

**“THE ROLE OF URBAN COOPERATIVE BANKS IN ECONOMIC  
EMPOWERMENT OF WOMEN –A STUDY WITH SPECIAL  
REFERENCE TO BHAGINI NIVEDITA SAHAKARI BANK  
LIMITED, PUNE.”**

**A THESIS SUBMITTED TO  
SAVITRIBAI PHULE PUNE UNIVERSITY, PUNE**

**FOR AWARD OF DEGREE OF  
DOCTOR OF PHILOSOPHY (PH.D)**

**IN THE FACULTY OF COMMERCE  
(BANKING AND FINANCE)**

**SUBMITTED BY  
CA REWATI SUDHIR PAITHANKAR  
(B.COM, LLB, FCA, DISA(ICA))**

**UNDER THE GUIDANCE OF  
DR JAGDEESH R LANJEKAR  
VICE PRINCIPAL, BMCC  
MCOM,MBA(FIN),SET.M.PHIL,M.A.(Eco.),PH.D.**

**PLACE OF RESEARCH  
BRIHAN MAHARASHTRA COLLEGE OF COMMERCE  
PUNE 411004.**

**MARCH 2020**

# **CHAPTER 7**

## **FINDINGS, SUGGESTIONS, & CONCLUSION**

### **CONTENTS**

7.1 Introduction: _____	346
7.2 Key Findings _____	346
7.3 Conclusion of Hypothesis testing: _____	357
7.4 Fulfillment of objectives: _____	360
7.5 Contribution to Body of Knowledge: _____	364
7.6 Suggestions and recommendations: _____	365
7.7 Scope for Future Research: _____	369
7.8 Conclusion: _____	369

## **7.1 Introduction:**

This chapter presents a brief summary of what has been researched, analyzed, observed and studied so far in this study with regard to the research topic and research objective. Main findings and conclusions based on the findings of the study are described in this chapter. This chapter also includes contribution to the body of knowledge, limitations of the study and scope for further research. The chapter concludes with suggestions for Reserve Bank Of India , Urban Cooperative Banks and Women customers of Urban cooperative Banks .

## **7.2 Key Findings**

This study has been presented in seven chapters, including this last chapter.

**The summary and/or key findings of the six chapters is as under:**

### **7.2.1 : Chapter 1: Introduction and Research Design**

Chapter 1 gives introduction of the topic, defines the statement of the problem, significance of the study, objectives of the study with justification of the objects.

Hypothesis formulated on the basis of objectives are spelt out in this chapter. Scope of the study is defined. Research methodology followed in order to fulfill the objectives of the study is spelt out. Assumptions and limitations of the study are explained in this chapter.

Women's economic empowerment means the ability of women to make effective choices and their ability to transform the choices into desired actions and outcomes.

Women constitute almost 50% of the world population and about 48.53% of Indian population as per 2011 census data. Women have been struggling against marginalization, discrimination and denial of access to resources and opportunities since a very long time and the struggle still continues. Women need to be economically independent and empowered in order to have freedom to earn, spend, save and invest. Economic empowerment of women is important as it sets direct path to gender equality, poverty eradication, inclusive and sustainable growth. Research has proved that women's access to efficient, proactive, transparent and affordable financial services such as savings, investments,

borrowings, insurance and digital banking products lead to economic freedom and empowerment for women.

This chapter presents some references to the reports and data about the fact that commercial banks in India often focus on men and formal businesses neglecting the women who form a major part of informal economy.

Urban Cooperative Banks (UCBs) are present in large numbers in India since last more than 100 years. UCBs which cater mainly to local areas are known for their inclusive banking practices and are best suited for bridging the gap between larger commercial banks and people having small means. UCBs are expected to address needs of the lower income, middle income and weaker sections of the society.

This research critically examines whether the Urban Cooperative Banks play the role expected of them in economic empowerment of women. This study is with special reference to Bhagini Nivedita Sahakari Bank Ltd , Pune (BNSB) which is an UCB , in business since 1974 and is being run by women for ALL.

### **7.2.2 Chapter 2: Literature Review**

Chapter 2 deals with survey of relevant literature carried out on the basis of various concepts involved in the research problem such as women empowerment, women economic empowerment, financial inclusion and financial literacy.

#### **Key Findings of Chapter 2:**

1. Abundant literature is available about women empowerment, women economic empowerment, financial inclusion and financial literacy. Most of the authors, scholars have reached conclusion that availability of institutional finance and financial literacy training are important for economic empowerment of women.
2. Empowering women economically is essential for speeding up the process of overcoming poverty and inclusive growth leading to overall economic development of the countries.
3. Number of the available studies are focused on role of micro finance institutions as enablers of women economic empowerment. Most of these studies have, however reached conclusion that for economic empowerment women need access to full-fledged banking services comprising of safe investment opportunities, remittance facilities, insurance products along with availability of

affordable and transparent finance and micro finance institutions cannot offer these.

4. Some of the studies referred to in literature review of this research have even stated that micro finance and micro credit lead to increased financial exclusion rather than inclusion and in order for women to succeed in their income generating activities, access to full range of credit, banking and financial services is extremely important. The literature is also available stating that although micro credit is important it alone cannot empower women, as access to savings accounts, cash less payment modes and insurance are equally important and banks can provide these whereas micro finance institutions cannot.

**Research Gap:** No comprehensive study was available focusing on the role played by Urban Cooperative Banks in economic empowerment of women, when UCBs are present in large numbers, provide full-fledged banking services, are regulated financial institutions and are expected to provide inclusive banking services. This research tries to fill in this research gap and examines whether Urban Cooperative Banks are playing their role for economic empowerment of women.

### **7.2.3 Chapter 3: History, Evolution and Current perspective of Women empowerment**

Chapter 3 deals with Women Empowerment-History, Evolution and Current Perspective. History of discrimination and marginalization of women is centuries old. This chapter presents important milestones in the history of women empowerment starting from international scenario and travels down to Pune City, India, the city in which this research was conducted. This chapter extensively deals with various aspects of disempowerment of women and the long and hard struggle of women for empowerment. The chapter also narrates efforts by various governments, policy makers, non-government organizations, international organizations such as OECD and United Nations. Struggle of Indian women and reformers, policy measures adopted right from Central and State Governments to individual cities by their own municipal corporations.

**Key findings of Chapter 3:**

1. Women have struggled very hard for centuries for equality and empowerment and the struggle is still on.
2. Women empowerment is imperative in order to make economic growth of any country sustainable, inclusive and more gender equitable leading to women's well-being.
3. Women empowerment has been on the agenda of almost all the Governments in India since independence.
4. Central and State Governments in India have formed and adopted various policies for empowerment of women, have implemented various schemes for encouraging education, employment, representations in village panchayat, state assemblies and parliament. Various schemes of loans and subsidies for financing women led businesses are available.
5. Although Central and State Governments in India have offered various incentives and schemes for women, the data about number of women availing these facilities is not readily available; there is no mechanism to verify the effectiveness of these schemes.
6. Due to the complicated procedures and whole host of requirements to be fulfilled for availing the benefits of these schemes, the intended beneficiaries are turned away from them.
7. In spite of all round efforts of gender equality, the gender gap still persists and violence against women is on the rise.

**7.2.4 Chapter 4: Urban Cooperative Banks in India**

Chapter 4 describes the history and present status of Urban Cooperative Banks (UCBs) in India. The chapter also gives information about schemes for women empowerment implemented by UCBs.

The history of Cooperative movement in India dates back to nineteenth century. The idea of pooling resources to meet common objects gave birth to cooperative movement in the year 1889. Urban Cooperative Banks came into existence for catering to the needs of lower and middle income sections of the society, and for inculcating banking habits in them. Reserve Bank of India in one of its

publications has commented that cooperative credit attempt was the first attempt in India for giving micro finance. UCBs, present in large numbers in India have occupied an important position in Indian financial sector. They have traditionally been providing an important channel for financial inclusion for the middle and low income sections of the population in urban and semi urban areas. Majority of customers of UCBs are those who are generally not welcomed by commercial banks as they have no assets to offer as collateral, do not have any credit history. Costs associated with servicing of small loans do not make such proposals attractive for commercial banks. Commercial Banks therefore tend to neglect small customers. If left with no choice, the small customers borrow from private moneylenders and fall in debt trap. UCBs play an important role here in bridging the gap between commercial banks and private money lenders. Having knowledge and experience about the local conditions, and firm roots in the areas in which they operate, UCBs assist in eliminating financial exclusion to a great extent by taking banking to the door steps of small borrowers, businesses and households. UCBs are catalysts of financial inclusion and banking for sustainability. "Priority Sector Lending " (PSL) forms important part of financial policy of RBI, which aims at maintaining sectoral balance by channelizing the flow of credit to weaker and neglected sections . Share of UCBs in lending to Priority Sector has been more than the public sector banks since F Y 2011-12. UCBs reach up to those sections of the population, who have no collaterals to offer, no credit history or favorable credit rating scores. UCBs provide clean and transparent institutional finance to these borrowers who do not have credit history or favorable credit rating scores. The rates of interest charged to all the borrowers are the lowest as compared to other commercial banks and micro finance institutions. Women are considered as the last ones to be covered under institutional financial services. UCBs fill this gap. This chapter has dealt with the steps taken by UCBs in encouraging more and more women to have access to institutional finance by giving finance at concessional rates, encouraging women to own assets and spreading financial literacy among them.

#### **Key Findings of Chapter 4:**

- 1 UCBs are in existence in India for more than 100 years.
2. UCBs were established with primary objective of serving lower and middle income groups of people from local communities.
3. Total 1551 UCBs were operating all over India as on 31.03.2018. 1499 UCBs had their operations limited to single states as on this date, which means they serve the customers in limited areas of operations.
4. Although total business of all UCBs is not more than 4 % of the total banking business in India, the percentage of priority sector lending by them is more than that of other commercial private and public sector banks. As UCBs are mostly involved in banking for middle and lower income groups of people whose requirement of loans or ability to save and invest is lower compared to affluent people and big business houses, it is natural that the share of their business will be lower than others financial institutions.
5. UCBs offer all digital products based on latest technology to their customers.
6. Almost all the UCBs offer concessional rates of interest to women customers for housing loans, educational loans, business loans and vehicle loans.
7. Housing loans made available to women customers at concessional rates encourage women to own properties. Concessional educational loans to girl students encourage basic and higher education. When a woman is educated she educates her family and those surrounding her. Ownership of assets and increased literacy levels are two important factors causing economic empowerment among women.
8. UCBs are also involved in lending through self- help groups of women.
9. Although almost all UCBs offer concessional rates of interest no bank has published data about the number of beneficiaries of the scheme and the manner in which those schemes have helped them on their official websites or in Annual Reports.
10. Data about beneficiaries of financial inclusion and financial literacy initiatives of these banks is neither available on the websites of the bank nor they are mentioned in the annual reports.



### **7.2.5 Chapter 5: Bhagini Nivedita Sahakari Bank Ltd, Pune**

Chapter 5 presents the profile of Bhagini Nivedita Sahakari Bank Ltd (BNSB) which has been selected as a case study for this research. Data was collected about women customers of the bank and their responses to the schemes implemented by the bank for financial inclusion and financial literacy. Data was also collected by way of interviews with ex chairpersons, CEO and General Managers of the bank. Data was collected by way of structured questionnaire from them. This chapter has dealt in detail with the background of the bank, the customer profile, various policies and procedures adopted by this bank for encouraging more and more women to be associated with the bank. This chapter describes the reasons for selecting this particular bank as a case study. BNSB is a unique bank which is run and managed by women for ALL. This is not a mahila bank and its membership is open for men and it can accept deposits and lend to men as well as women. 95% of the total staff of this bank comprises of women. This bank is in existence since 1974 and has been performing consistently well since inception. BNSB possesses all the characteristics that are expected of a UCB, such as it caters mainly to lower and middle income population, its loan portfolio comprises of 80% of small loans, it has a limited area of operation, members of the Board of Directors and employees of the bank come from local area of its operation and thus have knowledge about local conditions and requirements. As informed by the officers and directors of the bank, women are always encouraged to open accounts, enter into more and more transactions with the bank, open term deposit accounts and avail loans at concessional rates. This has been confirmed by the respondents of the questionnaire.

#### **Key findings of Chapter 5:**

1. BNSB is a financially sound and well managed bank. This fact is supported by the audited Balance Sheet of the bank, published in its annual reports.
2. Women comprise almost 46% of the total customers of the bank. BNSB has adopted policies and practices for inclusive banking,
3. The research has revealed that in view of the size of the bank, the number of years of its existence, its uniqueness due to the fact that the bank is being run and

managed by women for all where right from chairperson of the Board of Directors to CEO till the last person in the hierarchy are women, the policies and procedures adopted by it makes this bank the most suitable case for representing the entire UCB sector.

4. BNSB, being run and managed by empowered group of women has proved as a good example of what empowered women can achieve for themselves and for the society.

5. Data about how many women have availed the concessional loans or have benefitted due to these loan products is not available either on the website of the bank or in its annual reports.

6. Data about benefits of financial inclusion and financial literacy initiatives of BNSB is neither available on the website of the bank nor they are mentioned in the annual report.

#### **7.2.6 Chapter 6: Data Analysis, Interpretation and Hypothesis Testing**

Chapter 6 presents detailed analysis and interpretation of the data collected through questionnaire administered to women customers of BNSB. This chapter also presents the outcome of hypothesis testing based on the collected data.

The questionnaire was divided into three parts. First part was for collecting demographic information of the respondents in order to assess their socio economic background, ownership of assets etc.

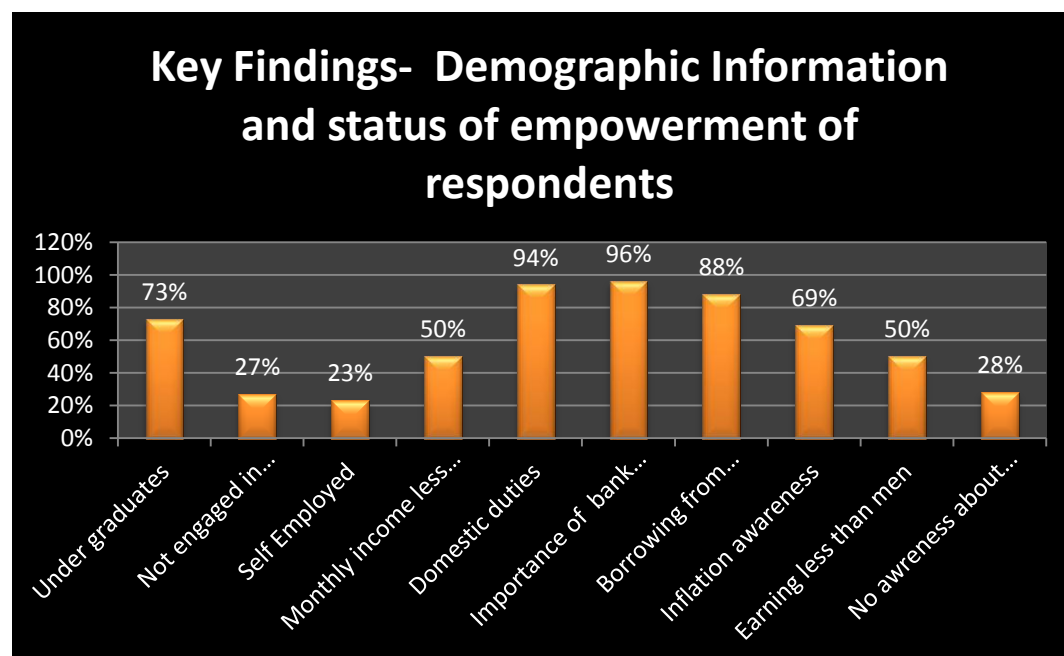
Second Part of questionnaire was for collecting the status of empowerment of women customers. Information about sources of income of the respondents, their working hours in a day, working days in a month, responsibilities handled by them in their businesses, if the respondents were non-earning members of their families, the reasons thereof, employment generated by them, their participation in household decision making process, their saving habits, preferences for savings, their borrowings and reasons for borrowing and their knowledge about inflation were asked.

The Third and final part of the questionnaire contained questions about association of the respondents with BNSB , nature of association, duration of association , their experience about borrowing and investments with BNSB, use

of digital banking products offered by BNSB, authority to operate the account, cheque signing authority, benefits derived due to banking association with BNSB and their expectations from BNSB .

### Key findings of Chapter 6:

**Graph 7-1: Demographics and empowerment status of Respondents:**

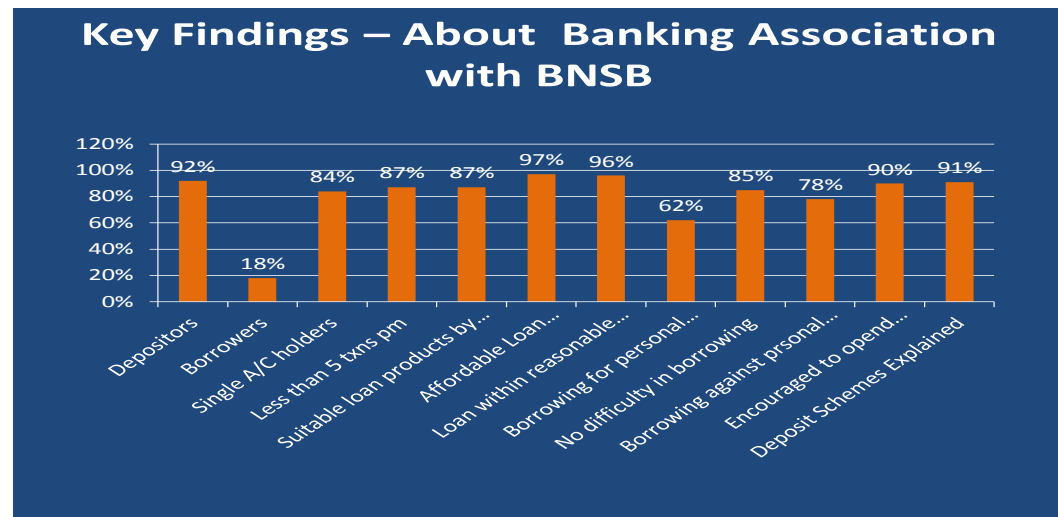


(Source: Primary Data collected by Researcher)

**Analysis of Key Findings:** 73% of the respondents are undergraduates. About 38% respondents are employed, 27% respondents are housewives, 23% are not engaged in any income generating activity. 50% have monthly income of less than Rs 10000/-. 23% of the earning respondents are self-employed in small businesses such as running beauty parlors and mess, tailoring, paid domestic work , tuitions etc. 94% of the respondents who are not engaged in any income generating activity have reported domestic duties as reasons thereof, 96% of the respondents are aware about importance of having bank accounts. 88% respondents are aware about benefits of borrowing from banks, however, have expressed that it is difficult to borrow from banks , 69% respondents are aware about inflation and effects thereof, 50% respondents have reported that they earn less than men for similar work, 28% respondents are not aware about any such gap in earning.

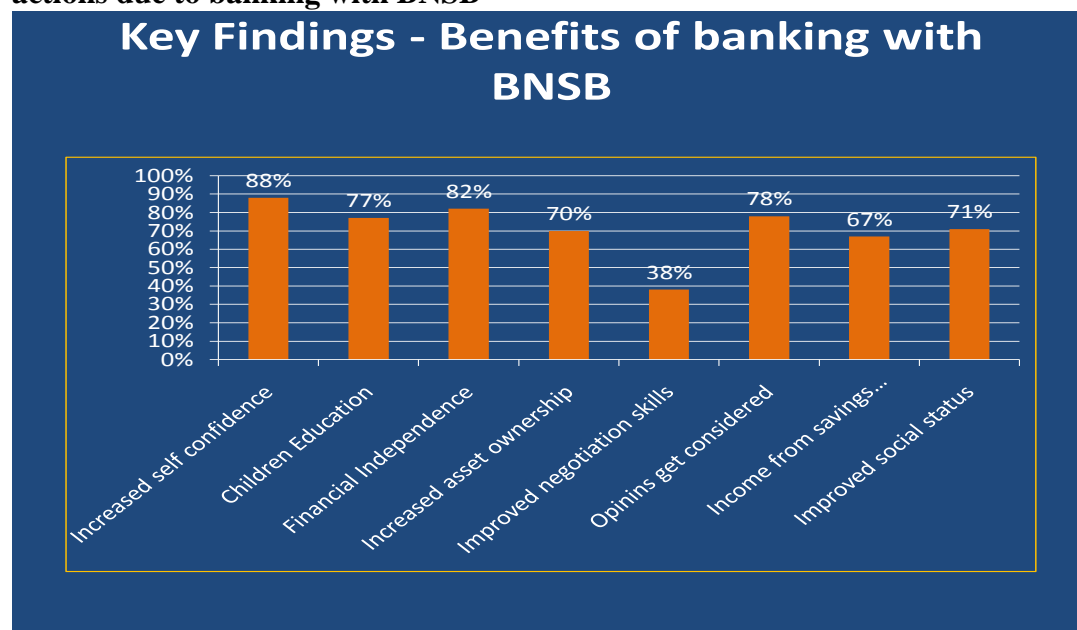
**Key Findings about impact of financial inclusion and financial literacy due to Banking Association with BNSB:**

**Graph 7-2: BNSB Impact on Financial Inclusion and Financial Literacy:**



**Analysis of key findings:** 92% respondents are depositors; whereas 18% are borrowers of BNSB (The percentage of depositors and borrowers will not be equal to 100% as some of the respondents are both borrowers as well as depositors). 84% of the depositors are savings account holders. 87% of the depositors have less than 5 transactions per month with the bank. 87% of those who have borrowed from BNSB have informed that suitable loan products based on their needs and repayment capacity were explained to them 97% of those who have borrowed have informed that the loan installments given by BNSB are affordable . 96% have informed that loans were sanctioned within reasonable time . 62% of those who have borrowed from BNSB have borrowed for personal purpose .85% of those who borrowed did not face any difficulty in borrowing. 78% of those who borrowed had borrowed against personal guarantees. 90% of the respondents have informed that they were encouraged to open deposit accounts with BNSB. 91% have informed that various deposit schemes were explained to them.

**Graph 7-3: Respondent's ability to transform financial choices in desired actions due to banking with BNSB**



**Analysis of key findings :** 88 % respondents have reported increased self-confidence due to association with BNSB, 77% have informed that they could save for children education, 82% of the respondents have informed financial independence as a benefit , 70% respondents have informed that they could own assets due to banking association with BNSB , about 38% have reported that they experience improved negotiation skills due to the financial awareness they have due to association with BNSB , 78% of the respondents feel that their opinions get considered as they have gained financial literacy due to their association with BNSB . 67% of respondents have reported that their income from savings and investments has increased due to savings with BNSB, 71% respondents feel that their social status has improved as they have accumulated knowledge and savings due to their association with BNSB.

#### **Conclusion of Data Analysis:**

1. Most of the responses and opinions expressed by the respondents matched or coincided with the information collected by the researcher by way of interviews with the management , which are presented in Chapter 5 of the thesis.
2. The policies and procedures adopted by BNSB have positive impact on financial inclusion of its women customers.

3. The counseling and training provided by BNSB to its customers help them in acquiring financial literacy.

### **7.3 Conclusion of Hypothesis testing:**

Hypothesis was formulated based on the research objectives, to measure the role played by Bhagini Nivedita Sahakari Bank Ltd, Pune in economic empowerment of its women customers. Following two parameters of economic empowerment of women were used while formulating the hypothesis.

1. Financial Inclusion

2. Financial Literacy

The parameters were based on the definitions of women's economic empowerment by World Bank in its policy research paper about measuring economic empowerment in practice.

World Bank has also given indicators for measuring financial inclusion. OECD has also published guidance note on measuring financial literacy. The measures given by both these international organizations based on years of research and study were adopted in this study to suit the Indian scenario.

Both these documents , parameters and indicators are described in detail in Chapter 6 with bibliographic references to the two documents.

Based on these definitions, Access, usage and quality indicators were used for assessing financial inclusion and knowledge, awareness, skill, attitude and behavior necessary for making sound financial decisions were used for assessing financial literacy.

**Table 7-1: Results of the hypothesis testing:**

<b>Hypothesis</b>	<b>Findings</b>
<b>Hypothesis 1: The financial products offered, services rendered and practices followed by BNSB, Pune; cause financial inclusion of women.</b>	<b>Results of Chi square test -</b> Financial inclusion caused by BNSB : Access to services, usage of services and quality of services provided by BNSB were examined on the basis of total 23 variables such as distance from the branch, working hours of the branch ,number of transactions

	<p>per month , ownership of account, explaining loan products , loans within reasonable time were tested against having banking relationship and duration of banking relationship with BNSB. It was observed that in case of 19 variables the relationship was significant.</p> <p><b>The null hypothesis is therefore rejected and following alternate hypothesis is accepted.</b></p> <p>There is significant relation between the financial products offered, services rendered and practices followed by BNSB and financial inclusion of women.</p>
<p><b>Hypothesis 2 :</b></p> <p><b>Women customers of BNSB acquire financial literacy by way of improved financial awareness, knowledge and skills due to their banking relationship with BNSB</b></p>	<p>Total 22 variables indicating financial literacy in terms of increase in knowledge , awareness, skill , attitude and behavior of the respondents were tested against having banking relations with BNSB. It was observed that in case of 16 variables out of the 22 viz. acquiring information about avenues of savings, borrowings, insurance etc., were significantly associated with having banking relations with BNSB .</p> <p>Total 24 variables were tested against duration of relationship with BNSB and it was found that 18 variables were significantly associated with the duration of association with BNSB and 6 variables did not have significant relationship.</p> <p>Based on these findings, <b>the null hypothesis</b></p>

	<p><b>was rejected and following alternate hypothesis was accepted.</b></p> <p>There is significant relation between acquiring financial literacy by way of improved financial awareness, knowledge and skills and having banking relationship with BNSB.</p>
<p><b>Hypothesis 3 :</b></p> <p><b>Women customers of BNSB acquire ability to make effective financial choices and the capacity to transform the choices in desired actions and outcomes due to their banking relationship with</b></p>	<p>The researcher had divided this hypothesis in two parts:</p> <p><b>In the first part</b> the correlation between the ability to make effective financial choices and being customers of BNSB were studied on the basis of parameters such as increased self-confidence, confidence in dealing with banks, financial independence , increased negotiation skills , opinion getting considered and increased income from savings and investments.</p> <p>The ‘P’ values of the correlation in these relationships supported the findings that the relationship was significant.</p> <p><b>In the second part</b> the correlation between ability to transform the financial choices in desired actions and outcomes due to banking relationship with BNSB was studied based on parameters such as children education, increase in assets, increased social status and improved decision making.</p> <p>The ‘P’ values of the correlation in these relationships supported the findings that the relationship was significant.</p> <p>On the basis of above, it can be concluded that</p>



	<p>women customers of BNSB gain the ability to transform the financial choices in desired actions and outcomes due to banking relationship with BNSB and supports rejection of null hypothesis.</p> <p>Conclusion:</p> <p><b>The null hypothesis is rejected and following alternate hypothesis is accepted.</b></p> <p>There is significant relation between women customers of BNSB acquiring ability to make effective financial choices and the capacity to transform the choices in desired actions and outcomes due to their banking relationship with BNSB</p>
--	---

All the three hypothesis formulated by the researcher were thus tested and null hypothesis was rejected in each case.

#### **7.4 Fulfillment of objectives:**

Based on the statement of the problem, this research was conducted with the broad objective of assessing whether and how the Urban Cooperative Banks assist women customers in achieving economic empowerment.

Bhagini Nivedita Sahakari Bank Ltd, Pune was selected as a case study for assessing the role played by Urban Cooperative Banks.

The broad objective was further divided into specific objectives as under:

- a.** To study financial inclusion and financial literacy initiatives of Bhagini Nivedita Sahakari Bank Ltd, Pune in respect of women.
- b.** To critically analyze the impact of financial inclusion and financial literacy initiatives of Bhagini Nivedita Sahakari Bank Ltd, Pune on its women customers.
- c.** To overview the impact on economic empowerment of women customers of Bhagini Nivedita Sahakari Bank Ltd, Pune by way of gaining agency and power due to their association with the bank .

(The words agency and power here are used to denote control over own income, resources, voice, ability to formulate strategic choices, and decisions that affect important outcomes of life such as effect on traditional gender roles and increased participation in decision making.)

**d.** To give suggestions for effective use of financial inclusion and financial literacy initiatives of Urban Cooperative Banks for economic empowerment of women.

**Research objectives were fulfilled as under:**

**Objective a:** To study financial inclusion and financial literacy initiatives of Bhagini Nivedita Sahakari Bank Ltd, Pune in respect of women.

The researcher collected data from current and past chairpersons and directors of the bank, CEO and General Managers of Bhagini Nivedita Sahakari Bank Ltd , Pune on the basis of structured questionnaires and interviews for understanding the initiatives implemented by the bank for financial inclusion and financial literacy and their experience about women customers of the bank .

For understanding financial inclusion initiatives, the information about policies of the bank about convenience of physical access of women customers to the bank branches, affordability of banking products, eligibility norms for use of banking products, outreach of the bank, actual use by the customers was collected .Data was obtained from the bank for a period of five years from 01.4.2013 till 31.03.2018. The data was thoroughly analyzed and studied. The analysis was conducted about the proportion of women customers to men customers, trifurcation of women customers as depositors, borrowers and shareholders and the proportion of debit card holders. With prior permission of the management, the researcher also collected data from customers of the bank with the help of pre tested, structured questionnaire containing close ended questions by visiting the branches. The information was collected to study the customer response to various initiatives of the bank for financial inclusion and about the quality of service of the bank.

Financial Literacy initiatives of the bank were analyzed by way of collecting data from customers of the bank as well as from management of the bank, about the

practices followed by BNSB for financial literacy training for women customers, counseling, creating awareness and imparting knowledge to women customers about various sources and cost of loans available, advantages of savings and investments in banks and about inflation.

Data was also collected from official website and annual reports of the bank. The collected data and information was thoroughly studied and analyzed.

The detailed analysis about various initiatives of the bank based on questionnaire collected from the management, interviews of the top personnel of BNSB, its websites, annual reports is presented in detail in Chapter No 5. The analysis of the data collected from customers of BNSB is narrated in chapter 6.

**Conclusion:** On the basis of the detailed analysis carried out as above, it was concluded that BNSB has framed its policies and procedures in such a manner that women are encouraged to open and operate accounts. They are explained the advantages of banking and are encouraged to open need based savings and other accounts. Women are encouraged not only to open accounts but also to visit the branches and enter into more and more transactions. Planned and unplanned financial needs of women customers are fulfilled by way of loans. This practice leads to financial inclusion and increased financial knowledge and literacy. Objective a, of this study is thus achieved.

**Objective b:** To critically analyze the impact of financial inclusion and financial literacy initiatives of Bhagini Nivedita Sahakari Bank Ltd, Pune on its women customers.

In order to assess the impact of financial inclusion and financial literacy initiatives of BNSB, the data collected from women customers of the bank was analyzed and studied. Access, usage and quality indicators were used for assessing the impact of financial inclusion. Information about convenience of physical access to the bank branches, working hours of the bank, affordability of banking products, eligibility norms for use of banking products, actual use of the products offered by the customers was collected to test the impact of financial inclusion. In order to assess the impact of financial literacy initiatives , data was collected about financial literacy training programs organized by BNSB for women customers ,

experience of the officers of the bank about response of women customers , customer expectations from the bank about such programs , awareness and knowledge of women customers created due to their association with BNSB about various sources and cost of loans available, advantages of savings and investments in banks and about inflation. The responses received from the customers were studied, analyzed and correlated with the information gathered from BNSB Directors and officers. The detailed analysis is presented in chapter 6.

**Conclusion:** Analysis of collected data has revealed that the inclusive banking and financial literacy initiatives of BNSB encourage women customers to be associated with the bank, open accounts, save their hard earned money, borrow from the bank at concessional rates and use digital banking products. The analysis however has also revealed that women customers of the bank are not very enthusiastic about attending the various training programs organized by the bank and there is need for creating awareness about importance of training. Objective b is fulfilled.

**Objective c:** To examine the benefits of association with BNSB on the agency and power of its women customers.

(The word agency and power here are used to denote control over own income and resources ,voice, ability to formulate strategic choices, and decisions that affect important outcomes of life such as effect on traditional gender roles and increased participation in decision making.)

In order to assess the extent to which BNSB has assisted its women customers in achieving economic empowerment data was collected about changes observed by women customers of BNSB in their own self-esteem, assertiveness, participation in decision making , control over their own income , increased income and ownership of assets, saving for planned expenditure such as children education or marriages . The data was collected by way of questionnaire from the customers of the bank and interviews with directors and officers of the bank.

**Conclusion :** The inclusive banking practices followed by Bhagini Nivedita Sahakari bank Ltd , Pune enable their women customers to be more aware about various banking services , interest rates , advantages of savings , investments ,

borrowings from formal sources like banks . They get housing and educational loans at concessional rates which lead to increase in property and education. As more and more women are encouraged to buy shares of the bank, they get right to attend the general body meetings of the bank and participate in decision making process. They also get inspired by the all women staff of BNSB. All these measures lead to increased assertiveness and decisiveness leading in turn to increased power and agency over their own income, participation in decision making and more control over their own lives. Objective C is thus fulfilled.

**Objective d:** To suggest and give recommendations for effective use of financial inclusion and financial literacy initiatives of Urban Cooperative Banks for economic empowerment of women.

The suggestions and recommendations are discussed in detail in following paragraphs.

## **7.5 Contribution to Body of Knowledge:**

The primary aim of the researcher in this study was to look at the important concept of economic empowerment of women from a new perspective, the role played by Urban Cooperative Banks.

The literature review had revealed that most of the studies about women economic empowerment in India had focused on role played by Micro Finance and micro credit Institutions. No comprehensive study was available about role played by Urban Cooperative Banks (UCBs) although UCBs are present in India in large numbers since last more than 100 years. UCBs hold full- fledged valid banking licenses are regulated by Reserve Bank of India and Cooperative Department as well. UCBs, by their very nature mainly serve the local areas in which they operate, as they cater to local areas, they have familiarity with customs, traditions and requirements of people living in local areas and they understand their customers better. UCBs have requisite technology and expertise for serving weaker sections of the society and lower and middle income categories of people. Women form majority of each of these categories, hence it was necessary to study what these banks have done or can do for economic empowerment of women.

The researcher, in this study has tried to shift the focus from micro finance and micro credit institutions to Urban Cooperative Banks in the context of economic empowerment of women.

The case study of Bhagini Nivedita Sahakari Bank Ltd, Pune has never been done before. Bhagini Nivedita Sahakari Bank Ltd, Pune is an urban cooperative bank run and managed by WOMEN for ALL and represents the Cooperative sector in true spirit.

## **7.6 Suggestions and recommendations:**

Based on the findings of this study, the researcher makes following recommendations and suggestions so that women economic empowerment policies and procedures can be implemented and monitored more effectively by UCBs.

### **7.6.1 Suggestions for Reserve Bank of India:**

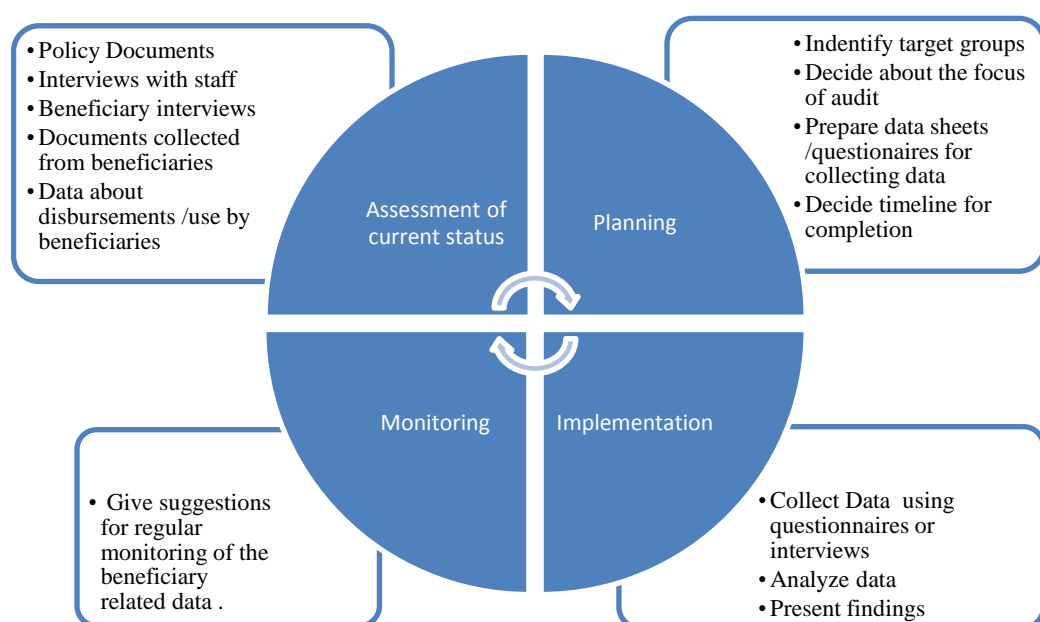
**1. Gender Audit:** It has been observed that almost all Urban Cooperative Banks have implemented schemes for loans to women at concessional rates of interest. Concession in home loan interest rates and education loan interest rates are the most common. Some banks also provide business loans and vehicle loans to women at concessional rates of interest. No bank has, however published any data about the number of beneficiaries of the scheme and how the schemes have helped women in increasing ownership of assets or embarking upon higher education. The researcher suggests that RBI should introduce gender audit in banks so that information about beneficiaries of various concessional rate schemes and other initiatives by banks can be collected, their effectiness can be examined and efforts for economic empowerment of women can be channelized and focused for sustainable development of the society. Gender audit of policies, processes and schemes introduced by banks shall provide a rigorous and collective self-assessment of progress, effectiveness and gaps in the policies and procedures implemented and enable regulators and management of banks in enhancing the processes.

RBI should issue guidelines for conducting gender audit of policies, strategies and schemes implemented by the banks. Basic Gender audit model as per Model 1

is suggested. The gender audit will also cover the impact of policies adopted by the banks on their women employees. This will enable the regulators to form appropriate policies or make need based changes in the existing policies for economic empowerment of women. This model shall evolve with time .

If introduced, RBI will be the first Central Bank of any country to introduce such an audit which will have a lasting impact on sustainable development of the country.

### Model 1: Basic Gender Audit Model



**2. Reduced Risk weights:** As per RBI regulations, all banks need to assign risk weights to loans based on the risk perceptions prescribed by RBI. Risk weights are calculated for determining the capital requirement or Capital Adequacy Ratio. Different classes of loans have different risk weights associated with them. Weights are assigned according to risk profiles of particular loan categories.

In order to encourage UCBs to lend more to women customers, RBI should reduce risk weights for lending to women borrowers in each category. e.g if risk weight assigned to real estate is 50 in general category , it should be 40 in case of women borrowers and so on .

Advantages: UCBs will lend more to women borrowers, and empower them by assisting in ownership of assets.

**3. Ceiling of lending to women borrowers should be removed:** At present RBI has imposed some ceilings on some types of lending like housing loans (Rs 70 Lakhs) and unsecured loans (Rs 5 Lakhs) on Urban Cooperative Banks. These ceilings should be relaxed in case of lending to women borrowers. This will encourage women borrowers to own assets and obtain clean and transparent finance from banks.

**4. Leverage the large number, expertise and technology deployed by UCBs :** Make use of large network of UCBs for economic empowerment of women by encouraging these banks to spread financial literacy and financial inclusion. This will go a long way in helping sustainable development of our country.

**5. Provide incentives** to those Urban Cooperative Banks which implement financial inclusion policies and conduct financial literacy training for their women customers .

#### **7.6.2 Suggestions for Urban Cooperative Banks:**

1. Urban Cooperative Banks should **collect and analyze the data** about beneficiaries of women centric schemes implemented by them. This will enable them to make improvements, modifications and changes in the schemes to make them more effective.

2. **Increase visibility** by way of publishing data about the efforts made by the banks for financial inclusion and implementation of financial literacy initiatives. This will help in creating awareness among the customers and the society about their contribution to sustainable economic development of the nation.

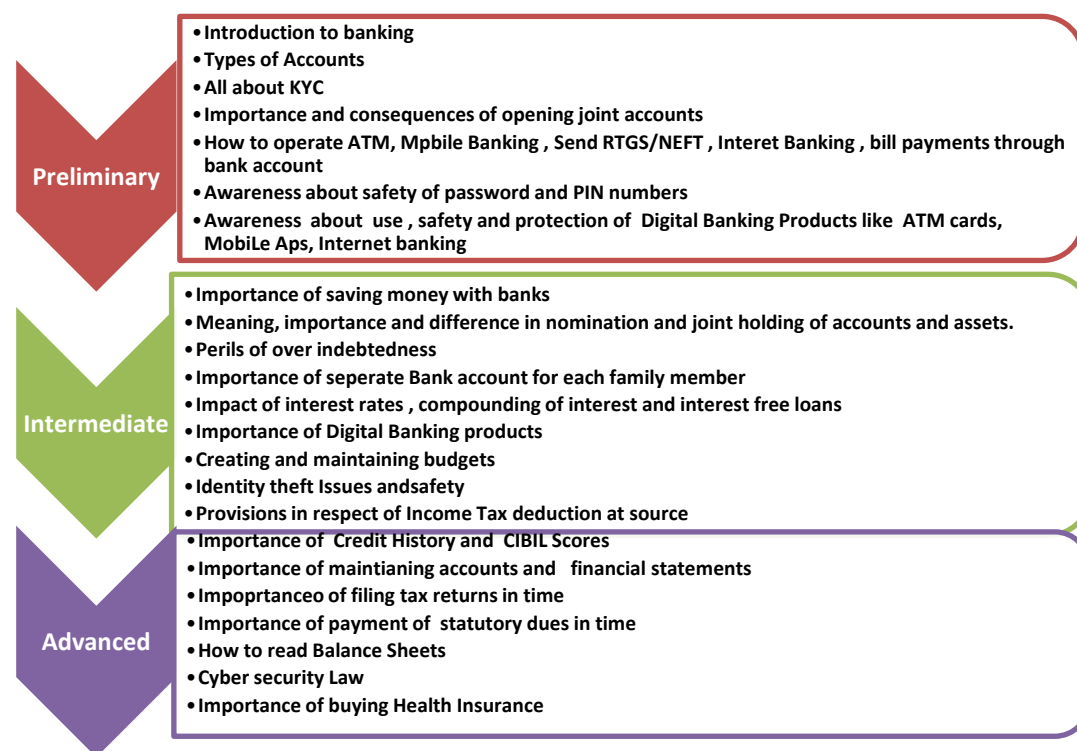
3. **UCBs should make special efforts for expanding digital banking and digital financial skills among women.** Launch and promote schemes for effective and continuous usage of digital banking products by women.

4. UCBs should **use latest technology** such as **data analytics** to conduct research about the behavior patterns and trends and needs of their customers. This will enable them to expand their services by framing appropriate schemes, on the basis of the specific needs and preferences of women.



5. Show case **success stories** of women entrepreneurs on their web sites, annual reports and other publications.
6. Develop and run **mentoring** solutions for women.
7. Encourage women customers to develop **network** among them in order to assist each.
8. Implement **financial literacy training modules** for their customers as per **Model 2** below. In order to motivate customers to attend the financial literacy programs, the banks should incentivize their customers by way of concessions in processing fees, waiver of debit card fees and other suitable schemes

### Model 2: Three Dimensional Financial Literacy Training Model



### 7.6.3 Suggestions for Women Customers of UCBs:

1. Urban Cooperative Banks provide financial literacy programs covering various topics of interest for their customers. Women customers should attend these programs and equip themselves with modern banking and related services.
2. Operate bank accounts maximum number of times.
3. Encourage women and girls in the families and among friends to open and operate bank accounts.

4. Learn to use digital banking products and use them regularly.

### **7.7 Scope for Future Research:**

Due to limitations of time and resources, present research provided detailed overview of measures implemented and policies and practices followed by Bhagini Nivedita Sahakari Bank Ltd, Pune for economic empowerment of women. Limitations of geographical location and sample population of one bank are inherent in this study. Future researchers may overcome this shortcoming by studying women economic empowerment practices followed by other Urban Cooperative Banks with larger population size.

This research was confined mainly to urban and semi urban areas in and around Pune. Further research may be carried out in other cities and specifically in rural areas.

It is observed in this study that percentage of women borrowers is very less as compared to women depositors. There is a need for further research in this area about the reasons of this phenomenon and how it can be dealt with.

This research has recommended gender audit for ensuring effective implementation of policies and procedures for women economic empowerment. There is a vast scope for future research in the area of gender audit which has the potential of having favorable impact on sustainable development.

### **7.8 Conclusion:**

This research concludes as under:

Investing in women's economic empowerment leads to gender equality, poverty eradication and inclusive economic growth. Economic empowerment of women directly translates to sustainable economic growth of the country and welfare of the society. Key to economic empowerment of women lies in women's access and control over economic and financial resources. There are many obstacles in women's access to financial services such as lack of financial literacy, inhibitions about actually accessing the financial services, customs, culture and traditions etc. Although women's own individual efforts and inherent will to succeed can empower them, it is the duty of all agencies to assist them in their efforts.

Urban Cooperative Banks provide full-fledged technology based banking products to their customers. Opening accounts with Urban Cooperative Banks and access to credit provide a gateway of opportunities for using the latest technology based financial services for customers from middle and lower income groups of the population. In order to achieve more focused results the researcher has suggested introduction of gender audit of policies, processes and schemes introduced by UCBs and every other institution involved in economic empowerment of women. Gender audit can provide rigorous and collective self-assessment of the schemes and policies and pave the path for improvements. To this end researcher has suggested a basic model for gender audit, which shall evolve with time and progress made. (Ref. Model 1).

This researcher has suggested a comprehensive training module ( Ref. Model 2) for enhancing efforts for financial literacy of women.

The march towards economic empowerment of women has to go on as economic development of every county, without exception depends upon empowerment of its women.

This research is an attempt to contribute to the efforts of economic empowerment of women by providing an additional dimension to the efforts, in the form of Urban Cooperative Banks in India. It is now up to the policy makers and regulators to effectively leverage the faith and trust the customers have in the UCBs, the number of UCBs, their expertise, reach, infrastructure and the technology deployed by them to the fullest advantage to achieve economic empowerment of women.

-----\*\*\*-----