

# Assessing Social Inclusion of Women in Agricultural Cooperatives of Baglung Municipality, Nepal ----- By Bhattari, N. & Sharma, P.

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## Abstract

*Cooperatives are defined as autonomous associations where members unite voluntarily to meet common economic and social needs through a jointly-owned, democratically-controlled enterprise. In this context, this study assesses multifaceted nature of women's social inclusion across three cooperatives in Baglung Municipality, Nepal. Using survey research design, data are collected from 100 women members involving in thee Cooperatives-Balewa Community Multipurpose (n=35), Nilgiri Saving & Credit (n=29), and Small Farmers Agriculture (n=36%). The findings reveal a membership profile of predominantly young and middle-aged married women (74%, mean age 32), who are primarily self-employed in agriculture (67%). However, their significant economic participation does not automatically translate to meaningful social inclusion. The study identifies a critical paradox. While intangible factors like having one's opinion valued ( $r = 0.548$ ) and regular meeting participation ( $r = 0.485$ ) are the strongest predictors of a woman's sense of inclusion, formal financial decision-making authority shows a surprising negative correlation ( $r = -0.417$ ). This suggests that women who attain powerful positions may face social backlash or isolation. Furthermore, a severe "leadership gap" exists, with 62 percent of women remaining general members and only 4 percent in manager roles, indicating that democratic principles are not fully realized.*

*The research concludes that conventional socio-economic indicators are insufficient to assess inclusion. Genuine empowerment requires a strategic shift in focus beyond numerical representation. The study recommends fostering an inclusive institutional culture through participatory meeting structures, targeted support for women leaders, and structural reforms like*

*equitable advancement pathways. These measures are essential for transforming cooperatives from mere financial entities into true vehicles for gender equality and social justice in Nepal.*

**Keywords:** Agriculture cooperative, Decision making, Social inclusion, Women member,

## **Introduction**

The global cooperative movement emerged as a structured response to the economic disparities and market failures inherent in capitalist systems, championing principles of self-help, democratic control, and economic democracy. This international model found fertile ground in Nepal, which possessed a long tradition of indigenous cooperative practices. Systems such as Parma (labor exchange), Guthi (religious and cultural trusts), and Dhukuti (rotating savings and credit associations) historically embodied the ethos of mutual aid and collective action long before the advent of formal cooperatives. The formal cooperative movement was institutionalized in 1956, but it was the Cooperative Act of 1992, enacted after the restoration of multi-party democracy, that established a liberal legal framework and triggered unprecedented growth in the sector. This growth was further solidified when the Constitution of 2015 recognized cooperatives as a key pillar of the national economy, alongside the public and private sectors. Today, the sector comprises approximately 30,000 registered cooperatives with over 7 million members, wielding substantial financial capital and providing significant employment. A notable feature of this landscape is the high rate of female participation, with women constituting 56percent of the total membership, suggesting a potential pathway for their economic empowerment.

Globally, cooperatives are defined as autonomous associations where members unite voluntarily to meet common economic and social needs through a jointly-owned, democratically-controlled enterprise. The core values of equity, democracy, and solidarity position them as vehicles for inclusive development. However, a significant disconnect exists between these international principles and the local realities of women's participation in contexts like Nepal. Despite women constituting 56percent of cooperative membership nationally, their meaningful inclusion in leadership, decision-making processes, and access to substantial economic benefits remains disproportionately low. The problem is characterized by several intersecting barriers, including superficial participation where women's involvement is often limited to using savings facilities rather than engaging in entrepreneurial activities. Furthermore, women experience unequal access to capital, with loans typically used for consumption rather than business expansion, and a

significant leadership gap persists where they are severely underrepresented in management and executive committees.

The cooperative sector in Baglung District, Gandaki Province, has expanded significantly since the democratic reforms of the 1990s, evolving from a few government-initiated agricultural cooperatives to over 2,000 institutions today, predominantly savings and credit cooperatives (District Cooperative Union, Baglung, 2023). This growth, fueled by urbanization and migration, has led to increased membership, particularly among women, aligning with national empowerment goals. A robust multi-level governance framework guides this sector. International instruments like ILO Recommendation 193 (2002) and CEDAW General Recommendation No. 34 (2016) provide a normative foundation for gender equality and cooperative development. Nationally, Nepal's Constitution (2015) establishes cooperatives as a pillar of the economy, with the Cooperative Act (2017) mandating at least 33 percent women's representation in management (Government of Nepal, 2015; Cooperative Act, 2074 B.S.).

Locally, the Baglung Municipality Cooperative Policy (2076 B.S.) aims to support cooperatives through registration facilitation, technical training, and financial assistance, with specific inclusion measures for women (Baglung Municipality, 2079). However, the implementation of these policies is hindered by critical challenges, including limited municipal resources, inconsistent enforcement of gender quotas, and poor inter-governmental coordination (Lamichhane, 2023; Badal, 2020). This gap between progressive policy and local practice forms the core problem, limiting the potential for cooperatives to be genuine vehicles for women's social and economic inclusion in Baglung. The manifestation of these global issues in the local context of Baglung Municipality reveals a critical research gap. While existing literature provides valuable insights at the national and regional levels, a pressing lack of focused research exists on the extent and nature of women's social inclusion within the cooperatives of Baglung.

The specific socio-economic and cultural dynamics of this municipality significantly mediate how cooperative principles are enacted and who benefits from them. Previous studies have not sufficiently investigated how local power structures, social norms, and cooperative governance models in Baglung either facilitate or hinder the transition of women from nominal membership to empowered participation. Therefore, this study is designed to fill this gap by conducting a localized investigation into the factors affecting women's social inclusion in Baglung's cooperatives. It will critically examine their economic positioning, role in decision-making, and

leadership, thereby generating context-specific evidence to inform more effective and equitable local policies and cooperative practices for the municipality.

### **Review of Foundational Works**

A substantial body of global research underscores the dual potential and limitations of cooperatives in advancing women's inclusion. International studies reveal that while cooperative membership can offer women pathways to economic independence, structural and cultural barriers often restrict their full participation and leadership. Research across multiple countries indicates that gender norms, unequal domestic burdens, and male-dominated cooperative cultures consistently limit women's benefits, even in financially successful women-centered institutions (Ferguson & Kepe, 2011; D'Espallier et al., 2017). Studies emphasize that deliberate gender-sensitive policies and gender-balanced governance structures are pivotal in transforming nominal membership into substantive empowerment, highlighting that the broader socio-cultural environment fundamentally shapes cooperative outcomes (ILO, 2015; Jones et al., 2012).

The South Asian context, sharing similar socio-cultural features with Nepal, provides more nuanced insights. Research from India and Bangladesh demonstrates a persistent gap between formal membership and substantive participation, where women are often enrolled as nominal members while decision-making and benefits are controlled by male relatives (Sultana & Ahmed, 2016; Dohmworth, 2014). These studies stress that overcoming strategic barriers like deeply ingrained gender norms and practical constraints such as inconvenient meeting times is essential for meaningful inclusion. Comparative analyses further suggest that a hybrid approach—beginning with women-only groups to build confidence and leadership before transitioning to mixed-gender cooperatives with strong gender safeguards—may be most effective for empowerment (Agrawal, 2018).

Within Nepal, empirical evidence presents a complex picture. Studies confirm that cooperatives significantly impact women's economic, socio-cultural, and political empowerment by improving access to financial services and enhancing social capital (Basnet, 2023; Parajuli, 2011). However, these benefits are unevenly distributed, disproportionately favoring women from privileged castes and higher educational backgrounds. A critical and recurring finding is the stark disparity between women's high membership rates and their severe underrepresentation in leadership positions (Simkhada, 2013). Recent localized research, such as Lamichhane's (2023) study in Pokhara, reveals further complexities, including the superficial nature of women's participation—often

driven by saving motives rather than entrepreneurial ambition—and the stark underrepresentation of marginalized groups like Dalit women. This collective evidence from Nepal consistently points to a significant implementation gap, where progressive policies fail to translate into practice, thereby limiting the transformative potential of cooperatives for the majority of women, a gap this study seeks to address in the specific context of Baglung Municipality.

**Objectives and Methodology**

This study used quantitative approach to assess women's social inclusion in agriculture cooperatives in Baglung Municipality. A cross-sectional survey design was employed, combining quantitative and qualitative data collection to analyze the current state and identify relationships between variables (Creswell & Plano Clark, 2017). The research was conducted in Baglung Municipality-13, selected for its high density of cooperatives and absence of prior localized studies. A sample of 100 women was drawn from three cooperatives—Balewa Community Multipurpose (n=35), Nilgiri Saving & Credit (n=29), and Small Farmers Agriculture (n=36)—using stratified random sampling to ensure proportional representation (Khanal, 2022). The sample included members from various leadership levels. Data was gathered through structured questionnaires. Secondary data was collected from cooperative records and government publications (Department of Cooperatives, 2077). Quantitative data were analyzed with descriptive and inferential statistics such as percentages, range, mean and correlation.

**Results: Socio-economic Characteristics**

Women members involving in cooperatives have distinct demographic, characterized by their youth and central role in the local economy. The majority are married and fall within their prime productive years, demonstrating a strong entrepreneurial spirit through high rates of self-employment. This engagement is primarily in the agrarian sector, which forms the backbone of the local economy. Despite this economic activity, the membership exhibits a broad spectrum of financial capacity, indicating that the cooperatives serve women from varying economic backgrounds, all united within a common institutional framework (Table 1).

Table 1: Characteristics of the Women members of Cooperatives

Socio-Economic Indicator	Key Finding	Quantitative Data
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<b>Marital Status</b>	The vast majority of women members are married.	74% Married, 19% Single, 4% Divorced, 3% Widowed.
<b>Age Profile</b>	Members are predominantly in their early to mid-adulthood.	Mean Age: 32 years Range: 18 to 57 years
<b>Educational Attainment</b>	Most members have a basic to moderate level of formal education.	45% Primary, 35% Secondary, 10% No Formal Education, 8% Higher Education.
<b>Employment Status</b>	A strong entrepreneurial orientation is evident.	67% Self-Employed, 20% Employed, 13% Unemployed.
<b>Primary Income Source</b>	The local economy is primarily agrarian.	57% Farming, 29% Business, 7% Remittance, 7% Wage Labor.
<b>Personal Income</b>	There is a significant disparity in individual earnings.	Range: NRs. 1,000 to 40,000
<b>Household Income</b>	Wide disparities exist in overall household economic resources.	Range: NRs.2, 000 to 94,000
<b>Savings</b>	Members exhibit varying capacities for financial accumulation.	Range: NRs. 5,100 to 210,000

(Data Collection)

The provided socio-economic profile reveals a cooperative membership composed predominantly of young and middle-aged married women who are actively engaged in the local economy, primarily through self-employment in agriculture. This suggests that cooperatives in Baglung are successfully reaching a key demographic of women in their prime productive years. However, the data also highlights critical challenges. The educational attainment is modest, with 80 percent of members having only a primary or secondary education, which may limit their capacity to engage in complex entrepreneurial activities or leadership roles. Most critically, the extreme disparities in personal income, household income, and savings indicate that cooperative membership spans a wide economic spectrum. This means that while cooperatives include some economically successful women, they also serve a significant number with very low incomes, underscoring the institution's role as a broad-based, but not universally equalizing, economic platform. The fact that

the primary income source for over half is farming further defines the agrarian character of these cooperatives and the specific economic vulnerabilities their members may face.

### Women's participation in decision-making

The analysis of decision-making reveals a critical paradox within the cooperatives. The significant number of women are formally excluded from financial decisions, with power heavily concentrated among a small leadership group, the relationship between authority and inclusion is unexpectedly negative (Table 2). This suggests that women who attain decision-making power may face social challenges that undermine their sense of belonging. Conversely, the most powerful drivers of social inclusion are not formal power, but rather intangible factors: active participation in meetings and, most importantly, the feeling that one's opinion is genuinely heard and valued by the group.

Table 2: Decision Making Role of the Women member

Decision-Making Aspect	Key Finding	Quantitative Data & Statistical Evidence
<b>Overall Financial Authority</b>	A significant portion of women are excluded from financial decisions.	52% of women report having no say in financial decisions.
<b>Influence by Position</b>	Decision-making power is highly concentrated among leaders, not general members.	71.2% of general members have no financial decision-making power, while board/committee members have more balanced influence.
<b>Relationship with Social Inclusion</b>	Greater financial authority is unexpectedly associated with lower feelings of social inclusion.	Pearson Correlation (r): -0.417 between financial decision-making and the Social Inclusion Index.
<b>Meeting Participation</b>	Active involvement in meetings is strongly linked to a sense of inclusion.	Pearson Correlation (r): 0.485 between meeting participation and the Social Inclusion Index.

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<b>Value of Opinion</b>	The most critical factor for inclusion is whether women feel their voice is heard and valued.	Pearson Correlation (r): 0.548 between "opinion value" and the Social Inclusion Index.
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(Data Collection)

This table reveals a critical paradox in women's participation within Baglung's cooperatives. While active participation in meetings and, most importantly, the feeling that one's opinion is valued are strongly correlated with a sense of inclusion, formal financial decision-making authority shows a surprising negative relationship. This suggests a significant disconnect between holding power and feeling included. The concentration of decision-making power among a small leadership group (with 71.2% of general members excluded) indicates that democratic principles are not fully realized. The negative correlation between financial authority and social inclusion is a crucial finding. It implies that women who break into these powerful roles may face isolation, heightened scrutiny, or social backlash, turning a position of power into a source of stress and alienation. This highlights that simply placing women in decision-making roles is insufficient without simultaneously fostering a supportive and inclusive organizational culture that values their contributions. Pasa et al. (2024) also argued that internal governance and social dynamics such as member satisfaction, inclusivity and participatory decision-making are key factor for achieving success of an agricultural cooperative.

**Women Involvement in cooperative management**

Women involvement in cooperatives results positive impact on social inclusion. However, there is the vast majority of women remain in general membership roles with limited pathways to formal management positions (Table 3). While access to capacity-building training is reasonably high, its positive impact on social inclusion is only moderate, suggesting that training alone is insufficient to overcome the barriers to leadership. Furthermore, the process of competing for leadership may itself be slightly detrimental to a woman's sense of inclusion, hinting at potential social friction or conflict within the cooperative structure.

Table 3: Women involvement in Cooperatives

Management Involvement Aspect	Key Finding	Quantitative Data & Statistical Evidence
<b>Representation in Leadership</b>	Women are severely underrepresented in formal leadership and management positions.	Sample composition: 7 Board Members, 27 Committee Members, 4 Managers, and 62 General Members.
<b>Access to Capacity Building</b>	Most members have access to training, though a significant minority does not.	70% of women have access to training programs.
<b>Impact of Training on Inclusion</b>	Access to training has a positive, but moderate, effect on social inclusion.	Pearson Correlation (r): 0.233 between access to training and the Social Inclusion Index.
<b>Impact of Training Type</b>	The type of training received is similarly correlated with inclusion.	Pearson Correlation (r): 0.221 between training type and the Social Inclusion Index.
<b>Leadership Contention</b>	Competition for leadership may have a slight negative social impact.	Pearson Correlation (r): -0.112 between contested leadership and the Social Inclusion Index.

(Data Collection)

This analysis of management involvement reveals a systemic bottleneck in women's empowerment within Baglung's cooperatives. The data confirms a severe "leadership gap," where the vast majority of women (62%) remain in general membership roles with limited pathways to executive positions like board member (7%) or manager (4%). Pasa et al. (2024) also reveal that, there is a large gender gap in leadership of Devasthan Agriculture Cooperative Located in Hemja Pokhara. While women make up half of the general members, only 0.70 percent of the board members are female. This stark underrepresentation persists despite a reasonably high access rate to capacity-building programs (70%). The positive, yet moderate, correlation between training access and social inclusion ( $r = 0.233$ ) suggests that while skill development is beneficial, it is not a sufficient

solution on its own to overcome the barriers to leadership. Training may equip women with necessary skills, but it does not automatically dismantle the structural and social obstacles that prevent them from ascending to management roles. Furthermore, the slight negative correlation between leadership contention and social inclusion ( $r = -0.112$ ) introduces a critical nuance. It indicates that the process of competing for the few available leadership positions may itself be socially divisive or create conflicts that undermine the cooperative spirit and sense of belonging among members. This finding suggests that fostering a supportive and collaborative environment is as important as creating leadership opportunities.

### **Discussions of Findings**

The findings from Baglung Municipality reveal a complex reality that both aligns with and challenges the existing body of literature on women in cooperatives. The data confirms a significant disconnect between the global cooperative principles of democratic control and equity and the on-the-ground experiences of women members, a gap consistently identified in international research (ILO, 2015; Ferguson & Kepe, 2011). The socio-economic profile of respondents—showing a majority of married, self-employed women with basic education engaged in farming—corroborates studies that position cooperatives as vital for women in agrarian economies. However, the wide disparities in income and savings highlight that cooperatives, while accessible, are not inherently equalizing in economic terms. This finding nuances the narrative of cooperatives as straightforward vehicles for poverty reduction, suggesting that benefits are unevenly distributed, a phenomenon noted by Basnet (2023) in the national context.

Critically, the data on decision-making and leadership exposes a profound implementation gap in Baglung, mirroring the challenges identified across South Asia (Sultana & Ahmed, 2016). The fact that 52 percent of women have no say in financial decisions and that 71.2 percent of general members are excluded from this power demonstrates that formal membership does not equate to substantive participation. This finding directly reflects Lamichhane's (2023) observation of "superficial participation" in Pokhara, where women join for savings and bonuses rather than for influence or enterprise. The severe underrepresentation in leadership positions, despite a constitutional mandate for 33 percent representation (Cooperative Act, 2074 B.S.), underscores the powerful role of local social norms and institutional barriers in subverting national policies, a key concern raised in the literature on policy implementation (Lamichhane, 2023).

The most striking finding—the negative correlation ( $r = -0.417$ ) between financial decision-making authority and social inclusion—adds a new layer of complexity to the global discourse. This suggests that women who break through barriers to attain decision-making power may face isolation, increased burden, or social backlash, a nuanced challenge not fully captured in earlier studies. This indicates that empowering women into leadership requires concurrent efforts to shift cooperative culture to support them, aligning with Jones et al.'s (2012) emphasis on the need for gender-sensitive governance structures.

Conversely, the strong positive correlations of social inclusion with "opinion value" ( $r = 0.548$ ) and meeting participation ( $r = 0.485$ ) reaffirm the foundational cooperative principle that democratic participation and respect are central to member well-being. This suggests that in Baglung, the relational aspects of cooperation—feeling heard and involved—are more critical to women's sense of inclusion than their socio-economic status or even formal authority. This supports Agrawal's (2018) proposition that building confidence and social capital is a crucial step in the empowerment process. The situation in Baglung Municipality presents a microcosm of the broader challenges faced by the global cooperative movement. It demonstrates that without deliberate strategies to address deep-seated gender norms and transform institutional cultures, cooperatives risk perpetuating the very inequalities they were designed to overcome. The findings affirm that closing the gap between progressive policy and meaningful practice requires context-specific interventions that go beyond numerical representation to foster genuinely inclusive and supportive environments for women.

### **Conclusion and policy implications**

This study concludes that the social inclusion of women in cooperatives is a multifaceted phenomenon that cannot be adequately assessed through conventional socio-economic indicators alone. The research reveals that while economic participation is a starting point, genuine inclusion is more strongly influenced by intangible factors such as whether a woman's opinion is valued, her consistent participation in meetings, and her access to capacity-building training. A particularly significant finding is the paradoxical situation of women leaders, as those holding financial decision-making authority often reported lower social inclusion scores. This indicates that simply appointing women to positions of power without addressing the underlying cultural and structural barriers can be ineffective and may even expose them to greater challenges and resistance, thereby hindering meaningful integration.

The policy implications stemming from these findings are substantial and call for a strategic shift in approach. For cooperative organizations and their supporting bodies, the focus must move beyond merely increasing female membership or leadership numbers towards cultivating an inclusive institutional culture. This involves actively structuring meetings to encourage participatory dialogue, implementing robust mentorship and support systems for women in leadership to help them navigate challenges, and redesigning training programs to build confidence, leadership, and networking skills alongside technical knowledge. Furthermore, proactive structural reforms are essential; this includes considering gender quotas for management committees and establishing clear, equitable pathways for advancement to ensure that opportunities for influence are genuinely accessible.

Finally, achieving authentic social inclusion requires a dual-focused strategy that simultaneously builds individual women's capabilities and dismantles the systemic obstacles that limit their full participation. By adopting these comprehensive measures, cooperatives can evolve beyond being mere financial entities into powerful vehicles for gender equality and social justice. This transformation is critical not only for empowering their female members but also for unlocking the collective potential of the entire cooperative, leading to more resilient and representative community institutions. The path forward demands a sustained commitment to understanding and addressing the complex, interrelated factors that shape women's experiences within these organizations.

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