

## “Origin of Women’s Co-operative Banks in Maharashtra”

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### Abstract

The co-operative movement came in to existence in England in the late 1700s. Robert Owen is known as the ‘Father of the Co-operative Movement’. The modern co-operative movement begun in 1844 near, Manchester, England. But the idea of co-operative took concrete shape in the India for the first time in 1904, when ‘Co-operative Credit Societies Act 1904,’ was passed to encourage thrift, eradicate rural indebtedness and provide easy and cheap credit to the needy and weaker sections of the society in rural areas. This Act was later amended in 1912 and 1919, which has widened the scope of the co-operative movement in India.

Co-operative movement in India is one of the largest movements in the world. Co-operative movement has made tremendous progress in every aspects of the Indian economy. Co-operative activities occupy a major place in the sphere of the Indian economy. Maharashtra is one of the major states in India. The co-operative movement in Maharashtra has played a significant role in the social and economic development of the state particularly in the rural areas. The co-operative banking sector in the Indian economy holds a distinct identity, as it is the only institution of micro credit dispersion. In today’s world of uncertainty, women have become conscious about their saving and investment in the safest way. They are also in search for an institution from where in case of need they can get easy and cheap credit, which is near to their resistance and where they can be treated as a family member. The women’s co-operative banking sector is the only one where women can be fined all these qualities and get good return on their investment as well.

**Keywords** : Urban Co-operative Banks, Women Entrepreneurship, Women Entrepreneurs, Women Empowerment, Financial Performance.

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### Introduction :

Maharashtra is a leading state in the women co-operatives. In the progress of women co-operative movement in India, Maharashtra proved its creditable and competitive role. Co-operatives have been playing an important role in improving the economic conditions of Maharashtrian women by providing them employment and income generating opportunities. Establishment of women’s co-operative bank is a bold and revolutionary step in the history of urban co-operative banking in India. Maharashtra is the pioneering state in women’s co-operative banks in India. The women’s banks are meeting the financial needs of the women and are helping to increase the income and standard of their families.

Due to certain changes in the banking sector and new economic policies, the co-operative sectors in general and urban co-operative banks in particular, have undergone a crisis. At the same time the failure of some good urban banks and women's banks has also attracted the attention of the people and raised the question of security of their funds. So that need to the find actual stability of the women's banks. Distinctive feature of the women's co-operative banks as compared to other urban co-operative banks.

### **Objectives of the study :**

The study sets the following objectives :

1. To study the history of the co-operative movement in Maharashtra.
2. To study the origin of women's co-operative banks in Maharashtra.
3. To study the significance of women's co-operative banks.
4. To study the characteristics of the women's co-operative banks.
5. To study the objectives of the women's co-operative banks.
6. To study the progress of the women's co-operative banks in the Maharashtra.

### **Research Methodology :**

The present study is totally based on the secondary data and literature. The secondary data collected from various reference books, magazines, recently published journals, news-papers. The search for this paper has been done using the online databases; online journal and material available on various websites have been scanned. All the views and relationships expressed in this paper are through the review of paper, article and the reports.

### **Origin of Women's Co-operative Banks :**

The first prime-minister of Independent India Pandit Jawaharlal Neheru had a great urge for the up-liftmen of women. In his words "If we want to bring awareness among the Indians, we must bring it by organizing women. Because once women are aware, they will enlighten the house, village and the country as whole." Panditji's views very well go with our great cultural tradition of respecting women. India embraced the principles of democracy and socialism after independence and aspired for equality. The constitution of India bestowed equal status to men and women but unfortunately equality of men and women has remained only a dream.

The late prime-minister of India, Mrs. Indira Gandhi encouraged women to come forward and have equal status with men. Her inspiration encouraged women to seek employment in government offices, schools, hospitals and struggle for economic survival. This belief received support from all sections of the society. Women social workers came forward and tried to solve the problem of equality through mutual understanding and co-operation. To fight against changing and challenging environment, to give them a helping hand these women got organized on the basis of co-operation.

Establishment of women's co-operative banks is a bold and revolutionary step in the history of urban co-operative banking in India. Even though our constitution and various laws have given freedom to women, the social system in our country has never

allowed women to become free in the real sense of the term. Until women get social justice and equity this will not be possible with the objectives, viz. and women should enter in economic life of the country and with economic freedom. In this regard Maharashtra has made a notable progress by giving freedom to women by setting up women's banks

Maharashtra is the pioneering state in women's co-operative banks in India. The first women's co-operative bank known as Ichalkaranji Mahila Sahakari Bank Ltd was established in October 1971, at Ichalkaranji, under the chairpersonship of Smt. Sarogini Khanjire, the political leader. Subsequently, Shree Laxmi Mahila Sahakari Bank Ltd. Sangli and the Kolhapur Mahila Shakari Bank Ltd. Kolhapur were established in December 1971 and May 1972 respectively. In Bombay, the Indira Mahila Sahakari bank Ltd. Bombay was established on 2 Oct 1972. By the end 1973, the number of women's co-operative banks went up to 12. In the last decade, the movement gathered momentum and by 1982, there were 17 women's co-operative banks spread in several districts of Maharashtra. The women's banks have earned a reputation for themselves as sound financial institutions and to some extent overcome the initial skepticism and prejudice against them. At present there are 33 women's co-operative banks all over Maharashtra. Following the success of women's urban co-operative banks in Maharashtra, the leaders from Gujarat, Goa, Karnataka, Manipur and Andhra Pradesh have also formed the women's co-operative banks. Thus, the Maharashtra is a pioneering state in the women's co-operative banks in the India.

### **Significance of Women's Co-operative Banks :**

There is no basic difference between the co-operative banks in general and the women's co-operative bank. However, one difference must be accepted and that is, women's co-operative banks have been formed with a social purpose and therefore, it needs special encouragement from the Government and the society. Women co-operative bank is just like any other co-operative bank as far as its working is concerned. However, it has the potential to harness the tremendous women-power wasted in India. Women are competing successfully with the men in almost all the fields. However, women cannot get the employment as compared with the men. It is assumed that men have the first claim on job and women's primary attention is at her family, but when women becomes free from her domestic or family work, she gets time to look after the job and thus she can earn the income to support her family. If society does not utilize her energy, capacity and education; the country will lose the scarce human resources. If the finance and technical guidance are provided through the women's co-operative banks, then the problem of unemployment will be reduced. A women's co-operative bank with its focus on women's problem is the answer to their need.

The women's co-operative banks can help and guide to establish the industrial units by providing financial assistance to the women in the urban areas. This has been done to some extent by the Solapur Zilla Mahila Sahakari Bank Ltd, by establishing a co-operative paper factory for women. Women's co-operative banks can also help to form the women's consumers' co-operative societies. Such activities sponsored by women's co-operative banks will create congenial atmosphere for the development of entrepreneurship among women.

### **Characteristics of the Women's Co-operative Banks :**

Helping each other and giving protection to the weaker sections is the main principle of women's banks. Following are the main characteristics of the women's banks.

1. Women are given the priority in the functioning of the bank.
2. Sanction of loans is made only to the women members.
3. Economically backward women are given the priority.
4. Sanctioning of loan is basically to the women who intend to start small scale business, e.g. vegetable venders, milk dairy, papad, pickles, making and selling.
5. Business guidance is also provided by the women's banks.
6. The loan is sanctioned against certain tangible securities such as gold and silver ornaments.
7. The women's bank organizes consumers gathering and women's gathering to encouraged and promote women entrepreneurship.
8. Women's bank provides safe deposit vaults to the bank members and account holders.
9. The moto of the women's banks is : "Women bank is of the women, for the women and by the women."

### **Objectives of the Women's Co-operative Banks :**

The women's Co-operative banks were primarily established with the following objectives:

1. To encourage thrift, self-help and co-operation among women.
2. To cultivate the habit of self-help and thrift among women and to mobilize the deposits.
3. The savings can be used for productive purpose and to expand banking habits among women.
4. To meet financial needs of women and to make them free from the clutches of money-lenders.
5. To encourage the women and to increase the income and standard of living.
6. To meet the financial needs of professionals like doctors, beauty parlors, artisans etc.
7. To develop entrepreneurship among the women by providing capital.
8. To meet the financial needs of women by giving them credit facilities for purchase of domestic articles such as T.V, Furniture, tailoring, machines , kitchen-wears, vehicles etc.
9. To provide self-deposit vault and ancillary services.
10. To prepare and to financed schemes for amelioration of the financial condition of the members.
11. To provide financial and technical assistance to small scale and cottage industries and to help self employed persons for setting up their own business.
12. To provide technical guidance and consultancy to women entrepreneurs.
13. To develop the banking habit among the masses in general and women in particular was the prime objective of starting women's bank.

Women could generate money out of their own undertakings or own savings and thus could gain economic empowerment. Normally women are particular in repayment of debts. In male dominated society like ours. Women have to shoulder all household responsibilities, but the often find it difficult to save or to retain their savings. Normally women like to hide, their well saved money from their husbands or other persons in the family. Surprisingly enough, we have many women account holders who plainly request us not to disclose their savings to their family members. They wish to spend their savings only when they themselves think it proper to spend it. From our experience, illiteracy of women does not come in the way of operating a bank account. Once, twice, thrice you teach her to operate the account and she would do so properly. The women bank provides an informal atmosphere, where women interact freely with bank officials with the changing, social and economic conditions; women's productive role has assumed significance. Women generally have, no real estate in their names, which often imposes a limitation, on development of entrepreneurship among them. But with suitable backup and support services, a healthy condition for women's productive and reproductive roles can be sustained. It is in this direction that women's bank could contribute to make a women self-dependent and self-reliant economically in a major way. Today thousands of women and men are depositors, share holders and loanees of women banks.

#### **Women's Co-operative Banks in Maharashtra :**

Co-operative movement in India, in terms of size, is the biggest movement in the world, but the membership of women in co-operative movement, consequently their participation in its affairs, continues to be very low and not very substantial. Women constitute about half the population of the country and it is logical to expect that their membership in co-operatives will be about 50 per cent of the total or may be some what less or so. Although exact figures of women membership are not available but their membership is estimated around 1 per cent of the total. It is therefore, absolutely necessary to seek the involvement of women in different types of co-operatives. The need to ensure active participation of women in the co-operative movement. Women's participation in the country's economy is also not very encouraging.

Women in recent times have started utilizing the services of the co-operatives on an increasing scale. They have joined co-operative societies, banks, capable of serving their economic and social interests, along with men. Women have also formed their exclusive co-operative societies and banks for promoting their economic interests some of the statistical indicators such as membership, share capital, deposits, and loans advanced etc. will highlight the present position of women's co-operative banks in Maharashtra. The share of women's banks in the total urban co-operative banks in the state was 6.10 per cent. The total membership of the women's banks was 298 thousand which constituted hardly 295914 which constituted hardly 4.38 per cent of the membership of urban banks in Maharashtra. Similarly, the share of paid up capital, deposits, borrowings and loans advanced formed a very small percentage, as compared with the figures of urban co-operative banks in the Maharashtra state. The total number of branches of urban co-operative banks in the state was 4526, and the branches of women's co-operative banks in the state were 126 which constituted hardly 2.76 per cent.

## Conclusion :

The co-operative movement in Maharashtra provides a model to the country both in agricultural and non-agricultural credit. The achievements of urban co-operative banks are admirable. The urban co-operative banks have become an outstanding example to other states. Therefore, there is a need for deliberate policy for the development of urban banks.

The establishment of women's urban co-operative banks in Maharashtra is recent and bold step. The women's banks were set up with specific objectives, i.e., economic and social upliftment of women. During the last 40 years by entering the field of co-operative banking, women have proved that they can manage the banking institution also.

Maharashtra is the pioneering state in the women's co-operative banks. The women's banks are meeting the financial needs of the women and helping to increase the income and standard of their families. The women's co-operative banks have done very little in respect of development of entrepreneurship among the women. Therefore, still much work in this respect is to be done in future by the women's co-operative banks.

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