



Women's Cooperative Banks Role in Promoting Economic Empowerment

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Abstract: Women's cooperative banks have emerged as crucial instruments for fostering economic empowerment among women, particularly in rural and semi-urban regions. These banks, managed and operated largely by women, provide a supportive financial ecosystem tailored to the unique needs of female clients. This review explores the role of women's cooperative banks in facilitating financial inclusion, promoting entrepreneurship, improving saving habits, and enhancing women's decision-making capacities. The article also discusses the challenges faced by these banks and offers policy recommendations for strengthening their impact.

Keywords: Cooperative bank, Women, Role, Economic empowerment

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INTRODUCTION

Economic empowerment of women is central to inclusive development and gender equity. Access to financial services is a major component of empowerment, enabling women to manage their income, make investments, and take part in entrepreneurial activities. However, traditional banking institutions have often failed to adequately serve women due to systemic barriers, lack of collateral, and gender biases. In this context, women's cooperative banks have emerged as grassroots financial institutions that offer gender-sensitive services and foster women's economic independence.

THE CONCEPT OF COOPERATION

According to the website <https://www.vocabulary.com>, the term "cooperation" is a combination of the Latin prefix co-, which means "together," and operari, which means "to work." The initials "co-op" are a shortened version of the word "cooperative." People use these terms when they are working together on a project or company that they are all affiliated with. Cooperatives are businesses that are centred on people and provide them with the opportunity to realise their shared socioeconomic needs and goals. These cooperatives are owned jointly by its members and are democratically governed by them. Cooperatives are enterprises that are conducted not just for profit but also on the basis of principles that have been agreed upon worldwide. Through the implementation of principles such as self-help, self-responsibility, democracy, equality, equity, and solidarity, cooperatives encourage its members to strive towards the establishment of businesses that are capable of sustaining themselves.

According to the definition provided by 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." The International Alliance for Cooperative Operations.

FORMATION OF INTERNATIONAL COOPERATIVE ALLIANCE

Following in the footsteps of Rochdale Coop, which had been in operation for over fifty years, the International Cooperative Alliance (ICA) was founded in England in 1895. The International Cooperative Alliance was formed with the purpose of uniting, representing, and assisting cooperatives worldwide. Members of cooperatives from many different countries came together at the first Cooperative Congress to form what is now known as the International Cooperative Association (ICA). Among these countries were Serbia, India, Italy, Switzerland, Belgium, England, France, Germany, Holland, and the USA. Delegates discussed and reached an agreement on the Alliance's goals, which include the promotion of cooperative principles and the distribution of information.

Only this specific worldwide coalition was able to weather the storms of both World Wars unscathed. It is the intention of the cooperatives to implement the following cooperative principles or guidelines that have been developed and approved by the International Co-operative Alliance (ICA).

Cooperatives are decentralized, member-run organizations that value independence and autonomy.

Cooperatives prioritize the well-being of their communities by implementing policies that are agreed by its members.

- Cooperatives working together—By coordinating their efforts, cooperatives are able to better serve their members and build the cooperative movement as a whole.
- Cooperatives have democratic member control, meaning that members have a say in policymaking and decision-making. Every member is entitled to one vote. A representative's accountability ultimately rests with the people who chose them.
- Cooperatives provide its members access to educational opportunities and training programs.

Economic involvement of members - Members make fair contributions to the cooperative's capital that is democratically managed. The capital contribution compensation is restricted, and any excess is used for the cooperatives' growth, reserve creation, and activity support. Members' voting rights are independent of their capital contributions.

Participation is entirely optional, and anybody is welcome to join a cooperative as long as they are prepared to take on the duties that come with being a member. Political, religious, gender, socioeconomic, and racial bias do not exist in cooperatives.

RECOGNITION BY THE UNITED NATIONS

The importance of cooperatives in social development and the contribution they make to the establishment of peace among individuals, communities, and countries is something that the United countries recognises and appreciates. The United Nations has recognised cooperatives as groups and businesses that allow individuals to successfully better their lives while also contributing to the economic, social, cultural, and

political growth of their community and country. This recognition was made public by the United Nations. The establishment of cooperatives promotes equality among people, as well as the development of wealth and the elimination of poverty. The cooperative model places an emphasis on people, is community-based, and is dedicated to the concept of sustainable development. The United Nations (UN)

Since its inception in 1923, the International Day of Cooperatives has been observed by the global community on the first Saturday of every July. Beginning in 1995, the United Nations has been participating with the International Cooperative Alliance in the celebration of the International Day of Cooperatives.

At the First Global conference, which was place on October 18, 2019, and focused on the contribution of cooperatives to the Sustainable Development Goals (SDGs), the need of seeing cooperatives as vital actors that are necessary for the achievement of the SDGs was emphasised. The International Alliance for Cooperative Operations

OBJECTIVES OF URBAN COOPERATIVE BANKS

UCBs, which are products of the cooperative movement, were created with the main goals of fostering thrift, mutual assistance, and providing credit facilities to persons with limited means who are members of the middle class and lower middle class portions of the population. The term "Urban Cooperative Banks" (UCBs) is used to refer to main cooperative banks that are situated in semi-urban and urban regions, despite the fact that it is not technically defined. Historically, these banks have been centred on the communities and work groups in the surrounding area. The small company owners and borrowers are the primary customers of this organisation. Because they do not have any papers or collaterals to give, the majority of the individuals who are serviced by cooperative banks are deemed to be non-bankable by other commercial banks. This is because they do not hold any documentation. Up to the year 1996, UCBs were only permitted to lend money for reasons that were not related to agriculture. There is no longer any limitation of this kind, and their activities and scope have significantly expanded since they were first established.

FINANCIAL INCLUSION INITIATIVES OF URBAN COOPERATIVE BANKS

Urban cooperative banks provide the finest alternatives to microfinance institutions and private money lenders, both of which offer financing at excessive interest rates and in a way that is not transparent.

Not only does the provision of financial services to clients include the establishment of savings accounts and the provision of minor loans, but it also encompasses the provision of a wide range of financial services that will bring about a change in the lives of the customers.

The following advantages are available to customers of UCBs as a result of financial inclusion:

1. Customers are able to integrate themselves into the national financial grid.
2. As a customer's history of banking transactions has been established, the customer's creditworthiness improves.

3. Once the consumers' creditworthiness has been proven, it will be feasible for them to get loans from banks at reduced interest rates in a way that is both fair and transparent.
4. Received advantages from the government in the form of different subsidies, which are credited directly to the account.
5. With the advent of digital transactions, remittances are made simpler, the danger of handling currency is decreased, and a trail of transactions is automatically produced, eliminating the need to retain a record of previous transactions.
6. Mobile banking and online banking make it easy to send money and pay utility bills without having to leave the home. This saves time, money, and energy. Mobile banking and internet banking are also becoming more popular.
7. The use of debit cards and ATM cards makes it possible to withdraw money without having to pay attention to the time of the bank.
8. The consumers of the banks are able to raise their income as a result of the higher interest and the transparent transactions.

MILESTONES IN INDIAN HISTORY AND EVOLUTION OF WOMEN EMPOWERMENT

The status of women in India has seen tremendous ups and downs since ancient times till this date. Indian women held very high status in ancient times. Women enjoyed almost equal status with men in all aspects of life in the early vedik periods. Rigvedik verses even suggest that women were allowed to marry at a mature age and were even free to choose their own husbands (swayamvaras). Birth of a girl child was not unwelcome in this era. Gargi and Maitreyi are the two notable scholars from this period.

Since approximately 500 BC status of women in India began to decline. They started facing confinement and restrictions. Some Dharmshastras helped in confining women to home by stating *that* "No woman is ever really independent until her father watches after her as a kid, her husband as a young lady, and her sons as an elderly woman.

Several practices and traditions since then have contributed to the further debasement of women in India, including the purdah system followed by Muslims, child marriages, a prohibition on the remarriage of widows, the jauhar practiced by Rajasthani women, polygamy by Kshatriyas, and the zanana area of the house.

In spite of all this, there were women who rose to positions of power in religion, politics, literature, and academia. Razia Sultan became the sole female ruler of Delhi; Durgawati, queen of the Gonds, ruled for fifteen years before dying in battle in 1564; Chandbibbi fought for Ahmednagar in the 1590s when Akbar invaded; Jahanara and Zebunnisa, princesses of the Mughal dynasty, were poets who had an impact on the ruling classes; and Jijamata, mother of Shivaji, was a regent, warrior, and administrator. New social and religious structures were ushered in by women administering cities and villages in southern India as well. On the other hand, there were hardly any of these cases.

WOMEN'S CO-OPERATIVE IN INDIA

It was only recently announced that the cooperative movement in India has reached the milestone of 75 years. Over the course of the 1957–1958 academic year, India had 1126 women's cooperative organisations, with a total membership of 15,000 individuals. At the present day, women are employed in this sector, the steel industry continues to have a significant amount of power over cooperatives, and women constitute a minority of the membership of these organisations. Out of the three hundred thousand co-operative societies in India, only nine thousand and six hundred service the eight crore members of such societies. Of those members, one hundred and eighty thousand are women.

It was in 1983 when the first women's cooperative organization was registered in the UK. At the time, the women's league had an annual membership cost of six pence and around fifty women were members. The league's stated goals included bolstering women's social and economic standing throughout the country and promoting and protecting the cooperative ideals held by women at the time. Cooperatives run by women often sprout up in the Indian states of Punjab and Madras.

WOMEN EMPOWERMENT THROUGH CO-OPERATIVE INSTITUTIONS

Within the cooperative sector, the Ministry of Cooperation has undertaken a number of initiatives with the goals of enhancing the lives of women, empowering them, and generating money for them. The following is a list of the most important initiatives that the Ministry has done in this regard:

1. Establishing a quota for women to serve on the boards of directors of multi-state cooperative firms

An amendment was made to the Multi-State Cooperative Societies (Act) 2002, which mandated that women be required to serve as Directors on the Board of Directors of Multi-State Cooperative Societies organisations. As a result, this will guarantee that women are represented on the boards of directors of more than 1,550 Multi-State Cooperatives scattered throughout the nation.

2. The implementation of Model Bye-laws in order to provide reservations to members of Primary Agriculture Cooperative Credit Societies (PACS)

The Ministry of Cooperation has drafted a set of model bye laws for the PACS, and all of the states and union territories in the nation have gone ahead and implemented them. PACS is required to have a certain number of female directors as a result of this obligation. The participation of women in decision-making and representation in more than one lakh PACS would be ensured as a result of this.

3. Nandini Sahakar Scheme

The Nandini Sahakar Scheme is a financial assistance programme that is administered by the National Cooperative building Corporation (NCDC) and falls under the Ministry of Cooperation. Its purpose is to provide women cooperatives with help in the areas of project planning, capacity building, and handholding. As a result of the NCDC's allocation of 5,714.88 Crore to Women Cooperatives, more than 1.56 Crore women members have benefited from the programme.

A BANK FOR AND BY POOR RURAL WOMENFOLK: PROMOTING EMPOWERMENT

A "rural" urban cooperative bank overseen by the Central Bank of the Country, the MDMSB serves low-income women. To put it another way, this raises the prospect that the MDMSB is unique among similar institutions. Savings, credit, insurance, pension, and non-financial services are all part of MDMSB's extensive and integrated service offering. Financial and non-financial services are provided by three different organizations. The Mann Deshi Mahila Sahakari Bank, the Mann Deshi Mahila Bachat Gat Federation (a Union of Self-Help Groups), and the Mann Deshi Foundation (a Non-Profit Organization) are these groups. The federation is a non-profit organization that aims to organize rural women entrepreneurs. Its members include over 2,000 self-help organizations. The formation of five branches by this confederation of SHGs has allowed the bank to expand its geographical reach. The NGO Foundation doesn't only help clients out monetarily; they also provide a plethora of non-monetary services including healthcare, education, scholarships for students, vocational skill training, and more. Thousands of economically disadvantaged rural women get both financial and non-financial assistance via this tri-polar structure, which adds to the holistic service of the people.

Mahila Bank has around 13,300 members with a combined stake of 260.00 lakh rupees, six fully computerized branches, and approximately 127,000 clients. Daily wage workers make up half of these clients, while micro entrepreneurs make up the other half. The average yearly income of these clients falls somewhere between 15,000 and 20,000 rupees, and the loan recovery rate of the Mahila bank is at 97%. Eighty percent of the borrower-clients are from economically disadvantaged backgrounds, and there are no males among them. Because of their gender, caste, and socioeconomic status, these women are on the margins of society. Women from the region's unorganised sector, including those who sell vegetables and milk, raise goats and sheep on a nomadic basis, run cottage industries, work as casual workers or receive a daily pay, are the source of these individuals. People in the age bracket of 20–60 make up the majority of consumers, with the majority falling somewhere between 24 and 40. Even though these women lacked a formal education, it didn't stop them from creating and managing a microcredit and financial system optimized for their needs. Several anecdotal accounts demonstrated that members' quality of life has improved as a result of their empowerment in economics, education, and politics.

CONCEPT AND STRUCTURE OF WOMEN'S COOPERATIVE BANKS

Banks managed by women, for women are known as women's cooperative banks, and they are required to comply with cooperative legislation. Mutual help, self-sufficiency, and democratic governance are the guiding ideals of these financial institutions. Providing savings accounts, credit facilities, and insurance to women who are underserved by standard banking institutions is their core purpose. They tend to have more accommodating lending policies and community-focused operating structures than commercial banks.

CONTRIBUTION TO ECONOMIC EMPOWERMENT

Financial Inclusion

One of the primary contributions of women's cooperative banks is expanding financial inclusion. These

banks offer accessible banking facilities in areas where formal financial services are limited. They simplify account opening procedures, offer micro-loans without collateral, and conduct financial literacy programs, enabling marginalized women to become financially active.

Promotion of Entrepreneurship

Through microcredit schemes and business development loans, women's cooperative banks support women entrepreneurs in launching and expanding small-scale enterprises such as tailoring, food processing, handicrafts, and retail. Access to credit not only reduces dependency on informal moneylenders but also allows women to invest in productive assets and improve their income levels.

Savings and Asset Building

By encouraging regular saving habits through recurring and fixed deposit schemes, these banks help women accumulate financial assets. This not only serves as a safety net during emergencies but also enhances women's confidence in managing their finances.

Empowerment and Social Impact

Economic independence achieved through banking support often translates into broader social empowerment. Women gain a greater voice in household decisions, participate in community leadership, and experience increased self-esteem. Participation in cooperative bank activities also strengthens social solidarity among women and promotes collective development.

CONCLUSION

Women's cooperative banks play an indispensable role in promoting economic empowerment by creating inclusive financial ecosystems for women. These banks not only bridge the gender gap in financial services but also foster long-term social and economic transformation at the grassroots level. While challenges remain, strategic support and innovation can significantly amplify their impact, making them key drivers of gender-inclusive growth.

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