Microfinance and Economic Development-The Indian Experience

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Abstract*: Indian microfinance is huge industry to empower low income group and unorganised sector. Now a day microfinance is an alternative of viable business along with social development. At the same time the sector faces huge criticism and challenges from every stakeholders after the Andhra Pradesh crisis in 2010. After 2010, microfinance today is a highly regulated industry with the purpose, segment of clients, size of loans, and even price being regulated. As now it is regulated by the RBI, the political risks are also reduced . There are more than one way to provide a finance to poor people. Self Help Group (SHG) is a main component of microfinance . SHG mainly is a group culture to provide women a financial support or draw them into work force. SHG is a channel through which facility of microfinance reach to every door of marginalised sector . In this project, we want to established how microfinance helps poor peoples and how through SHG microfinance reach to every marginalised people . Our objective is to analyse impact of microfinance as a tool of Economic Development in India.In this project,we basically want to analyse performance of three types of microfinance institutions.These are-i)MFI(Microfinance Institutions) ii)SHG (Self Help Groups)and iii)JLG.(Joint Liability Groups).Datas are collected from RBI and NABARD. Our special focus is on SHG as SHG plays an important role in case of microfinance.In case of SHG,we are focusing on yearwise performance of SHG and SHG under NRLM (National Rural Livelihood Mission).Lastly,we calculate Average number of SHG Per state.In each cases,our time period is from 2010-11 to 2017-18,The details performance of these three types of institutions analysed graphically.We also run a correlation coefficient between performance of SHG and SHG under NRLM to judge whether NRLM is a successful mission or not.*

Keywords-*Microfinance,Self Help Groups,Joint Liability Groups*

I.   INTRODUCTION

Microfinance is a general term to describe financial services to low-income individuals or to those who do not have access to typical banking services. It allows people to take on reasonable small business loans safely, and in a manner that is consistent with ethical lending practices. Microfinance, also called microcredit. is an idea to provide banking services to unemployed or low-income individuals or groups who otherwise would have no other access to financial services and financially push them up. Through group lendings,individual loans , micro savings or micro loans microfinance will help low income people and draw them under a financial system. Microfinance initially had a limited definition - the provision of microloans to poor entrepreneurs and small businesses lacking access to credit. The two main mechanisms for the delivery of financial services to such clients were: (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group. Over time, microfinance has emerged as a larger movement whose object is "a world in which as everyone, especially the poor and socially marginalized people and households have access to a wide range of affordable, high quality financial products and services, including not just credit but also savings, insurance, payment services, and fund transfers.

In the late 1970s the concept of microfinance had evolved. Although, microfinance have a long history , we will concentrate mainly after the 20th century. Microfinance sector has grown rapidly over the past few decades. **Nobel Laureate Muhammad Yunus** is credited with laying the foundation of the modern MFIs with establishment of **Grameen Bank, Bangladesh in 1976**. Today it has evolved into a vibrant industry exhibiting a variety of business models.**Microfinance Institutions (MFIs) in India exist as NGOs (registered as societies or trusts), Section 25 companies and Non-Banking Financial Companies (NBFCs).** Commercial Banks, Regional Rural Banks (RRBs), cooperative societies and other large lenders have played an important role in providing refinance facility to MFIs. Banks have also leveraged the Self-Help Group (SHGs) channel to provide direct credit to group borrowers. In India microfinance mainly grow form the middle of 2009 . As of March 2009, the MFIs in India reported a client base of 22.6 million with an outstanding portfolio of more than $2

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billion. Over the past five years, the sector has delivered a Compound Annual Growth Rate(CAGR) of 86% in the number of borrowers and 96% in portfolio outstanding. From March 2008 to March 2009, the microfinance industry experienced a 59% growth in its client base from 14.2 million to 22.6 million and 52% growth in its portfolio outstanding which increased from $1.5 billion to $2.3 billion.8 This reflects a 14% increase in the absolute growth in portfolio outstanding and 33% increase in the absolute growth in the number of borrowers from 2008 to 2009.

According to the latest research done by the World Bank, India is home to almost one third of the world's poor (surviving on an equivalent of one dollar a day). Though many central government and state government poverty alleviation programs are currently active in India, microfinance plays a major contributor to financial inclusion. In the past few decades it has helped out remarkably in eradicating poverty. Reports show that people who have taken microfinance have been able to increase their income and hence the standard of living.About half of the Indian population still doesn't have a savings bank account and they are deprived of all banking services. Poor also need financial services to fulfill their needs like consumption, building of assets and protection against risk.Microfinance institutions serve as a supplement to banks and in some sense a better one too. These institutions not only offer micro credit but they also provide other financial services like savings, insurance, remittance and non-financial services like individual counseling, training and support to start own business and the most importantly in a convenient way.In this project,our objective to analyse the impact of Microfinance on Economic Development.Our study is based on India.

II.   REVIEW OF LITERATURE
So many economist wrote papers or articles based on microfinance and its impact on economic development .

Banerjee , Duflo , Glennerster , Kinnan (2013) did a research based on microfinance with the help of Randomized Evaluation model. Their study was mainly based on Hyderabad and on effect of micro credit,micro loans on the lower income groups of Hyderabad. Their targeted area is slum area for their study . After three years of study they found that only 38% of family borrow from an MFI (Microfinance Institution) , and these familes are selected because of their high propensity to take up microcredit. According to them mainly in short run there is a good effect on low income families , like owner of small business , farmer as also as women . Their regular consumption, propensity to savings raises rapidly for these microfinance , but in long run effect of microfinance become too low, mainly effect on women empowerment will be too diminishes because of other expences will rise in future , like , education fees etc.Micro finance effect labour supply also , because of micro loans workers try to work hard to expand his business . thus microfinance have a total scenario in short run and long run also.

R,Kumar (2011) also did a research on microfinance based on India's Rural Poor People.He proposes that the main aim with which the alternative MFIs have come up is to bridge the increasing gap between the demand and supply of money of poor people . According to him, NGO-MFI partnership help proverty to meet its conclusion .

P. Kumar(2015) also wrote a paper about Microfinance in India. According to him, microfinance uses as a tool for eliminating poverty in India. The evolutionary growth of Microfinance has given an excellent chance to the rural people to achieve affordable economic, social and cultural empowerment, leading to higher standard of living and quality of life. There is no doubt that this industry has nice potential within the future. If the plans for microfinance are executed then India will definitely have new dimension to that. The plans for microfinance if implemented will offer an ongoing financial stability and sustenance for the poor in both the rural and urban area.

Sinha, Pankaj and Navin, Nitin (2018) also wrote a paper on Indian Microfinance . They said that The Indian microfinance sector was one of the largest in the world with full of growth potential. However, series of incidents happened in 2010 and thereafter changed the face of the industry.

Unlike in 2010, microfinance today is a highly regulated industry with the purpose, segment of clients, size of loans, and even price being regulated. As now it is regulated by the RBI, the political risks are also reduced. The RBI has also set up a licensing system. The microfinance business has expanded in the last 6 years with the rise in loan disbursement. During this period, MFIs have also gained efficiency. However, there are indications of business concentration and chances of multiple loans. The rise in the average loan size granted by the MFIs raises doubts, whether they are reaching to the very poor clients. In 2016, the overall earning capacity of the MFI has declined with the rise in the portfolio at risk. All these developments increase the chances of loan defaults

III. METHODOLOGY AND DATA-

(i) **Coverage of the Study** The present study is a macro level analysis and the area chosen for the study is the whole of Indian sub-continent.

(ii) **Data Source** The study is based on mainly secondary sources of data. Data has been collected from various published reports of NABARD, Reserve Bank of India, State wise report of National Rural Livelihood Mission inclusive India Finance Reports and other empirical research works.

Objective of this project is to analyse overall impact of microfinance in India.For this reason,we want to study yearwise performance of i)Microfinance Institutions ii)Self Help Groups and iii)Joint Liability Groups in India.At first we show the total number of Microfinance Institutions in India across States below(at Table 1).

Table 1 : NUMBER OF MFI ACROSS STATES

States	NO OF MFI'S	States	No of MFI'S
Andhra Pradesh	2	Uttar Pradesh	9
Assam	9	Uttarakhand	1
Bihar	6	West Bengal	39
Chattisgarh	1	Total	223
New Delhi	7		
Gujarat	9		
Haryana	3		
Jharkhand	5		
Karnataka	17		
Kerala	9		
Madhya Pradesh	7		
Maharashtra	25		
Manipur	7		
Odisha	16		
Punjab	1		
Rajasthan	7		
Tamil Nadu	35		
Telengana	8		

Source-http://indiamicrofinance.com/wp-content/uploads/2017/04/Directory-mfi-india.pdf

The above datas are found from MFI India directory.We want to see here total number of MFI across all states of India.There exists 223 MFIs all over India.From the above table,it can be shown that,West Bengal has highest number of MFIs(39) as of 2017 and on the other hand,Telengana,Punjab,Uttarakhand-each consist of only 1 MFI.

Table 2 : Yearwise performance of Self-Help Groups

Items	Self-Help Groups					
	Loans disbursed by banks		Loans outstanding with banks		Savings with banks	
Year	Number (in Lakh)	Amount (Crore)	Number (in Lakh)	Amount (Crore)	Number (in Lakh)	Amount (Crore)
2017-18	23 (14)	47200 (27500)	50 (31)	75600 (43600)	87 (46)	19600 (11800)
2016-17	19 (10)	38800 (20000)	48 (28)	61600 (34100)	86 (43)	16100 (8700)
2015-16	18 (9)	37300 (19400)	47 (25)	57200 (30600)	79 (39)	13700 (7300)

2014-15	16 (7)	27600 (11400)	45 (22)	51500 (23200)	77 (34)	11100 (5500)
2013-14	14 (2)	24000 (3500)	42 (13)	42900 (10200)	74 (23)	9900 (2500)
2012-13	12 (2)	20600 (2200)	45 (12)	39400 (8600)	73 (20)	8200 (1800)
2011-12	12 (2)	16500 (2600)	44 (12)	36300 (8100)	80 (21)	6600 (1400)
2010-11	12	14500	48	31200	75	7000

Notes: Figures in brackets indicate the details about Self Help Groups (SHG) covered under National Rural Livelihoods Mission (NRLM) 2014-15 and onwards, earlier year data in brackets cover only NRLM/SGSY groups.

Source=NABARD

Analysis of Table-2:
The Table shows the details performance of Self Help Groups in India.Our time period is divided into session wise. From the above table,it can be shown that,there is an increasing trend of loans disbursed by the bank.Loans disbursted by Self Help Group(SHG) will be maximum in the year 2017-1018. Amount of loans disbursted in **2017-2018** is **Rs.47200 cr** by the amount **23 lakh** of loans.Among this 23 lakhs loans 14 lakhs loans are generated by National Rural Livelihoods Mission(NRLM) .Figure in the brackets are indicates the details of NRLM. Loans disbursted by Self Help Group(SHG) will be minimum in the financial year **2010-1011**. Amount of loans disbursted in **2010-2011** is **Rs.14500 cr** by theamount **12 lakh** of total loans.In short,we find the following result details from the following table.

- **Maximum Loans Disbursment** – Rs.**47200 cr**
- **Minimum Loans Disbursment**- Rs.**14500 cr**.
- **Average Loans disbursement** = **Rs.28312.5 cr**
- **Average no of loans disbursement = 15.75 lakh**

Now come to the details of Loans Outstandings details.From the above table,it can be shown that amount of loans varied yearwise(Depending upon the conditions of Economy). Loans Outstandings by Self Help Group(SHG) will be maximum in the year 2017-1018. Amount of loans Outstandings in **2017-2018** is **Rs.75600 cr** by the amount **50 lakh** of loans.Among this 50 lakhs loans 31 lakhs loans are generated by National Rural Livelihoods Mission(NRLM) . Figure in the brackets are indicates the details of NRLM.Loans outstandings by Self Help Group(SHG) will be minimum in the financial year **2010-1011**.Amount of loans outstandings in **2010-2011** is **Rs.31200 cr** by the amount **48 lakh** of total loans.In short,we get the following results.

- **Maximum Loans outstandings**– **Rs.75600 cr**
- **Minimum Loans outstandings**- **Rs.31200 cr.**
- **Average Loans outstandings** = **Rs49462.5 cr**
- **Average no of loans outstandings = 46.13 lakh**

If we look into the savings data,we see Savings in Self Help Group(SHG) will be maximum in the year 2017-1018. Savings in **2017-2018** is **Rs.19600 cr** and no. of savings are **87 lakh** .Savings in Self Help Group(SHG) will be minimum in the year 2010-2011.Savings in **2017-2018** is **Rs.7600 cr** and no. of savings are **75 lakh** .In short,we get the following results.

- **Maximum Savings** – **Rs.19600 cr**
- **Minimum Savings**- **Rs.7000 cr.**
- **Average savings** = **Rs11525 cr**

Table 3 : Yearwise Performance of Microfinance Institutions and Joint Liability Groups

Items	Micro-Finance Institutions				Joint Liability Groups	
	Loans disbursed by banks		Loans outstanding with banks		Loans disbursed by banks	
Year	Number (in Lakh)	Amount (Crore)	Number (in Lakh)	Amount (Crore)	Number (in Lakh)	Amount (Crore)
2017-18	19220	25500	50730	32300	10	14000
2016-17	23140	19300	53570	25600	7	9500
2015-16	6470	20800	20200	25600	6	6200
2014-15	5970	14700	46600	21900	5	4400
2013-14	5450	10300	24220	16500	2	2200
2012-13	4260	7800	20420	14400	2	1800
2011-12	4650	5300	19600	11500	2	1700
2010-11	4690	7600	21760	10700	1	700

Source-NABARD

Analysis of Table-3:
The Table shows the details performance of Microfinance Institutions and Joint Liability Group in India.
At first we analyze data of Micro Finance Institutions(MFIs) all over India . Our time period is divided into session wise. From the above table,it can be shown that,there is an increasing trend of loans disbursed by the bank after the sassion 2011-2012.Loans disbursted by Micro Finance Institutions (MFIs) will be maximum in the year 2017-1018. Amount of loans disbursted in **2017-2018** is **Rs.25500 cr** by the amount **19220 lakh** of loans . Loans disbursted by MFIs will be minimum in the financial year **2011-1012**. Amount of loans disbursted in **2011-2012** is **Rs.5300 cr** by the amount **4650 lakh** of total loans.In short,we find the following result details from the following table.
- 	**Maximum Loans Disbursment** – Rs**.25500 cr**
- 	**Minimum Loans Disbursment**- Rs.**4650 cr**.
- 	**Average Loans disbursement = Rs.13912.5 cr**
- 	**Average no of loans disbursement =9231.25lakh**

Secondly we also analyze the same data of Micro Finance Institutions(MFIs) in case of loan outstanding. From the above table,it can be shown that,there is an increasing trend of loans outstanding(Except from 2010-11 to 2011-12) by the bank.Loans outstandings by Micro Finance Institutions (MFIs) will be maximum in the year 2017-1018. Amount of loans disbursted in **2017-2018** is **Rs.32300 cr** by the amount **50730 lakh** of loans . Loans outstandings by MFIs will be minimum in the financial year **2010-1011**. Amount of loans outstandings in **2010-2011** is **Rs.10700 cr** by the amount **21760 lakh** of total loans.In short,we find the following result details from the following table.
- 	**Maximum Loans Outstandings with bank** – Rs**.32300 cr**
- 	**Minimum Loans Outstandings with bank** - Rs.**10700 cr**.
- 	**Average Loans Outstandings with bank = Rs.19812.5 cr**
- 	**Average no of Loans Outstandings with bank =32137lakh**

Secondly we analyze data of Joint liability Group in India . Here also our time period is divided into session wise. From the above table,it can be shown that,there is an increasing trend of loans disbursed by the bank except the sassion 2016-2017.Loans disbursted by Joint Ability Group will be maximum in the year 2017-1018. Amount of loans disbursted in **2017-2018** is **Rs.14000 cr** by the amount **10 lakh** of loans . Loans disbursted by MFIs will be minimum in the financial year **2010-1011**. Amount of loans disbursted in **2010-2011** is **Rs.700 cr** by the amount **1 lakh** of total loans.In short,we find the following result details from the following table.
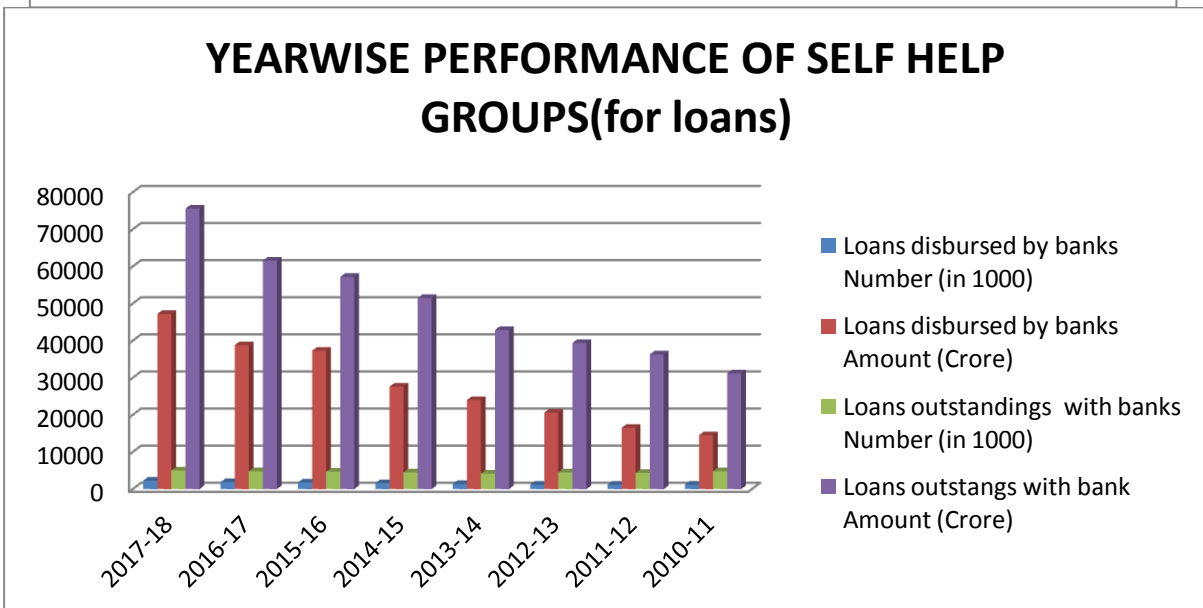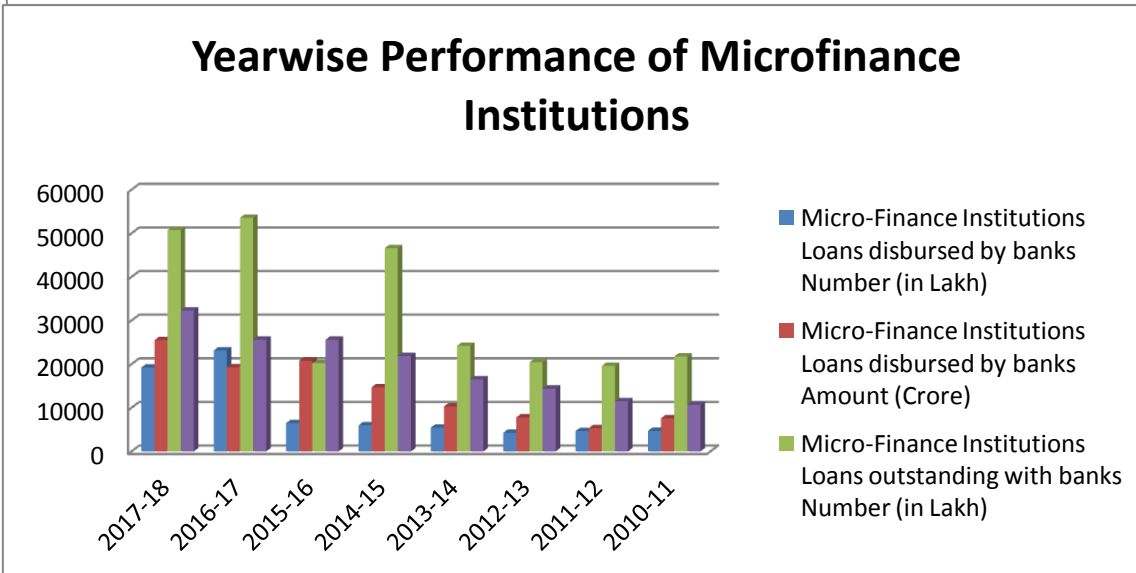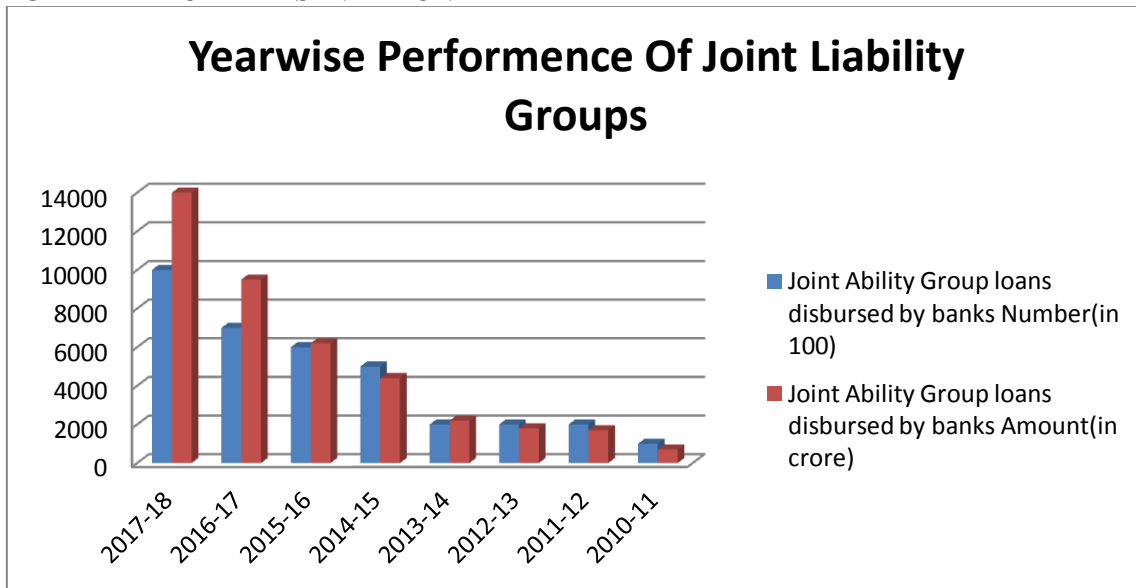- 	**Maximum Loans Disbursment – Rs.14000 cr**
- 	**Minimum Loans Disbursment- Rs.700 cr.**
- 	**Average Loans disbursement = Rs.5062.5 cr**
- 	**Average no of loans disbursement =4.375 lakh**
The above analysis can be graphically represented as follows

DIAGRAMMATIC REPRESENTATION-

Yearwise Performence Of Joint Liability Groups

Legend:
- Joint Ability Group loans disbursed by banks Number(in 100)
- Joint Ability Group loans disbursed by banks Amount(in crore)

Yearwise Performance of Microfinance Institutions

Legend:
- Micro-Finance Institutions Loans disbursed by banks Number (in Lakh)
- Micro-Finance Institutions Loans disbursed by banks Amount (Crore)
- Micro-Finance Institutions Loans outstanding with banks Number (in Lakh)

YEARWISE PERFORMANCE OF SELF HELP GROUPS(for loans)

Legend:
- Loans disbursed by banks Number (in 1000)
- Loans disbursed by banks Amount (Crore)
- Loans outstandings with banks Number (in 1000)
- Loans outstangs with bank Amount (Crore)

YEARWISE PERFORMANCE OF SELF HELP GROUPS(for savings)

IV. FORMATION OF SHG-A DETAILS ANALYSIS

In 1999, the Government introduced the policy of '*Swarnjayanti Gram Swarozgar Yojana'* (SGSY) to alleviate poverty of the low-income group people and subsequently empower the marginalized section of the rural society especially women. In this policy, SHGs are the basic unit for implementing the program. Formation of SHGs is a anti proverty programme under SGSY to reduce proverty of marginalised sector .

STAGES IN SHG FORMATION
There are four stages of group formation:

Forming Stage
This is the first stage during which organizers explain the concept of Self Help Groups. After this introductory session, women usually agree to form a group.

Storming Session
In this stage, a lot of queries arise in the minds of SHG members. Their hidden anxieties and fears are expresses during the meeting and conflict between individual interests and group interest are also evident.

Norming Stage
In this stage, members begin to internalize the concept of "self – help".The members try to understand the concept of experience of meeting,interacting, contributing, saving and lending if a particular group by other group members.

Performance Stage
Both the task and maintenance functions of the group are clearly realized by the members of the group at this stage. The members approach the bankers for further credit and the group is perceived as a means for income generation and collective action.

FUNCTIONS OF SELF HELP GROUPS(SHG):
• **Group Meeting –** Group meeting are important part of group functioning as it facilities the flow of ideas and views every member. A meeting provides a platform interact effectively. Group meeting are conducted either weekly, fortnightly or monthly based on the convenience of the members.

• **Evaluation of Bylaws -** All SHGs decide on the set of rules or bylaws and decision – making for its.

• **Effective Functioning -** The group members decide on the amount of savings and also on the periodicity of saving.

• **Loaning Activity -** The group decides the purpose for which loans will be given along with the rate of interest and repayment period, the savings of the group members

and the interest from the capital.

- **Record Keeping -** Attendance books, saving registers, loan register, meeting proceedings and individual passbooks are the records maintained by the member.

OBJECTIVE OF SELF HELP GROUPS(SHGs):
- **Poverty eradication**
- **Asset building**
- **Empowerment**
- **Establishment of human rights of vulnerable sections and awareness of socio-political issues**

Features of SHGs
SHG under SGSY as a variety of Micro-finance works in a group based community development approach. The programme was launched with a view of collateral responsibility of low-income group people in every aspect of monetary transaction of an enterprise.

- It is a semi-subsidized scheme – the ratio of subsidy amount between central government and state government is respectively 75:25. Initially government sanctions a certain amount of money to a group in form of subsidy for the principal amount required for business purpose; the amount is fixed on the basis of the respective group's saving capacity. However, the major part of the business proceeds with the help of bank loan.

- Self-employment is the core concept of this program, though loan amount or subsidy is used for consuming purpose also. Generally, the group's saving amount is used as a loan for members' personal needs (as child's education or treatment or repairing of house etc.) and the bank loan is generally used for the business purpose.

- For developing the capacity of low-income group people, the program organizes professional training and links the production of the group with the market.

- The policy emphasizes mainly on the formation of women's group. However, male persons also in a large number form such groups. Moreover, there are few groups where male and female jointly constitute a group.

- The scheme includes every socio-economic and political aspect of development of an economically marginalized person.
- The program is designed on a hierarchical structure - Federation (at block level) at the top, Cluster (at GP level) at the second strata from the top, Sub- Cluster at *sansad* level) comes next and SHGs (at village level) at the bottom.

- The program executes through DRDC and the administration of BDO. DRDC mainly conduct the program and Block Office supervises and nourishes the groups. DRDC organizes skill developing training program, fairs for trading products of the groups', and other official works. On the other hand, office of the BDO through RP(s) (who is responsible for nourishing groups on behalf of government) and WDO supervises the SHGs of their respective areas.

Table – 4 : TOTAL NUMBER OF SHGS IN INDIA(STATE WISE AND UNION TERRITORYWISE)

S.No.	State Name	Districts Count		Blocks Count		SHGs Count	
		Total Districts	Number of Districts where SHGs entry has started	Total Blocks	Number of Blocks where SHGs entry has started	Total SHGs	SHGs with less than 5 Members
STATES							
1	ANDHRA PRADESH	13	13	662	662	7,03,298	870
2	ASSAM	33	33	220	219	2,78,551	156
3	BIHAR	38	37	534	507	6,34,117	889
4	CHHATTISGARH	27	27	146	146	1,74,437	500
5	GUJARAT	33	33	248	247	2,46,841	736
6	JHARKHAND	24	24	263	263	2,24,849	16,714
7	KARNATAKA	30	30	176	176	2,77,820	4,777
8	KERALA	14	14	152	152	2,35,139	433

9	MADHYA PRADESH	52	52	313	313	2,89,439	996
10	MAHARASHTRA	34	34	351	351	4,61,225	1,444
11	ODISHA	30	30	314	314	3,89,466	4,730
12	RAJASTHAN	33	33	295	159	94,989	1,915
13	TAMIL NADU	31	31	385	385	3,16,687	21,233
14	TELANGANA	30	30	543	533	3,91,972	3,061
15	UTTAR PRADESH	75	75	822	821	3,57,697	5,155
16	WEST BENGAL	22	22	342	342	8,26,618	12,071
Sub Total		519	518	5,766	5,590	59,03,145	75,680
NORTH WEST STATES							
1	HARYANA	22	22	140	138	38,279	129
2	HIMACHAL PRADESH	12	12	80	80	18,639	198
3	JAMMU AND KASHMIR	22	22	216	102	39,457	197
4	PUNJAB	22	22	150	91	15,311	41
5	UTTARAKHAND	13	13	95	95	29,979	274
Sub Total		91	91	681	506	1,41,665	839
NORTH EAST STATES							
1	ARUNACHAL PRADESH	25	15	112	32	2,679	4
2	MANIPUR	16	3	70	5	1,994	2
3	MEGHALAYA	11	11	46	43	16,871	28
4	MIZORAM	8	6	26	17	4,879	0
5	NAGALAND	11	9	74	61	9,152	14
6	SIKKIM	4	2	32	14	1,856	5
7	TRIPURA	8	3	58	24	11,490	48
Sub Total		83	49	418	196	48,921	101
UNION TERRITORIES							
1	ANDAMAN AND NICOBAR	3	3	9	9	821	3
2	DADRA AND NAGAR HAVELI	1	1	1	1	57	7
3	DAMAN AND DIU	2	2	2	2	202	4
4	GOA	2	2	12	12	2,399	6
5	LAKSHADWEEP	1	1	10	4	154	2
6	PUDUCHERRY	2	2	3	3	2,755	1
Sub Total		11	11	37	31	6,388	23
Grand Total		*704*	*669*	*6,902*	*6,323*	*61,00,119*	*76,643*

Source-https://nrlm.gov.in/shgReport.do?methodName=showIntensiveStateWiseReport

Analysis of Table 4-
Now we can analyse **Table – 4 ,**
We want to observe the maximum and minimum count of SHG all over the India . But there is a problem.Each states and Union Teritorries have different numbers of SHG s.Though we know the proper number of SHG of every states , but different number of districts make it difficult to estimate.So,we have to introduce a new index. Otherwise,we cannot conduct our analysis from the same view because it may be the State or Union Teritorry have more districts have more SHG to give people good services .
So, to judge all the States and Union Territories from the same point of view we introduce a new measure , **AVERAGE NUMBER OF SELF HELP GROUP PER STATE**.
AVERAGE NUMBER OF SELF HELP GROUP PER STATE , this imply count of the number of Self Help Group (SHG) per district .
AVERAGE NUMBER OF SELF HELP GROUP PER STATE =
(***Total number of Self Help Group of the State***)/(***Total number of District***)

Through this measure we can observe the all States and all Union Teritorries from the same platform . We can now conclude which State or Union Teritorries are more developed from the count of SHG or which States and Union Teritorries have maximum or minimum amount of Average Number of SHG .
Benefits of the measure AVERAGE NUMBER OF SELF HELP GROUP PER STATE:
- This measure gives us the proper result of SHG in every region as also as every state.
- Based on this measure we can improve SHG services all over the India.

Table – 5 : TABLE OF AVERAGE NO OF SELF HELP GROUP PER DISTRICT-

STATES			
NAME OF STATES	**NO. OF DISTRICTS**	**NO. OF SHG**	**AVERAGE NO OF SHG PER DISTRICT**
ANDHRA PRADESH	13	7,03,298	54099.85
ASSAM	33	2,78,551	8440.94
BIHAR	38	6,34,117	16687.29
CHHATTISGARH	27	1,74,437	6460.63
GUJARAT	33	2,46,841	7480.03
JHARKHAND	24	2,24,849	9368.71
KARNATAKA	30	2,77,820	9260.67
KERALA	14	2,35,139	16795.64
MADHYA PRADESH	52	2,89,439	5566.13
MAHARASHTRA	34	4,61,225	13565.44
ODISHA	30	3,89,466	12982.20
RAJASTHAN	33	94,989	2878.45
TAMIL NADU	31	3,16,687	10215.71
TELENGANA	30	3,91,972	13065.73
UTTAR PRADESH	75	3,57,697	4769.29
WEST BENGAL	22	8,26,618	37573.55
NORTH WEST STATES			
NAME OF STATES	**NO. OF DISTRICTS**	**NO. OF SHG**	**AVERAGE NO OF SHG PER STATES**
HARYANA	22	38,279	1739.95
HIMACHAL PRADESH	12	18,639	1553.25
JAMMU AND KASHMIR	22	39,457	1793.5
PUNJAB	22	15,311	695.95
UTTARAKHAND	13	29,979	2306.08
NORTH EAST STATES			
NAME OF STATES	**NO. OF DISTRICTS**	**NO. OF SHG**	**AVERAGE NO OF SHG PER STATES**
ARUNACHAL PRADESH	25	2,679	107.16
MANIPUR	16	1,994	124.63
MEGHALAYA	11	16,871	1533.73
MIZORAM	8	4,879	609.88
NAGALAND	11	9,152	832
SIKKIM	4	1,856	464
TRIPURA	8	11,490	1436.25
UNION TERITORIES			
NAME OF STATES	**NO. OF DISTRICTS**	**NO. OF SHG**	**AVERAGE NO OF SHG PER STATES**
ANDAMAN AND NICOBAR	3	821	273.67
DADRA AND NAGAR HAVELI	1	57	57
DAMAN AND DIU	2	202	101
GOA	2	2,399	1199.5

| LAKSHDWEEP | 1 | 154 | 154 |
| PUDUCHERRY | 2 | 2,755 | 1377.5 |

Source-https://nrlm.gov.in/shgReport.do?methodName=showIntensiveStateWiseReport

V.   CONCLUSION:

Microfinance is a very general term which introduced India to provide financial support to poor or marginalized sector . Other main objective of Microfinance is to help small informal sector business and provide them microcredit and micro loans.When microfinance introduced here India government fixed another goal for this project , women empowerment and child education. But , women empowerment is not so successful here .In 1999, Inida Government introduced the programme SGSY and main tool of this SGSY is SHG . Main objective of SHG is to empower women. Throughout this project ,we use the data of Microfinance done by SHG and NRLM under SHG and also use the data of joint liability group from the years 2010-2018.this time period 2010 to 2018 is divided among some sessions .We also use a data set of SHG of each state all over the India.From which we lie down on the measure of AVERAGE NO OF SHG PER STATE to judge the proper service of SHG throughout the India. From table 2 ,we can see that,there is an increasing trend of loans disbursement and outstanding and as also as savings . so we can conclude that the SHG and NRLM under SHG and JLG are successful in India . Even correlation coefficient of microfinance by SHG and that by NRLM under SHG is also very high . And contribution of NRLM under SHG also has an increasing trend . Another microfinance institution or JLG also has a increasing contribution yearwise . So we can conclude that microfinance through SHG and JLG and NRLM under SHG has a good contribution to Indian economy.If we follow this trend ,then we can see a new era of developed India, where all poor and marginalized sector or mainly womens are properly employed , implies strength of our country will be more strong than previous . Also the measure Average Number of SHG Per State gives us a satisfying result. So , we can conclude here microfinance through SHG , NRLM under SHG and JLG will be more helpful if it implemented in right way . We have to exclude institutional fault or discrepancy of MFIs' for a developed future .

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