

CHAPTER - I

INTRODUCTION AND METHODOLOGY

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This Chapter has been divided into two parts, viz.

- 1.1 Historical development of Mahila Cooperative Banks in Maharashtra; and
- 1.2 Methodology.

1.1 Historical Development of Mahila Cooperative Banks in Maharashtra:

Cooperative movement has been a vital instrument in the economic development of the society at large in general and the economically backward strata of the society in particular. This is particularly important for a developing country like India, because of her vast geographical spread and the practical difficulties experienced by the policy-makers and administrators to bring about the economic development. Particularly, it becomes difficult when the fruits of overall economic development are not shared equally by all the members of the society. Cooperative movement tries to narrow down this gap by bringing together economically weaker sections of the society, organize them into a cooperative society and thereby give them the economic and social benefits of a viable organization. Cooperative movement has tried to do this in India right from its inception.

Women constitute about 50 percent of the population in India. Cooperation can, and should, try to better the socio-economic status of women in India. What can and should the cooperatives do for womenfolk in India may be stated in the words of Shri. Rajiv Gandhi, the then Prime Minister of India, in his inaugural address on the occasion of National Convention of Women in Cooperatives, on 21st January 1989, when he remarked,

Involvement of women in cooperatives constitutes a practical programme for raising the status of women in the society on a very large scale, especially in those echelons of our society where it is needed most...

Need for More Involvement:

Even though womenfolk constitute about 50 percent of our population, in the male dominated society of ours, women membership is about 1 percent of the total membership (for all cooperatives taken together) of 150 million as of 30th June 1984.¹ This woman membership in the cooperatives is a mixed-membership. Another channel, in addition to the channel of female-membership, which has been developed during the last ten years or so, is the formation of women cooperatives exclusively with female membership. The number of woman-cooperatives was 3,754 with the membership of 3.5 lakh as on 30th June 1984.

Thus, a large percentage of the womenfolk in

India is still out of cooperative fold. The basic reasons are:

i. Illiteracy:

Lower rate of literacy is a crucial factor inhibiting women's participation in the cooperatives. The average woman, who is either illiterate or semi-literate, fails to grasp the concept and potentialities of cooperatives.

ii. Inadequate financial support:

Although there are various schemes of different agencies for providing financial assistance to the cooperatives which include women cooperatives, but because of procedural complexities and operational delays, ordinary women fail to make use of such schemes. Moreover, they do not have adequate knowledge about various schemes.

iii. Lack of systematic marketing facilities:

The women in the country are inclined more towards organizing industrial cooperatives as the industrial cooperatives offer better prospects of generating additional income. However, the main problem with these cooperatives is a lack of marketing channels. Consequently, women cooperatives fail to market their products which results in piling up unsold stock and limited turnover of the small capital which they have. This hampers the business activity of the society and within a short period of time, the society becomes defunct. This, in turn, discourages women to form their own cooperatives.

iv. Inadequate education and training facilities:

There are facilities for cooperative education and training for women. But such facilities have not been extended to all the States and districts. Thus, a vast number of womenfolk in India is deprived of the benefits.

v. Social causes:

The social taboos and conventions also pose a problem in respect of women's participation in cooperatives. It has been observed on many occasions that men in rural and, sometimes in urban areas also, do not want their wives to go out of home and participate in the activities and share their views with male members in the meetings. In addition, women in India, especially in rural areas, have to spend most of their time in household chores, e.g. fetching of water, collecting firewood, cooking, etc. This does not leave much time with them for social and developmental activities.

vi. Lack of statistical data:

There is no statistical data available in respect of woman-membership in cooperative movement. NABARD is responsible for publishing statistical report of cooperative movement in India every year. The information regarding membership is not published in the reports. Hence, it becomes difficult to formulate special programmes for increasing women's participation in cooperatives.

vii. Lack of policy decisions:

There is neither any special policy decision by the government nor any special schemes for financial assistance, covering all types of woman cooperatives. As such, there is no incentive for women to join the cooperative movement.

Though these factors jeopardize women's spontaneous involvement in cooperatives, yet considering the vast potential and effectiveness of cooperative institutions, it is felt that women in larger number should be brought within the fold of cooperative movement. This will provide women with an institutional base through which they themselves can create income-earning opportunities on part- or whole-time basis and nearer their living place. The need is to frame policies and formulate specific programmes for women which will create a congenial atmosphere for women's participation in the movement and pave the way for their economic and social development.

Mahila Cooperative Banks in Maharashtra:

Against this background, it is interesting to understand the historical development of women cooperative banks in Maharashtra. It was Maharashtra State and within Maharashtra, it was Sangli District, which did the pioneering work in this respect. The first woman cooperative bank

in India, viz. Shri Laxmi Mahila Sahakari Bank Limited was established on 20.12.1971.

The second woman cooperative bank in India, viz. Indira Bank of Bombay, was established in May 1972. The third woman cooperative bank in India, viz. Bhagini Nivedita Sahakari Bank in Pune was established in 1973. After that, similar type of banks have been started in Karad, Kolhapur, Solapur, Ahmednagar, Ichalkaranji, Dhule, etc.

The number of urban cooperative banks in the country as on June 30, 1989, was 1331. Out of these 1331 urban cooperative banks, 33 were Mahila Banks.²

All Mahila Cooperative Banks in India kept before them the following type of objectives:

1. To develop the habit of thrift, self-sufficiency and cooperative mind among the woman-members;
2. To collect the money which remains unused in the purse of woman-members;
3. To accept deposits for lending or investment of funds;
4. To grant credit facilities to the woman-members for improving their financial position under various schemes;
5. To lend or advance money, either with or without security, for running cottage and small-scale industries;

6. To provide facilities of safe-deposit vaults.

A study of Laxmi Mahila Co-operative Bank Limited, Sangli (henceforth called 'Laxmi Bank') was thought to be useful in giving us an insight into the efforts such Banks made in the direction of elevating the economic and social status of their woman-members.

1.2 METHODOLOGY:

Laxmi Bank is the pioneer in the field of Mahila (woman) cooperative banks in the country. Its objectives, as contained in its bye-laws, are the objectives of an urban cooperative bank. In other words, its objectives do not make a special mention of the economic and social upliftment of the womenfolk. The researcher thought that a study of Laxmi Bank, the pioneer in the field of Mahila cooperative banking would give an insight into the efforts made by the Bank for the economic and social welfare of the womenfolk. Welfare here means "a state of well-being".

The objectives of this study, therefore, were:

1. To study the role played by Laxmi Bank in the economic and social welfare of its woman-members in particular and the womenfolk in general;
2. To make suggestions for improvement, if any.

Methods of Data Collection:

Data were collecting using the following methods:

i. From the head office of Laxmi Bank at Sangli, data regarding the progress made by the Bank during the last 19 (nineteen) years were mainly compiled from the Annual Reports of the Bank. A list of all the members with purpose-wise loan outstanding - priority sector advances - as on 30th September 1989 was prepared from the records available at the head office of Laxmi Bank.

ii. The list of the members, as stated above, was that of those members who were given advances under 'Priority Sector Advances' at head office, Sangli. Priority sector advances are made by an urban cooperative bank as per the directives of the Reserve Bank of India in this regard. In essence, these advances are meant mainly for economic upliftment of the members of an urban bank, particularly of the membes from the weaker section. As per RBI directives, such advances must constitute atleast 60% of the total loans and advances of the urban cooperative bank concerned.

A little over 10 percent of the number of members (as per the list mentioned above) was selected on Stratified Random Sample Method. As the number of members involved in any category has not been more

than 322, Lottery Method was used to select the sample. The number of members, as on 30th September 1989, in each category and the sample selected by lottery method were as follows:

<u>Sr. No.</u>	<u>Purpose of loan (i.e. category)</u>	<u>No. of Members</u>	<u>Sample Selected</u>
1.	Agriculture and allied activities	302	32
2.	Small-scale industry	21	2
3.	Trading activity	50	5
4.	Cottage industry	37	4
5.	Self-employment	126	14
6.	Vehicle purchase	25	3
7.	Education	23	2
8.	House construction	322	35
9.	Domestic purposes	24	3
	Total	930	100

iii. A schedule, prepared in Marathi, was then used to collect data from the 100 sample members. All the members cooperated in giving answers to all the questions put to them. Questions were mainly focussed on the economic and social upliftment of the woman-members.

iv. The researcher interviewed the Managing Director of the Bank for the purpose of understanding the activities or actions or programmes specially undertaken by Laxmi Bank for social upliftment of its woman-members

in particular and the womenfolk in general.

Chapter Scheme:

The Dissertation is divided into Five Chapters, the details of which are as follows:

<u>Chapter</u>	<u>Contents</u>
I	Introduction
	1.1 Historical Development of Mahila Cooperative Banks in Maharashtra;
	1.2 Methodology
II	Profile of Laxmi Bank
III	Data Presentation
IV	Analysis and Interpretation of Data Presented
V	Summary and Conclusions

Limitations of the Study:

Following are the major limitations of this study:

- i. Members from the head office, Sangli, only were considered for the purpose for the study. Thus, out of 1,483 members who had availed of Priority Sector Advances from Laxmi Bank as on 30th September 1989, the researcher considered only 930 members from the head office. The remaining 553 members were not considered. They were from (a) Shantiniketan Extension Counter (Sangli), (b) Miraj Branch and (c) Islampur Branch.

- ii. Sample size had to be restricted to 100 from the member-population of 930 from the head office, Sangli.

REFERENCES

1. 'National Workshop on Involvement of Women in Cooperation', 21-22 January 1989, Background Paper, National Cooperative Union of India, p.3.
2. 'RBI Bulletin 1988-89' (July-June), p.124.