problem for many women (Agarwal, 2010).

These issues point to the need to strengthen legal mechanisms to guarantee women's rights to join and lead cooperatives. Barriers can be overcome and their investment increased through measures that support orientation in cooperatives and prepare women for training and capacity building. Building more solidarity among women's formations can also help to strengthen the role of women in the cooperative movement (International Cooperative Alliance, 2017)

The research therefore discussed the complex impact of women’s economic participation through membership in the cooperative enterprises. This looks at the effect of these factors on gender equality, community development, increased household income and elevated social class status via the stated contributions. By analyzing contextual analyses and observational data, this study aims to show the specific capacity of cooperatives to engage women and achieve a rational financial utopia (UN Women, 2020).

This study will add to an in-depth analysis on how cooperative models can be enhanced to support women’s economic empowerment and improve the socioeconomic fabric of communities. The study aims to inform policymakers, development practitioners, and cooperative leaders on best practices and strategies for encouraging women’s economic contributions through cooperative frameworks. It highlights successful examples and identifies areas for improvement. The main objective of the study is to study the economic empowerment of women members in co-operatives.

Co-operatives play an important role in the economic empowerment of women, by giving them the opportunity to engage in economic activities that lead to their independence and overall empowerment. Co-operatives provide women with an organized opportunity to earn income from activities such as agriculture, handicrafts, retail and services (Birchall, 2003). Many of these activities are often more feasible and profitable within the cooperative due to pooling of resources, sharing of knowledge and collective bargaining power. In the agrarian sector, women in cooperatives have access to better farming inputs, such as seeds, fertilizers, and implements, which improve their efficiency. Chagwiza et al. (2016) reported increases in both farm women's income and yields among members of the agricultural cooperative in Ethiopia. They could benefit from economies of scale, access to training on the latest farming techniques, and receive better market prices through the cooperatives' framework.

Another area where women derive considerable financial benefit is through cooperatives for artisans and handicrafts. Many of these cooperatives provide training in skills development, product design, and marketing to their participating women, as a 2016 ILO study elaborates. The economic empowerment of women refers to the capacity of women to participate in, contribute to, and benefit from economic activities in ways that recognize their value and dignity, acknowledge their contributions, and support the equitable distribution of economic resources, as articulated by UN Women in 2020.

Cooperatives economically empower women by providing them with access to financial services they would otherwise be denied in the traditional banking system. Majurin (2012) points out that women in cooperatives have access to credit, savings and insurance, which are crucial to start-ups and business expansion. Such access to financial services will make women less vulnerable to economic shocks and more able to invest in productive activities.

In Bangladesh, Baruah (2018) found that women who participate in cooperatives experience greater economic empowerment because they have better access to credit and training. Women reported that their income increased and their financial management skills improved, leading to increased confidence in making economic decisions. Overall, these cooperative models helped in collective savings and credit schemes which were essential in supporting women’s entrepreneurial activities.

Cooperatives also provide an enabling environment for women to build business skills beyond financial services. Cooperatives run training programs to improve women’s financial literacy, entrepreneurship and vocational skills. These programs increase women’s employability and ability to take up leadership roles in communities and in businesses. The economic empowerment of women is best elaborated by case studies of several cooperatives on this issue. Millions of women have been empowered with this cooperative model under SEWA in India (Baruah et al., 2022). Through its daily savings scheme, which offers training and access to financial services and markets, the organization equips its members to improve their livelihoods and attain economic independence.

In Kenya, the Kenya Women Holding Cooperative has played a very important role in empowering women through microfinance services and business training. In relation, a study by Fakoya, van der Waldt, and de Jager (2016) found that women in the cooperative demonstrated improved business skills, increased participation in economic activities, and higher incomes. By focusing on financial literacy and entrepreneurship, women have been able to start and sustain their businesses, which contribute to local economic development.

Despite the many benefits, several challenges limit women's ability to fully enjoy cooperative membership. Culture and gender biases can affect women's participation and leadership in cooperatives. Agarwal (2010) strengthens the argument by pointing out that, in most settings, women are denied cultural norms and biases that limit their mobility and decision-making roles, thereby affecting their direct participation in cooperative activities.

There are quite a few alternative ways of facing these challenges. But beyond these, the legal frameworks need to be improved to secure women's equal rights to cooperative membership and leadership. Policies that support gender equality in cooperatives, coupled with targeted training and capacity-building programs, will help address skill gaps for women and increase their participation. Support for women's networks and alliances can further strengthen their voices and increase their influence within the cooperative movement. This study examines the role of cooperatives in promoting women’s economic empowerment and provides insights to support strategies for enhancing women’s economic participation and well-being.

Methods and Materials

The basic information on the cooperatives of Sundarharaincha was obtained from the cooperative unit at the municipality office in Biratchowk, Morang. In Sundarharaincha municipality, a total of 85 cooperatives are registered, of which 73 are functioning (Sahakari Jhalak, 2077). Among them, there are six cooperatives in Sundarharaincha ward one. In this sampling, we selected six cooperatives in ward one using convenience sampling. The number of female members of cooperatives in Sundarharaincha ward one was 786. The sample size was 100. Women and cooperators were selected based on available resources and time, using convenience sampling. The collected data were analyzed using both descriptive and statistical techniques. There are three major parameters, each with five questions, and each question uses a three-point Likert scale. The data were used to create simple frequency tables and descriptive statistics. The age distribution of the women was as follows: 76 percent were in the 30-50 age group, 13 percent were under 30, and 11 percent were over 50. The educational status of the women showed that 37 percent had completed secondary education, 31 percent had attained a bachelor’s degree, and 32 percent were categorized as literate. In this way, 92 percent of women were married, whereas only eight percent were unmarried. 55 percent of the women members had been members of cooperatives for more than five years, 19 percent had participated for one to three years, 18 percent for three to five years, and only eight percent had been members for less than one year.

Results and Discussion

Results

The data collected from the field survey of female cooperative members are presented and analyzed in the following tables. Respondents were the women's cooperatives of Sundarharaincha municipality, ward one. The brief profiles of the cooperative involvement are described below.

Table 1

Relation Between Involvement in Co-operatives and Personal Contribution Towards Members (In: Increasing, Co: Constant, De: Decreasing)

	Less than one year	Less than one year	Less than one year	One to Three years	One to Three years	One to Three years	Three to Five years	Three to Five years	Three to Five years	More than five years	More than five years	More than five years
	In.	Co.	De.	In.	Co.	De.	In.	Co.	De.	In.	Co.	De.
Personal income	5	3	0	13	5	1	8	10	0	26	29	0
Economic contribution	6	2	0	13	6	0	11	7	0	41	14	0
Improvement in living standard	5	1	2	11	7	1	11	5	2	36	17	2
Diversify income	2	4	2	8	9	2	6	9	3	10	30	15
Overall financial stability	6	1	1	11	4	4	8	4	6	19	29	7

The analysis of cooperative tenure and members' contributions showed positive results. Among 100 women from six cooperatives, longer involvement correlated with greater contributions. Increased involvement led to higher personal income, improved living standards, diversified income, and enhanced overall financial capacity.

Table 2

Relation Between Reason for Joining and Financial Contribution Towards Members

	Financial support	Financial support	Financial support	Saving facility	Saving facility	Saving facility	Loan availability	Loan availability	Loan availability	Business development	Business development	Business development
	H. In.	In.	Co.	H. In.	In.	Co.	H. In.	In.	Co.	H. In.	In.	Co.
Access to loan	8	6	5	13	18	2	12	6	4	13	9	4
Ability to save	4	10	5	12	19	2	5	17	0	13	11	2
Utilize financial service	1	16	2	10	21	2	5	17	0	9	17	0
Financial literacy	3	13	3	9	21	3	7	13	2	9	14	3
Ability to invest	3	12	4	11	19	3	4	13	5	7	16	3

The relationship between the reasons for joining and cooperative financial contributions was satisfactory. Financial support and savings services grew significantly, while access to loans and business growth improved only marginally. Some members complained about the financial support, explaining that their expectations were not met.

Table 3

The Relation Between Duration of Involvement and Its Contribution Towards Members through Skill Development

	One year Less	One year Less	One year Less	One to Three years	One to Three years	One to Three years	Three to Five years	Three to Five years	Three to Five years	More than five years	More than five years	More than five years
	Hi. In.	In.	Co	H In.	In.	Co.	H In.	In.	Co	H In.	In.	Co
Quality and Relevance of Training	3	5	0	9	7	3	4	14	0	17	25	13
Increase Knowledge and Skill	1	5	2	8	9	2	8	10	0	13	36	6
Participation Training Workshop	2	4	2	9	7	3	6	7	5	13	32	10
Develop New Business Skills	0	7	1	5	13	1	6	11	1	16	31	8
Develop the New Business	2	5	1	14	3	2	8	2	8	34	4	17

One study on cooperative membership duration and contributions found that a longer tenure is associated with greater benefits. No quality training, no workshop opportunities, no business skills development for the new members. Longer membership meant access to different training and business skills development, but still around 50% did not have access to skills and knowledge to develop their businesses.

Discussions

Based on the study's findings, the cooperatives have greatly contributed to the economic empowerment of women in Sundarharaincha Municipality, Morang. As the findings in Table 1 show, women who had stayed longer in cooperatives achieved higher personal incomes, greater economic contributions, better living conditions, greater income diversification, and overall economic stability. The results confirm the cooperative theory, which holds that through collective action, members gain access to resources and share risks, resulting in improved economic outcomes. Birchall (2003) noted that cooperatives offer women an organized opportunity to participate in productive economic activities and improve their livelihoods through resource sharing. In addition, Duflo (2012) highlighted that women's economic empowerment occurs when they gain greater access to income opportunities and productive resources.

Moreover, the study shows that membership duration is positively related to economic gains. Women who have been members of cooperatives for more than five years showed higher rates of financial gains compared to newer members. From this finding, it can be argued that the advantages of cooperative participation grow over time. In the same way, Chagwiza, Muradian, and Ruben (2016) also found that participants who had been members of agricultural cooperatives for long periods in Ethiopia were significantly more productive and earned more income than non-participants, due to constant access to cooperative services, training, and bargaining power. Additionally, Yunus (2007) argues that sustained participation in cooperatives and microfinance institutions helps women build their assets and become economically independent.

The rise in quality of life among the study participants also validates the contribution of cooperatives to improving household welfare. Respondents have reported improvements in their standard of living through their participation in the cooperatives, indicating that economic empowerment extends beyond income generation. This finding is consistent with Majurin (2012), who found that women's participation in cooperatives improves household welfare through increased income and savings. Barua (2018) also found that cooperatives in Bangladesh improve women's economic status and their standard of living.

The results in Table 2 indicate that financial assistance, savings opportunities, loans, and opportunities to develop business ventures were the main reasons for joining cooperatives. Most respondents reported positive changes in their capabilities in saving, obtaining loans, and using financial services. These results clearly support Majurin's (2012) claim that savings, credit, and insurance are the primary economic gains for women from cooperatives. Cooperatives serve as alternative financial institutions for women who often have difficulty accessing traditional banks. Financial services of cooperatives contribute to financial inclusion and reduction of women's economic vulnerability through access to credit and savings facilities.

It is important to note that the benefits of savings facilities in this research are especially valuable because savings are an essential basis for economic security and investment. Saving regularly makes women more resilient to economic changes and allows them to invest in productive endeavors. Economic empowerment refers to an increase in women's financial autonomy and their ability to make economic decisions independently, according to Richardson (2018). Hence, the improvement in respondents' saving practices indicates another component of economic empowerment.

Finally, it can be assumed that thanks to the loans of the cooperatives women became more able to invest and to engage in entrepreneurial activities. Women said their ability to participate in economic activities and to invest in economic activities increased after they became members of cooperatives. The study results support Yunus' (2007) evidence that women with access to microloans can establish a small business, earn an income, and improve their socioeconomic status. UN Women (2020) pointed out that access to financial assets is one of the most effective ways of women's economic empowerment.

As seen in Table 3 above, cooperatives play an important role in women's empowerment through training and skill development. Women with a long period of membership had more opportunities for training programs and to learn new skills in running businesses. This is consistent with the International Labor Organization (2016), which states that cooperatives empower women economically through vocational training, entrepreneurship training, leadership development, and financial literacy programs. These training sessions will enable women to become more productive, more knowledgeable about how to start a business, more employable, and hence economically empowered.

This link between the opportunity for training and empowerment may also be analyzed from the perspective of the empowerment theory advanced by Conger and Kanungo (1988). In their study, empowerment refers to the process by which individuals acquire knowledge, competence, and confidence to influence decisions that affect their lives. With the knowledge gained through training and skill development opportunities offered by cooperatives, women have become more confident and competent in engaging in economic activities.

However, some shortcomings exist in the cooperative approach as well. Although long-term members of the cooperatives benefited from training and business development, many new members lacked these opportunities. In other words, there are some inequalities in the provision of cooperative services among its members. The same problem was discussed by Agarwal (2010), who argued that structural impediments and institutional inequalities make it harder for women to access production resources, information, and leadership roles. Hence, cooperatives need to provide new members with equal opportunities to receive proper training and develop their capacity.

Another valuable finding is that, despite improvements in income levels and financial stability, income diversification remained low. Although cooperatives successfully improved savings and credit services, their impact on entrepreneurial diversification seems to be smaller. The conclusion is consistent with the results of research by Fakoya, van der Waldt, and de Jager (2016), which found that cooperatives help women achieve financial inclusion; however, more efforts are necessary to sustain business growth and diversify income.

Another reason for the strong results obtained in the present research could be the educational background of the respondents. All the respondents were literate, and many had secondary or higher education. Educated women are better placed to access financial services, understand cooperative programmes and make decisions in organised settings. Kumar and Mahadevan (2014) also found the same and reported that educated female members of cooperatives feel more confident, have higher bargaining power and participate in decision making at both household and community levels.

The study shows that apart from economic empowerment, cooperatives are associated with social empowerment. Financial well-being boosts women’s self-confidence, they are able to participate in household decision-making and their social status in the community is raised. The results therefore support Bhadra’s (2001) suggestion that empowerment is a process where marginalised people start to have more control over their lives and decisions. The same idea was elaborated by UN Women (2020).

The research findings therefore support that cooperatives are effective institutions for poverty reduction, social inclusion and development as found in other studies. Wanyama, Develtere and Pollet (2008) observed that cooperatives have a big role in poverty reduction and development through collective actions and resource mobilisation. Likewise, Novkovic (2022) asserted that cooperatives enable inclusive and transformative development by providing marginalised groups with opportunities to participate in economic activities. From the current study, there is no question that cooperatives have a positive role in women economic empowerment by improving access to finance and skills development for participation in economic activities.

Conclusion

The study revealed that the cooperatives have played a positive role in the economic empowerment of women in Sundarharaincha Municipality, Morang. The women participants enhanced their income, living standards, lifestyle, economic status, savings behaviour, financial stability and access to financial services. The results have demonstrated that the extent of involvement increases the advantage of cooperative membership, highlighting the significance of continued participation in cooperative activities. But there are still challenges in income diversification, in the promotion of entrepreneurship, in access to training and in the participation of women in leadership. Cooperatives are therefore working to strengthen capacity-building activities, to provide more flexible financial services, to support women-owned businesses and to ensure better representation of women in leadership and decision-making. Such measures would further reinforce the role of cooperatives in the promotion of women’s economic empowerment and local socio-economic development. There have been positive developments, but challenges remain in terms of income diversification, entrepreneurship, access to training and women's participation in leadership positions. Hence cooperatives need to enhance capacity building programs, offer flexible financial services, support women owned enterprises and make sure women have more representation in leadership and decision-making positions. These measures will help to increase the contribution of cooperatives to the promotion of women's economic independence and local development of the socio-economic.

Conflict of interest

The authors declared that no conflict of interest.

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