

Human Values in Action

Contribution of Women's Cooperatives in Economic and Social Transformation of the Poor in Nepal

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Since its establishment, SAHAMATI has been playing a proactive role to facilitate a human values-oriented and environment friendly socio-economic development at the community level. In recognition of the crucial contribution of integrating cultural and human values in positive and sustained development of the community, SAHAMATI practices and promotes universal human values of truth, right conduct, love, peace and non-violence and typical Nepalese social-cultural values like neighborhood, brotherhood and humanity. The current trends of modernization and neo-liberal development practices tend to have limited sensitivity towards promoting social norms, ethical behavior and human values despite tremendous advancements made in technology and some economic indicators. Human society continues to suffer from intolerance, violence, mental stress, pollution, substance abuse, corruption and natural disorder of an unprecedented scale. This trend needs to be corrected before it is too late with a development approach that leads to economic growth together with equity, inclusion, peace, harmony and natural balance. It is thus imperative that individuals and institutions need to think and act more responsibly for promoting and preserving human values so that people can live in harmony among themselves and

with nature, ensuring a life of peace and happiness for present and future generations. SAHAMATI is dedicated to practicing and promoting human values internally and in the community through its projects and programs.

One of the major working areas of SAHAMATI is promoting group based cooperative model in the hilly regions of Nepal. This model has been widely acknowledged by its stakeholders for its positive impact in the lives and values of people and communities.

This study report has taken cases from Makawanpur, Sindhuli, Maygdi, Baglung and Nawalparasi districts and analyzed how human values are integrated in the projects to ensure sustained and equitable socio-economic transformation. SAHAMATI would like to acknowledge Dr. Harihar Acharya, an independent development professional and a reputed scholar on self-help and human values, for his tireless efforts to complete this study.

We would like to thank Plan Nepal for its continuous support and inspiration for the projects in Makawanpur, Sindhuli, Myagdi and Baglung districts. The rural women, who are the main actors of this transformation process deserve special appreciation for their exemplary work. The dedication of SAHAMATI project teams and the support extended by government agencies, NGOs and media people from these districts have been exemplary and appreciable.

Ratna Prasad Sapkota

President

SAHAMATI

List of Abbreviations

ADB	Asian Development Bank
CDO	Chief District Officer
DADO	District Agriculture Development Office
DDC	District Development Committee
DFSC	District Forest Coordination Committee
DHO	District Health Office
DoLIDAR	Department of Local Infrastructure Development and Agriculture Roads
DSCU	District Savings and Credit Cooperative Union
FSS	Financial Self-Sufficiency
GIZ	German Development Cooperation
GPP	Girl Power Project
ICA	International Cooperative Alliance
IT	Information Technology
JTA	Junior Technical Assistant
LDO	Local Development Officer
NEFSCUN	Nepal Federation of Savings and Credit Cooperative Unions
MFI	Micro Finance Institution
NGO	Non-Government Organization
NLSS	National Living Standards Survey
NRB	Nepal Rastra Bank
NRs	Nepali Rupees
OSS	Operational Self-Sufficiency
RBB	Rastriya Banijya Bank
RMDC	Rural Micro-finance Development Center
RSRF	Rural Self Reliance Fund
RWSC	Rural Women's Service Center
SHG	Self-Help Group
SLC	School Leaving Certificate
SRG	Self-Reliant Group
SRGC	Promotion of Self-Reliance Groups and Cooperatives
WDO	Women's Development Office
YWO	Young Women's Organization

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Abstract

This study examines the efficacy of a women-led and human values oriented poverty alleviation model in Nepal implemented by women's cooperatives that are facilitated by SAHAMATI, a national social development organization renowned for practicing what it advocates for. As a complex issue characterized by the interaction of gender, class, caste, ethnicity, region, age, and family relationship; poverty and deprivation are addressed through women's empowerment, institutional development, livelihood promotion, and integration of human values in personal lives, programs, procedures, and outcomes.

The study highlights a number of innovations that break the intrinsic and institutional barriers to participation of the poor in their own social and economic empowerment. These innovations relate to resource pooling among the poor through their own membership based self-reliant groups and cooperatives, the transfer of resources from the less poor to the more poor, member to member capability building within the organization, expansion of membership to address ethnic diversity and intra-household deprivation, and local institutionalization of priorities and schemes targeted to benefit the poor. The institutional innovations are coupled with measures to uplift the economic status and social standing of the poor. The poor commonly build their on-farm and off-farm

enterprise choices on their existing skills and resources while quality improvement, up-scaling and diversification evolve as they gain more experience, exposure and skills. Income improvements are accompanied by social changes marked by decline in the practice of gambling, alcoholism, child marriage, domestic violence, and caste-based discrimination. The self-reliant groups serve as primary forums where the poor are engaged in collecting savings, channeling credit, and monitoring investment and recollection. Women exercise and develop their leadership capability, human values, personality, networking and social engagement from a young age through participation in young women's organizations, self-reliant groups and women's cooperatives. Indications of transformation in individual behavior, family relationships, social action and environmental concerns are evident and are facilitated by training, counseling and support from a dedicated program team and stakeholders.

Through an analysis of empirical field data, individual case studies, key informants and focus group discussions, the study concludes that it is possible to reach the poor on a large scale, bring about meaningful economic and social transformation in their lives, and enhance the likelihood that the achievements are sustained, adapted and improved in the future. What makes all this possible is a women-led development approach that inspires both women and men to participate in their transformation process through specific action by invoking the broader human values of equality, social justice, and non-discrimination in the face of all physical, social, cultural and natural diversity existing in society. This model is likely to serve as the foundation on which both broader and specific development programs may be built in Nepal and other developing countries

with a considerable level of assurance for success and sustainability.

Key words: *Women's cooperatives, self-reliant groups, poverty alleviation, human values, intersectionality, empowerment, inclusion, livelihood, institutional development, social development organization, women-led development, social change, economic transformation, young women's organization.*

1. Introduction

The wide-spread existence of poverty in Nepal has remained a major concern for the government, the NGOs and international community involved in development cooperation. Undoubtedly, poverty is a vice to humanity which contains both the cause and the effect of declining human values. The main human values include broader unity and equality in diversity, action of unselfish service and justice, stability and peace of mind, unconditional love, and non-violence to other people, other beings, and nature. Evidently, human longing for lasting peace and happiness can't be attained at individual or higher levels so long as poverty, social discrimination/oppression and deterioration of human values continue in society.

Nepal served as a fertile ground for the implementation of many different approaches to poverty alleviation ranging from liberal market approaches to highly focused interventions. The third Nepal Living Standards Survey (NLSS III, 2010-2011), attests that the population living below poverty line (estimated at NRs. 19,261 per capita annually) declined from 45% in 1995/96 to 25% in 2010/11, which itself is quite high nonetheless. On top of that, the Dalit¹ have higher poverty rates (42%)

¹ The Dalit (literally, "the suppressed") used to be at the bottom of the traditional caste hierarchy that legally prevailed in Nepal until 1962. They were considered untouchables in the past. Though untouchability is punishable by law in contemporary Nepal and is ever declining, it is still in practice to some extent. In the hills of Nepal, the Dalit largely consist of the occupational or service castes like the blacksmith and goldsmith, tailors and musicians, singers and dancers, and the cobblers. There are additional occupational Dalit castes within the Newar community as well as in the plains lands (Terai) of Nepal. Traditionally, hierarchy, discrimination and untouchability prevailed between groups even within the Dalit community.

than other social groups (23%) while the poverty rate is lowest among the Newar (10.25%) who are classified as a Janajati². In addition, there is a wide range of variation on poverty rate within each ethnic community. Poverty and deprivation are interrelated as exemplified by the intersection of gender, class, ethnicity, caste and region. Other personal or family attributes of age, education, marital status, fertility status and relationship within family also make some women more vulnerable to poverty and deprivation than others.³

The constitution of Nepal, 2015 as well as sectoral policies of the government guarantee certain reservations for women in positions of power and employment. Despite certain positive outcomes brought about by the binary gender considerations, Nepal still faces some complex challenges in the drive to eliminate discrimination. First, there exist multiple oppressions that are enacted and experienced intersectionally in the Nepalese rural society, and are internalized even by the oppressed people themselves as well as by the change agents. And second, the scope of broadening the support base by engaging large sections of men and common women in the drive to promoting equality, justice and non-discrimination is yet to be realized. This study is a modest attempt to fill this

² In Nepal, the law defines Janajati as a tribe or community having its own mother tongue and traditional rites and customs, distinct cultural identity, distinct social structure and written or unwritten history. The list of Janajati includes ethnic groups such as Magar, Tamang, Rai, Limbu, Tharu, Gurung, Sherpa, Thakali, Chepang and Newar among others. Janajati are a heterogeneous group in terms of affluence, power and privileges. The Newar and Thakali are on the top of this hierarchy while the Raute, Kusunda, Lepcha, Hayu, Surel and Chepang are at the bottom.

³ For example, a rural Dalit daughter-in-law who is old, poor, childless, widow and uneducated is in the most destitute position in the family and the society.

lacuna by introducing a women-led, intersectional, human values based and rural-urban linkage oriented development model for poverty reduction in Nepal that mobilizes both women and men as partners rather than opponents in the mission of economic and social transformation.

In Nepal, different types of non-governmental organizations (NGOs) are working in significant numbers side by side the government in the poverty reduction mission. The NGOs continue to face common challenges of reaching the very poor in a large scale, improving their economic status significantly, instituting meaningful reforms in the poor's spending behavior, family relationships and social standing, and sustaining the achievements after the termination of external support. In spite of such challenges, some local organizations including women's cooperatives, young women's organizations and professional support agencies outside of the government's structure have made significant contribution to the national drive of poverty reduction by addressing the intersectionality of poverty and deprivation, and inculcating human values in all their operations. Especially prominent are contributions of SAHAMATI, a social development organization from Gaidakot, that has a treasure of practical experiences and expertise in promoting and strengthening women's savings and credit cooperatives based on self-reliant groups.⁴ Five

⁴ According to the International Cooperative Alliance, a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Indigenous cooperative action has long historical roots in Nepal dating back to pre-unification era (18th century) that still continues to some extent in the management of rotating credit, communal forests, common pastures, collective irrigation and drinking water, labor exchange, trusts, clubs and other social networks. Formal cooperatives with state recognition gradually evolved since the early 1950s though their development into

program districts of SAHAMATI including Nawalparasi, Makawanpur, Sindhuli, Myagdi and Banglung provide the reference points for this study. The program in Nawalparasi is implemented in partnership with OXFAM - Hongkong while in the remaining four districts SAHAMATI has worked with Plan Nepal. SAHAMATI's support phased out in Makawanpur in 2009 while it is continuing for nearly 5 years in Sindhuli, 4 years in Banglung, and less than 3 years in Myagdi.

2. Objectives of the Study

In broad terms, the study deals with an alternative development model led by women particularly focusing on the intersection of poverty reduction and empowerment through cooperative action in a society dominated by traditional male bias and privileges. In particular, this study focuses on non-governmental initiatives of women's cooperatives, young women's organizations and SAHAMATI, and attempts to answer four key questions confronting contemporary development practitioners while working on poverty reduction programs:

- How is it possible to reach the poor in a large scale through development programs?
- If the poor can be reached, is it possible to improve their economic status meaningfully?
- Provided that their economic status is improved, is it

member controlled and democratic institutions is relatively recent. Both the interim constitution of Nepal of 2007 and the new constitution of Nepal of 2015 explicitly adopted the cooperatives as one of the three pillars of national economy together with the public and the private sectors. The Cooperative Act of 1992 and the Cooperative Rules of 1993 with subsequent amendments provide the legal foundation for the establishment and management of cooperatives in Nepal.

possible to bring about significant transformation in social relationships and revival of universal human values of honesty, good conduct/ habits, compassion, peace and non-violence that guide individual personality and relationships in family, organization, society and nature?

- How can the likelihood of continuing the process of economic and social improvements be ascertained?

3. Background

The impetus for conducting this study came up after the author was invited by SAHAMATTI to conduct a series of training sessions on human values to participants from multiple backgrounds and roles. In late 2013, the author got the opportunity to conduct a quick study of SAHAMATTI's Samunnati program for women's empowerment and poverty reduction in the hills and the plain lands of Nawalparasi district and parts of Kapilvastu district. The study highlighted very encouraging outcomes. The key lessons were the following:

- Women's cooperatives based on self-help groups can mobilize and manage significant amounts of human and financial resources for both economic and social advancement of the members, notably the poor.
- Women's cooperatives and self-help groups would need a combination of institutional and livelihood related support from a qualified organization for a certain period in order to develop the cooperative's capability for self-sustainability. The length of external support progressively declines as the support organization, cooperatives and self-help groups gain experience and inter-learn from each other.

The cooperative leaders from both Nawalparasi and Kapilvastu referred to a couple of women-led cooperatives from Makawanpur, that were supported by SAHAMATI for 6 years in the past, as their inspiration and role model of the most successful and sustainable cooperatives in Nepal. The author was curious to learn more about the women's cooperatives from Makawanpur and meet the cooperative leaders there.

In June 2014, SAHAMATI invited this author to Myagdi district to facilitate a training to the leaders of 20 young women's organizations (YWO) focusing on enhancing human values for the development of their personality and leadership capability. The idea was that local organizations and leaders from a young age would need to be made aware about the significance of human values so that together with economic and social advancement they would develop into honest, peaceful and compassionate human beings who care for the weak, take social responsibility and be friendly to nature and physical environment. Subsequently, in order to sensitize and prepare the staff and stakeholders in their supportive roles, SAHAMATI invited this author to facilitate training on human values separately for the program staff in Myagdi (November 2014) and for the leaders, managers and staff from SAHAMATI Headquarters at Gaindakot in Nawalparasi (January 2015). Similar training on human values were conducted for the secretaries (Government employees) from 27 VDCs in Myagdi (April 2015) and for the young women leaders from Sindhuli (April 2015).

It was during one of these trainings in Myagdi in November 2014 that the author managed to interview some cooperative leaders and members as well as some of the young women leaders who had received training on human

values some six months ago in Myagdi. These interactions gave strong indications that explicit introduction of human values at the program level through a modest level of training and follow up support, can make a transformative effect on human personality, institutional development, livelihood outcomes, and socio-economic transformation.

It is in this background that the idea of spending more time on conducting this study and sharing the findings with the development community in Nepal emerged. In the course of this study, the author had the opportunity to visit Makawanpur, Sindhuli and Myagdi districts and interact with the exemplary women and young women's leaders there.

4. Methodology

The study utilized a combination of methods to explore answers to the 4 questions under investigation. The study tried to make the best use of the data base maintained by the SAHAMATI field office complemented by field verification, group discussion and case studies. The methodology was a mix of the following:

- Primary and secondary sources (documents and reports) of information.
- Outcome oriented consultative and iterative process in field office and SAHAMATI headquarters (August 2014 to July 2015). Compilation and analysis of information was done at three levels (field, office, and resource person).
- Rounds of field-based focus group discussions, and interaction with stakeholders and target participants. The frameworks for economic and social wellbeing were developed together with cooperatives and self reliance

groups to promote local ownership of study methods.

- Case study of exemplary activities and events.
- Progressively narrowing down the scope of the study and the presentation style (Spiral or Funnel Type of Presentation). Presentation starts with broader national scenario and gradually narrows down to district cluster, specific program district, village, cooperative, group organization and individuals.

Table 1 presents a summary of the methodology applied.

Table -1: List of Study Questions, Data Needs, Data Sources and Methods.

Study Questions	Data Needs	Data Sources	Methods
1. Are the poor being reached to a large scale?	Economic status of people reached. Number and types of people covered by the program.	Program database SRGs and Coops	Analysis of existing data. Supplementing data through focus group discussions and case studies.
2. Has the poor's economic status improved meaningfully?	Ranking of economic wellbeing currently and prior to the program. Number of people involved in commercial vegetable farming and income from it Number of people involved in microenterprises and income from it.	Program database Cooperatives SRGs Individuals	Analysis of existing data Ranking of economic wellbeing in all SRGs at least in one VDC . Convenient sample of a total of 50 commercial farmers from at least 2 VDCs about income from commercial vegetable farming. Convenient sample of a total of 15 off-farm entrepreneurs about the trend of their investment, income and net profit. Focus group discussion Case study.

3. Have there been significant positive changes in personal behavior and social relationships?	Status of identified social indicators currently and prior to the program.	Program database Cooperatives SRGs Individuals	Analysis of existing data Social wellbeing ranking in all SRGs at least in one VDC based on indicators developed together with participants. Focus group discussion Case study.
4. How likely are the economic and social improvements to be sustainable?	Program approaches to participation and inclusion program orientation to staff, stakeholders and participants Economic status of cooperatives Access to inter-lending and external funds Networking	Program database Cooperatives SRGs Individuals	Analysis of existing data. Analysis of OSS and FSS of cooperatives in one program district.

5. Reaching the Poor

The first of the four questions that this study attempts to answer is whether or not the poor have actually been reached, and if so, how large is the extent of this reach? The partnership programs implemented by SAHAMATI adopted a number of specific methods and procedures to reach the poor.

5.1 VDC Selection

The programs selected VDCs where the existence of the poor people was pronounced. Consultations with the DDC that had prioritized VDCs according to poverty pocket areas, Dalit and Janajati settlements and remoteness served as the basis for VDC selection. For example, in

the case of Myagdi, the number of VDCs selected in this manner were 27 (20 VDCs for Girl Power Project or GPP and 7 VDCs for Promotion of Self-Reliance Groups and Cooperatives or SRGC).

5.2 Aiming for 100% Household Coverage by Cooperatives

The partnership programs under review aim to cover all 100% households from the VDC in women's cooperatives so that the poor and the vulnerable will not be excluded from the benefits under any excuses. The idea of aiming for 100% coverage started from Sindhuli and is adopted by newer working districts of Myagdi and Banglung. Makawanpur cooperatives picked up the idea from Sindhuli afterwards, even though cooperatives were established much earlier in Makawanpur. The cooperatives in Makawanpur have been able to bring all households into their membership fold, while in Sindhuli it is rapidly approaching the goal. In Myagdi where the program began only in 2012, all households have been covered by the cooperatives in 10 VDCs (of 27 VDCs) by June 2015 (Table 2) and the household coverage in other VDCs is expanding speedily.

Table- 2: Proportion of Household Coverage in 27 VDCs of Myagdi, June 2015

Percent Households Covered	Number of VDCs	Percent of VDCs	Total Households Covered
100	10	37	4,084
90-99	0	0	0
80-89	1	4	597
70-79	2	7	698

60-69	6	22	2,826
50-59	5	19	2,541
40-49	3	11	1,187
TOTAL	27	100	11,933 (68% of Total)

5.3 Ethnic Composition of Household Coverage

The household coverage tends to grow continually as more people become aware and observe the benefits of joining the cooperatives. Even in Myagdi, where the program is relatively recent, about 12 thousand households had joined the cooperatives in the 27 program VDCs by June 2015. In less than three years, the overall coverage of households in the program VDCs of Myagdi has reached 68% and it is continually growing (Table 3).

The proportion of the coverage is significant for all ethnic groups including the Dalit who traditionally remained at the bottom, both economically and socially. The current status of coverage of households is 56% for the Dalit, 78% for the Janajati and 66% for others (Table 3). The aim is to reach 100% of all ethnic groups.

Table 3: Household Coverage in Myagdi by Ethnicity, 27 VDCs, June 2015

Ethnic Groups	Total Number of Households in 27 VDCs	Number of Households Covered	% of Households Covered
Dalit	5,206	2,928	56%
Janajati	7,196	5,592	78%
Others	5,211	3,413	66%
TOTAL	17,613	11,933	68%

5.4 Expansion of Cooperative Service Recipients

SAHAMATI's example attests that cooperatives can reach and serve significant number of their members in multiple ways through their savings, credit, commercial agriculture, enterprises, and education schemes. In the program districts, most cooperatives facilitate to provide cooperative education and agricultural technological services to the members. Their two most prominent financial services are acceptance of savings of different types and extension of loans for various purposes. Cooperatives in all the SAHAMATI program districts require that all members do regular savings. This is to mean that the savings services are enjoyed by 100% members. The data for five districts shows that SAHAMATI had supported a total of 112 cooperatives consisting of nearly 83 thousand members with a share capital of NRs. 162 million and total savings of NRs. 683 million. Their total outstanding loan was NRs. 851 million. Almost all borrowers returned their loans as scheduled. The proportion of overdue loan was merely 2% in the average (Table 4).

Table-4: Financial Status of Cooperatives Supported by SAHAMATI in 5 Districts, April 2015

District	Number of Co-operatives	Share Members	Share Capital (Million NRs.)	Savings (Million NRs.)	Outstanding Loan (Million NRs.)	Loan Overdue (%)
Myagdi	27	13,167	31.3	68.9	100.3	2%
Banglung	11	6,423	9.0	24.8	35.8	2%
Nawalparasi	26	18,000	9.8	20.0	38.0	3%
Sindhuli	20	19,804	26.7	76.4	124.2	2.5%
Makawanpur	28	25,225	85.2	493.2	553.0	2.7%
TOTAL	112	82,619	162.0	683.3	851.3	2%

Loans are accessed by the needy members while the loanable amount varies by cooperatives and largely depends on the funds available with them (e.g., share capital, savings, borrowings). Nearly one third of the Dalit, half of the Janajati and 40% of others have accessed loans from the cooperatives in Myagdi. About 5 percent of the members with physical disability had also taken loans from the cooperatives. The proportion of the borrowers is ever increasing as people become more confident to make investments. The maximum amounts of loan that the cooperatives grant are modest in the first few years and gradually increase as share capital grows, savings accumulate, repayments are received, inter-lending is available and concessional loans are accessed from the NRB or other sources. In Myagdi alone, the amount of outstanding loan was about NRs. 100 million by June 2015 (Table 5).

Table-5: Membership in Cooperatives and Loan Services, 27 VDCs in Myagdi, June 2015

Ethnicity	Individual Cooperative Members	Loan Takers	% of Loan takers	Outstanding Loan in '000 NRs.
Dalit	3472	1063	31	20,000
Janajati	6108	2811	46	47,700
Others	3662	1553	42	32,600
TOTAL	13,242	5,427	41	100,300
People with Disability	667	33	5	551

5.5 Giving Priority to the Poor in Women's Cooperative Services

In the early years of establishment, cooperatives generally don't have enough funds to meet all loan

demands at the same time or provide the demanded amount in full. As a principle, the women's cooperatives give first priority to the economically poor and the most needy members as per the recommendation of their Self-Reliant Group (SRG). Only after meeting the demands of the poor do they consider the loan applications of the less poor. Cooperative members are organized into settlement based SRGs. The SRGs prioritize the poorest people (based on participatory wellbeing ranking) for lending and other services. The SRGs review their wellbeing ranking periodically and revise their priorities accordingly.

The amounts of loan granted by the cooperatives are modest for the first few years as their savings fund tends to be small and they are not yet eligible to receive concessional loans from NRB and other sources. These relatively smaller amounts are found useful by the poor while the ones who are relatively better off find these amounts still not quite attractive for their investment. This would mean that they would willingly wait until a later date to access larger sums of loan when savings accumulate and additional funds from concessional loans or inter-lending are available. In this manner, cooperatives have effectively redistributed the savings of the rich as investment capital for the poor.

5.6 Special Programs to Reach the Poor

Women's Cooperatives have adopted three additional approaches to bring their services to the reach of the poor. First, to ensure that the poor are not sidelined in the cooperatives' drive to strengthen themselves financially, they have allowed the members to save according to their capacity rather than a fixed amount for all. For example, in Makawanpur, the Mahila Jagriti cooperative located in

Bhimphedi discussed options about meeting both objectives at the same time: including the poor and strengthening the cooperative financially. According to the revised policy, the cooperative does not require all members to save the same amount. Instead, it allows the members to save separately whatever amount they can, so both the poor and the rich can save according to their capacity. The cooperatives from other districts have adopted this same lesson from the early stage on so that members can participate in different types of savings products according to their priority and capacity.

Second, cooperatives have made arrangements to provide loans up to a limit without physical collateral which is mostly accessed by the poor. Currently, the range of this limit varies between NRs. 20,000 and NRs. 100,000 depending on the financial capability of the women's cooperative. This arrangement is suitable especially for the poor, the landless and the women in general who may not be able to pledge land as collateral. Cooperatives have simplified the approval process for relatively smaller amounts of loans. The Manager and the Loan Sub-Committee have been given authority to approve loans up to certain limits that eases access of the poor to the fund. As an example, the Mahilamilan Cooperative in Makawanpur has authorized the manager to approve a loan of up to NRs. 50,000 while the loan sub-committee (one board member as coordinator and two shareholders) can decide on loan of up to NRs. 200,000. The executive committee will have to decide about awarding a loan of above NRs. 200,000 up to NRs. one million.

In Myagdi, currently women's cooperatives are relatively young and provide loans to all members on group liability without physical collateral so that women and poor

who don't have land registered in their names can access loans. In Makawanpur, most cooperatives provide loans up to NRs. 50,000 to the poor on group liability with no need for physical collateral while some (e.g., Mahilamilan Cooperative in Padampur) have set this limit at NRs. 100,000. In Padampur, those who can put up collateral can access up to NRs. 1 million.

Third, some cooperatives have established revolving funds to meet the capital needs of the poor on a rotational basis. Some grants received from international, national and local organizations (CARE Nepal, Plan Nepal, District Forest Coordination Committee) were earmarked for this purpose. Through a separate program called Women's Empowerment for Transformation (Saksham) supported by CARE Nepal and Austria Development Agency, the cooperatives in Makawanpur have been able to take their services at the door steps of the poor, landless, Dalit, and minority groups like Chepang . These target participants were identified through social mapping and wellbeing ranking within the group. The Rural Women's Service Center (RWSC) that was established to support cooperatives, works in 12 VDCs of Makawanpur in partnership with Saksham. For example, it has organized about 200 poor women in 7 groups in Padampur and 130 poor women in 6 groups in Churiyamai and provided them with seed capital as a revolving fund.

The Saksham program has provided a grant of NRs. 90,000 for each of the 12 VDCs where it is working in Makawanpur. In the case of Mahila Janachetana cooperative at Churiyamai, each of the six groups facilitated by the program received NRs. 15,000 as a revolving fund. Every group allocated NRs. 5,000 each to three pre-identified group members for a period of 6 months after which each

of them returned a sum of NRs. 5,300 inclusive of the interest. The borrowers invested the money in income generating activities like goat rearing, poultry, grocery shops for which they have had the needed skills. The fund would then be rotated turn by turn to three other members at a time. The sequence of the turns are set in the beginning at the time of conducting the wellbeing ranking so there is no confusion or conflict on this matter. Other organizations, such as the District Forest Coordination Committee, have also provided funds and materials for similar schemes targeting certain groups. The DFSC granted a sum of NRs. 30,000 to three groups associated with Mahila Janachetana Cooperative in Churiyamai of Makawanpur. People give an example of a poor who borrowed NRs. 5,000 from the revolving fund, rented in other's land, cultivated 2 kg of beans and earned from it NRs. 150,000. The group members also do a monthly saving of between NRs. 20 and NRs. 50 each which is available for lending to a needy member immediately.

After the group members became able to raise their economic status they join the main stream cooperative movement, buy the cooperative share, do regular savings with the cooperative and access other loans and services as per their needs. The practice of operating a revolving fund at the SRG level while making regular savings in the cooperative has proven to be an effective poverty reduction approach as exemplified by the experience of the GIZ-NGO Fund Project in Parbat and Kapilvastu districts where the current leaders of SAHAMATI had facilitated the process. Likewise, enabling the poor to become the full fledged owner of the cooperative has its own appeal. A sister cooperative named Sahaj Community Hospital that was promoted by SAHAMATI in Gaindakot encourages

the poor to make modest amounts of monthly savings so that they could buy the hospital's share after some time and become its owners. During the process, the poor who join the scheme continue to receive the services of the hospital even at their doorsteps.

5.7 Intra-household Inclusion

All cooperatives facilitated by SAHAMATI in Makawanpur, Sindhuli, Banglung and Myagdi are women's cooperatives. After attaining 100% household coverage in a VDC, the next step is to aim for including all women from a household in the cooperative. It is an undisputed fact that poverty and vulnerability are not evenly distributed within a household. With the realization that the status of different women varies within the same household based on age, health, education and relationships, the cooperatives progressively revised their policy so that in place of encouraging only one woman from a household to join the cooperative, they now emphasize that all women from a household become cooperative members. Nearly all cooperatives in Makawanpur have already attained this objective, while in Sindhuli the drive is progressing in VDCs where all households have been covered. In the case of Myagdi, the cooperatives are making initial preparations (e.g., making the list of all women in each household) in the 10 VDCs where 100% households have been covered.

Different types of savings schemes, loan plans and support programs (e.g., education) have been developed to cater to the diverse situations and needs of different women in the same household. For example, there are savings schemes even for expected mothers, unborn and new born babies, and children. The Mahila Janachetana Savings and Credit Cooperative at Churiyamai, Makawanpur

implemented a housewife education program through which a total of 1,500 adult women including some elderly people attended and completed school education. Those who had dropped out from school before have successfully completed their education and some of them have got jobs.

5.8 Adoption of the Values of Equity and Inclusion

Cooperatives aim for socio-economic transformation based on universal principles and values of open and voluntary structure, democratic control, equality, social responsibility, continuous education and socio-economic empowerment. Majority of the cooperatives supported by SAHAMATI are saving and credit cooperatives. Each cooperative has an executive body of between 9 and 13 members consisting of one each in the positions of chairperson, vice-chairperson, secretary, and treasurer, and the remaining as executive members. Experience shows that to become economically viable, cooperatives would need at least 500 share members. Each cooperative mobilizes savings, extends loans and holds its meetings regularly. As part of their institutional strengthening, they are assisted to clarify and document functions, responsibilities and rights, adopt inclusive approaches, conduct self-assessment, prepare policies and rules, set up sub-committees as needed and undertake planning and educational activities. Institutional development support consists of multiple training and study tours, necessary administrative and management support, basic infrastructure and facilitation in regular meetings, policy making, minutes writing and record keeping, accounting, mobilization of savings and credit, monitoring and

evaluation, reporting, conflict management, auditing and conduction of general assembly. In addition, cooperatives receive livelihood support that includes income generating activities, skill development and technical and material support for agriculture and livestock production, micro-enterprises, and market linkage.

Cooperatives are based on self-reliant groups having physical proximity, regular face to face interaction, common concerns, collective initiatives and mutual support. This approach allows the poor to organize and take part in decisions at convenient times in their own setting and develop their leadership capability and social standing to some extent. The poor can access loans on group liability and monitor and support each other to make better investment decisions and timely repayments. The system allows the group members to exercise mutual check and balance because those who serve as group guarantee will have to wait until the borrower pays back the dues. Members are accountable to the cooperative through their respective SRGs and receive opportunities and benefits through the SRGs.

The members of the SRGs and cooperatives are women. SRGs normally consist of between 15 and 25 members including 4 in leadership positions of chairperson, vice-chairperson, secretary and treasurer. This approach directly empowers women both economically and socially. Women who generally lag behind in society because of structural and social reasons find attractive opportunities to get organized, exercise leadership, take part in social and economic activities and raise their status in family and society.

The program facilitates young women of 16-24 age group to form their own organization so as to address

their collectively identified concerns of controlling gender based violence and child marriage while promoting girls' school enrollment, sanitary habits and girl friendly school toilets. These young women join the cooperatives of their area, do regular savings, take part in economic activities and participate in the affairs of the cooperatives. They find opportunities in these organizations to develop and express their creativity, self-confidence and human values. The openness, energy, idealism, and bonding existing among young women make them ideal catalysts for practicing human values and driving initiatives on self-employment and socio-economic reforms.

5.9 Cooperative Values and Principles

According to the International Cooperative Alliance (ICA), cooperatives are based on the values of self-help, self responsibility, democracy, equality, equity and solidarity (SES-DES for easy recall). The cooperative members inherit the ethical values of honesty, openness, social responsibility, and caring for others. The ICA has postulated 7 cooperative principles that serve as guidelines to put the values into practice. These principles include voluntary and open membership (V), education and information (E), democratic member control (D), autonomy and independence (A), member economic participation (M), and cooperation among cooperatives (C) and concern for community (C) (or VEDAM-CC).

In the program districts, in addition to adhering to the cooperative values and principles, individuals members also try to practice peace, love and non-violence in relation to oneself, others in family and society, and nature. An integral component of SAHAMATT's support

in institutional capacity building of the cooperatives is to enable them to reaching the poor through inclusive and equity oriented approaches in policy, programs, procedures and activities. Both the SRGs and cooperatives ensure access of the Dalit, Janajati, minority groups, differently able people and young women to leadership positions.

6. Improvements in Economic Status

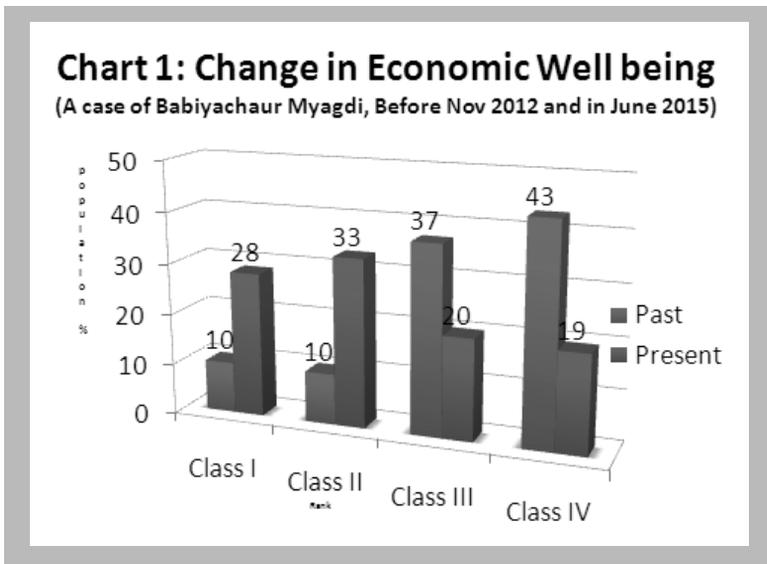
The second question of this study concerns whether or not and how the economic status of the poor has improved in a meaningful scale. The cooperatives have been instrumental in bringing in meaningful improvements in the economic status of their members. Hundreds of examples from Makawanpur attest how even the most destitute members have risen to be among the better off within a matter of 6 years since their participation in women's cooperatives. Similar examples abound from Nawalparasi and Sindhuli districts. SAHAMATI's active involvement in women's cooperative movement in Myagdi district began in 7 VDCs in 2011 and in 20 VDCs in November 2012. Here, in a relatively short period, many poor women at the lowest income levels have risen to the middle or the top income brackets.

6.1 Self-Assessment of Changes in Economic Wellbeing

The results of a comparative self-assessment of changes in economic wellbeing done by the women's cooperative members from Babiyachaur VDC in Myagdi before November 2012 and in June 2015 show remarkable improvements. The proportion of the very

poor declined from 48% to 19% and the proportion of the poor declined from 37% to 20% in less than three years. During this same period, the proportion of the middle income group increased from 10% to 33% and the proportion of the higher income group rose from 10% to 28% (Chart 1).

Chart -1 Change in Economic Wellbeing



Legend: Class IV = Very Poor (self-sufficient for 3 months), Class III = Poor (self-sufficient for 6 months), Class II = Middle Income (self-sufficient for 12 months), Class I = Better off (with surplus).

6.2 Commercial Vegetable Farming

One among the most significant factors contributing to the on-going improvements in the economic standing of the poor is the growth of commercial vegetable farming

(in 2 or more Ropani⁵ of land) that is mainly attributable to the cooperative movement in the five districts of Nawalparasi, Makawanpur, Sindhuli, Banglung and Myagdi. The growth of road network, communication through mobile telephone, market centers, general information, and facilitation by SAHAMATI 's social and technical staffs facilitated rural-urban linkages and served as the foundation for the growth of commercial agriculture in these districts.

In Myagdi, the Girls Power Project (GPP) being facilitated by SAHAMATI in partnership with Plan Nepal has identified 11 VDCs as the pocket areas for promoting more intensive commercial vegetable farming. Farmers in other VDCs also do commercial farming to a lesser extent while kitchen gardening is practiced in all VDCs. Generally, farmers who do well in kitchen gardening become interested in adopting commercial vegetable farming. The common commercial vegetable crops include cabbage, cauliflower, egg plant, okra, chili, cucumber, bottle gourds, zucchini and tomato. Farmers also grow tomato in plastic tunnels. Mushroom cultivation has also been adopted in a few VDCs. In addition, cultivation of strawberry and spices has been introduced in some VDCs more recently.

The number of commercial vegetable farmers is growing rapidly based on the farmers' experience, observation, information about the benefits and possibilities and the extension services of the governmental and non-governmental organizations. Farmer to farmer extension

⁵ Ropani is a Nepali measure of land area commonly practiced in the hills and the mountains of Nepal. It is equal to 74 feet x 74 feet (or 5476 square feet). About 20 Ropani make a hectare, about 8 Ropani make an acre, and about 13 Ropani make a Bhiga, another measure of land area common in the low lands of Nepal.

has remained ever impressive. The poor farmers who hesitated to grow vegetables for sale in the beginning gradually adopted the practice by observing others' examples. This finding is corroborated by a previous study on inclusion conducted by the author in the context of the Rural Roads Rehabilitation and Development Project funded by the ADB and implemented by DoLIDAR in Nepal. Table 6 shows that in the 20 VDCs in Myagdi where GPP is implemented, a total of 113 farmers adopted commercial vegetable farming in 2013, the first year of the program implemented by SAHAMATI. The number of commercial farmers multiplied almost 5 times to 547 in 2014 and almost doubled to 1,081 by the first half of 2015.

Table -6: Growth of Commercial Vegetable Farmers in Myagdi, 2013 - June 2015

Particulars	2013	2014	June 2015
Number of commercial vegetable farmers	113	547	1,081

6.3 Expected Income from Commercial Vegetable Farming

The expected income from commercial vegetable farming is multiple times higher than that of the traditional crops of maize and millet. Based on the key informants from Myagdi, Table 7 shows how potentially lucrative is the production of vegetables for sale compared to the production of traditional crops of maize and millet for subsistence. According to the key informants, the farmers can earn a net annual income of nearly NRs. 54,000 from one Ropani of land compared to merely about NRs. 3,500 from the traditional crops of maize and millet from the same area.

Table 7: Expected Costs, Income and Net Profit in Two Farming Systems (one Ropani of land) in Myagdi

	Maize/ Millet	Commercial Vegetables	Remarks
Cost (NRs.)	14,588	21,365	Cost items include seeds, land preparation, fertilizer, micro-nutrients, pesticide, materials, labor, transportation, irrigation and miscellaneous
Gross Income (NRs.)	18,000	75,000	Income includes the value of the main product and by-products.
Net Profit (NRs.)	3,412	53,635	

6.4 Net Annual Income from Commercial Vegetable Farming in Myagdi

Income studies tend to be complex because Nepali farmers generally don't maintain accurate and up-to-date recording system, there is a tendency to mix up family and business transactions, and labor investments are intermittent, partial, multi-tasked, and generally unaccounted for. With the aim of gaining a more accurate status of the income from commercial vegetable farming, the program JTAs conducted a focused study of 50 farmers from 2 VDCs in Myagdi (25 each from Ratnechaur and

Babiyachaur VDCs cultivating 102 Ropani of land). They could rely on the information given by these farmers whom they knew personally through numerous interactions in the past. The study represented the cross-section of the population. Among the subjects of the study, 22% were Dalit, 20% were Janajati and the rest were others. Among them, 6 percent were young women of between 16 and 24 years of age.

Table 8 shows that the total annual income of the 50 commercial farmers was NRs. 4,818,000 or the mean being NRs. 96,400 per farmer, which is about 90% of the expected income from 2 Ropani of land. The minimum was NRs. 60,000 and the maximum was NRs. 160,000. Nearly 60% of the vegetable farmers earned between NRs. 80,000 and NRs. 100,000, while 30% earned over NRs. 100,000 annually.

Table- 8: Commercial Farmers by the Range of Net Annual Income from Vegetable Sales, Myagdi, June 2015

Annual range of income from commercial vegetable sales (NRs.)	Number of Commercial Farmers	Proportion of Commercial Farmers
60,000 - 79,999	6	12
80,000 - 99, 999	29	58
Above 100,000	15	30
Sample Total = NRs. 4,818,000	50	100

6.5 Change in the Economic Status of Commercial Vegetable Farmers in Myagdi

Each of these 50 farmers, irrespective of caste/ethnicity, rose one step up in the scale of economic

wellbeing between 2012 and 2015, which they attributed to commercial vegetable farming. Table 9 shows that between 2012 and 2015, those who had income only enough for 3 months (in this case, the Dalit), earned enough for 6 months, those who had enough for six months earned enough for 12 months, and those who had enough for 12 months started to have some surplus. In 2012, 34% of these farmers were at the economic bottom, 56% had enough for 6 months, 10% earned enough for 12 months, and none had any surplus. By June 2015, all commercial farmers rose one level higher in the economic hierarchy so that there were none who were self-sufficient only for 3 months, 34% earned enough for 6 months, 56% earned enough for one year, and 10% earned surplus income.

Table-9: Change in Economic Status of Commercial Vegetable Farmers between 2012 and 2015

Economic Status	Proportion of Members in 2012	Proportion of Members in 2015
Self-sufficient for 3 months in a year	34	0
Self-sufficient for 6 months in a year	56	34
Self-sufficient for all 12 months in a year	10	56
With surplus (per capita daily income above USD 1)	0	10
Total Sample=50	100	100

6.6 Case Study of a Commercial Farmer

Box 1 contains a case study of a woman commercial farmer from Babiyachaur in Myagdi. This case gives an example of how a woman-led vegetable farming initiative transformed the economic status of the family, enhanced the practice of human values among family members, utilized local resources from a women's cooperative and built on the existing rural-urban linkages in input delivery, technology transfer and marketing opportunities.

Box- 1 : Case Study of a Woman Commercial Farmer in Babiyachaur, Myagdi, November 2014

- A woman from Babiyachaur started to do commercial vegetable farming in June 2013.
- Initially she cultivated vegetables in 2 Ropani of land and later expanded the area to 4 Ropani.
- She obtained investment capital by taking loans from the cooperative added by the savings that her husband made during his foreign employment (who returned home after working for 9 years abroad).
- She received plastic tunnel and seeds free of charge in the first year from the program and she manages to meet these costs on her own after that.
- She has access to technical support from experienced farmers in the village and from the program JTA particularly in matters of seed selection, planting methods, disease and pest control, season and off-season production, bio-technology, and management of livestock shed.
- She has access to irrigation water from natural springs. Farmers in other areas get irrigation from community canals or ponds (some are supported by the program).
- She sells vegetables in local markets of Babiyachaur and

Darbang VDCs. Her husband takes chili and tomato to barter for potato in the high altitude village of Kuhun. They have found bartering to be more profitable compared to selling for cash. Whenever there is surplus produce in the village above the demand in local markets, the farmers together collect their surplus produce, rent in vehicles and send them to the wholesalers at Beni Bazaar, the district headquarters where vegetable supply is generally inadequate. They recently sent surplus produce of zucchini and bottle gourds in Beni in this way.

- The family has earned substantial income from commercial vegetable farming compared to traditional cereal crops. In 2014, the net family income from vegetable sale had reached about NRs. 250,000 while the traditional crops would have earned them not more than NRs. 25,000.
- The family utilized the added income on health, education, assets, savings, livestock and reinvestment in commercial farming.
- The family members are conscious to practice human values in family. Mutual cooperation, respect, and trust are on the increase at home, while domestic violence has stopped. Youths and school children have become more self-responsible and they assist in farming and business activities without negatively affecting their studies.

6.7 Micro-Enterprises

The second important contributor to bringing about meaningful economic transformation in the family is the pursuit of micro-enterprises. Women gained the skills needed for micro-enterprises from family tradition or through training on their own cost or through programs

organized or sponsored by SAHAMATI, professional organizations and government agencies in the district. Savings, remittances and loans from women's cooperatives served as the main sources of needed capital.

6.7.1 Types of Micro-Enterprises

The most common micro-enterprises financed through women's cooperative loans in Myagdi are vegetable farming, poultry, goat rearing, and milk dairy in the agriculture sector, and hotel and restaurant, tailoring, weaving, beauty parlor, and shop keeping including mobile telephone repair in the non-agriculture sector. Table 10 shows that agricultural enterprises are most popular while hotels and restaurants, shop keeping, tailoring and beauty parlor are also gaining popularity. Dalits who have migrated into a new village from elsewhere normally depend on non-agriculture micro-enterprises as they often don't own land except for their homesteads. The number of micro-entrepreneurs by the type of their enterprise in 5 VDCs of Myagdi gives an example (Table 10).

Table-10: Micro-Enterprises from Cooperative Loan, A Case of 5 VDCs in Myagdi, June 2015

Enter-prise	Babiy-achaur	Jhy-amr-ukkot	Rat-nec-haur	Ar-man	Dar-bang	TO-TAL	Per-cent
Vegetable	104	95	77	55	54	385	55
Goat	21	8	19	20	7	75	11
Dairy Milk	18	15	24	9	3	69	10
Poultry	17	2	3	17	5	44	6
Furniture	0	0	1	0	1	2	0
Hotel/ Tea shop	39	10	10	4	14	71	10

Tailoring	5	4	2	3	0	14	2
Sweater Weaving	3	0	0	3	3	9	1
Beauty Parlor	1	1	2	0	3	7	1
Petty Shop	12	4	5	1	7	29	4
TOTAL	220	133	137	118	97	705	100

6.7.2 Off-Farm Micro-Enterprises

Off-farm micro-enterprises partly or fully financed through loans from women's cooperatives provide an important source of income for women entrepreneurs and their families. Women's investments in these enterprises have sharply increased within a short span of time. Likewise there are remarkable increments in the gross income and the net profit from these enterprises. The trends of investment, gross income and net profit from selected 15 off-farm micro-enterprises in Babiyaichaur of Myagdi give an example of the extent of the increment.

6.7.2.1 Trend of Investment in Off-Farm Micro-Enterprises

Table 11 shows that the annual growth of investment in a sample of 15 off-farm enterprises was in the range of 67% and 142% between 2013 and 2014, while investments in all enterprises except in hotel business grew during the first half of 2015. Aggregate mean investment per enterprise increased by 114% in 2014 and by 23% in the first half of 2015. The aggregate mean amount of investment per enterprise was NRs. 261 thousand in the first half of 2015.

Table-11: Trend of the Amount of Mean Investment in Off-Farm Enterprises Financed Through Cooperative Loans, Babiyaachaur, Myagdi, 2013 - June 2015

Type of Enterprise	Number	2013 NRs.	2014 NRs.	Annual Growth %	June 2015 NRs.	Growth %
Hotel and Restaurant	6	101,000	244,000	142	210,000	- 14
Beauty Parlor	1	0	110,000	n.a.	135,000	23
Cosmetics Shop	2	140,500	238,000	69	290,000	22
Tailoring Shop	5	77,000	154,000	100	217,000	41
Fancy Store	1	216,000	360,000	67	420,000	17
TOTAL INVESTMENT	15	1,487,000	3,181,000	114	3,912,000	23
Aggregate Mean	Per Unit	99,000	212,000	114	261,000	23

6.7.2.2 Trend of Mean Gross Income from Off-Farm Enterprises

The mean gross income from off-farm enterprises shows an increasing trend. As shown by Table 12, the mean gross income increased by an average of 119% ranging between of 67% and 114% in 2014 and by an average of 33% ranging between 11% and 48% in the first half of 2015. The aggregate mean gross income per enterprise was NRs. 483 thousand in the first half of 2015.

Table-12: Trend of the Mean Gross Income from Off-Farm Enterprises Financed Through Women's Cooperative Loans, Babiyaachaur, Myagdi, 2013-June 2015

Type of Enterprise	Number	2013 NRs.	2014 NRs.	Annual Growth %	June 2015 NRs.	Growth %
Hotel and Restaurant	6	183,500	417,000	127	525,000	26

Beauty Parlor	1	0	180,000	n.a.	252,000	40
Cosmetics Shop	2	175,000	295,000	69	422,500	43
Tailoring Shop	5	144,000	308,000	114	456,000	48
Fancy Store	1	320,000	648,000	102	720,000	11
TOTAL INCOME	15	2,490,000	5,458,000	119	7,247,000	33
Aggregate Mean	Per Unit	166,000	364,000	119	483,000	33

6.7.2.3 Trend of Mean Net Profit from Off-Farm Enterprises

Table 13 shows that the net profit from off-farm enterprises grew by an average of 127% (ranging between 65% and 178%) in 2014 and by 46% (ranging between 4% to 132%) in the first half of 2015. The aggregate mean of net profit by enterprise remained at NRs. 222 thousand in the first half of 2015.

Table-13: Trend of the Mean Net Profit from Off-Farm Enterprises Financed Through Women's Cooperative Loans, Babiyachaur, Myagdi, 2013 - June 2015

Type of Enterprise	Number	2013 NRs.	2014 NRs.	Annual Growth %	June 2015 NRs.	Growth %
Hotel and Restaurant	6	82,500	229,500	178	243,000	6
Beauty Parlor	1	0	70,000	n.a.	117,000	67
Cosmetics Shop	2	34,500	57,000	65	132,500	132
Tailoring Shop	5	67,000	153,000	128	239,000	56
Fancy Store	1	104,000	288,000	177	300,000	4

TOTAL NET PROFIT	15	1,003,000	2,277,000	127	3,335,000	46
Aggregate Mean	Per Unit	67,000	152,000	127	222,500	46

6.7.2.4 Case Study of a Dalit Woman Entrepreneur

Box 2 presents the case study of a Dalit woman entrepreneur from Babiyachaur VDC in Myagdi. This case gives an example of how a destitute landless Dalit woman transformed herself into a successful entrepreneur in a matter of just two years. She learned new skills, provided training to her husband, expanded her investments by taking loans from the women's cooperative, developed and diversified her products and services, and modernized a traditional occupation. She was able to improve income, skills and employment for her family and other young women, enhance family relationships and children's education, inspired others and bring about some transformation in traditional social attitudes and relationships.

Box-2 : A Case Study of a Dalit and Landless Woman Entrepreneur Doing Tailoring in Babiyachaur VDC, November 2014

- Mrs. Kumari (not the real name) is a Dalit and landless woman whose traditional family occupation is tailoring. She learned her tailoring skills in Banglung district from her parents who stitched clothes for their traditional clients in exchange for seasonal payments in grains. She had learned to measure the fabric with her fingers rather than with a measuring tape. She was economically very hard pressed until two years back. In Late 2012, she rented in a sewing machine from someone else to teach her husband the sewing skills. She herself labored hard

to learn new skills in response to changing fashions and market demands.

- In a matter of just two years, she established herself as a successful entrepreneur. She obtained membership in the women's cooperative, took loans a few times from the cooperative, and expanded her investments in the tailoring business. She now owns a total of 10 sewing machines. She has earned the reputation of being the best tailor for women's clothing in the area. Even though her husband has only one hand, his tailoring skills are highly appreciated by the customers.
- Mrs. Kumari has modernized her traditional tailoring business together with product development and diversification. In addition to providing tailoring services to customers against cash payment, she now produces ready-made fancy dresses for sale and also takes orders to stitch school uniforms or dresses of special designs.
- With the active support of her husband, she operates a training center on tailoring where she provides a six-month course on cutting and sewing. She charges a fee of NRs. 1,000 per trainee per month. Currently the trainees consist of 9 girls from different ethnic backgrounds associated with Young Women's Organization. After graduating, some of the trainees find employment in her enterprise that gives them the opportunity to polish their skills further and earn some income at the same time (half of the sewing charges per piece).
- The relationship between the husband and the wife has remarkably improved. They work together in their enterprise. There is no more any domestic violence or misuse of income on alcohol and gambling.
- Mrs. Kumari has four children, three girls and a boy. She sends all four children to a private school which

is locally considered better than other public schools. Though private schools are relatively expensive, she earns enough from her tailoring and training business to meet her children's education costs. The children are well-behaved and self-disciplined.

- She saves about NRs. 6,000 net per month after meeting all business and subsistence expenses in the family.
- Mrs. Kumari has been an inspiration for other women in the village. As least five other women have started their own tailoring business inspired by her success. Her example has also paved a path of social transformation in the village. It is remarkable that tailoring as a profession has now transcended the caste barriers and some Brahmin and Magar women have also readily adopted this business.
- Social transformation is also evident in declining caste based discrimination, improving social recognition and respect for Dalit women, and rising woman's standing in society. A new saying is common in the village in recent times, "work will be accomplished when women take a lead." This phrase communicates in a nutshell the efficacy of women-led socio-economic transformation that is taking roots in the society.

7. Social Transformation

The third question that concerns this study is whether or not the economic improvements have been accompanied by social improvements. Local women attribute many areas of social change in their lives and in society to the development of women's cooperatives facilitated by SAHAMATI in Nawalparasi, Makawanpur, Sindhuli and Myagdi districts where the author visited

during the course of this study. In each of these districts, commercial vegetable production has appealed the masses wherever there is proximity to road transportation. Positive changes in women's financial standing and expenditure decisions were accompanied by some profound changes at personal and social levels. Particularly significant among these changes are the improvements in women's self-confidence, public relationships, acceptance and respect in society and in family, children's education, non-discrimination between boy and girl children, inter-caste relationships, and sanitation at personal, home and village levels. In the hills of Nawalparasi (e.g., Namuna VDC), people consider it a remarkable achievement to free the village from accumulation of pig dung and human excreta along the village trails by constructing pig pens and toilets at home. In the low lands of the same district, the prevention of crop destruction by controlling stray animals and the construction of private toilets and bio-gas plants for domestic energy production were considered as big accomplishments. In Sindhuli, the rise in women's level of awareness, inter-caste harmony and marketing skills is remarkable. In Myagdi, the most notable social reform is the reduction of child marriage. In Makawanpur, what stands out is the involvement of women in local groups, cooperatives, networks, non-government organizations, private businesses and political parties besides the development of rural women as advocacy leaders and national resource persons for strengthening women's cooperatives. The reduction in women's trafficking is considered noteworthy in Makawanpur. Cooperative leaders from the three districts find their inspiration and role models in the cooperatives of Makawanpur.

7.1 Self-Assessment of Social Transformation

The cooperative members from Babiyachaur of Myagdi together with the SAHAMATI facilitators identified a total of 11 key parameters to compare their social wellbeing before November 2012 and in June 2015 mainly attributable to the program initiatives. The results of group exercises conducted with a total of 683 members from 36 SRGs to self-assess the statuses of the parameters at these two points of time is summarized in Table 14. The participants of the group exercise noted improvements in all parameters. They reported remarkable improvement in controlling child marriage, from high in 2012 to low in 2015. According to them production and consumption of alcohol has reduced from high in 2012 to medium in 2015 and gambling from medium in 2012 to low in 2015. Likewise, domestic violence, gender discrimination, untouchability, and girl's absenteeism from school have declined while girls' attendance in school and women's participation in local organizations have increased.

Table-14: Changes in Social Wellbeing, Babiyachaur, Myagdi, November 2012- June 2015

SN	Parameters	Status before Nov. -012	Status in June-015
1	Production and consumption of alcohol	High	Medium
2	Gambling	Medium	Low
3	Child marriage	High	Low
4	Polygamy	Low	Very Low
5	Domestic violence	Low	Very Low
6	Dowry system	Low	Very Low

7	Girls' absenteeism from school during menstruation	Low	Very Low
8	Gender discrimination at home and society	Medium	Low
9	Trend of girl students attending school	Low	Medium
10	Participation of women in local organizations	Low	Medium
11	Untouchability	High	Medium

Note: The assessment used a scale of five grades: very high, high, medium, low and very low.

7.2 Children Focused Transformation

The women's cooperatives have introduced social transformation process on multiple fronts involving children, and the results have started to materialize. The following examples from Myagdi district show the dimensions of such transformation.

- Cooperatives have launched a campaign to promote free and compulsory education for school age children. Patlekhet VDC has already been declared as a free and compulsory education VDC. Several other VDCs are in the process of making such declaration.
- Women's cooperatives and the YWO have taken lead to advocate for making the school environment girl-friendly. In Myagdi, a total of 13 schools have already constructed separate toilets for girls. Access to sanitary pads in school has induced increments in girls' enrollment rates and school attendance.

- The campaign against child marriage has taken momentum in the leadership of women managed cooperatives and the YWO. Patlekhet VDC has even allocated a separate budget to support the campaign. Child marriage cases have effectively declined in Myagdi. The women's cooperatives were successful to terminate three cases of child marriages on the wedding day itself in Patlekhet, Dana and Darbang VDCs.
- Cooperatives have launched different types of saving schemes for children aiming at developing their self-reliance, self-discipline and self-generated funds for education. Cooperatives have also organized children into child groups that work for their development on multiple fronts.
- Improvements in educational status of children, adoption of vegetable farming as family business, and increment in household income that the cooperatives have been able to facilitate have contributed to raise the nutritional status of children. Health, nutrition and sanitation related issues have been increasingly included in the discussion agenda and minutes of cooperative meetings.
- As case studies have shown, children are increasingly learning the values of love, respect, compassion, service and truth from a young age and are applying them in personal behavior and relationships in family, school, and the village.

7.3 Movement Against Child Marriage

Women in Myagdi consider child marriage, alcoholism and gambling as three main vices in their society. Child marriage has been reduced significantly in recent

times owing mainly to the awareness campaigns of the cooperatives and the YWO. Still girls above 16 among the Janajati and above 13 among the Dalit are locally considered marriageable age. All the members of the YWO have vowed to not get married before they reach the age of at least 20 years. As there are traditional fairs (Mela) organized in the neighborhoods almost once or twice every month, young boys and girls intermingle and elope during these festivals. Easy access of the young boys and girls to mobile telephones has also eased contacts between them and facilitated marriages at young age. Volunteers from the cooperative and the YWO increase their activity in the festivals to spread awareness about the evils of child marriage. They have also organized awareness campaign and speech programs in schools on the topic of child marriage. Some YWO have been posting wall magazines as a means to raise public awareness on such pertinent issues like child marriage, girl friendly schools, social discrimination, human values and real life experiences. They write short poems, stories, essays and news to propagate the messages. So far three YWOs have been publishing the wall magazines while others are considering to adopt the practice.

7.4 Movement against Alcoholism

Alcohol continues to be an essential element of social and cultural life among the Janajati and the Dalit communities in Myagdi as in other districts. However, people have suffered much from the custom of consuming and serving alcohol in excess during certain occasions. The cooperative and the YWO in Myagdi have launched a drive to reduce the consumption of alcohol in their villages. An example of such a drive from Jhin VDC is presented in Box 3.

Box-3 : Case Study of Alcohol Reduction Movement in Jhin VDC of Myagdi

A member of the young woman's organization in Jhin VDC of Myagdi, Ms. Sita Sherpunja, who attended a training on human values conducted by SAHAMATI and facilitated by this author at Beni in June 2014, organized a full day interaction program in her village within a week and briefed about the contents of the training to the cooperative officials and members of the young women's organization. Inspired by this interaction, the women leaders of the cooperative launched a campaign to reduce alcohol consumption throughout the village. They applied five key methods to facilitate this drive. First, they made door to door visit and approached both women and men to reduce consuming and serving alcohol during weddings, mortuary rituals and other ceremonies with justifications that it drains out family resources, can become a health hazard, induces violence at home and in society, and transfers a misleading message and habit to children. Until June 2014, people spent about NRs. 150 thousand on serving alcohol during a mortuary ritual. By June 2015 the spending on alcohol has reduced to about one-third mainly attributable to this campaign. Second, the executive committee of the cooperative has made a policy decision that no one will import alcohol into the village from outside. Whatever alcohol is needed for customary ritual purposes is produced locally so that both the money and the information remain in the village itself. Third, alcohol consumption is permitted only for two set hours in the evening, from 6 p.m. to 8 p.m. Fourth, according to the local custom, each household was previously expected to offer a gift of at least 7 bottles (liters) of alcohol at a wedding or mortuary ceremony. Currently, the executive

body of the cooperative has decided to take the gift of sugar and fruits instead of alcohol in such events. Finally, until recently the cooperative itself used to facilitate the elderly, successful farmers, other exemplary people and guests by serving them alcohol. Currently, the practice of facilitating and welcoming people by serving a cup of tea has gained popularity within the cooperative and also in the society. Every woman from the village has joined the cooperative in Jhin so that every member receives the message from the cooperative and participates in the cooperative's issue based movements.

7.5 Movement against Gambling

Gambling has remained a social vice in the village of Jhin for a long time. Men used to assemble at various hideouts to gamble day and night. The gamblers would not care to go home even at night. As a drive to reduce gambling, the YWO organized gambling sessions twice a week, charged NRs. 2,000 per day and closed gambling at 5 p.m. Some 25 gamblers participated. Later the YWO proposed to reduce the gambling to one day a week. By that time, Dashain and Tihar festivals were approaching and this proposal could not be implemented. The gamblers preferred to gamble on their own during these occasions. Customarily people are allowed to gamble for three days each during these two festivals.

7.6 Young Women as Catalysts of Social Transformation

Besides the cooperatives, the leaders of young women's organizations in Sindhuli and Myagdi have played catalytic roles in social transformation. During the course of this study, the author held a group discussion with 5 of

the 20 young women's organization leaders from Myagdi who had attended a 7-day training on integrating human values in the development of personality and leadership of young women in June 2014. They reported that after attending the training, they initiated to bring certain transformation in their personal life, family, organization and society. Box 5 summarizes the levels and contents of the major transformations that the young girls informed that they initiated in Myagdi.

Box-4: Young Women as Catalysts of Transformation, Summary of a Focus Group Discussion, Myagdi, November 2014

Levels of Transformation	Contents of Transformation
Oneself	"Be an example of change that you want to see in society." Self-strengthening and self-confidence - "put on shoes rather than remove pebbles on the road." Adopted truthful and sweet speech, physical and mental cleanliness, emotional balance, no addiction and no wastage of food, water, money, time and energy. Discharged duty wholeheartedly as part of being one's true self.
Family	"Share riches of love." Respect and care for elders, love younger siblings, serve guests, help out at home and family business.

Group, organization and network	"Unity is strength." Mutual cooperation for a common cause, advocacy against child marriage, gender based violence and alcoholism, representation, share responsibility, share new ideas and learning from participation in training.
Society and Nature	"Irrigate the roots." Serve the needy, work for community development and village cleanliness, be friendly to nature and physical environment and promote girl friendly environment at home, school, public vehicles and society in general.

7.7 Case Study of a Dalit Young Woman as Social Reformer

A case study of a young Dalit woman from a village in Myagdi shows an example of transformation in the life of an individual young woman and in the organization she is involved with after attending the 7-day training on human values (Box 5).

Box-5 : Case Study of a Dalit Young Woman's Transformation after Attending a Training on Human Values, Darbang, Myagdi, 13 November 2014.

- I initiated change in myself in speech, behavior, habits, emotions and stopped wasting food and money. I started to do regular savings. If someone did not behave well, I tried to reflect on my own mistakes or shortcomings.
- I reformed my behavior at home. I don't physically hit

my younger sister any more. I persuade her with love. I treat my parents with high respect. I give a helping hand in domestic chores (cleaning, collecting grass and water) and farming work.

- When two neighbors fought about a chicken, I remained calm and did not intervene so as to remain undisturbed throughout the day.
- I facilitated ‘journey with light’ meditation to my colleagues in our organization, in the cooperative, and in school. I explained the importance of self-strengthening and purity in our life. I briefed why it is important to “wear shoes rather than remove all the pebbles from the road” and “as the color of the ink so the color of the writing.”
- We organized a function to facilitate the eldest man, the eldest woman, the student who obtained the highest grade score in SLC from the VDC.
- Our group organized tree planting program in the village.
- We regularly put up wall magazine in the village every three months.
- Our group organized street drama against child marriage.
- We put up a hoarding board in front of the VDC office saying, “Those who respect young girls are respected by the society.”
- We placed dust bins (baskets, sacks or other suitable items) at different locations of the streets, did periodic street cleaning and mobilized the local inhabitants to clean their locality themselves.
- We organized two one-day interaction programs, one on the “issues confronting young girls and the roles of the stakeholders” and another on “women’s development for social transformation.”

- We organized an interaction with young boys on current youth problems, youth attitudes and need for practicing human values.
- We organized sports program and boutique training for the young girls.
- Our group was able to successfully advocate for constructing separate toilet for girl students in school.
- We volunteered to take a snake-bite patient to the health post in time that saved his life.
- A total of 6 young women started to do commercial farming of vegetables.
- Young women have received high social recognition. The VDC invites them in important planning and budgeting meetings. They are represented in the health committee. They are invited to participate in all social and development programs in the village. The VDC secretary, social workers, school teachers and village elders attend the programs organized by the young women. The young women visit even distant settlements of the village to motivate others.

8. Sustainability

The last question of this study refers to whether or not the economic and social transformations that have been achieved are likely to continue in the future when external support is phased out and whether or not the systems and processes that have been in place continue to be implemented, reviewed and revised as per the evolving scenario. By the time SAHAMATI phases out from the districts, it ensures that each cooperative is equipped with an appropriate system, policy reforms, principles, values, rules, skills and has a separate office (owned or rented),

a safety vault, a computer, a counter, necessary furniture, at least two staff employees paid from internal resources, and a long term business plan so that the cooperative is able to continue discharging its services. The discussion that follows deals with 7 key measures of sustainability: clarity and common understanding of the program's approach, institutionalization of inclusive principles, local linkages and resource sharing, access to external loans, inter-lending, expansion of cooperative's resource base, Operational Self-Sufficiency and Financial Self-Sufficiency.

8.1 Clarity and Common Understanding of the Program's Approach

SAHAMATI started the program with the clarity of the principles, objectives, procedure, expected outcome and timeframe for external support from day one. SAHAMATI brought out an implementation guidelines that served as an easy reference material for all staffs and target participants. A level of clarity and common understanding developed across the board through interactive orientation exercise with the SAHAMATI management, program staff, district and village authorities, and the target participants. Conflicts and delays were effectively minimized because of the existence of common understanding on key issues of interest such as, program activities, scope, limits, support modality and the phase out plan. The manual was periodically updated based on the lessons learned during implementation. The 4 program phases included the following:

- Selection (of district, village, wards), orientation and information collection. Conduction of proper orientation of all staff and stakeholders in the district and the village in the very beginning.

- Facilitation of inclusive self-reliant groups and group-based cooperatives.
- Institutional development of SRGs and cooperatives, livelihood promotion support (JTA services, market facilitation, one-time support of seeds, irrigation and plastic tunnel), and integration of human values in all aspects of the program.
- Sustainability of achievements and program phase out.

8.2 Institutionalization of Inclusive Principles

- Inclusive principles and emphasis on supporting the poor have both figured prominent in the cooperatives' policy and working modality. Continued positive outcomes are attested by self experience and observation of others. Local ownership and integration of such cooperative principles have made cooperative achievements sustainable. Even after the SAHAMATI support has been phased out in Makawanpur, the approach is continuing and even being updated.
- By the time the external support is withdrawn, each cooperative is expected to cover at least 90% of households, have at least 500 members, a share capital of NRs. 1 million and saving capital of NRs. 4 million to become sustainable. All cooperatives achieved these marks in Makawanpur by the time SAHAMATI's partnership program phased out there in 2009. Since then the cooperatives' capital base has enlarged multiple folds, and they now provide diverse services on a higher scale. As an example, the Mahilamilan Cooperative in Makawanpur initially had a savings fund of NRs. 0.25 million which had increased to NRs. 10 million in 2009 when SAHAMATI phased out. By October 2014, their savings fund reached NRs. 110

million. The cooperative now provides a loan of up to NRs. 100,000 on group liability, mostly accessed by the poor. Those who pledge physical collateral can receive a loan up to NRs. 1 million.

8.3 Local Linkages and Resource Sharing

The women's cooperatives have enhanced their linkages with district administration, DDC and other development agencies in the district during the course of their own development. The working modality of SAHAMATI is to maintain regular communication and coordination with local administration and local government bodies in the program areas for the benefit of the women's cooperatives and their member services. An example from Myagdi attests that the cooperatives here received nearly NRs. 6.4 million from the VDC, DDC, DADO and WDO for institutional development, women's capacity building training, agricultural equipment and inputs, and skills based training. The CDO, LDO, WDO and other office chiefs visited the important events of the cooperatives, such as the declaration of 100% household coverage. The security agencies of the district collaborated with the young women's organizations in preparing and posting stickers on mitigating gender based violence in the district. Likewise, after the major earthquake that hit Nepal in April 2015, the cooperatives from Myagdi voluntarily donated a sum of NRs. 138,000 to the earthquake relief fund maintained at the District Administration Office. On behalf of the program, SAHAMATI provided logistical support to the DDC for joint monitoring of development programs in the district. It also supported the DHO and the DDC in organizing a reproductive health camp for women in Lulang VDC. As

part of the GPP, 28 VDC secretaries participated in an exposure tour to other parts of the country and 29 VDC secretaries received training on practicing and promoting human values.

In Myagdi, the DDC has formally requested SAHAMATI to cover all the VDCs of district with similar women's cooperative and young women's development programs. The District NGO Federation from Myagdi awarded an appreciation letter to SAHAMATI for its contribution in cooperative strengthening and women's empowerment. Exemplary cooperatives themselves have also been rewarded. In different years, NEFSCUN rewarded the DSCU and three cooperatives from Makawanpur (Mahila Milan, Janachetana, and Mahila Jagriti) for their outstanding and successful performance in the whole country.

8.4 Access to External Loans

In Nepal, eligible cooperatives can access concessional loans from external sources to meet the higher loan demands of the members. When a cooperative actually obtains an external loan, it indicates that the cooperative is strong enough to meet the eligibility criteria, it has the capability of mobilizing large sums of funds and it is committed to meeting the higher credit demands of its members, that are conditions favorable to sustainability. The Rural Self Reliance Fund (RSRF)⁶, commercial banks, First Micro-Finance Bank, Rural Micro-finance Development Center (RMDC), National Federation of

⁶ RSRF was instituted by the Nepal Rastra Bank in 1991 for poverty reduction. The Fund is used to provide wholesale credit to eligible cooperatives and NGOs at subsidized rate of interest for lending to the poor.

Savings and Credit Cooperative Unions (NEFSCUN), and the District Saving and Credit Cooperative Union (DSCU) provide concessional loans to eligible cooperatives. A total of 14 cooperatives (of the 20 facilitated by SAHAMATI) have outstanding external loans amounting to NRs. 96 million in Makawanpur. Mahila Milan Cooperative alone has accessed external concessional loans of NRs. 24.4 million from different sources such as the RSRF of NRB, Bank of Kathmandu and the First Micro-Finance Bank. In the case of Sindhuli, a total of 8 cooperatives (of the 19 promoted by SAHAMATI) have an outstanding loan of NRs. 13 million. In Myagdi, one old cooperative had taken loan from RSRF in the past but since most of other cooperatives facilitated by SAHAMATI are new, they will be eligible to apply for RSRF loan after some time.

8.5 Inter-lending

Even though the current status of the cooperatives differ, their aspired growth trajectory is similar. Some cooperatives in the district may have shortage of funds to meet the higher loan demands of the members while some other cooperatives in the same district, may have spare funds that could not be lent. Inter-lending is a practice whereby the spare funds of a cooperative can be accessed as loan by other cooperatives. Often, the District Savings and Credit Union (DSCU), the network of saving and credit cooperatives in a district mediates the transaction and earns some margin to meet its operational expenses. In Makawanpur, the cumulative amount of inter-lending done through the DSCU is NRs. 245.5 million in August 2015. The outstanding inter-lending is NRs. 33.2 million. In Sindhuli, the cumulative inter-lending amounts to NRs. 3 million of which nearly NRs. 2 million is outstanding.

The DSCU does inter-lending from two sources. The first source is to get a loan from a cooperative that has unspent funds and lend the amount to other cooperatives that have shortage of funds to meet the loan demands. The second source of lending is the regular savings done by the member cooperatives with the DSCU. In both cases, the DSCU earns a margin of 3 to 4 percent which is used to meet its administrative expenses and financial costs.

8.6 Operational Self-Sufficiency and Financial Self-Sufficiency of Cooperatives

Experience shows that cooperatives that receive intensive professional support for institutional development for about 5 years can achieve both 100% Operational Self-Sufficiency (OSS)⁷ and 100% Financial Self-Sufficiency (FSS)⁸. OSS and FSS are key indicators of sustainability of MFIs including Saving and Credit Cooperatives. All cooperatives in Makawanpur and Sindhuli have achieved 100% OSS and FSS. In Sindhuli, all the 19⁹ cooperatives

⁷ OSS is calculated by dividing the operating income (or, interest and fees earned from loans and investments) by direct cost of capital (or, the sum of operating expenses, financing costs, and loan loss provision). If a cooperative does not reach 100% OSS, its equity (loan fund capital) will get reduced because the operational cost is met from it. This would mean that only smaller amounts will remain for lending. It shows that if enough income is earned to cover the direct cost of capital the lending operation can sustain.

⁸ FSS is calculated by dividing the operating income (e.g., from interest and fees on loans and investments) by the sum of operating expenses, financing costs, loan loss provision and inflation adjusted cost of capital. The inflation adjusted cost of capital is an indirect cost of maintaining the value of the equity to inflation. Achieving 100% FSS ensures that lending services are not adversely affected by the impacts of inflation.

⁹ reduced from initial 20 as partnership with one was suspended because a court case is in process against some of its officials on charges of fund misuse.

supported by SAHAMATI have achieved more than 100% OSS and FSS in a period of nearly 5 years. Among these 19 cooperatives in Sindhuli, the range of OSS is between 121% and 215% while the range of FSS is between 106% and 185%. The trend in Myagdi is encouraging and the cooperatives are likely to achieve self-sufficiency in the coming two years.

8.7 The Qualities of Support Organization as Contributing Factors

The reference support organization in this study is SAHAMATI, a social development organization with its head office located in Gaindakot Municipality of Nawalparasi district. A number of key attributes and strengths of SAHAMATI which are listed below contributed to achieving the socio-economic transformation and its likely sustainability in the program districts.

- In-house expertise and experience in self-help, cooperatives, micro-finance, local resource mobilization, human values based development, and networking.
- Practice of new leadership development (4 presidents in 14 years) within organization.
- Commitment, long term vision and involvement of SAHAMATI exemplified by its investment in land and building (current value about NRs. 200 million).
- Program field backstopping by core team (not limited to staff and consultants).
- Learning retained in house (length of time to achieve the same results has been reduced).
- Human values as one of the pillars of the organization.
- Combination of both practice and promotion at SAHAMATI.

9. Scope for Improvement

This study identified a range of attributes of women's cooperatives, programs aimed at supporting them, and the support organizations that lead to desirable outcomes. This section lists what additional improvements at the program and the support agency levels could further enhance the scope, scale and quality of transformation.

9.1 Scope of Improvement at the Program Level

- Quality of support deserves improvement in response to evolving cooperative needs, especially in IT, infrastructure, and documentation. Added emphasis would be desirable on product development, processing, value addition, and marketing in addition to production.
- Involvement of male youths in the program deserves consideration so as to develop a common vision, setting up and following rules, enhancing cooperation at home, developing leadership, personality and individual character, and adopting women friendly behavior and supportive approach to young women's initiatives.
- A balance in cooperatives between accountability to members and drive for financial gains in business deserves to be promoted.
- Facilitation on personal business plan of the entrepreneurs needs to be added in the program.
- Developing cooperative marketing with links at national and international levels deserves consideration.
- Expansion of the program at the national level deserves to be envisioned.

9.2 Scope of Improvement at the Support Organization Level

- Greater utilization of IT in management.
- Consolidated database (at the levels of cooperatives, district units and head office of support organization).
- Streamlining common and comparable monitoring framework that includes institutional, economic, social, and human values based indicators.
- Adding specialized human resources in organization: IT, publication, enterprise development, marketing, and human values.
- Documentation and dissemination of exemplary achievements and lessons for the benefit of the larger development community (National Planning Commission, Finance Ministry, Agriculture Development Ministry, Cooperatives and Poverty Alleviation Ministry, bilateral and multilateral donors, National Federation of Cooperatives, and national and international NGOs).
- Professional dialogue with funding partners on an equal footing and contribution in program design (concept, procedure, holistic approach, individual character, human values, quality of outcome in addition to quantity of output, and monitoring and reporting framework).
- Increment in efficiency by streamlining and shortening the facilitation process as experience is gained.

10. Key Lessons Learned

- The following are the key lessons learned from the programs covered by this study:
- Women's cooperatives based on self-reliant groups

are effective in reaching the poor and in the drive to membership expansion, management reforms, and women's empowerment.

- Combination of institutional and livelihood development support by the same organization has proved to be effective and integrative. Involvement of separate support organizations to deliver these two types of services has encountered coordination deficiencies, time mismatch, communication gaps and blame shifting thereby adversely affecting the timing and quality of support to the needy farmers.
- Initially cooperatives needed about 6 years of professional support to grow and become self-sustainable. Efficiency is gained as the support organizations earn more practical experience and as the cooperatives also start to learn from each other so that the facilitation process can be shortened to about 4 years.
- Facilitation of local system and process of inclusion in local organizations builds up local catalysts, experience, local ownership and self-responsibility for transformation leading to greater chances of sustainability.
- If the process is right and good examples exist, cascade effects (or multiplier effects) occur in extension, training, membership expansion and enterprise development leading to greater equity, effectiveness and efficiency.
- Exposure visits to successful cooperatives in other districts, first hand observation of achievements, face to face interaction with exemplary cooperative leaders, and utilization of the services of experienced cooperative leaders from one district as resource

persons for another district can make a great difference in the cooperative movement for poverty reduction, inclusion and equity.

- Information sharing and coordination with local administration and local government bodies enhance local acceptance, positive relationships and cooperation thereby leading to greater effectiveness (work gets accomplished), and efficiency (unnecessary distraction is prevented and wastage of time and resources in furnishing justifications and repairing relationships is prevented).
- Staff field visits and field based training motivate local action and raise effectiveness.
- Integration of human values (integrity, inclusion, inner peace, equity, self-help, compassion, service, non-violence) across institutions, activities and behavior enhances inner balance and harmonious relationships with other people and mother nature.
- Transformation in one's own thought and behavior brings transformation in family, group, organization and society.
- Children (e.g., in farmer family) who help out at home tend to be self responsible and interested in social service.
- Social, economic and commercial improvements take place gradually, not abruptly. This necessitates that program results be measured in terms of both the process and the outputs.
- With proper orientation and opportunities, rural women and adolescent girls better perform as participants, catalysts and leaders in the cooperative movement against poverty .
- Development of simple and clear operational manual

and guidelines for program implementation coupled with proper orientation of the staffs, stakeholders and participants enhance common understanding and commitment.

11. Conclusions

With regard to the main questions that this study attempted to answer, the following conclusions stand out:

- The poor can be effectively reached.
- Coverage of the poor can be significant.
- The poor can change their economic standing.
- Economic benefits to the poor can be significant.
- Social reforms can accompany economic progress.
- Changes in personality, behavior and underlying values are possible.
- Economic and social progress can be sustainable and self-propelling.
- Women's cooperatives, provided they are appropriately oriented and developed, can serve as effective means for poverty alleviation, self-reliance and socio-economic transformation. In order to be effective, cooperatives need to follow the due principles and processes while remaining active in their functions. They need to have adequate time to mature together with practice and experiential learning. They need to practice participatory, inclusive, poverty sensitive approaches with strong human values orientation. Additionally, they would need professional support from experienced and capable organizations for a few years so as to become institutionally, financially and functionally strong.

- NGOs have the potential to support the cooperatives in their strengthening process. Qualified NGOs that have the needed expertise, experience and missionary zeal, and that practice what they preach are best suited to provide professional support to cooperatives in social, economic and behavioral transformation process.
- Further improvements in efficiency, effectiveness and equity at both the program level and support organization level are possible with practice and experience.

The End

About the Author

Dr. Harihar Acharya is an international development professional having over 35 years of experience in development policy, program implementation, research and training. His main areas of contribution are community forestry, farmer managed irrigation, micro-finance, micro-enterprises, cooperatives, self-help, human values based development, gender equity and social inclusion, participatory methods and project management. Dr. Acharya has rendered his professional services in Nepal, Cambodia, the Maldives, Pakistan and the United States of America. He has worked with a diverse range of institutions including the World Bank, the Asian Development Bank, GIZ, Swiss Agency for Technical Assistance, WHO, UNDP, FAO, ILO, Kathmandu University, Tribhuvan University, Cornell University, government agencies, national and international NGOs and the private sector. He has conducted numerous research works on a range of development issues in Nepal. Currently he serves as the Chief Executive Officer at the Centre for Microfinance (CMF) Nepal which is a private not-for-profit company that strengthens the service delivery capability of micro-finance institutions through networking, research, training, exposure visits, hands-on support and advocacy.

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