



Collective action as a means to women empowerment; A case of women savings and credit cooperatives in Nepal.

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Abstract: The urgent need for inclusive development led the Government of Nepal to implement programs mitigating the issues concerning gender inequality by means of cooperatives in Nepal. Similarly, Women Cooperatives were initiated by the Government in rural and urban poor communities for self-governance and socio-economic empowerment. These cooperatives are regarded as a new means of economic growth and inclusive development in the country. In the Nepalese context, women cooperatives are well known for being more sustainable. The paper attempts to highlight women's collective nature as one of the important assets for cooperative sustainability and empowerment. The paper tackles two main questions; how does collective action ease women cooperatives in accessing credit and savings? How Institutional Analysis and Development framework help understand collective action among these women members of the cooperative? The study employs a qualitative method specifically Case Study design wherein Focus Group Discussion (FGD) and Key Informant Interview (KII) were undertaken. Additionally, document analysis from previous reports and case studies were conducted. The paper draws insights from Institutional Analysis and Development (IAD) framework to comprehend the collective action among these women members and the institutional arrangement. Collective action provides better operations and permeates economic independence. In the long run, cooperatives that encourage collective action will be more sustainable and empowering than other forms of cooperatives.

Keywords: collective action; common pool resource; Institutional analysis and development framework.

1. INTRODUCTION

Nepal is an agrarian country where female population exceeds male population and over 80 percent of women are engaged in agriculture (FAO, 2019). Despite this fact, the status of women is marginalized in rural and urban poor communities challenged by gender inequality. The country's upsetting Gross Domestic Product and Per Capita Income ranked 102 in the World has forced several men to migrate for laborious employment leaving half of the population dependent on remittance (World Bank, 2018). As a result, there are more females bearing the responsibility to fill the gap for males in rural and urban poor areas. Moreover, women empowerment became a priority in most of the Government activities that infused Sustainable Development Goals (SDG) initiating women

engagement and capacity building programs. These activities are carried out since the commencement of Gender and Development (GAD) programs backed by Cooperative Act of 1992. Empowering women enables inclusive development in the community capacitating women with socio-economic programs.

Aligned to these initiatives is the growing numbers of successful women savings and credit cooperatives in rural and urban poor areas of Nepal. The new Cooperative Act of 2017 is more supportive of women participation and relies on cooperatives to include the vulnerable in rural communities. Huis et al (2017) stresses women's empowerment as that of collective than individual ownership. One of the widely used definitions states "Women's empowerment as the process



through which women acquires the ability to make strategic life choices in a context where this ability was previously denied to them" (Kabeer, 1999).

These collective groups also adhere to cultural norms emphasizing collective growth. In the current situation, especially after the massive earthquake in 2015, women cooperatives in Nepal proved very effective carrying out its programs enabling women participation and entail financial activities like saving, taking loans, engagement in small businesses leading to economic empowerment of rural women. In addition, traditional women groups for financial assistance also known as "Dhukuti" were prevalent in rural Nepalese communities before cooperatives. NEFSCUN (2017) reports an estimate of 35,512 cooperatives in Nepal where 13,578 are savings and credit cooperatives with majority of women. Poudel and Pokharel (2017) discovered positive effect among women as they were able to collectively save and mobilize savings and credit to the members based on their need. The study derived an increase in women participation was directly related to increase in education level of children and nutrition level within the family members. Tiwari & Nepal (2017) derived that women share equal responsibilities in the cooperatives. Participation has a huge take on any part of program or activity. K.C (2012) claimed inclusion of women from low caste and indigenous groups after GAD intervention. This enabled women to make their own choices and decisions in their households; collectively working for the same purpose at a common platform.

ILO (2016) highlighted that savings and credit cooperatives has increased the number of women participants through delivery of capacity development programs and loan in low interest rates in East Africa, South Asia as well as South east Asian countries where women are one of the vulnerable among the total population. AWCF, (2007) documented five case stories on Vietnam, Thailand, Malaysia: Indonesia and the National Confederation of Cooperatives (NATCCO), Philippines navigating economic independence of women through cooperatives and micro enterprises along with a selective detour into women participation and decision making practices. AWCF and its member organizations had a breakthrough after introducing Transformative Leadership Adoption Assessment that provided the cooperatives an economic strategy and social equity.

Similarly, Bangladesh and India have been a role model in women empowerment through cooperative intervention. The Grameen Bank (2017) one of the microfinance pioneer stated an increase in participatory level of women at 97% directly related to their productivity level. Commonwealth Secretariat (2013) accounted women savings and credit cooperatives in India possessing unique features in service delivery of poor women implementing saving habits with a minimum amount of Rs.1 per month, self-governance, savings, pension, credits, non-financial and insurance in an integrated system, farmer's kiosk, mobilization of minimum savings, e-banking, and property transfer facility. Therefore, the literature portrays that participation induced by collective action has turned out to be fruitful. But no collective action is safe from free riders so, Ostrom's eight principles to govern the commons act as a good segway to comprehend collective action in the IAD framework.

IAD claims more on collective action with common goal to eradicate the common pool resource problem. Women Cooperative is a collective group that acts on common goal empowering women economically which also fits the disposition of IAD since it signifies sustainability in the system through the use of norms, rules, regulations, interactions among various actors and recognizing the action situation. NEFSCUN (2017) stressed that all the cooperatives in Nepal have their own rules and norms made by the members based on their needs. Mayo (2017) suggests greater diversity in co-operative and mutual institutions and practices, therefore showcasing more mutuality and cooperation to reach the goals and empower one another in the group.

This paper suggests that women savings and credit cooperatives employ collective action which is a significant means to empower women economically. The study emphasizes that collective action contributes to sustainable operation of cooperatives.

2. METHODOLOGY

The study utilizes Qualitative method specifically the Case Study approach in order to understand collective action and cooperative operations. Documentary analysis of secondary data; case studies and reports from Nepal Federation of Savings and Credit Cooperative Unions (NEFSCUN), the Department of Cooperatives and Lumanti-NGO known for



working with women cooperatives in Nepal were accounted. These actors were chosen as they directly contribute to the cooperatives. A set of FGD and four KIIs were conducted in Thecho Women Savings and Credit Cooperative, personnel of NEFSCUN and Lumanti. Thecho Women Saving and Credit Cooperative was chosen as it a role model based on Lumanti's working area representing marginalized women. Institutional Analysis and Development (IAD) framework is employed to understand the networking and collective action of the actors.

These three data sources are triangulated in order to arrive with the findings. The study is limited as only one cooperative was taken into consideration and the secondary data only pertains to few actors.

3. RESULTS AND DISCUSSION

3.1. Collective Action network

The cooperatives can be studied under IAD as it covers most of the elements that cooperatives possess. Ostrom (2000) work renders to governing the common pool resources without limitations in IAD's applicability to natural resources.

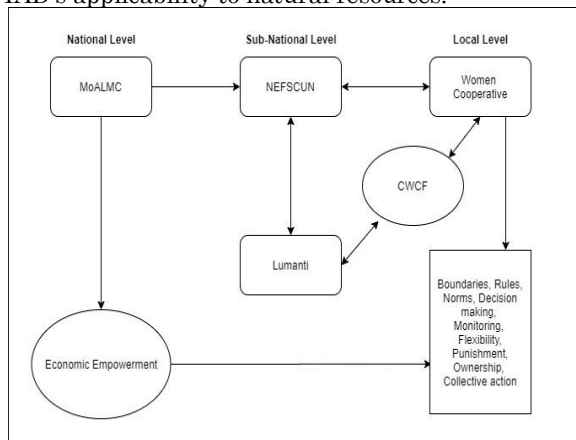


Fig. Networking of actors for economic empowerment

The diagram is based on IAD framework which pertains to networks and face to face interaction among the actors, the action situation for achieving the common goal, economic empowerment. The women cooperatives are taken as action situation with suitable biophysical environment. The women cooperative fit under Ostrom's eight principles where boundaries, rules, norms, decision making, monitoring, flexibility, punishment, ownership and as a whole aiding in collective action can be related.

Here, women members in Thecho Women Savings and Credit Cooperative all trust each other and influence others to participate. Lumanti observes many instances where women collectively voice out opinions, save money, take decisions and engage in economic activities. Ostrom denotes few players among them the willing cooperators are the best type of players. These women members present in women cooperatives demonstrated their interest and willingness in collective action.

On the operational/local level the cooperative is the main actor whereas, Nepal Federation of Savings and Credit Cooperative Union Ltd. (NEFSCUN), Community Women's Cooperative Forum (CWCF) and NGO like Lumanti work simultaneously and arrange meetings regarding cooperative activities and issues on the sub national level. Ministry of Agriculture, Land Management and Cooperatives (MoALMC) works on the national level coordinating with other actors. NEFSCUN is one of the members of Savings and Credit Cooperative Societies (SACCOS) established in 1988 to support the savings and credit cooperative movement. NEFSCUN facilitates programs to encourage women participation, leadership development, microfinance promotion, partnership, monitoring and evaluation, quality assurance, digitization and business development services. Meanwhile, CWCF is responsible for cooperative loan transactions, cooperative formations, socio-economic empowerment of women through training provision and follow-up on monitoring cooperative activities. Cooperatives are accountable to submit annual report to MoALMC and Central Bank of Nepal. Thus, there is close connection between the sub national and local level actors where face to face interaction takes place; it acts as an important aspect as Ostrom highly supports the local community's ability to self-govern and related institutions to aid in governance. Collective action is prevalent among all the actors for the same goal of economic empowerment especially among vulnerable women members of the cooperative.

3.2. The eight principles of governing the commons

Ostrom's eight design principles of managing the commons comply with women cooperative also observed by Thecho women savings and credit cooperative. The first design; user boundaries is prevalent in women cooperatives as members have



the right to take soft loans and save anytime, they want. The second, resource boundaries where the women members make their own rules conforming to the local situation for example: timely manner of payment of loans, restrictions on accruing double loans. The third, participation in modifying rules observed in women cooperatives as members can be flexible on rules and changing them depending on their will. This is evident in women cooperatives for example, in order to reduce the male member's influence on incurring loans, 2-3 female members act as guarantors. Fourth, appropriation and provision; the Department of cooperatives, NEFSCUN, CWCF and NGOs respect and let the women members follow their rules and guidelines. And these actors also guide cooperatives in forming rules if they have trouble forming new rules based on their need.

Fifth, develop a monitoring system for the members of the community. The women members all act responsible and trust each other as they reside in the same community. Magno (2007) suggests that communities can effectively foster and utilize the incentives deployed to regulate trust, solidarity, reciprocity, respect, vengeance, retribution and personal pride. Sixth, use graduated sanctions for rule violators; there are penalties for violators in cooperatives. Even the Cooperative Act 2017 mentions punishing the violators of norms, rules, regulations shared within cooperatives. Seventh, provide cost effective means for dispute resolution; women cooperatives resolve disputes by conducting cooperative meetings, team building activities; NGO and NEFSCUN pay monitoring and evaluation visits which can assist in generating solutions. Annual general meeting is held every year as a platform for various cooperatives nationally to resolve and voice out opinions. Eighth, governance activities in nested tiers which is also complied by the cooperatives as the actors like government, NGO, NEFSCUN assist in governing cooperatives.

3.3. Towards a better future through collective action

Lumanti (2017) accounts to 32,482 women members in 29 women cooperatives. Thecho Women Savings and Credit Cooperative have 2,547 women members. The number of women participations on cooperatives plummeted especially after the earthquake in 2015.

Measure	N	Percentage (%)
Min. age: 25 Max. age: 57 Mean age: 37.2		
Sex		
Male	1	6.66
Female	14	93.33
Total	15	100
Marital status		
Married	13	86.66
Single	2	13.33
Total	15	100
Age Group		
25-35	4	26.66
45-55	9	60
55-65	2	13.33
Total	15	100

Table. Descriptive statistics of demographic of participants.

A total of 15 participants were engaged in one FGD and four semi structured KIIs. Among them eleven women members participated in FGD and four participated in KII. Annual reports and case studies were also collected. Triangulation technique is utilized in order to validate the data. The common results found were increased participation of women members in cooperatives, increased income level, collective engagement in any economic activity and most importantly saving collectively. Other Key results found in KIIs were change in behavior; a platform for women to voice out opinions, decision making and work collectively. Based on the interviewees' observation women cooperatives are more transparent and accountable. As shown in the IAD framework, the Government authorities, Lumanti and NEFSCUN work simultaneously in order to aid cooperatives. Trainings and Monitoring and evaluation (M&E) teams are deployed for their services. Other findings include women's engagement in various businesses from pickles, organic farming to furniture enterprises showing diversity in their activities, active participation in cooperative meetings, women members monitor each other and work in collective groups. Women cooperatives are interlinked with other cooperatives sharing best



practices and lessons learnt. Joint monitoring and reporting are also conducted. As observed by the interviewees the confidence level of women increased over the years; they were able to organize meetings and improve in public speaking.

Pertaining to FGD conducted among the women members of Thecho Women Savings and Credit Cooperative the key findings include; Women members act collectively and participate in all the cooperative activities, women members are free to self-govern the cooperative; they make their own rules and guidelines for the cooperative, women are able to gain profit from their agricultural produce or enterprises and share their benefit. Furthermore, they contribute to their own household expenses and these women members gained trust of the community and influenced others to save and establish small businesses. The community or Barangay trusts them in organizing community activities like cleaning, education and hygiene related awareness programs and workshops. In addition, male members in the community and the husband of women members were supportive enabling an environment for women to participate for example, taking care of children and helping with household chores.

Hence, these key findings suggest that women were able to self-govern cooperatives as they imposed their own rules, boundaries, regulations and monitored each other. Women members were better in saving and investing in small businesses as observed by the members of the cooperative and the interviewees. These qualities helped them take loans easily and women members opt for loan collectively to start small businesses entrusting one another from the same village. One interesting fact is that these women like to stay in groups and collectively participate in any activities. The eight principles of Ostrom applies in women cooperatives as most of them possess these qualities and are willing to cooperate to reach the common goal of economic empowerment. The IAD framework applies to cooperative and shows its various networks that aids in collective action not only within cooperative but also among other actors

which collectively work for the same goal. Some annual reports and case studies were also collected to validate the claims. Annual reports presented increased level of participation and income level in most of the households. Lumanti (2017) claimed several case studies on women members show success stories on small businesses, skilled gained through trainings and workshops through cooperatives. Some women members also became role models and others followed. Furthermore, cooperative made a huge impact in rural areas reconstructing shelter and reviving livelihood of poor families post-earthquake. Recommendations from KII and the documents cater to reforms in policies and recognition of cooperative as one of the important financial institution. MoALMC (2018) report states that the monitoring and evaluation are inadequate in cooperatives and low participatory planning due to lack of information.

The cooperative Act 2017 emancipates a systematic monitoring and evaluation besides the use of capital and technology for better results in cooperatives. The Act also provides well drafted roles, registration and directives on cooperatives and the board members and meetings. The Central bank of Nepal is responsible for the influx of funds in these cooperatives, inspection and auditing. Though many thoughtful policies are in use, the Government of Nepal is unable to maintain monitoring and evaluation of the cooperatives. One of the many reasons of short-term operations of cooperatives are inadequate policies and lack of monitoring and evaluation.

On the contrary, KII, FGD case studies and annual reports accumulated observed that the cooperatives had transparent process in decision making through accountable practices like annual general meeting and public hearings for the budget allocation and expenditure besides a platform to share grass root level information. Monitoring is based on the cooperatives via women members and Monitoring officers from NGOs and NEFSCUN, but a proper system instigated by the Government in the policies will encourage Monitoring and evaluation that results in continuity in collective action leading to sustainability of cooperatives. PROBATION and ACCESS are important



programs initiated by NEFSCUN along with other NGOs for quality assurance and monitoring all the cooperatives. These two applications displayed best practices that can be adopted in other regions of Nepal.

4. CONCLUSION

Cooperative as a collective group induces collective action empowering marginalized groups economically. Furthermore, the women co-operative exhibits women empowerment promoting collective decision-making, self-governance and engaging in socio-economic activities. For future implications monitoring and evaluation needs to be tightened by the Government and NEFSCUN as collective action from these agencies manifest better system and function of the cooperatives. Based on the study, MoALMC should work simultaneously with the Central Bank and other line agencies to provide definitive vision and roles of different cooperatives. A separate policy should be devised for digitization of data for cooperatives and enhance marketing. These steps will help in sustaining and increase effectiveness among these cooperatives.

All the actors (NGO-Lumanti, CWCW NEFSCUN, Government and Cooperative) fit in IAD framework as most of the criteria of IAD applies in the cooperative and *vice-versa*. Hence, women are economically empowered as a collective group by venturing partnership with other actors creating a platform to voice their opinions, make decisions, equality, ability to save and involve in various economic and social activities in the community. The study has showcased the importance of collective action for sustainability of these cooperatives. These women cooperative as an institute has been an essential model of self-governance in a patriarchal community with active interaction among other actors.

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