



Mini Review

**The Relationship between Income and Empowerment of Women SHGs in Godda District of Jharkhand**

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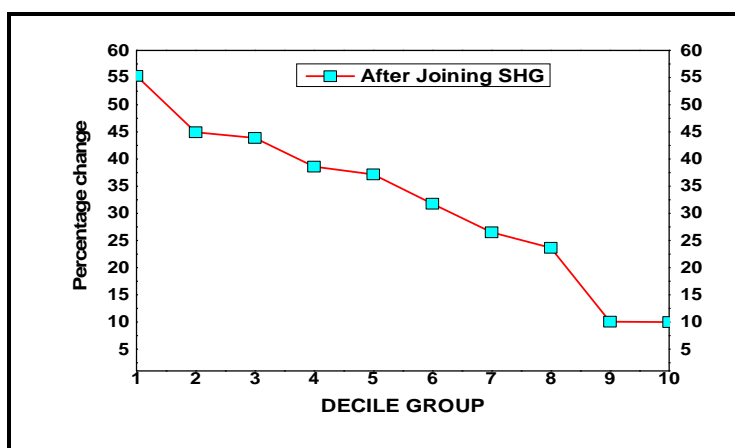
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Accepted on 15<sup>th</sup> February, 2024

**ABSTRACT**

In India, Self Help Groups (SHGs) is making headway in its effort for reducing poverty and empowering rural women. Women participation in SHGs have obviously created tremendous impact upon the life pattern, style and have empowered them at various levels. Presents paper attempts to assess the role of SHGs in women empowerments in Godda District of Jharkhand. The study was attempted to examine whether women's involvement in various activities of the group makes any positive change on women social empowerment. The information required for the study was collected using a well-structured and pre-tested interview schedules targeting SHGs member along with group discussion method which facilitated the collection of qualitative data from the group. In the present study along with nature of income distributions, the extent of income inequality is also discussed. So, this study has been devoted to analyze the distribution of income inequality of the sample respondents before and after joining SHG in the study area.

**Graphical Abstract:**



Mean Income of the Respondents Before and After Joining SHG

**Keywords:** Self-help group, Empowerment, Income distribution, income Inequality.

## INTRODUCTION

The women in the rural sector in India have immense potential and expertise in art and craft, handloom, food products, bamboo related articles, honey bee, and the like [12]. A bulk of women in India with extremely poor economic background and most illiterate toil round the clock for their family [1]. They are the most deprived and neglected segments of the society [1]. Women still continue to be in the process of economic governments and non-governmental organizations women have emerged and empowered through Self Help Groups (SHGs) [2].

In the international arena, out of 1.3 billion people who live in absolute poverty, 70 per cent are women [4]. In India, rural women though constitute almost half of the population the participation in the labor force is only 33 per cent, while it is 56 per cent for male. Thus 67 per cent of the female population is not gainfully employed [5].

The basic idea of SHGs is to inculcate saving habit and meet with the credit needs as a mass movement [6]. The SHGs not only instill the financial discipline among members but also provide loans of smaller amounts out of the available corpus fund in the group [7]. The group corpus fund consists of own savings, government assistance and bank loan [8]. Members avail themselves of this fund for their personal needs initially. Later, these funds are utilized for income generation activities. Such activities supplement the house hold income and thereby improve the standard of living [9]. These income generating activities bring about economic awareness and empowerment among the women members [3].

Small scale units create more self-employment opportunities with less capital investment requirements [13]. The raw materials are locally collected and there is less environmental pollution [14]. It also requires simple technology and low managerial skills. The finished products are exported that help to earn valuable foreign exchange and preserve the balance of payment status. The credit worthiness in the international monetary front will also improve [15]. But largely the women are neglected group in the society in India. At this juncture, the need of the hour is that the women should be empowered.

**Objectives of the Study:** The following are the objectives of the present study.

- To assess the nature of income irrespective of the sample respondents before and after joining SHG.
- To assess extent of distribution of income before and after joining SHGs
- To study the nature of Inequality of SHGs with respect to Income.
- To analyze the extent of Inequality with the help of Lorenz curve and centile ratio.
- To evolve the opinion of women members of SHGs on their empowerment

## MATERIALS AND METHODS

**Choice of the Study Area:** No major studies had been carried out to examine the nature and extent of income pattern of SHG members, particularly of women in Godda district. Further, the opinion of the members of SHG about their empowerment attainment for Godda district has so far not been studied. So, in order to find out the level of empowerment of women members of SHG, Godda district has been chosen as the study area.

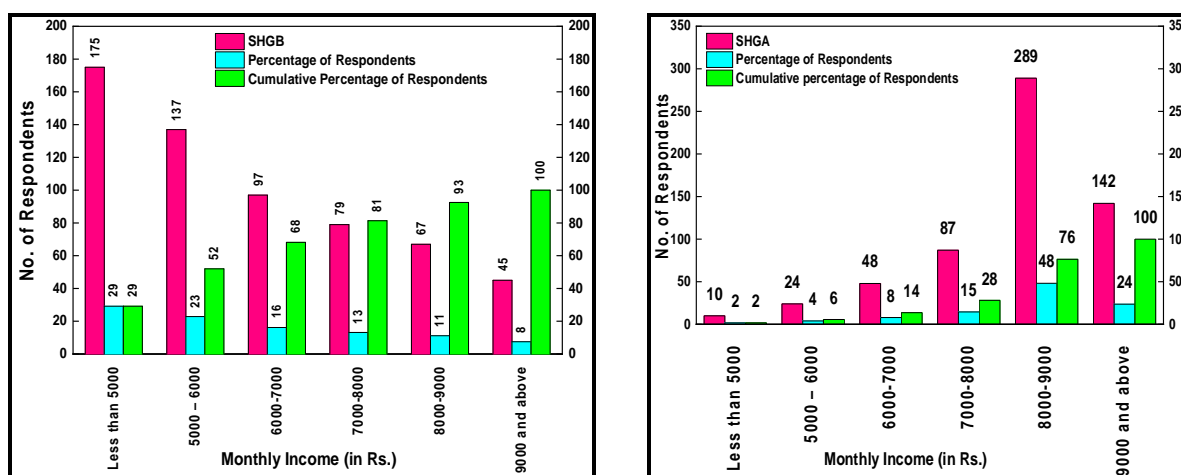
**Data and Methodology:** Both primary and secondary data were used in this study. The primary data were collected from the Self-Help Group Members with the help of a structured Questionnaire. The secondary data were collected from the Government publications, journals, newspapers, magazines, NABARD Publications, RBI Publications, internet and Theses relating to the study.

**Sampling Technique:** For in-depth investigation, a sample of 600 SHG members in the study area was chosen using multistage proportionate random sampling technique. In the first stage, Godda district has been purposively selected as universe. Secondly the district has been categorized into rural and urban segments. At the Last stage, 50 members from nine blocks totaling 450 SHG members were proportionately and randomly selected and 150 from urban segments selected for the study. Thus, finally, a total of 600 SHG members that is 450 from rural segments and 150 from urban segments were selected for the study.

**Measuring the Impact of SHGs on Income:** The members of SHG are involved in so many activities and thereby they generate income and improve their standard of living. Whenever we talk about standard of living, the question of poverty comes to the scene. The level of standard of living can very well be explained with the level of poverty [11]. Change in income is positively related with standard of living and negatively related with level of poverty [10]. In order to understand the changes of income, the income distribution of the sample respondents before and after joining SHGs has been studied with its nature and extent of inequality. The nature of income inequality has been assessed with the help of Mean, Median, Mode and Histogram. The extent of income inequality has been measured with the help of Lorenz Curve and Centile Ratio.

## RESULTS AND DISCUSSION

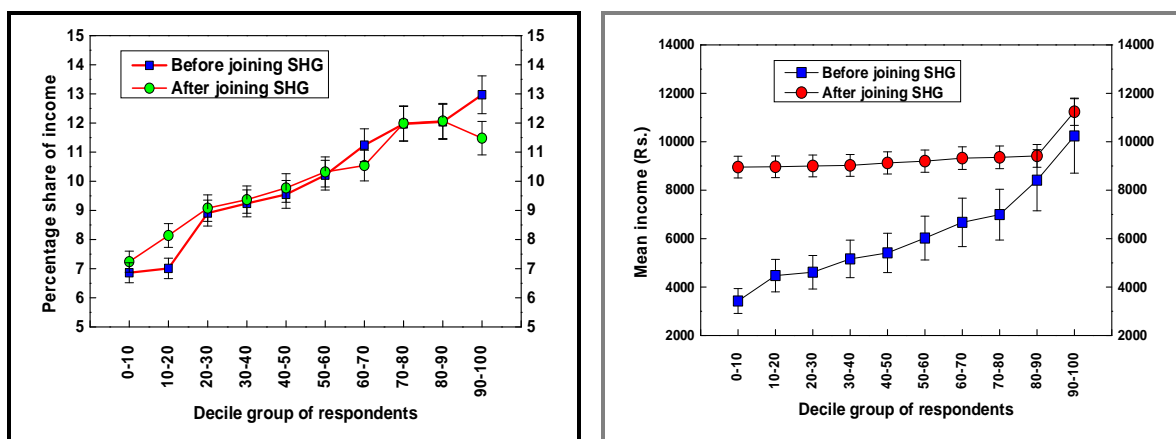
**Nature of inequality:** To study about the nature of inequality, in respect of income, data relating to the monthly income of the sample respondents before and after joining SHGs are presented in figure 1. It shows that the difference between the top and bottom of the income distribution for the sample respondents before joining SHG was higher. At the bottom out of 600 sample respondents surveyed 112 sample respondents, that is, only 18.92 % of the respondents earned more than Rs. 8000 per month while the remaining 81.08 % earned less than Rs. 8000 per month in the study area. Such a concentration in the lower end of income distribution disclosed the fact that the income distribution was positively skewed.



SHG<sub>A</sub> = After Joining Self Help Group; SHG<sub>B</sub> = Before Joining Self Help Group

**Figure 1.** Monthly Income Distributions of the Sample Respondents Before and After Joining SHG.

Further, in figure 2 reveal that the difference between the top and bottom of the income distribution for the sample respondents after joining SHG was also high. But in this case, out of 600 sample respondents 431 sample respondents constituting ~70 per cent earned more than Rs. 8000 per month while the remaining 30 per cent earned less than Rs. 8000 per month in the study area. Such a concentration in the upper end of income distribution revealed the fact that the income distribution was negatively skewed.



**Figure 2.** Decile Distribution of Monthly Income of the Sample Respondents Before and After Joining SHG.

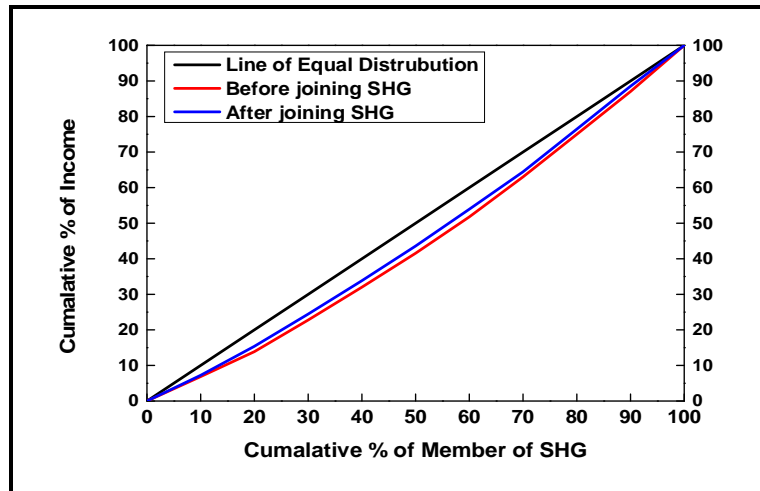
The calculated value indicated that the modal value of the income distribution was Rs. 4912.43 while the mean income was Rs. 9361 and the calculated value of skewness was -0.374. So, the given income distribution was negatively skewed. It means, in the income distribution, extreme variations were reported at the lower end values of the variables. By comparing the nature of income inequality before and after joining SHG, the researcher could infer the following.

- The income distribution of the sample respondents before joining SHG was positively skewed. It indicated that the existence of many sample respondents with large income at the lower end pulling the mean income to the given distribution would have greater variation towards the higher values of the variables in the study area. From this it could be concluded that before joining SHG, the income of the sample respondents concentrated in the lower ends and experienced greater variations at the upper ends.
- The income distribution of the sample respondents after joining SHG was negatively skewed. It indicated that the existence of many sample respondents with large incomes at the upper end pulled the mean income to the left side of the mode. It implied that the given distribution would have greater variations towards lower end values in the study area. From this one could understand that after joining SHG, the income of the sample respondents concentrated in the upper ends and experienced greater variations at the lower ends.
- The sample respondents after joining SHG had been better placed in earning income and their inequality had also been reduced considerably when compared to the member of the sample respondents before joining SHG.

**Extent of Inequality:** Relative measure is a far better approach than an absolute measure. The well-being of the people can be measured only when the income is redistributed evenly among them. So, the distribution of income of the sample respondents before joining and after joining SHGs has studied in order to understand the lack of equality between the groups. In order to measure the extent of inequality, Lorenz Curve and Centile Ratio have been employed and analyzed below.

**Lorenz Curve:** The figure 3 provides the decile distribution of monthly income of the sample respondents before and after joining SHG. It is evident that the average income of the sample respondents before joining SHGs increased from first decile to tenth decile group. The percentage share of mean income of first decile accounted to 6.86 per cent while the top decile accounted to 12.97. A difference of 6.11 per cent level of mean income was realized between first and the tenth Decile group of respondents. Further, it is clear that the average income of the sample respondents after joining SHG increased from bottom Decile group to top decile group. But the percentage share

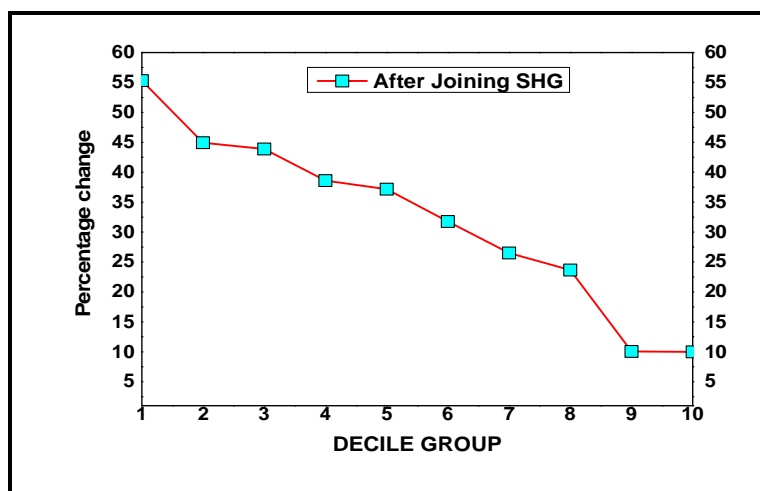
of mean income between the first and the tenth decile group range from 7.24 percent to 11.48 per cent. It showed a difference of only 4.24 per cent mean income between the first and the tenth decile group. By comparing the sample respondents before joining SHG and after joining SHG it was found that the income was not evenly distributed for the sample respondents before they joined SHG.



**Figure 3.** Lorenz Curves of Monthly Income of the Sample Respondents Before and After Joining SHG.

By using the Lorenz Curves figure 4 for the sample respondents before and after joining SHG were drawn. It portrays that the Lorenz curve of the sample respondents before joining SHG was farther away from the line of equal distribution. Further, the Lorenz Curve of the sample respondents after joining was closer to the line of equal distribution. It implied that the income inequality of the sample respondents before joining SHG was greater than the inequality after joining SHG in the study area. From the analysis it could be inferred that the income was evenly distributed in the case of sample respondents after joining SHG than before joining SHG in the study area.

So, it is concluded, as far as the sample respondents were concerned income was more evenly distributed after joining SHG than before joining in SHG. It implied that the gap between the higher earned group and lower earned group had been considerably reduced for the sample respondents only after they joined SHG in the study area.



**Figure 4.** Mean Income of the Respondents Before and After Joining SHG.

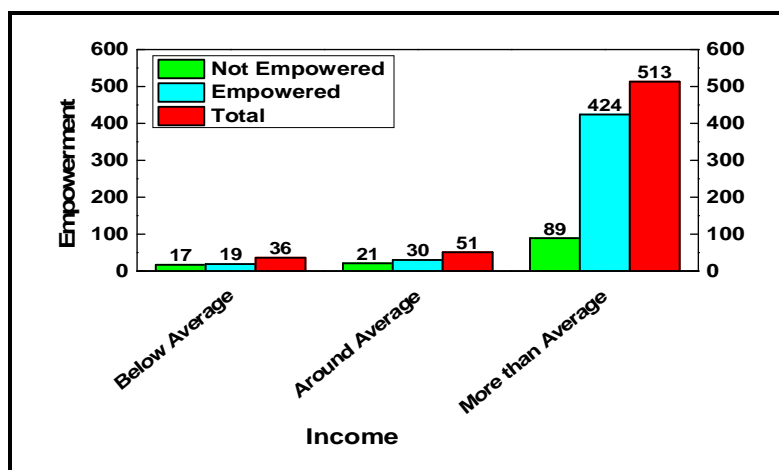


Figure 5. Income and Women Empowerment After Joining SHG.

**Centile Ratio:** The computed values of the centile ratios for the sample respondents before and after joining SHG are presented in figure 6. It is inferred that the centile ratios in the case of sample respondents before joining SHG in the middle were more or less equidistant from 100 while the ratios at the bottom were far away from 100 compared with those at the top end. This indicated that the inequality in the distribution of income was more or less equal, while the inequality in the lower end was greater when compared with the upper end.

The centile ratios in the case of sample respondents after joining SHG showed that the deviation was narrowed down and evenly distributed among the respondents except at the first centile ratio. It showed that the distribution of income was evenly distributed among the sample respondents after joining SHG in the study area.

By comparing the centile ratios, one could infer that inequality in the distribution of income was greater for the sample respondents before joining SHG and lesser for the sample respondents after joining SHG in the study area. It indicated that the level of distribution of income spread over of the sample respondents was even in the case of sample respondents after joining SHG than before joining SHG in the study area.

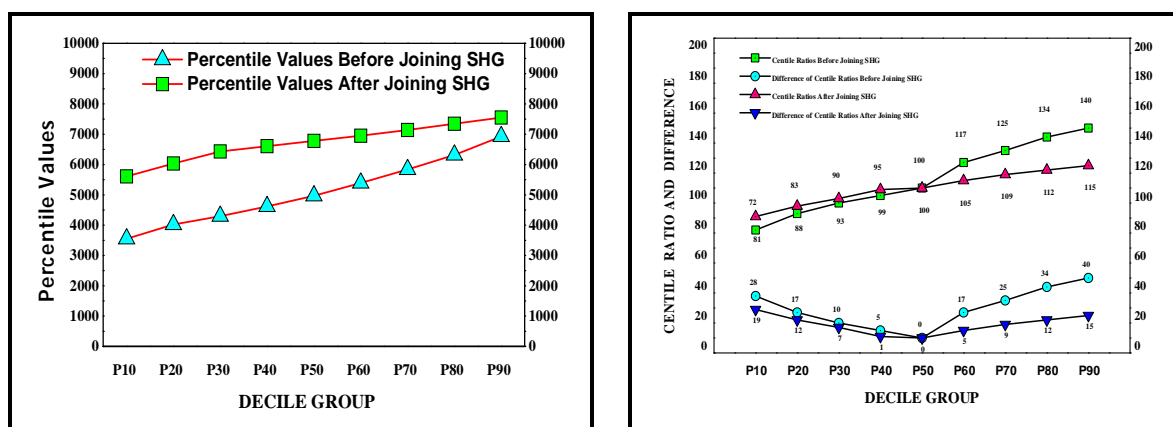


Figure 6. Centile Ratios Relating to Income for the Sample Respondents Before and After Joining SHG

**Change of Income Before and After Joining SHG:** The sample respondents in the study area are divided into various decile groups and their mean income are presented in figure 6 and indicates that the overall mean income of the sample respondents after joining SHG increased from Rs.4020 to

Rs.4687 with a rise of 16.59 percent in the study area. But a close watch witnessed that the increase in the lower end was greater with 57.64 percent while it was 7.23 percent in the upper end. It showed that after joining SHG the sample respondents earned more, particularly at the lower strata than the upper strata, thereby they were empowered figure 5. So, it could be concluded that the SHG helped a lot to the women members to empower themselves in the society and thereby earned a reputation and social esteem in every walk of life.

## CONCLUSION

The income distribution of the sample respondents before joining SHG was positively skewed. The income distribution of the sample respondents after joining SHG was negatively skewed. The sample respondents after joining SHG had better placed in earning income and their inequality had also been reduced considerably when compared with the member of the sample respondents before joining SHG. By using Lorenz curve and Centile Ratio the researcher found that the income of the sample respondents was evenly distributed after joining SHG than before joining SHG. Further, it could also be known that there was a relationship between income and women empowerment thereby the null hypotheses were rejected.

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