



A STUDY ON THE ROLE OF URBAN CO-OPERATIVE BANK IN THE EMPOWERMENT OF RURAL WOMEN IN SALEM AND DHARMAPURI DISTRICTS

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Introduction

In olden days in most of the family male members were meant for earning income to the family whereas the female members looked after the house works. In most of the family it was followed. After sometime, it was felt that if the female members are involved in some works other than the family affairs it would be the support extended by them to their spouse and family members. So in some of the family the female members were allowed to work in some industries and agriculture. Most of the women members supported to the family members in the work or job involved by the male members of the family. Being India a country having more than 65 percent of its population are residing in rural areas. They depend only on agriculture and allied industries of agriculture. Due to the failure of rainfall and problems of insects and also the monsoon nowadays the farmer could not earn even the amount incurred by them to cultivate the produces. But the necessity of the family is going on increasing day by day. Further the prices of the domestic utilities are also increasing like anything. It is very difficult to run the family with single earning. So it is necessary for both the male and female members in the family to bring income to meet their requirements.

In urban areas there are more number of industries which provide employment opportunities to both of the gender. But if we consider the position of the village women, they do not have much awareness on industrial work. Further they have only limited literacy knowledge, which paved them to engage only in agriculture labour which further made them weak in their financial position as there is only limited scope for income in the agriculture work. Hence most of the family in the rural parts of the country led a very poor life which worsens the younger generation particularly in education. To minimize the unemployment problems in the rural areas and to generate the income to the family in the rural parts, the central government and state introduced various schemes for women empowerment to encourage the rural public to generate income to their family by way of doing small business or involved in some self-employment activities. As a part of the development of women in the rural areas self help groups were established in the year 1993-94 in Uthrapradesh. But the evolution of SHGs commenced in 1990s. Urban co-operative bank plays vital role in the empowerment of women particularly in the village areas by providing financial assistance for starting various businesses at micro, cottage industry level in the local areas since 1990. Tamilnadu government emphasizes more on the development of women through self help groups. The banks are given direction to provide more volume loan to the women. NGOs and government create awareness among all women in the rural areas to establish small business units and shops for women empowerment and also to form self group even for each line and street in all villages of Tamilnadu. We happened to see number of business units and business activities are being established and functioning well by the women. The womern members are involved in various activities like running a canteen, manufacturing pickles and handicrafts and cloth items, etc. The urban co-operative banks are adopting the particular villages for providing loan to women and weaker section in a particular. Though the Micro finance extends maximum support to the development of women and also the self help groups, the women and members in self help groups have different views role of urban co-operative banks and face many issues in getting the loan and the repayment of the loan. In many occasions the women members are compelled by family members not to involve any business activities because of various reasons.

Banking

The main function of banking is to collect the deposits from the public and provide financial assistance to members the customers and public and business people with a view to promote industrial and economic development of the nation. Further the banks provide various services to the customers and public. In modern scenario as per the direction from the government and the authorities concerned, the banking sectors concentrate more in the empowerment of women. As a part of their function the urban co-operative bank take various measures to the empowerment of women by providing financial support in all possible ways. The urban co-operative bank offer financial support to the women from all sectors of the society through various schemes. Subsidies are provided to the women when they borrow loan they

1. Financial support to women,
2. Finance support to the women in the study area and
3. Encouraging women to promote industries and self-employment



The urban co-operative bank provides training to the women in the study area and women those who interested in establishing business unit with the support of District Industrial Centre and Tamilnadu Industrial Investment Corporation. The government and the ministers concerned takes initiatives to the development and empowerment of women in all of the country through urban co-operative bank. The urban co-operative bank offer various scheme especially for women to improve the standard of living of the women by creating sources of income to the women involving themselves in any one of the activities.

We are giving equal rights to women and keeping reservation for women in all aspects of our life. The banks take effort in all possible way to generate the practice of providing loan to women. The empowerment is not satisfactory. Women members face problems when they approach the urban co-operative bank for financial assistance. They feel unhealthy in the establishment of business. They hesitate to start a new business due to various reasons. It is reported that there is political involvement in getting loan to the women under financial support or in any schemes. So it is necessary to analyze all the issues of the women in availing loan and to know the Role of Urban co-operative bank in bringing the development of the women. By keeping the above views in mind the researcher selected the topic “A STUDY ON THE ROLE OF URBAN CO-OPERATIVE BANK IN THE EMPOWERMENT OF RURAL WOMEN IN SALEM AND DHARMAPURI DISTRICTS.”

Statement of the Problem

Loan facilities has been introduced by the central government and NABARD through the entire urban co-operative bank initially with the view to promote the income sources of the village people by providing loan to the weaker section particularly in rural parts of the country. Further it was extended to support the rural women in all parts of the country for the empowerment of the young and educated women and specialized in occupation and to improve the income level of the women member. In some of the cases financial support provided by the urban co-operative bank is not utilized for the productive purpose where as it is used by the women members for the domestic expenses of the family. Further the loan borrowed is misused by the borrowers in many occasions and made little bit delay in repay the installment amount to the bank. Further it is informed that there is a part of political involvement in sanctioning the loan to women. In rural areas the various schemes available in urban co-operative bank is not known by the normal public including women those who lead the life below the poverty line. Hence they could not avail the facilities from the urban co-operative bank. The women members in the family face many problems when they approach the urban co-operative bank for availing loan.

Significance of the Study

The purpose of the urban co-operative bank is to provide financial support to the weaker section who leads their normal life below BPL. Financial support is provided to all unemployed women to have self employment. But the bank managers provide loan to the applicants particularly to the women only there is a recommendation from the directors or reputed person in the society. It is reported that only in the loan given women settle the loan in time. The women in the rural area are provided with adequate loan for the development in all possible ways. Financial support is provided by the bank to all the women irrespective of the age and education only with a view to empower the women. For the educated girl students in the district the financial support is provided by the urban co-operative bank to start small business and industry in the area in which they have knowledge and interest. The bank provides various types of loan to the women also in various ways like loan for establishing shop and business and for manufacturing handicrafts material etc. But the real situation in the district is most of the women do not know the procedures for applying loan. Further they have the fear to avail the loan from the bank due to the various reasons. Hence there is necessity for having a through on the role of urban co-operative bank in the empowerment of the women.

Objectives of the Study

1. To evaluate the role of financial support provided by urban co-operative banks for development of women in Salem and Dharmapuri districts
2. To measure the level of satisfaction of the women regarding the support extended by the urban co-operative banks
3. To know the procedures for availing loan and make awareness to the women about various schemes of loan for women.
4. To evaluate the role of urban co-operative bank in the empowerment of women in the study area
5. To analyze the problems faced by the women in availing financial support from urban co-operative bank
6. To find remedial measures to solve the issues of the women and offer recommendations to the authorities concerned to do the needful for the empowerment of women



Research Methodology

Research Design

Descriptive research was conducted in this study to make the research effective and useful to the needy.

Collection of Data

Both the primary and secondary data were collected in this research work

Primary Data

Primary data was collected from the sample respondents from the population by way preparing a questionnaire. The questionnaire was prepared with the guidance of the experts in the relevant field. Necessary corrections were made in the questionnaire to complete the research work successfully. A pilot was also conducted to verify the questionnaire is useful for the successful completion of the project.

Secondary Data

Secondary data was collected from the journals and magazine published in the related topics.

Sample Selection

The population for the study is the women who availed loan from the urban co-operative bank in Salem and Dharmapuri districts. As the population for the study is numerous in the study area 700 respondents were selected at random by using convenient sampling method from women members who borrowed loan from the urban co-operative bank

Study Period

The study period for the research work will cover 3 year period starting from July 3013 to June 2016

Study Area

Salem and Dharmapuri districts are being the districts, which are having more acres of cultivable land and depending more on industry and on agriculture income in Tamilnadu. Further, the Salem and Dharmapuri districts have adequate development in the industrial sectors. The rural women in the district suffers lot for getting adequate income to their family as there is a limited source for earning income where the necessity and utility of loan and the role of urban co-operative bank has more impact on the development of the rural women in Salem and Dharmapuri districts. Hence, the Salem and Dharmapuri districts were selected for the research work

Statistical tools

The collected data were analyzed and interpreted properly to find the result of the research work. Further to know the association between two variables in deciding the particular issues statistical tools like simple percentage, chi-square, rank correlation, ANOVA, Factor Analysis and regression were used.

Analysis And Interpretation

Table No.1, showing the mother tongue of the respondents

Serial no	Mother tongue		
	Language	Frequency	Percent
1	Tamil	223	31.9
2	Telugu	193	27.6
3	Malayalam	147	21.0
4	Hindi	47	6.7
5	Kanada	45	6.4
6	others	45	6.4
	Total	700	100.0

Source: Primary data

Interpretation

From the above table it is clearly understood that among 700 respondents, 31.9% of the respondents speak Tamil language, 27.6% of the respondents have Telugu as their mother tongue, 21% of the respondents speak Malayalam, 6.7% of the respondents speak Hindi and 6.4% of the respondents speak Kanada and other languages respectively



Table No.2, Showing the Marital Status of the Respondents

SERIAL NO	Marital status		
	Status	Frequency	Percent
1	Married	370	52.9
2	Unmarried	135	19.3
3	Widow	95	13.6
4	Divorce	50	7.1
5	Destitute	50	7.1
	Total	700	100.0

Source: Primary data

Interpretation

The above table limelight that among 700 respondents 52.9 % of the respondents are married, 19.3% of the respondents are unmarried, 13.6% of the respondents are widow while 7.1% of the respondents are divorce and destitute respectively

Table No.3,Table Showing the Age of the Respondents

Serial no	Age		
	Age group	Frequency	Percent
1	18-25 years	140	20.0
2	26-35 years	230	32.9
3	36-45 years	235	33.6
4	46 and above years	95	13.6
	Total	700	100.0

Source: Primary data

Interpretation

The above table depicts that among 700 respondents, 33.6% of the respondents are belonged to the age group of 36-45 years, 32.9% of the respondents belong to the age group between 26-35 years and 20% of the respondents belong to the age group of 18-25 years, while the remaining 13.6% of the respondents are in the age group of 46 years and above

Table No.4, Table Showing the Religion of the Respondents

Serial number	Religion		
		Frequency	Percent
1	Hindu	374	53.4
2	Christian	140	20.0
3	Muslim	139	19.9
4	Others	47	6.7
	Total	700	100.0

Source: Primary Data

Interpretation

A survey was launched to know the religion of the respondents. The survey clearly exhibits that among 700 respondents, 53.4% of the respondents follow Hindu religion, 20% of the respondents follow Christianity, and 19.9% of the respondents are Muslim while the remaining 6.7% of the respondents follow other religions.



Table no.5, showing the educational qualification of the respondents

SERIAL NO	educational qualifications		
		Frequency	Percent
1	Upto 8 th std	140	20.0
2	Up to 10 th std	233	33.3
3	Up to 12th std	233	33.3
4	Degree	47	6.7
5	Other diploma	47	6.7
	Total	700	100.0

Source: Primary data

Interpretation

The above table clearly reveals that among 700 respondents 33.3% of the respondents have studied up to 10th std. and 12th std. respectively, 20% of the respondents studied up to 8th std. only and 6.7% respondents have studied degree and other diploma courses respectively.

Table No.6 . showing the monthly income of the respondents

SERIAL NO	Monthly income		
		Frequency	Percent
1	0-Rs.4000	50	7.1
2	Rs.4001-6000	185	26.4
3	Rs.6001-8000	230	32.9
4	Rs.8001-10000	145	20.7
5	Rs.10001-12000	45	6.4
6	Rs. 12000 and above	45	6.4
	Total	700	100.0

Source: Primary data

Interpretation

The above table shows that among 700 respondents 32.9% of the respondents get a monthly income of Rs. 6001-8000, 26.4% of the respondents earn Rs. 4001-6000 as their monthly income, 20.7% of the respondents get a monthly income of Rs.8001.10000, 7.1% of the respondents earn less than Rs.4000 per month and 6.4% of the respondents earn Rs.10001-12000 and above Rs.12000 respectively as their monthly income.

Table No.7

Table Showing the Purpose for Which the Loan is Applied

Serial no	Purpose of the loan		
	Purpose	Frequency	Percent
1	Commencing new business	234	33.4
2	Developing existing business	374	53.4
3	For meeting family expenses	46	6.6
4	Other reasons	46	6.6
	Total	700	100.0

Source: Primary data

Interpretation

The above table depicts that among 700 respondents 53.4 percent of the respondents apply loan with bank for the purpose of developing the existing business, 33.4 percent of the respondents conveyed that they ask loan from the bank for commencing



the new business, while 6.6 percent of the respondents stated that they apply for a loan with the bank for meeting the family expenses and for some other purposes respectively

Findings from Chi-Square Test

From the analysis it is concluded that there is a close relationship between the age of the respondents and their response in response regarding the satisfaction about the overall development.

From the analysis it is concluded that there is a close relationship between the education of the respondents and their response regarding the satisfaction about the approaches of the bank employees.

From the analysis it is depicted that there is a relationship between the monthly income of the respondents and their response in satisfaction about the role of co-operative banks in the welfare of the women.

From the analysis it is inferred that there is a relationship between the occupation of the respondents and their response regarding the satisfaction about the interest rate charged by the cooperative banks for the loan provided.

From the analysis it is found that there is no relationship between the native of the respondents and their response regarding the satisfaction about

From the analysis it is found that there is a relationship between the nature of work of the respondents and their response in regarding the satisfaction about effort taken by the government for the development of women in the study area.

Findings from Simple Percent Analysis

After making tabulation of the collected data, the data was analyzed by using simple percent analysis. Firstly the demographics profile of the respondents was simply analyzed. The major findings from simple percent analysis are presented below.

Major proportion (31.9%) of the respondents speaks Tamil language. Most (52.9 %) of the respondents are married. Majority (33.6%) of the respondents are belonged to the age group of 36-45 years Considerable proportion (53.4%) of the respondents follows Hindu religion

Majority (40.7%) of the respondents is from the backward community.

When we analyze the residential status, majority (40%) of the respondents are from semi-urban area Majority (32.9%) of the respondents get a monthly income of Rs. 6001-8000, Most (40%) of the respondents have 3 dependents in their family, Majority (46.7%) of the respondents have only one earning member in their family.

The occupation status of the respondents was analyzed. It is found that considerable amount (30%) of the respondents of the respondents are labour and most (33 %) of the respondents are involved in farming work.

Most of (48.4 percent) the respondents have savings bank account with the bank, and considerable volume (80 percent) of the respondents informed that they have already applied for loan with bank. Major proportion of the (42.6 percent) respondents informed that they have applied for short term loan. And majority (72 percent) of the respondents informed that the training is provided by bank.

Suggestions and Conclusion

The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in Namakkal. Whereas it fails to include the poorest section and in improving assets position of the participants, as loans are 'micro' in their magnitudes and duration between dosages of loans are large.

Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity. Thus academic literature shore up and buoyant on microfinance as a tool of development and assures of its potential strengths to make significant difference in lives of hopeless and struggling millions of poor in India as well as world. The finding of the study calls for an extension of the government support and redesigning micro finance programs



suited for better and effective execution for achieving full benefits. The study confirms that as an anti poverty tool, microfinance has its own limitations to reach the bottom of the poor. However, it is found effective in graduating the poor, not the poorest, and lower middle class to a higher standard of living. Though different studies at various places and points of time differ in their conclusion, the present study acknowledge that despite of bottlenecks, microfinance is capable of graduating struggling poor from their shackles and helps to upscale them to a better living and playing a significantly positive role in upgrading women empowerment

Therefore, the study enlightens the role of continuous succeeding doses of microfinance loans and ensuring its yield oriented utilization, for achieving the targeted objectives of microfinance programs Among the six factors identified (microfinance related factors, household factors, assets, marital status, personal factors and social factors) through factor analysis, microfinance related factors are found to be having more significant and positive influence on women empowerment.

The microfinance related loan avaiement and its productive utilization found to be causing significant differences in women empowerment levels, measured through women empowerment index (WEI), of the loan availed participants as compared to the non- loan availed.

Microfinance sector has been witnessing tremendous progress in the recent years. There has been Phenomenal growth in the number and volumes of MFIs .The sector has witnessed many new elements like participation from private and multinational banks, private equity and venture capital funds, wholesale fund providers, rating agencies, international retail institutions. The concept of microfinance seems to have earned an almost mythical reputation as the panacea of problems of under development. Microfinance is believed to play vital role in development by helping the poor to meet basic needs improvement in economic welfare as well as women empowerment. The foregoing analysis indicates that microfinance activity and self help group participation has a positive impact on the income, assets, occupation, savings, and access to loans, bank connectivity, knowledge, self worthiness, and decision making level of the participants. Through factor analysis and regression, the study empirically supports the positive relationship between microfinance and women empowerment, in congruency with the microfinance literature. The study attempts to contribute the microfinance literature by comprehending the current experience of using microfinance as a financial mediator for building up and augmenting women empowerment

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