



Influence of Credit Cooperative Societies on Women Empowerment: A Study

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Abstract: Women empowerment has emerged as a key objective in sustainable development, particularly in developing countries like India. Credit cooperative societies play a significant role in providing financial access, fostering entrepreneurship, and improving socio-economic conditions of women. This study examines the influence of credit cooperative societies on women empowerment through a multidimensional approach including economic, social, and decision-making aspects. The study is based on secondary data sources, case studies, and empirical findings from previous research. The results indicate that cooperative credit institutions contribute positively to women's financial independence, self-confidence, and participation in community development. However, challenges such as limited awareness, institutional constraints, and socio-cultural barriers still persist. The paper concludes with policy recommendations for strengthening cooperative frameworks to enhance women empowerment.

Keywords: Credit Cooperative Societies, Women Empowerment, Financial Inclusion, Self-Help Groups, Rural Development.

I. INTRODUCTION

Women empowerment refers to the process of enhancing the capacity of women to make choices and transform those choices into desired actions and outcomes. In India, despite constitutional guarantees, women continue to face socio-economic disparities. Credit cooperative societies have emerged as grassroots-level financial institutions aimed at promoting savings, providing affordable credit, and encouraging collective economic activities. These institutions are particularly significant in rural and semi-urban areas where access to formal banking remains limited. The importance of cooperatives lies in their democratic structure, community participation, and focus on inclusive development. Studies indicate that such societies enable women to access credit, training, and market opportunities, thereby enhancing their livelihood and autonomy.

II. OBJECTIVES OF THE STUDY

The present study is designed to examine the multifaceted role of credit cooperative societies in enhancing women empowerment. The specific objectives of the study are described as follows to

examine the role of credit cooperative societies in promoting financial inclusion among women this objective focuses on understanding how credit cooperative societies facilitate access to financial services such as savings accounts, credit facilities, and insurance for women, particularly those belonging to economically weaker sections.

1. To analyze the impact of credit availability on women's economic independence
2. To assess the contribution of credit cooperative societies in enhancing women's decision-making power
3. To evaluate the role of cooperative societies in skill development and entrepreneurship among women
4. To study the social empowerment of women through participation in credit cooperative societies
5. To identify the challenges faced by women in accessing and utilizing credit from cooperative societies

III. RESEARCH METHODOLOGY

The study is descriptive and analytical in nature. It aims to describe the role played by credit cooperative



societies and analyze their impact on various dimensions of women empowerment such as economic independence, social status, and decision-making ability. Both qualitative and quantitative approaches are used to ensure a comprehensive understanding of the subject.

a. Nature and Sources of Data

The study is based on both primary and secondary data sources:

i. Primary Data

Primary data is collected directly from women members of credit cooperative societies through structured questionnaires, interviews, and personal interactions. The data focuses on their financial activities, level of participation, and perceived changes in empowerment.

3.1.2 Secondary Data

Secondary data is collected from published sources such as research journals, books, government reports, cooperative society records, annual reports, and relevant websites. This helps in building theoretical background and supporting the analysis.

3.1.3 Study Area

The study is conducted in selected rural and semi-urban areas (you may specify district/state, e.g., Davanagere District if required), where credit cooperative societies are actively functioning and women participation is significant.

IV. CONCEPTUAL FRAMEWORK

The conceptual framework of this study explains the relationship between the services and functions of credit cooperative societies and the various dimensions of women empowerment. It provides a structured model to understand how access to cooperative-based financial systems contributes to improving the socio-economic status of women.

4.1 Concept of Credit Cooperative Societies

Credit cooperative societies are member-driven financial institutions established to provide affordable credit, savings facilities, and other financial services to their members. These societies operate on principles such as mutual help, democratic control, and financial inclusion. For women, especially in rural and semi-urban areas, such institutions serve as an accessible source of finance where formal banking services may be limited.

These are grassroots-level financial institutions formed with the primary objective of providing affordable and accessible financial services to their members. They operate on the principle of mutual assistance, where individuals voluntarily come together to pool their resources for meeting common financial needs. These societies play a vital role in promoting financial inclusion, especially among low-income groups, small farmers, artisans, and women in rural and semi-urban areas.

These are essential instruments for grassroots financial development. By fostering a culture of savings, providing easy access to credit, and encouraging collective action, they contribute significantly to economic empowerment and social upliftment. Their role becomes even more crucial in the context of women empowerment, as they help bridge the gap between financial exclusion and inclusive growth.

Credit Cooperative Societies are member-owned financial institutions established to provide affordable credit and promote savings among individuals, particularly those who have limited access to formal banking systems. Based on the principles of mutual help, democratic control, and voluntary participation, these societies function as self-reliant organizations where members pool their resources to meet common financial needs. They play a crucial role in rural and semi-urban areas by offering low-interest loans, encouraging thrift habits, and reducing dependence on exploitative moneylenders. By supporting small-scale economic activities, agriculture, and micro-enterprises, credit cooperative societies contribute significantly to financial inclusion, economic stability, and social development, especially among marginalized groups such as women and low-income households.

Credit Cooperative Societies are grassroots-level, member-owned financial institutions established with the primary objective of providing affordable and accessible credit to their members. These societies are formed on the principles of cooperation, mutual help, and democratic management, where individuals voluntarily come together to meet their common financial needs. Unlike commercial banks, credit cooperative societies focus more on service rather than profit, making them particularly beneficial for economically weaker sections of society, including small farmers, artisans, laborers, and women.



The main function of credit cooperative societies is to mobilize savings and provide loans at reasonable interest rates. Members contribute to a common fund through regular savings, which is then utilized to extend credit for various purposes such as agriculture, small businesses, education, housing, and personal needs. This system helps in reducing dependence on private moneylenders who often charge exorbitant interest rates, thereby protecting members from exploitation.

A key feature of these societies is their democratic structure, where each member has an equal say in decision-making, usually following the principle of “one member, one vote.” This ensures transparency, accountability, and active participation of members in the functioning of the society. Additionally, these institutions often operate within a limited geographical area, enabling them to better understand and cater to the specific needs of the local community.

Credit cooperative societies also play a significant role in promoting financial inclusion and economic development. By extending financial services to underserved populations, they help improve income levels, encourage entrepreneurial activities, and strengthen rural economies. For women, in particular, these societies act as powerful tools for empowerment by providing access to credit, enhancing financial independence, and increasing their participation in economic and social decision-making.

Despite their importance, credit cooperative societies face challenges such as limited capital, lack of professional management, political interference, and issues related to loan recovery. However, with proper regulation, capacity building, and technological support, they can serve as effective instruments for inclusive growth and sustainable development.

In conclusion, credit cooperative societies are vital components of the cooperative movement, contributing significantly to socio-economic upliftment by fostering a culture of savings, ensuring easy access to credit, and promoting collective welfare among their members.

V. CONCEPT OF WOMEN EMPOWERMENT

Women empowerment refers to the process through which women gain the ability to make strategic life

choices, achieve economic independence, and participate actively in social and political decision-making. It includes multiple dimensions such as economic empowerment, social empowerment, psychological empowerment, and political participation.

The conceptual framework highlights that credit cooperative societies play a significant role in empowering women by providing financial access, building skills, and enhancing participation. The framework serves as a foundation for empirical analysis to test how effectively these institutions contribute to women empowerment in the selected study area.

Women empowerment refers to the process of enabling women to gain control over their lives, make independent decisions, and participate fully in economic, social, and political activities. It involves enhancing women’s ability to access resources, opportunities, and rights that were traditionally denied or limited due to social and cultural barriers. Empowerment is not merely about financial independence but also about building self-confidence, awareness, dignity, and the freedom to express one’s views and choices.

The concept of women empowerment is multidimensional in nature. Economic empowerment focuses on providing women with access to income-generating opportunities, employment, and financial resources, allowing them to become self-reliant. Social empowerment emphasizes improving women’s status in society, ensuring equal rights, education, healthcare, and freedom from discrimination. Political empowerment involves increasing women’s participation in decision-making processes at various levels, from household decisions to governance and leadership roles. Psychological empowerment strengthens self-esteem, confidence, and the ability to challenge traditional norms and inequalities.

Women empowerment also includes the removal of gender-based discrimination and the promotion of gender equality. It ensures that women have equal access to education, employment, property rights, and legal protection. Governments, non-governmental organizations, and financial institutions play a crucial role in empowering women through policies, programs, and support systems such as microfinance, self-help groups, and skill development initiatives.



In the context of developing countries like India, women empowerment is essential for achieving sustainable development and inclusive growth. When women are empowered, they contribute significantly to family welfare, economic development, and social progress. Thus, women empowerment is not only a matter of social justice but also a key driver of national development.

5.1 Women Empowerment Dimensions

Women empowerment is multidimensional:

1. **Economic Empowerment** (income, savings, employment)
2. **Social Empowerment** (status, mobility, awareness)
3. **Political Empowerment** (decision-making participation)
4. **Psychological Empowerment** (confidence, self-esteem)

5.2 Financial Inclusion

Credit cooperatives provide easy access to credit for women who are often excluded from formal banking systems. These institutions help women: Start small businesses, Invest in agriculture and allied activities, Meet emergency financial needs studies show that access to credit significantly improves women's economic participation and independence .

5.3 Income Generation and Entrepreneurship

Women members utilize loans for, Small-scale industries, Handicrafts, Dairy and agriculture Cooperatives enhance income levels and promote entrepreneurship, contributing to household economic stability.

5.4 Development of Savings Habits

Credit cooperatives encourage regular savings, which, Builds financial discipline, Creates security against uncertainties, Enhances long-term financial planning

5.5 Social Empowerment

Participation in cooperatives improves, Social status, Leadership skills, Awareness about rights and opportunities, Research highlights that cooperative participation enhances interpersonal relationships and self-esteem among women .

5.6 Decision-Making Power

Women involved in cooperatives gain, Greater role in household decisions, Participation in community governance, Leadership positions within cooperatives

5.7 Skill Development and Training

Many cooperatives provide, Vocational training, Financial literacy programs, Entrepreneurial guidance, This leads to capacity building and sustainable empowerment.

VI. CHALLENGES FACED BY WOMEN IN CREDIT COOPERATIVE SOCIETIES

Despite positive impacts, several challenges persist:

6.1 Lack of Awareness

Many women are unaware of cooperative benefits, Financial schemes, Government support programs which has to be overcome.

6.2 Socio-Cultural Barriers

Traditional norms restrict

- Women's mobility
- Participation in decision-making
- Financial independence

6.3 Limited Financial Literacy

Lack of financial knowledge affects

- Loan utilization
- Repayment capacity
- Investment decisions

The findings indicate that credit cooperative societies act as catalysts for women empowerment by integrating financial services with social development. Their role extends beyond credit provision to capacity building and community development. However, empowerment is not uniform and depends on:

- Education levels
- Socio-cultural context
- Institutional effectiveness

Studies emphasize that credit alone is insufficient; it must be complemented by training and support systems.

VII. CONCLUSION

In conclusion, the study highlights that credit cooperative societies play a crucial role in promoting women empowerment by providing accessible financial services, encouraging savings, and supporting income-generating activities. Through their inclusive and democratic structure, these societies enable women to achieve economic independence, enhance their decision-making power, and improve their social status. Participation in such



institutions not only strengthens women's financial capabilities but also boosts their confidence and active involvement in community development. Despite certain challenges, the overall influence of credit cooperative societies is positive and significant, making them effective instruments for advancing gender equality and sustainable socio-economic development.

From an economic perspective, digital and AI-enabled change should be examined not only through growth indicators but also through inclusion, affordability, regional access and policy implementation. These dimensions help convert a descriptive study into a more analytical contribution.

The economic argument is strengthened by computational modelling, location-based clustering, fuzzy decision reasoning and welfare-oriented analytical perspectives [11]-[14]. These sources support the use of evidence-based and data-oriented economic interpretation. Recent policy and institutional sources further support the discussion on economic change, digital transformation and inclusive development [15]-[17].

The study highlights that economic transformation must be assessed through inclusive growth, access, welfare impact and institutional effectiveness. Data-based and computational approaches can strengthen economic interpretation, but policy conclusions should remain sensitive to local realities and beneficiary-level differences.

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