



Role of Women Co-Operative Credit Societies in J&K - A Study

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ABSTRACT

Most of the studies have shown that women are the last to be covered by any kind of organized financial service and their economic activity is considered non-productive. So, they are not in a position to access the banking system. This also explains the low percentage of credit facility availed by women in our State. In order to meet the credit requirement of women, setting up of micro enterprises is the best strategy to empower them besides graduating them to entrepreneurship. In India including our State, gender disparity, despite efforts from various quarters, continues to persist and plague our society. It assumes significance since women constitute about 49% of the population. They make up one third of the deposit at the national level as against 48% in the State. In the present study an attempt has been made to explain the role of women co-operative credit society in J&K.

Keywords : financial service, credit facilities, economic activity, deposit, credit requirement

INTRODUCTION

The main objective of a women financial institution is that it can cater to the financial requirements of women belonging to all sections of society. It is a fact that most of the women whether they are from urban or rural areas, have negligible role in decision making especially in financial matters. Well educated and professionally trained rich women are also not able to take decisions about their future because they too lack financial empowerment. Therefore, it is necessary that a women financial institution having women friendly attitude is created.

STATUS OF WOMEN IN J&K AS PER CENSUS 2001 REPORT.

The following tables give a brief look at the status of women in J&K based on census 2001.

Population

Status	Males	%	Females	%	Total	%
Rural	39,25,846	74	36,38,762	76	75,64,608	75
Urban	13,74,728	26	11,30,581	24	25,05,309	25
Total	53,00,574	100	47,69,343	100	1,00,69,917	100

Sex Ratio

	Rural	Urban	Total
J&K	927	822	900

i.e for every 1000 males proportionate ratio of females is 1000: 900

Literacy Rate (Percentage)

	Male	Female	Total
Rural	60.34	35.09	48.22
Urban	80.30	82.22	72.17
Total	65.75	41.82	54.46

Workers Classification

Category	Male	Female	Total	%age of female
Cultivators	10,23,149	5,76,507	15,99,656	36
Agri. Labourers	1,94,887	53,690	2,48,577	22
Mfg. Servicing and Household Industry	1,18,995	1,10,615	2,29,610	48
Other workers	13,04,317	3,06,715	16,11,032	19
Total	26,41,348	10,47,527	36,88,875	28

Although, the data regarding flow of credit to women is not available, it is estimated that about 20% credit under Govt. Sponsored Schemes goes to women. The banks with Women Development Cells set up by the following banks with the financial assistance from NABARD, provide the following data on coverage of women entrepreneurs (As on 31st March, 2003):

Share of women entrepreneurs in credit disbursement

S. No.	Bank	Total Credit	Cumulative disbursements *	%age share of women
1.	J&KState Coop. Bank	6,354.81	107.48	1.69
2.	AnantnagCentral Coop. Bank	3,665.24	56.40	1.53
3.	Jammu Central Coop. Bank	14,625.65	713.09	4.88
4.	JammuRuralBank	10,206.57	1,624.00	15.91

Source: Co-operative unit Jammu.

From the above table it can be said that how poorly the women in our State are covered by banks. It can be felt that the existing Banks show little interest in financing women, even in case where no securities are required. No women Cooperative bank/credit society would be serving the cause of women if it does not include 'micro credit' in its aims and services.

Micro Financing

Micro credit is defined as provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban for enabling them to raise their income levels and improve living standards.

Women Entrepreneurship

A women cooperative credit society can cater to the special needs of women in a better way. For example, Mahila Ut-karsh Nagrik Sahakari Bank Ltd., a leading all-women bank in Ahmedabad offers special services to women which are as under:

1. Unsecured loans up to Rs 1500/ for special occasions, cottage and small industries, education and contingencies.

2. Vehicle loans for vehicles to be used for attending business places etc.
3. Hypo loan for purchase of domestic articles, refrigerators, T.V., other consumer goods etc.
4. Housing loan for purchase of residential building, office building, factory shed etc.
5. Speedy gold loans against gold ornaments.

Special Concession in the Share Value for Poor Women

Micro finance cannot be provided to poor ladies through a credit Society if they are not its members. Share value of Rs. 1000/- may be a deterrent in this. Solution to this is that such women can be organised in SHGs (Self Help Groups). Self Help groups of 10 ladies each belonging to poor sections of society shall be formed. This SHG shall take one membership. In fact, the whole idea is an improved version of small kitties/committees which are very popular among ladies belonging to all sections of society.

Advantages of financing through SHGs

An economically poor individual gains strength as part of a group. Besides, financing through SHGs reduces transaction costs for both lenders and borrowers. While lenders have to handle only a single SHG account instead of a large number of small sized individual accounts, borrowers as part of a SHG cut down expenses on travel to and from the branch and other places for completing paper work and on the loss of workdays in canvassing for loans.

Organizational structure of Women Cooperative Credit Societies.

All shareholders together shall form the General Body of the Credit Cooperative and shall elect 10 members to form the Board of Management, including a Chairperson and a Vice-Chairperson, which will run the affairs of the Society for a period of three years as per the J&K Self-reliant Cooperative Act of 1999. After the expiry of this tenure, fresh elections shall be held. At all times, the Board of this cooperative shall have two members who have practical banking experience. To begin with, immediately after the registration is done by the Registrar, Cooperative Societies, a Board of Management shall be nominated to manage the affairs of the Credit Cooperative for a period of one year after which elections shall be held for the constitution of an elected Board.

Legal Framework of Women Cooperative Credit Societies

This Credit Cooperative would be registered under and governed by the Self Reliant Cooperative Act, 1999. The said Act allows complete freedom to the Cooperatives registered under it to run their affairs. Besides, all activities of the credit cooperative shall be governed by a set of rules and regulations in the form of its Articles of Association besides other relevant laws.

Functions Of Women Cooperative Credit Society

In Jammu division, branches at three district headquarters at Jammu, Udhampur and Kathua shall be opened in the beginning. In Kashmir division, branches shall, in the beginning, be opened at Srinagar, Anantnag and Baramulla. In course of time and on the basis of volume of business being conducted in an area, new branches shall continue to come up. These shall also be opened on the basis of membership. Any area having 500 members shall be considered for setting a branch.

Sources of Finance Of Women Co-operative Credit Society

A co-operative credit can raise finance

- a. By issuing shares
- b. By obtaining deposits
- c. By raising loans
- d. By securing Govt. assistance in any form

- e. By receiving donations
- f. By entrance fees
- g. By issuing cash certificates

Financial Services offered by Cooperative Credit Societies

1. Loan for enterprises owned and run by women members.
2. Loan for vocational trainings/education/marriage of the girl child.
3. Housing loan for purchase of residential building, office building, factory shed etc
4. Loan for purchase of vehicles, domestic appliances like refrigerators, T.Vs and other consumer goods.
5. Unsecured loans up to Rs.25,00 /- for special occasions and contingencies.
6. Speedy loans against gold ornaments.
7. Consultancy service for women entrepreneurs
8. Lockers facility.

Role of Cooperative Credit Societies in the Empowerment of women

Financial empowerment of women is one of the most important determinant in deciding the status of a woman within her own family and in her social circle. This Credit Cooperative will be an exclusive woman financial institution specially created for fulfilling the credit requirements of women entrepreneurs, consumption needs of all women and also reducing tensions of their social responsibilities like education and marriages of their children by providing special loans for such purposes. Not only this, a special Consultancy Cell shall be created in it to provide guidance to women interested in availing any kind of loan and also all possible support to women entrepreneurs in making their ventures successful. Having such a friendly financial institution shall strengthen the confidence of women and of their family members in their innovativeness and enterprising abilities. This will ultimately contribute towards building a conducive atmosphere for women willing to start their own ventures and will also help in the enrichment of the quality of women's life.

RESEARCH METHODOLOGY

In the present study, the data was collected with the help of a structured questionnaire and an interview schedule. The questionnaire for collecting information about the role of women cooperative society in J&K. It was circulated among Managing Directors, Registrar co-operatives, Managers, Account Officers etc. Expert opinion of knowledgeable persons on co-operatives credit societies were also recorded. An interview schedule was circulated among 200 respondents of various women cooperative credit societies.

OBJECTIVES OF THE STUDY

The research study was undertaken with the following objectives in view.

1. To evaluate the activities and strategy of women cooperative credit society in J&K..
2. To critically analyse the various components of women cooperative credit society in J&K.
3. To measure the perception of women respondents towards the performance of women cooperative credit society in Jammu and Kashmir

LIMITATIONS OF THE STUDY

The present study suffers from the following limitations.

1. The study is area specific.
2. Detailed data regarding flow of credit to women is not available.
3. In most of the cases the consumers were not enthusiastic in reporting. In these cases the accuracy of the data cannot be taken to core.
4. Though every care has been used to be objective yet the possibility of subjective interpretation in some areas cases cannot be ruled out.

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