

Role of SHG Sanjeevini in Bajpe Rural Area in Economic and Social Development of the Poor – A Case Study

Nikhitha M. K. ¹ & Prabhakar Neermarga ²

¹ Research Scholar, Institute of management and commerce, Srinivas University, Mangalore, India-575001,

Orchid-ID: 0000-0001-5112-559X; E-mail: nikhithamk659@gmail.com

² Research Professor, College of Management & Commerce, Srinivas University, Mangalore, India -575001,

Orchid-ID: 0000-0002-3185-3853; E-mail: pneermarga@gmail.com

Area of the Paper: Management.

Type of the Paper: Case Study.

Type of Review: Peer Reviewed as per [C|O|P|E](#) guidance.

Indexed In: OpenAIRE.

DOI: <https://doi.org/10.5281/zenodo.7262759>

Google Scholar Citation: [IJCSBE](#)

How to Cite this Paper:

Nikhitha, M. K., & Neermarga, P., (2022). Role of SHG Sanjeevini in Bajpe Rural Area in Economic and Social Development of the Poor – A Case Study. *International Journal of Case Studies in Business, IT, and Education (IJCSBE)*, 6(2), 481-488. DOI: <https://doi.org/10.5281/zenodo.7262759>

International Journal of Case Studies in Business, IT and Education (IJCSBE)

A Refereed International Journal of Srinivas University, India.

Crossref DOI: <https://doi.org/10.47992/IJCSBE.2581.6942.0211>

Paper Submission: 10/05/2022

Paper Publication: 29/10/2022

© With Authors.



This work is licensed under a [Creative Commons Attribution Non-Commercial 4.0 International License](#) subject to proper citation to the publication source of the work.

Disclaimer: The scholarly papers as reviewed and published by the Srinivas Publications (S.P.), India are the views and opinions of their respective authors and are not the views or opinions of the S.P. The S.P. disclaims of any harm or loss caused due to the published content to any party.

Role of SHG Sanjeevini in Bajpe Rural Area in Economic and Social Development of the Poor – A Case Study

Nikhitha M. K. ¹ & Prabhakar Neermarga ²

¹ Research Scholar, Institute of management and commerce, Srinivas University, Mangalore, India-575001,

Orchid-ID: 0000-0001-5112-559X; E-mail: nikhithamk659@gmail.com

² Research Professor, College of Management & Commerce, Srinivas University, Mangalore, India -575001,

Orchid-ID: 0000-0002-3185-3853; E-mail: pneermarga@gmail.com

ABSTRACT

Purpose: *The study's purpose is to assess both the region's economic development and the SHG's wide range of activities. The paper emphasizes on the appropriate use of fund for economic purpose leading to the growth of rural area.*

Design/Methodology/Approach: *The study is based on primary data gathered from the Sanjeevini SHG groups officials during the fieldwork and other related information from local public residing in that area and Bajpe Gram panchayat.*

Findings: *The study helps us to know the involvement of people in the economic growth of the area. Achievement of groups enhances free flow of funds and challenges faced by groups in dealing with people and the area.*

Originality/Value: *This study is an attempt to trace role of SHG groups in development of rural areas and factors responsible for the growth of the panchayat.*

Research Type: Case Study.

Keywords: SHG, Rural Development, Panchayat, Challenges, Achievements, social and economic development, SWOC Analysis.

1. INTRODUCTION :

Self-help organizations are essential for reducing poverty in India. The Self-Help Group approach is commonly utilized for rural development, poverty alleviation, and women's empowerment [1]. It is a method of bringing together underprivileged people to solve their own problems. Governments, non-governmental organizations, and others apply the SHG method all around the world. Nearly half of the human resources in our nation are women. SHGs give financial assistance to the unbanked poor through their bank connection program. This strategy was successful in satisfying the financial needs of rural impoverished women and in building their capacity, resulting in empowerment [2]. SHGs (Self-Help Groups) are a well-known idea. It's been almost two decades since it was created [3]. Self-Help Groups are informal gatherings of people who join together to talk about their issues and challenges that aren't being solved by existing organizations, institutions, or other communities [4]. SHGs have become increasingly popular among the poor, particularly among rural women. According to estimates, the majority of Indians who reside in rural areas are poor. They are unable to meet their basic needs for food, clothes, and shelter, leading to the formation of SHGs [5]. SHGs provide benefits to their female members, which tends to empower them politically. Self-recognition helps members gain confidence in themselves [6]. According to the eleventh National Growth Plan, India has over 300 million poor people, with the majority of them living in rural areas, making poverty the country's greatest roadblock to development. Lack of access to financial resources and productive assets, together with high rates of illiteracy and inadequate health care, are the main causes of poverty in India's rural population. SHGs are a unique form of financial intermediation in India today, contributing to low-cost funds through a process of self-management and development of SHG members. Non-governmental organizations or governmental entities typically found and support SHGs. To help unemployed youngsters find work or get involved in other agricultural activities, allowing the hamlet to become self-sufficient [7]. The financial requirements of rural areas are met by SHG without

depending on national banks. It also avoids middlemen who charge a high rate of interest, leading to exploitation. Sainath P (India Together 2005) In 1991-92, NABARD bank launched SHG. The Bank Linking Programme encouraged rural co-operatives to break up into smaller groupings, which led to the formation of the first SHG.

Definition of SHG:

As per Hagenbuch (1958), SHG's are mutual-help organisations formed by a group of people to help each other and are essentially democratic in nature [8]. In Karnataka, Sanjeevini was launched in February 2019. This project was started as a part of the Karnataka State Rural Livelihood Mission (KSRLM). The main objectives of Sanjeevini SHG are women's empowerment and uplifting the poor so that they can lead respectable lives in society. Self-Help Groups (SHGs) are a significant sector that contributes to the country's rural development. It significantly affects both the general economic development of our nation and the economic development of rural areas. The purpose of this article is to assess the success of SHGs with a focus on social and economic empowerment. Self-Help groups are quite beneficial.

2. RELATED RESEARCH WORK :

Currently SHG play a major role in nation building by empowering women, thereby helping to develop rural area economically. Given below are the list of works by different authors on women empowerment, challenges faced by women, social -economic development. Paper referred from the year 2002-2019 and it's taken from google scholar.

Table 1: Contribution by different scholars for SHG's

S. No	Area	Contribution	Author
1	Bank-linkage programme	Ground realities of SHG–bank linkage programme.	Das, (2012). [1]
2	Socio-economic development	Impact of Self-help Group in Socio-economic development of India.	Sundaram, (2012). [2]
3	Socio-economic change	Role of SHGs in socio-economic change of vulnerable poor.	Ch, & Lokesh, (2009). [4]
4	Economy	The impact of SHG's on the socio-economic development of rural household women.	M Saravanan, (2016). [3]
5	Micro credit models in India	Growth and Outreach of Self-Help Groups' Microcredit Models in India.	Bharamappanavara, (2013). [5]
6	Women empowerment	Women empowerment through Self-Help group: a theoretical perspective.	Pandey, (2013). [6]
7	Women empowerment	Self-Help group: An effective approach to women empowerment in India.	Geetha, & Babu, (2016). [7]
8	Impact study of women empowerment	Impact study of women empowerment through Self-Help Groups-A Study of Haryana.	Setia, & Tandon. (2017). [8]
9	Business and Economy	Retailing of self-help group (SHG) products in India.	Thyagarajan, Nambirajan, & Chandirasekaran, (2019). [9]
10	Financial intermediaries	Self-help groups as financial intermediaries in India: Cost of promotion, sustainability and impact.	Tankha , (2002). [10]
11	Rural Development	The Role of Women Self-Help Groups in Rural Development of Karnataka State, India.	Manjunatha, (2013). [11]

3. RESEARCH GAP :

The apparent evidence gaps in research analysis towards beneficiaries of SHG's inclusive growth in rural areas with rural financial institutions have been observed. The above study has addressed different aspects of SHG's financial institution rural development, leading to an increase in the standard of living and all-round development of the rural mass.

4. RESEARCH AGENDA :

The main aim of this case study is to find out the growth of the rural economy and economic development due to SHGs in the Bajpe rural area. The analysis focuses on the design of microfinance in rural areas with an emphasis on how the rural SHGs contribute to greater rural development and encourage women's empowerment.

5. OBJECTIVES :

The following objectives are the main emphasis of the study.

- (1) To examine the relationship between SHGs and the overall socioeconomic development of rural areas.
- (2) To assess the impact of the SHG bank linking programme on boosting individual and household capacity, increasing employment generations, and improving rural people's asset holdings.
- (3) To suggest appropriate measures for increasing the effectiveness of SHG functions in improving rural people's socioeconomic conditions. It provides a big number of workers to the agriculture business as well as other areas of the economy.
- (4) The easy availability of loans motivates them to use the money for a certain purpose and encourages them to save.
- (5) SHG in Bajpe panchayat area- It has been noticed that the state of Karnataka does not appear at the top of any financial institution's list of states in India. It's because of a lack of assistance from the state government.
- (6) Examining SWOC analysis for the study of SHG.

6. RESEARCH METHODOLOGY :

The main data was gathered through a field survey in the Bajpe Panchayat region of Mangalore Taluk. The study's secondary data comes from reading articles and data on websites, as well as from books, journals, newspapers, reports, articles, seminar papers, and other publications of the central and state banking committees. The study is based on interactions with a variety of people in addition to public information, and SHG beneficiaries include Panchayat employees.

7. ORIGIN OF SHG'S :

Mohammad Yunus launched SHGs in Bangladesh in 1975. In the 1980s, the Indian government launched a concerted effort to build an apex bank to meet the financial needs of the unemployed, the informal sector, and rural areas [9]. SHG method is unique. It was launched to lend credit to rural village people. Banks are actively promoting SHGs through the NABARD self-help group bank linkage program [10]. The National Rural Livelihood Mission, which is also known as Sanjeevini, was started on June 3rd, 2011. But in Bajpe, it was launched in February 2019. The main mission of this Sanjeevini is to reach the rural poor across the country. Self-Help Small, homogenous affinity groups of the poor gather regularly to save small sums of money that are put in a shared fund to cover members' emergency expenses and to get collateral-free loans as decided by the group (Adams 2009) [11].

8. CONCEPT AND FUNCTIONING OF SHG'S :

A self-help group is formed by self-selection based upon the affinity of its members. SHG is made up of ten to twenty women. It has well-defined rules. The group Sanjeevini holds regular meetings and maintains records and credit discipline [12]. The group members join together to overcome their own difficulties through self-help and mutual assistance. Women are viewed as second-class citizens in their families, so SHGs enable them to obtain financial assistance from the group, which can be used for self-employment, resulting in income [13]. SHG is based on the principle of 'By the women, for the women'. It is a voluntary association of people that is formed to achieve social and economic goals [14]. Most

of the groups located in India are illiterate. Only a few people in the group can write their names and have primary school education. A record is maintained of the savings by the educated members of the group. It helps in skill development and entrepreneurship development and increases the income of members [15]. SHG meetings are held every week. It enhances the saving habits of the members [16]. Women’s status as contributors, decision-makers, and beneficiaries in the democratic, economic, social, and cultural realms are improved by self-help groups. SHGs have increased rural women’s drive to succeed in day-to-day activities [17].

9. IMPACT OF SELF-HELP GROUPS :

- (1) SHG composition that promotes social peace. It has been noticed that members of mixed-membership clubs came from a wide range of social categories. As a result, social peace exists amongst communities.
- (2) After the impact of SHGs, members food expenses have increased [18].
- (3) There is significant asset formation among the poorest, who saw their consumption rise less than the poorest of the poor, partially as a result of and partly due to the fact that gains in calorie and nutrient intake had already been achieved shortly after the programme began. As a result of their involvement in SHGs, the poorest individuals appear to be able to benefit not just socially but also economically [19].
- (4) Wealthier participants profit the most from productive microloan investments, whereas poorer participants benefit from spillover effects in their social networks [20].
- (5) A large number of rural women established SHGs to gain financial stability and instill the habit of saving in them. This led to an increase in their social contacts, exposure to various trainings, and team spirit, which in turn led to an increase in self-confidence. On the other hand, it resulted in the empowerment of SHG members by improving their socioeconomic standing in comparison to rural women who did not join [21].
- (6) From the review study, it is observed that SHG is a powerful and necessary instrument for the eradication of poverty in this new economic era and it is paying as an upward vehicle for the socio-economic development of women [22].

10. BENEFICIARY OF THE GROUPS :

Table 2: Beneficiaries of the group

Beneficiaries of the group	No of members(percentage)
Other backward classes (OBC)	60%
SC/ST	10%
General category	30%
Total	100%

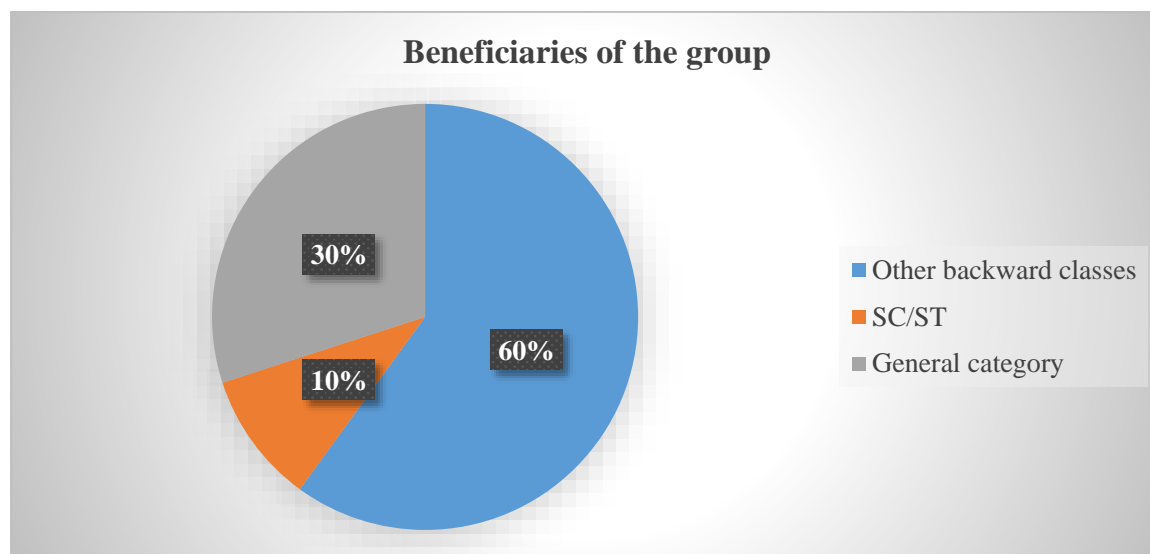


Fig. 1: Beneficiaries of the group

The above graph shows the SHG groups in Bajpe area. Nearly 60 percentage of the rural backward communities utilize the benefits. Whereas, 30 percentage belongs to General category and 10 percentage belongs to SC/ST communities of that area.

11. SWOC ANALYSIS :

An organization’s internal analysis, which includes determining its strengths, weaknesses, opportunities, and challenges, is crucial for its leadership to improve its strategic plans. Scholarly research has been reported on the SWOC analysis of numerous firms in various industry sectors [23-28].

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • They persuade members to seek out other sources of income. • Self-help groups serve as a channel for bringing formal banking services to the poorer. • One of the accomplishments of the SHG movement is a general increase in the status of women in the home. 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • In other situations, micro firms founded by women SHGs have failed due to a lack of sustained official assistance. • Various social evils in the society especially in rural area will come in the way of functioning of SHG’s and at the progress of the SHG’s
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Women can start their own business • It’s a good opportunity for women to take leadership role in society • Opportunity to attend various trainings and workshops 	<p style="text-align: center;">CHALLENGES</p> <ul style="list-style-type: none"> • Women are disproportionately burdened by increased work and domestic responsibilities, which slows the SHG movement. • Discontinuation of SHG functions, lack of collaboration among members, absence of bank linkages, and member favoritism are some of the other concerns that need to be addressed.

Source: Author

12. FINDINGS :

The performance evaluation of SHGs and rural development in Karnataka study's analysis and discussions have led to the following conclusions.

- (1) Significantly more pronounced decentralization of bank connections. The creation of groups, the choice of recipients, the supervision and repayment of loans, and other related activities are actively participated in by members and the federation.
- (2) SHGs help people get out of poverty by improving their capacity on many levels and allowing them to participate in decision-making, which gives them a sense of ownership.
- (3) It is clear that household income expanded significantly, resulting in the acquisition of household assets and, as a result, a relatively better life. They are given the opportunity to purchase new day-to-day electronics after joining the club.
- (4) After joining the group, spending on housing, nourishing food, and health care increased.
- (5) The women members learned the value of education, health, and banking, and their role in society has improved as a result.
- (6) According to the survey, there is a rise in income, assets, and a decrease in poverty.

13. SUGGESTIONS :

- (1) The case study shows the importance of SHG's shows the importance of SHG's in rural upliftment. However close monitoring of the activities of the SHG's is very much necessary in the effective and smooth functioning of SHG's.
- (2) Educating the rural mass is much essential for the success of SHG's. The rural people having numerous customs and practices and spend major portion of the benefits to the unnecessary and wasteful things.
- (3) Under the change of financial conditions, it is suggested that the quantum of loans provided to the members is too low to meet the requirement of their enterprise. The finance institution should think of increase in the amount of loan, so that it will prevent them to go for another loan.

14. CONCLUSION :

Today, the importance of SHGs in rural development in India has drawn international attention. As a result, the purpose of this research is to assess the importance of SHGs in the area's rural development. The study's key findings support SHG's major role in enhancing people's empowerment by making them financially stable and allowing them to preserve a portion of their earnings to invest in future growth.

REFERENCES :

- [1] Das, S. K. (2012). Ground realities of self-help group–bank linkage programme: an empirical analysis. *International Journal of Research in social sciences*, 2(2), 464-479. [Google Scholar](#)
- [2] Sundaram, A. (2012). Impact of Self-help Group in Socio-economic development of India. *IOSR Journal of Humanities and Social Science*, 5(1), 20-27. [Google Scholar](#)
- [3] Saravanan, M. (2016). The impact of self-help groups on the socio-economic development of rural household women in Tamil Nadu-A study. *International Journal of Research*, 4(7), 22-31. [Google Scholar](#)
- [4] Ch, H. M., & Lokesh, M. U. (2009). Role of SHGs in socio-economic change of vulnerable poor. *International NGO Journal*, 4(4), 127-131. [Google scholar](#)
- [5] Manjunatha, S. (2013). The Role of Women Self–Help Groups in Rural Development of Karnataka State, India. *International Research Journal of Social Sciences*, 2(9), 23-25. [Google Scholar](#)
- [6] Pandey, J. K. (2013). Women empowerment through self-help group: a theoretical perspective. *Golden Research Thoughts*, 2(8), 1-4. [Google scholar](#)
- [7] Narasimha, B. C., Anand, P., Ravish, K. S., Navya, S. S., & Ranganath, T. S. (2016). Role of self-help groups in women empowerment and health. *International Journal of Community Medicine and Public Health*, 3(8), 2026-2028. [Google Scholar](#)
- [8] Bharamappanavara, S. C. (2013). Growth and Outreach of Self-Help Groups' Microcredit Models in India: A literature insight. *International Journal of Social and Economic Research*, 3(1), 1-14. [Google scholar](#)
- [9] Geetha, S., & Babu, S. (2016). Self help group: An effective approach to women empowerment in India. *Asian Journal of Innovative Research*, 1(2), 22-28. [Google scholar](#)
- [10] Setia, M., & Tandon, M. S. (2017). Impact study of women empowerment through Self-Help Groups-A Study of Haryana. *Global Journal of Enterprise Information System*, 9(2), 50-53. [Google Scholar](#)
- [11] Thyagarajan, S., Nambirajan, T., & Chandirasekaran, G. (2019). Retailing of self-help group (SHG) products in India. *The Journal of Applied Business and Economics*, 21(5), 128-138. [Google Scholar](#)
- [12] Tankha, A. (2002). Self-help groups as financial intermediaries in India: Cost of promotion, sustainability and impact. New Delhi: Sa-Dhan, study prepared for ICCO and Cordaid, The Netherlands.1-17. [Google Scholar](#)

- [13] Khoisnam, N., & Mukhopadhyay, S. D. (2018). Study of Knowledge, Skill and Extent of Participation of Self-Help Group Members in Managing SHGs and Income Generating Activities. *Int. J. Curr. Microbiol. App. Sci*, 7(1), 2270-2279. [Google Scholar](#)
- [14] Terdal, M. S. (2018). Rural Development in India: A Role of Self-help Group. *International Journal of Advanced Research in Education & Technology*, 5(3), 32-34. [Google Scholar](#)
- [15] Kapoor, S. (2019). Entrepreneurship for economic and social empowerment of women: A case study of a self-help credit program in Nithari Village, Noida, India. *Australasian Accounting, Business and Finance Journal*, 13(2), 123-142. [Google Scholar](#)
- [16] Devi, R. (2019). Self Help Groups in India. *International Journal for Research in Applied Science and Engineering Technology*, 8(1), 121-123.
- [17] Kondal, K. (2014). Women empowerment through self-help groups in Andhra Pradesh, India. *International Research Journal of Social Sciences*, 3(1), 13-16. [Google Scholar](#)
- [18] Swamy, V., & Tulasimala, B. (2012). Impact of Self-Help Groups on the food security and non-food consumption of weaker sections of the society. 1-21. [Google Scholar](#)
- [19] Deininger, K., & Liu, Y. (2009). Longer-term economic impacts of self-help groups in India. *World Bank Policy Research Working Paper*, 1(1), 1-31. [Google scholar](#)
- [20] Goto, J. (2014). The Impacts of Self-Help Group Programs: Experimental and Survey Evidence from South India. New Delhi: Indian Statistical Institute Online Database.1-16. [Google Scholar](#)
- [21] Deka, M. B., Das, M. D., Saikia, S. B., & Rekhamoni, S. (2008). Impact of self-help groups on socio-economic status of rural women. *Asian Journal of Home Science*, 3(1), 94-96. [Google Scholar](#)
- [22] Mohapatra, S. and Sahoo, B. K. (2016). Determinants of participation in self-help-groups (SHG) and its impact on women empowerment. *Indian Growth and Development Review*, 9(1), 53-78. [Google Scholar](#)
- [23] Aithal, P. S., & Kumar, P. M. (2015). Applying SWOC analysis to an institution of higher education. *International Journal of Management, IT and Engineering*, 5(7), 231-247. [Google Scholar](#)
- [24] Thomas, L., & Bhat, S. (2022). A Comprehensive Overview of Telegram Services-A Case Study. *International Journal of Case Studies in Business, IT and Education (IJCSBE)*, 6(1), 288-301. [Google Scholar](#)
- [25] Kambali, U. (2021). An Overview of Agriculture Finance in India. *International Journal of Case Studies in Business, IT and Education (IJCSBE)*, 5(2), 197-210. [Google Scholar](#)
- [26] Devi, A. J. (2021). Analysis of Business Decisions that caused Nokia to drop its Legacy and its Rebirth in 2017 using Nostalgic Marketing Approach: A Case Study. *International Journal of Case Studies in Business, IT and Education (IJCSBE)*, 5(2), 268-283. [Google Scholar](#)
- [27] Narayan, H. L., & Shailashri, V. T. (2020). Conceptualization of e-Learning Theories and Approaches in the context of Further and Higher Education. *International Journal of Applied Engineering and Management Letters (IJAEML)*, 4(2), 253-264. [Google Scholar](#)
- [28] Madhushree, R. R., Kumar, A., & Aithal, P. S. (2018). Business strategy of top Indian IT company: Mindtree. *International Journal of Case Studies in Business, IT and Education (IJCSBE)*, 2(1), 22-36. [Google Scholar](#)
