

# Schemes and Programs in Rural Development: An Impact on Economic Independence of Women in A.P & Telangana

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## Abstract

The present paper deals with the impact of schemes and programmes in rural development on the economic independence of women in Andhra Pradesh. The National Developmental Programs and Schemes are committed to a planned economic development of the nation. The government plays a vital role in bringing about this outcome through various social, economic, and institutional means. This led to the introduction of many welfare programs such as Self Help Groups (SHGs) and micro finance institutions which aimed at the economic improvement of the rural masses especially women who constitute about 45 % of the population. Economic development of women is a must for economic development of the country. Participation of women in the developmental activities resulted in their setting up of several income generating small scale industries with the help of SHGs which boosted their confidence levels and transformed the traditional woman into an industrial woman. This paper provides a comprehensive study of the impact of various developmental programmes and schemes on the economic independence of rural women in terms of effective decision making, thrift, improvement of their socio - economic conditions and increased standard of living.

**Keywords:** Developmental programs, Economic development, Economic independence, Women participation, SHGs.

## Introduction

*"Economic development is a multidimensional process involving major changes in social structures, popular attitudes and national institutions as well as the acceleration of economic growth, the reduction of inequality and eradication of absolute poverty."*

*–Micheal P. Todaro*

Economic development is related to developing countries which entails improvement in the quality of life of the people. Economic development is impossible without the intervention of government. It is a long term dynamic process measured by the real per capita income. An essential condition for the economic development of a country is equitable distribution of wealth. The most important factor for acceleration of economic development is the participation of people in the development programmes. An index of economic development of a state is its per capita income. Countries with high per capita income are called developed countries. The people of developed countries enjoy better quality of life, and high expenditure on human capital which includes expenditure on education, formation of skills, research and improvement in health. Life expectancy and adult literacy rates are much higher in developed countries compared to developing countries. Another important feature of developing countries is the lower level of human well being. The unfavourable institutional set up is responsible for low levels of income and

standard of living in developing countries.

Andhra Pradesh is one of the large states of India in terms of area and population. It is the fourth largest state in terms of geographical area and fifth largest state in terms of population. The increase in the per capita income growth rate in Andhra Pradesh was higher than the national level of per capita growth rate, which is an indication of its improving standard of living. There is a sharp decline of population growth in all the districts of Andhra Pradesh. A decrease in the share of primary sectors in total work force has been observed over the past few decades. The work force participation rates (the number of persons employed per thousand population) in both rural and urban areas is high in Andhra Pradesh compared to all India. The Gross State Domestic Product (GSDP) of Andhra Pradesh economy was higher than that of all India. The share of private sector was more in Andhra Pradesh compared to all India.

In Andhra Pradesh, as in India, there is a vast difference in the income distribution between urban and rural areas. Consequently, the rich became richer and the poor became poorer. The fruits of economic development could not properly reach the poorer section of the society. Poverty and unemployment are inseparable. Planners adopted four broad categories of programmes to alleviate poverty –

- a) Resource and income development programmes for the rural poor.
- b) Special area development programmes.
- c) Work programme for the creation of supplementary employment opportunities.
- d) The minimum needs programme to improve the consumption levels of the poor in order to raise their productive efficiency.

In recent years, many developing countries are reforming their financial systems, as a part of which micro finances have emerged which is demand led and saving driven to provide financial services to the micro economy comprising small farmers, micro entrepreneurs, the informal sector, women and the poor, who were excluded by the earlier supply and credit driven financial system.

"The term microfinance refers to the provision of thrift, credit and other financial services and products of very small quantities to the poor in rural, semi urban and urban areas for enabling them to raise their income levels and living standards." (NABARD, 1999). Micro finance is viewed as a practice of extending small loans and other financial services such as saving and insurance to the poor for empowering them to protect themselves from economic setbacks. Group based financial systems are broadly classified into Grameen Group System and Self Help Group System. The institutions involved in microfinance have a significant role to play to reduce disparity of rich and poor and alleviate poverty.

The foremost objective of a welfare state is to improve and sustain the living standards of people. In accordance, the government of Andhra Pradesh has been implementing various welfare programmes and schemes. Among the several of them, microcredit to SHGs plays a crucial role in the rural development. SHGs are a small group of people associated together to solve their common problems through self help or mutual help. SHG linked microfinance provides credits to rural poor on easy terms and conditions and gives access to several small scale income generation activities. Throughout the world, SHG movement has been accepted as an effective programme to reduce poverty, to generate income to empower the poor especially women and to reduce unemployment. Microfinance is now a powerful tool of development that addresses multiple dimensions of poverty.

## Significance of Study

The present study is an attempt to determine the impact of SHG and participation of women in SHG on the economic independence of women in general and rural women in particular, in the state of Andhra Pradesh.

## Review of Literature

Kabeer (2001) in his study opines that some evaluations point a positive picture on the impact of SHG on the lives of rural women. Rahman (1986) established that 'active' women loan beneficiaries had higher standards of consumption, an effective role in the household decision making independently or together with their spouses, than 'passive' loanees. Both are more likely to partake in household decision making than women from male loanee household or from those households who have not received credit. Zaman (2001) states that SHGs have a vital role in lessening the vulnerability of poor by creating assets, income and consumption smoothing providing emergency assistance, empowering women and making them confident by giving them control over assets and increased self-esteem and knowledge.

## Objectives

1. To assess the impact of SHGs on women participants in terms of their socio - economic, political and cultural aspects.
2. To study the improvement in financial, health, child development and educational status of women beneficiaries of SHGs.
3. To suggest suitable solutions to overcome the problems faced by women beneficiaries of SHGs.

## Methodology

For the present study, a sample of five villages

- Ghanpur
- Marikallu
- Kaarukonda
- Devarakadra
- Yenugonda of Mahabubnagar district of Andhra

Pradesh was considered. As a whole, women of these villages constitute about 45 % of population, where as the literacy rate of these villages is only 46 %. There are 90 SHGs on an average in each of these villages. For our study, 300 respondents have been interviewed in terms of changes in their families with the impact of SHGs. The age of the respondents is in the range of 25 - 60 years. Group discussions were conducted to get more virtual data. Both quantitative and qualitative techniques were adopted for the analysis.

## Findings

The National Development Policies including SHGs have created serious disparities among Indian men and women. Women are in a vulnerable situation in terms of the following:

1. Alarming atrocities such as rape, sexual harassment, kidnap and dowry deaths against women in urban and rural areas.
2. Lowest sex ratio especially in rural areas.

3. Subordinating of women.
4. Astonishing percentage (about 20%) of maternal mortality, and pregnancy related health problems due to malnutrition.
5. Female feticide.
6. Low levels of education.
7. Low awareness generation and activities to increase the demand for the benefits under various developmental schemes and programmes.

It can thus be understood that women have a lower status than men. In spite of the many developmental programmes by the government, women lack the freedom to make use of the opportunities provided to them. Women face a lot of problems in the society which hinder their economic growth. Nowhere in our country are women paid at par with men. Women have to handle dual responsibility and meet the demands of the family and the work place. Women prove to perform better than their male counterparts.

Some of the major problems faced by women are

- a) Lack of education
- b) Gender bias
- c) Lack of exposure
- d) Lack of self confidence
- e) Lack of proper training for self employment
- f) Male domination
- g) Lack of support from spouse and family members
- h) Lack of confidence by others
- i) Lack of freedom in decision making
- j) Lack of public relations etc., which lead to the lack of risk bearing capacity and increased social insecurity.

SHGs help rural women by

- (i) Promoting them as micro entrepreneurs
- (ii) Engaging them in economically productive work and earn income though their income is significantly low
- (iii) Providing training and orientation to acquire income generating skills and attitudes, and effective decision making skills
- (iv) Providing timely credit
- (v) Developing thrift habits and efficient management of funds
- (vi) Identifying their potential and entrepreneurial qualities and encouraging them to generate income through self employment.

With the help of SHGs, the rural women of the sample villages set up dairy, fishing, candle making, basket making and other such activities which generate income. As a result, they gained confidence, improved their socio - economic condition, passed their leisure time productively and improved their decision making capability. While most of the respondents felt that microcredit has helped them improve their standard of living, a few of them felt that it was of no use to them. Some of them are completely unaware of the credit facilities provided by the SHGs. The beneficiaries opined that it was very convenient for them to repay the loan in instalments instead of the whole amount at a time as in the case of money lenders.

The economic empowerment achieved by the rural women helped them in improving their living standards, enhancing their control over the income and expenditure, diverting funds for proper education and health care of their children thereby gaining more gender equality and control over their

lives. This contributes indirectly to the income growth of the nation.

### Conclusion

Though Andhra Pradesh is improving its economic growth, clearly, the development process in the state must aim to reduce inequality and to improve overall economic development. So, government interventions such as SHGs which include poverty alleviation programmes have moulded the traditional rural women as industrial women and entrepreneurs. The involvement of women in developmental activities has added to their significance. Developmental programmes have a direct impact on the economic independence of women especially of rural areas as they were relieved of the clutches of the money lenders and enhanced their saving potential. Women became omnipotent leading to the development of the family and the community as a whole. Gender differences have been reduced and women attained a near equal status of men in terms of active decision making and other socio - economic and cultural spheres of life.

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