

# A survey of Self-Help-Groups and Microfinance outreach in Haryana, India

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## Abstract

*This study examined the progress SHGs led to microfinance activities like number of SHGs, the volume of savings, number of SHGs borrowed from banks, loan disbursed, loan outstanding for SHGs and loan outstanding against SHGs in India as well as in Haryana State of India by using secondary data for the period 2007-08 to 2018-19. The study reveals that the growth rate of bank loans disbursed in Haryana has fluctuated compared to the consistent national average. The findings show that the year 2008-09 was the best for India's progress due to the progress in all the parameters of SHGs led microfinance. On the other hand, the year 2008-09 captures remarkable progress in terms of the number of SHGs and number of SHGs with outstanding loans and the year 2017-18 in terms of highest growth of SHGs and outstanding loans against them for Haryana. The correlation analysis indicates a dire need to reduce the outstanding loan against SHGs, the volume of borrowing by SHGs and the loan outstanding against SHGs in Haryana.*

*The study suggests that the spread of microfinance activities is the need of the hour to tackle the increasing unemployment problem in the State besides generating employment in gainful economic activities. Therefore, strengthening and providing financial support besides a rebate in their banks' outstanding loan against them as SHGs have advanced loans to the poor and vulnerable chunk of the population, which is still to be realised.*

**Keywords:** Loan, Microfinance, Outreach, Self-help Groups, Unemployment.

## Introduction

Credit is the basic requirement of a start-up to grow and progress. The formal institution's failure to serve the rural poor effectively led to a review of the informal financial system, but it was observed from the very beginning that the informal financial system is very exploitative and charging a very high rate of interest from the poor.

To bridge this gap between formal and informal system, services were provided to poor or small business people who are not eligible for a Standard Bank loan and do not possess any collateral. Microfinance or microcredit is banking the unbankable bringing credit, savings and other essential

financial services within reach of millions of people who are too poor to be served by regular banks, in most cases because they are unable to offer sufficient collateral.<sup>6</sup>

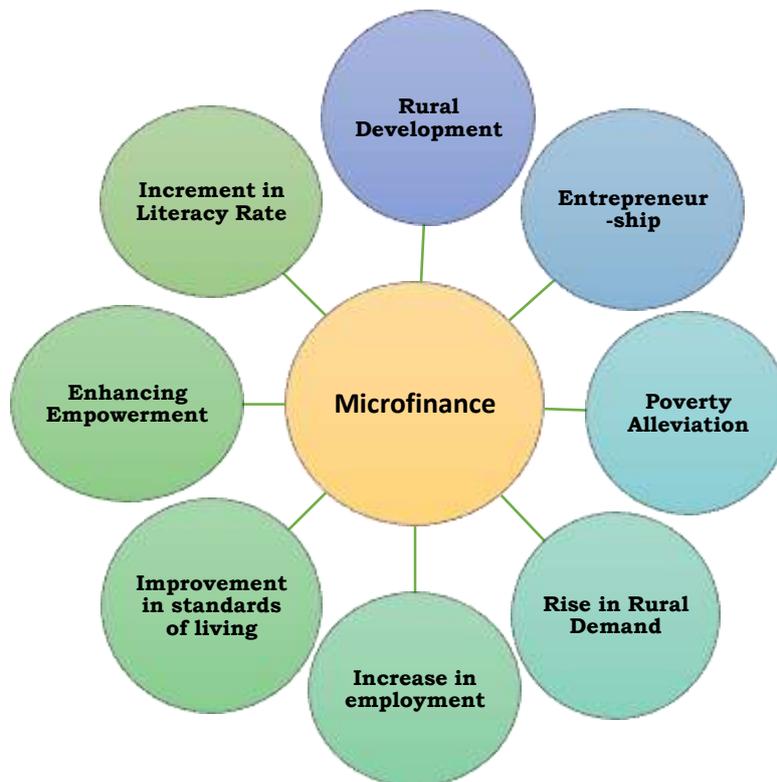
Microfinance is not a new concept; it was introduced as early as in the 1700s. The earlier Microfinance documented in history for the loan funds started in 1720 by Irishman Jonathan Swift, author of Gulliver's travels. Poor traders used the funds. Another model was the saving banks that began in Germany in 1778 and spread across many European countries in the early 19th century.

The principal motive for such banks was to encourage thrift and economic self-dependence among the poorer segments of the population. The subsequent growth of microfinance was in two regions of Germany in about 1850<sup>18</sup>, but Mohammed Yunus gave a new shape to design a credit programme through 'Grameen Bank' in 1972 in Bangladesh and got Noble Peace award as a Father of Microfinance in 2006.

The microfinance movement has spread across the globe unprecedented efforts to rural, semi-urban or urban development.<sup>8</sup> Microfinance is a way of financing to poor for their business, alleviating their poverty, empowering them and sustainably giving social benefits.<sup>10</sup> World's poorest women have access to financial services through specialised MFI, banks, NGOs, SHGs and other non-banking financial institutions (NBFIs).

Microfinance in India could be traced to the self-employed women's association (SEWA) registered as a trade union in Gujarat in 1972. Its main objective was to strengthen its member's bargaining power to improve income, employment and access to social security. India experienced a revolutionary change in its microfinance sector in the 1990s. In 1992, NABARD took up a valorising initiative of bank linkage programmes to self-help groups to overcome financial difficulties.

Numerous researches have been conducted to examine the outreach of microfinance activities worldwide. Ashta and Mor<sup>3</sup> examined the direct correlation between income and microfinance activities. They revealed how their income increments built entrepreneurs and how a conducive culture of learning and experimentation promotes the well-being of the society besides raising the level of entrepreneurship in the country. Ghate<sup>5</sup> threw light on the issues based on the data reported in the annual reports of NABARD and revealed that the growth rate of loans to new groups declined sharply in 2006 compared to previous years.



**Figure 1: Microfinance and its related activities**

A similar trend has also been observed for repeat loans to existing SHGs. Developing countries adopt microfinance more efficiently and sustainably as compared to being used as a vague word to show empowerment in developed countries<sup>2</sup>; the capability of SHG federations in providing sustainability to SHGs through financial and organizational support has been examined and it was found that the help provided by these federations and thrift co operations to SHGs, is mainly in the form of savings.<sup>15</sup> The technical efficiency of 78 MFIs functioning in India is examined and suggests microfinance a viable tool for increasing output without increasing the quantum of input where reduction in administrative costs will be very handy for enhancing its efficiency.<sup>13</sup> The technical efficiency of 55 MFIs in India is also examined and the efficiency can be enhanced by increasing the number of borrowers, the magnitude of assets, active clientele base and reducing organizational expenses.<sup>14</sup>

Batra<sup>4</sup> explored the working of SHGs in Haryana and found microfinance programme SHGY agency provided a higher amount of loan to SHGs and specially focused on BPL families. Ahlawat<sup>1</sup> found that the growth rate is increasing during the given time in terms of the number of SHGs, loan amount and savings amount, whereas there is a gradual increase in the outstanding loan and NPAs to be seen shows the favourable impact of microfinance in Haryana.

Goyal and Goel<sup>7</sup> in their study of Kaithal district of Haryana suggested that for poverty alleviation in rural areas, SHGs can serve as pioneers and microfinance can be a huge resource for help. Nandal and Hooda<sup>16</sup> explored the

correlation between poverty and the number of SHGs and suggests that although the share of SHGs in Haryana has considerably increased from past 8-10 years, still it lacks to hold a firm position in the rank list since the penetration of microfinance is very low in the state.

In this backdrop, the present study intends to examine the outreach of microfinance in Haryana in the context of SHGs besides the analysis of the agency-wise financial position of SHGs in Haryana vis-a-vis India.

### **Self Help Groups**

Self Help Groups (SHGs) are unique and exclusive groups created to empower women economically, financially and socially. The groups mainly aim to uplift women in a holistic manner, which would ultimately contribute to the country's socio-economic development. The SHG program has been supporting women from different rural backgrounds in the past 20 years and has slowly evolved into a revolutionizing institution that breaks women from shackles of poverty, patriarchal society and male chauvinism. The main objectives behind the creation of SHGs were to channelize funds to targeted strata of poor people which mainly comprise women. Women are often underemployed and brusquely discriminated against when it comes to work and equality in every sphere of life.

The need to mitigate all these social and economic disadvantages against the woman was primarily responsible for the birth of SHGs. They usually focus on creating a society that contains confident women as independent

individuals to make their decisions and holistically promote the growth of society. Several surveys and studies were done in various parts of the world to conclude that women tend to utilize money more economically and put it to the betterment of the whole family. Hence increasing the availability of loans to women to serve a more significant benefit to the family and various levels up in the hierarchy of societal distribution. SHGs are running in the following ways:

Researches across India highlight various aspects of the SHGs model of microfinancing, indicating its role in the economic and social life of the poor and vulnerable. Mader<sup>11</sup> elucidated the upliftment of women participating in SHGs resulting in enrichment of entrepreneurial mindset, the establishment of respect in the family and degrading social evils and taboos present in society reaching a new degree of awareness.

Reddy and Reddy<sup>17</sup> analyzed the quality and sustainability of SHG's by covering 1942 SHGs from 41 districts of 8 States in India and reported wide disparities among the growth of SHG among States which is as high as 94% in Andhra Pradesh and as low as 26% in Maharashtra and justifies high dependency of SHGs on external credit sources rather than internal fund mobilization.

Maheshwari and Goyal<sup>12</sup> rationalized the role of SHGs in women emancipation in the district of Mewat (Haryana). They reported that the impact of SHGs in boosting women's confidence, leading the marginalized and highly affected sectors towards growth and independence, spreading awareness against facing the evils in the society such as domestic violence assessed in this study. Singh et al<sup>20</sup> elucidated the progress of the microfinance programme area of Mewat District in Haryana and found it very slow in the district, but comparatively, its growth had speeded up in backward areas.

The study concluded that SHGs are responsible for improved living standards and their linkages with associations like NRLM and MDA have certainly helped raise the bar above the poverty line. In Haryana, The SHG-BLP started in 1997-98. The number of SHGs linked to the banks has increased considerably, especially during the last few years. Poor women have improved their social and financial condition after joining SHG.<sup>9</sup> There are 62315 (0.60% of total) working SHGs in Haryana with a saving amount of Rs. 7036.21lakhs (0.27% of total). Haryana ranks third in the northern region and 16<sup>th</sup> rank across India. This rank is based on commercial banks, rural, regional banks and co-operative banks (NABARD, 2020).

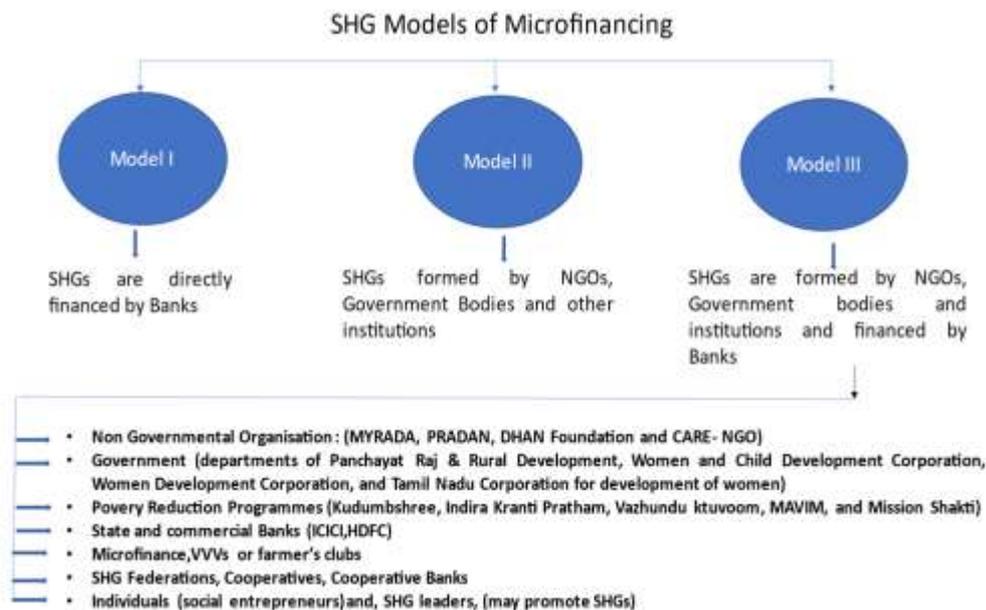


Figure 2: SHGs Model of Microfinance

Table 1  
Status of SHGs-microfinance in Haryana vis-a vis in India (2019)

| Region           | No. of SHG | Saving Amount (Rs. Lakh) | Loan Disbursed (Rs. Lakh) | Bank Loan Outstanding (Rs. Lakh) |
|------------------|------------|--------------------------|---------------------------|----------------------------------|
| India            | 10014243   | 23324.49                 | 58317.63                  | 87098.15                         |
| Haryana          | 54663      | 60.76                    | 58.12                     | 136.81                           |
| Share of Haryana | 0.55%      | 0.26%                    | 0.10%                     | 0.15%                            |

Source: Status of Microfinance NABARD Report 2019 (www.nabard.org).

Table 1 sheds light on the current position of Haryana relative to the States of the whole country. Haryana accounts for 0.55 % of SHG in India and constitutes 0.26 % of the total saving amount. Out of Rs. 58317.63 lakh of the total loan disbursed, Haryana accounts for Rs. 58.12 lakh (0.10%) whereas the share of Haryana in outstanding loan is 0.15%.

**Material and Methods**

The study is exploratory and relies upon secondary data collected from various sources such as books, journals, Annual Reports of NABARD, the Microfinance Information Exchange (MIX), websites and Data on GDP by Reserve Bank of India and World Bank taken from the year 2007-08 to 2018-19. The present study uses tabulation, graphs, diagrams besides ratio, percentage, annual growth rate and correlation analysis to draw the inferences.

**Results and Discussion**

The progress of microfinance activities is good since 2007-08 in Haryana vis-a-vis India. The growth in the number of SHGs measures the progress here, amount in saving accounts, amount of loan disbursed to SHGs and loan outstanding against SHGs.

**Progress of Microfinance in India:** As stated earlier, the progress of microfinancing activates proliferated in the country is presented through tables and diagrams. Table 2 displays the number of SHGs with saving accounts in banks and the volume of saving in these accounts apart of their respective growth rates since 2007-08. A significant increase was found in the number of SHGs in 2018-19 (1,00,14,243) when compared to 2007-08 (50,09,794) with an average annual growth rate of 6.77 %. However, the growth pattern is uneven as the growth rate of the number of SHGs is an all-

time high of 22.18 in 2008-09 and then plummeting down to -8.08 % in 2012-13. In the case of saving volume, the saving account registered an annual growth rate of 18.59 % with a range of 46.50 % in 2008-09 to -6.63 % in the year 2011-12. The table infers that the year 2008-09 is the best in number of SHGs and the volume of savings in India.

The relationship between the growth rate and the number of SHGs borrowing loan from the bank and loan disbursed has been explained in table 3. The table shows that the number of SHGs borrowed loan from banks was a mere Rs. 12,27,770 lakh in 2007-08, which increased by more than double in 2018-19 (Rs. 26,98,400 lakh), an average annual growth rate of 8.45 in the period of study. Further, this period witnessed the all-time highest growth rate in the year 2008-09 (31.11) reaching an all-time low in 2010-2011(-24.64).

There has been a consistent increase (approximately 7 times) in the loan disbursed starting from Rs. 8,84,926 lakh in 2007-08 to Rs. 58,31,763 lakh in 2018-19. However, the total loan disbursed growth rate ranges between 38.47 % (2008-09) to 0.65 % (2010-11). Therefore, it can be concluded that the year 2008-09 is best and the year 2010-11 is the worst in the case of loan borrowings and disbursed on the part of SHGs in India in the period studied.

Table 4 reports the number of SHGs with outstanding loans and outstanding loans at the end of each financial year in India. A consistent increase is visible in the number of SHGs with an outstanding loan from 2007-08 (Rs. 36,25,941 lakh) to the year 2018-19 (Rs. 50,77,332 lakh) with an annual average growth rate of 3.36 % in the entire duration. However, this growth is uneven, peaking 2008-09 (16.49%) and slumping the year 20013-14 to -5.71%.

**Table 2**  
**SHGs with saving account's and saving volumes in India**

| Years               | No. of SHGs Having Saving with Banks | Growth Rate | Saving Amount (Rs. Lakh) | Growth Rate (%) |
|---------------------|--------------------------------------|-------------|--------------------------|-----------------|
| 2007-08             | 5009794                              | -           | 378539                   | -               |
| 2008-09             | 6121147                              | 22.18       | 554562                   | 46.50           |
| 2009-10             | 6953250                              | 13.59       | 619871                   | 11.78           |
| 2010-11             | 7461946                              | 7.32        | 701630                   | 13.19           |
| 2011-12             | 7960349                              | 6.67        | 655141                   | -6.63           |
| 2012-13             | 7317551                              | -8.08       | 821725                   | 25.43           |
| 2013-14             | 7429500                              | 1.54        | 989742                   | 20.45           |
| 2014-15             | 7697469                              | 3.59        | 1105984                  | 11.74           |
| 2015-16             | 7903002                              | 2.68        | 1369139                  | 23.79           |
| 2016-17             | 8576875                              | 8.53        | 1611423                  | 17.70           |
| 2017-18             | 8744437                              | 1.95        | 1959212                  | 21.58           |
| 2018-19             | 10014243                             | 14.52       | 2332449                  | 19.05           |
| Average Growth Rate |                                      | 6.77        |                          | 18.59           |

Source: Status of Microfinance NABARD Reports from 2007-08 to 2018-19.

The table further shows that the amount of outstanding loan was found to be Rs. 16,99,990 lakh in the year 2007-08, increasing considerably to Rs. 87,09,815 lakh in 2018-19, which is almost 5 times with a range of 33.41 % (2008-09) and 7.81 % (2016-17). The table infers that the year 2008-09 is the best in terms of the number of SHGs with outstanding loans and ousting loans against them.

**Progress of Microfinance in Haryana:** The progress of microfinance activities in the Haryana State of India was very good. SHGs in Haryana seem to have the potential to foster microfinance and micro-credit evident from the high rate of repayment of the loan as well as a low rate of loan outstanding as compared to the national average but failed to make a visible cut due to low penetration of microfinance as compared to other states. Table 5 essentially depicts the number of SHGs and the cumulative saving amount

deposited in commercial, cooperative and rural regional banks in Haryana in 2007-08 to 2018-19. The table reveals that the total number of SHGs has increased from 23570 in 2007-08 to 54663 in 2018-19, registering an average annual growth rate of 9.25 %. The highest growth of SHGs has been denoted in 2018-19 (43.04%) while the lowest was in 2017-18 (-5.90%).

The table further displays that the volume of saving, which was just Rs. 1365.15 lakh in 2007-08, jumped to Rs 6076.42 lakh in 2018-19, thereby denoting a mean annual growth rate of 391.78%. The range of saving volume has been found between 4121.77% (2009-10) and -81.33% (2008-19). Hence, it can be said that the highest growth in SHGs was registered in the year 2018-19 while the saving volume was highest in 2009-10.

**Table 3**  
**SHGs Bank's borrowings and loan disbursed to SHGs in India**

| Years            | No. of SHGs Borrowed Loan from Banks | Growth Rate | Loan Disbursed to SHGs During the Year (Rs. Lakh) | Growth Rate (%) |
|------------------|--------------------------------------|-------------|---|-----------------|
| 2007-08          | 1227770                              | -           | 884926  | -               |
| 2008-09          | 1609586                              | 31.11       | 1225351   | 38.47           |
| 2009-10          | 1586822                              | -1.43       | 1445330   | 17.95           |
| 2010-11          | 1196134                              | -24.64      | 1454773   | 0.65            |
| 2011-12          | 1147878                              | -4.01       | 1653477   | 13.66           |
| 2012-13          | 1219821                              | 6.27        | 2058536   | 24.50           |
| 2013-14          | 1366421                              | 11.97       | 2401736   | 16.67           |
| 2014-15          | 1626238                              | 19.03       | 2758231   | 14.84           |
| 2015-16          | 1832323                              | 12.67       | 3728690   | 35.18           |
| 2016-17          | 1898120                              | 3.60        | 3878116   | 4.01            |
| 2017-18          | 2261132                              | 19.13       | 4718588   | 21.67           |
| 2018-19          | 2698400                              | 19.33       | 5831763   | 23.59           |
| Mean growth rate |                                      | 8.45        |   | 19.19           |

Source: Status of Microfinance NABARD Reports from 2007-08 to 2018-19.

**Table 4**  
**Number and loans outstanding against SHGs in India**

| Years            | No. of SHGs whose Loan is outstanding | Growth Rate | Amount of Loan outstanding at the end of the Year (Rs. Lakh) | Growth Rate (%) |
|------------------|---------------------------------------|-------------|--|-----------------|
| 2007-08          | 3625941                               | -----       | 1699990  | -----           |
| 2008-09          | 4224338                               | 16.49       | 2267985  | 33.41           |
| 2009-10          | 4851356                               | 14.84       | 2803828  | 23.63           |
| 2010-11          | 4786763                               | -1.32       | 3122117  | 11.35           |
| 2011-12          | 4354442                               | -9.05       | 3634000  | 16.40           |
| 2012-13          | 4451434                               | 2.23        | 3937530  | 8.35            |
| 2013-14          | 4197338                               | -5.71       | 4292752  | 9.02            |
| 2014-15          | 4468180                               | 6.46        | 5154546  | 20.08           |
| 2015-16          | 4672621                               | 4.59        | 5711923  | 10.81           |
| 2016-17          | 4848287                               | 3.74        | 6158130  | 7.81            |
| 2017-18          | 5020358                               | 3.55        | 7559845  | 22.76           |
| 2018-19          | 5077332                               | 1.14        | 8709815  | 15.21           |
| Mean growth rate |                                       | 3.36        |  | 16.25           |

Source: Status of Microfinance NABARD Reports from 2007-08 to 2018-19.

**Table 5**  
**Number of SHGs with saving accounts and saving amount in Haryana**

| Years   | No. of SHG having saving account in banks | Growth Rate | Saving Amount (Rs. Lakh) | Growth Rate (%) |
|---------|---|-------------|--------------------------|-----------------|
| 2007-08 | 23570                                     | -           | 1365.15                  | -               |
| 2008-09 | 33257                                     | 41.10       | 254.93                   | -81.33          |
| 2009-10 | 36762                                     | 10.54       | 10762.55                 | 4121.77         |
| 2010-11 | 35319                                     | -3.93       | 9920.45                  | -7.82           |
| 2011-12 | 44184                                     | 25.10       | 3678.35                  | -62.92          |
| 2012-13 | 42580                                     | -3.63       | 4030.73                  | 9.57            |
| 2013-14 | 43029                                     | 1.05        | 4538.47                  | 12.62           |
| 2014-15 | 41653                                     | -3.19       | 3651.08                  | -19.57          |
| 2015-16 | 42921                                     | 3.04        | 15891.44                 | 333.26          |
| 2016-17 | 40615                                     | -5.37       | 3431.00                  | -78.40          |
| 2017-18 | 38216                                     | -5.90       | 3225.20                  | -5.99           |
| 2018-19 | 54663                                     | 43.04       | 6076.42                  | 88.40           |
| Mean    |   | 9.25        |                          | 391.78          |

Source: Status of Microfinance NABARD Reports from 2007-08 to 2018-19.

**Table 6**  
**Number of SHGs with banks loan and Bank Loan Disbursed in Haryana**

| Years   | No. of SHG disbursed bank loan | Growth | Bank Loan disbursed (Rs. Lakh) | Growth Rate (%) |
|---------|--------------------------------|--------|--------------------------------|-----------------|
| 2007-08 | 2582                           | -      | 2613.89                        | -               |
| 2008-09 | 4573                           | 77.11  | 6383.91                        | 144.23          |
| 2009-10 | 4023                           | -12.03 | 4669.74                        | -26.85          |
| 2010-11 | 4789                           | 19.04  | 6243.46                        | 33.70           |
| 2011-12 | 3865                           | -19.29 | 6195.93                        | -0.78           |
| 2012-13 | 3241                           | -16.14 | 5156.39                        | -16.78          |
| 2013-14 | 1920                           | -40.76 | 3060.62                        | -40.64          |
| 2014-15 | 2523                           | 31.40  | 4060.03                        | 32.65           |
| 2015-16 | 3869                           | 53.35  | 5398.91                        | 32.97           |
| 2016-17 | 4469                           | 15.51  | 5848.28                        | 8.32            |
| 2017-18 | 4748                           | 6.24   | 3709.68                        | -36.56          |
| 2018-19 | 5897                           | 24.20  | 5812.66                        | 56.68           |
| Mean    |                                | 12.60  |                                | 16.99           |

Source: Status of Microfinance NABARD Reports from 2007-08 to 2018-19.

Table 6 represents the amount of loan disbursed additively by banks (commercial, rural regional and cooperative banks) to the respective number SHGs in the given years in Haryana. The table depicts the mean growth rates for the number of SHGs and loans disbursed by banks, 12.60 % and 16.99 % respectively.

The number of SHGs were 2582 in 2007-08 and increased to double i.e. 5897 in 2018-19 with the variation range of 77.11 % (2010-11) to -40.76 % in 2013-14. The table further points out that the bank loan disbursed to SHGs has also been doubled during this period i.e. Rs. 2613.89 lakh to Rs 5812.66 lakh from 2007-08 to 2018-19. The maximum increase in loan disbursement depicted a growth of 144.23 % (2008-09), whereas a minimum of -40.64 % was experienced in 2013-14. The pattern observed in this case is

that the growth in the number of SHGs is directly proportional to the growth in loan disbursement except for the year 2017-18.

Therefore, it can be inferred that the number of SHGs received the loan at various intervals and accordingly a sharp increase in the slope of number of SHGs was observed in 2008-09 and a sharp decrease in 2013-14 which synchronizes with the amount of loan disbursed.

The relationship between the outstanding loan and the number of SHGs have been explained in table 7. The table reports a consistent increase in SHGs with an outstanding loan from 2007-08 (Rs. 10967 lakh) to the year 2018-19 (Rs. 15029 Lakh) accompanied by an annual average growth rate of 4.56 % in the duration. However, this growth is uneven,

peaking 2008-09 (39.62%) and slumping from 2017-18 to -32.56%. The table further shows that the amount of outstanding loan was Rs. 10742.07 lakh in the year 2007-08 increasing to Rs. 13681.41 lakh in 2018-19 with a range of 29.30% (2012-13) and 24.54 % (2017-18). The table infers that the year 2008-09 was the best in terms of the number of SHGs with outstanding loans and the year 2017-18 in outstanding loans against them.

**Correlation Analysis:** The correlation analysis will be handy in finding the relationship (positive/negative) between the component for devising policy at the India and state levels. Table 8 further shows that all the components of microfinance exhibit a strong and positive correlation with each other in India. This means that all the six components are positively related at the India level and strengthened each other.

Table 9 shows that the number of SHGs has been found significantly and positively correlated with all other

components of microfinance examined in the study showing a strong and positive correlation with each other in India.

The volume of saving has been significantly associated with loans disbursed by SHGs and loan outstanding of SHGs. Further, the number of SHGs who borrowed from banks is also found positively and significantly related to the amount of loan disbursed, while negatively and significantly outstanding towards SHGs and the amount of loan outstanding against SHGs.

Similarly, the loan disbursed is positively and significantly associated with the number of SHGs Loan outstanding. Finally, a strong positive correlation between the number of SHGs Loan is outstanding with the amount of loan outstanding in Haryana. So, the microfinance activities through SHGs in Haryana show a slightly different picture compared to Indian scenario.

**Table 7**  
**Number of SHGs with loan outstanding and bank loan outstanding in Haryana**

| Years               | No. of SHG having loan outstanding | Growth | Bank Loan Outstanding (Rs. Lakh) | Growth (%) |
|---------------------|------------------------------------|--------|----------------------------------|------------|
| 2007-08             | 10967                              |        | 10742.07                         |            |
| 2008-09             | 15312                              | 39.62  | 12414.37                         | 15.57      |
| 2009-10             | 15802                              | 3.20   | 15507.44                         | 24.92      |
| 2010-11             | 19369                              | 22.57  | 19826.80                         | 27.85      |
| 2011-12             | 21433                              | 10.66  | 20575.01                         | 3.77       |
| 2012-13             | 23294                              | 8.68   | 26397.41                         | 28.30      |
| 2013-14             | 20656                              | -11.32 | 24025.96                         | -8.98      |
| 2014-15             | 19581                              | -5.20  | 22640.92                         | -5.76      |
| 2015-16             | 18912                              | -3.42  | 20512.89                         | -9.39      |
| 2016-17             | 22497                              | 18.96  | 16365.42                         | -20.21     |
| 2017-18             | 15173                              | -32.56 | 12347.84                         | -24.54     |
| 2018-19             | 15029                              | -0.95  | 13681.41                         | 10.80      |
| Average Growth Rate |                                    | 4.56   |                                  | 3.84       |

Source: Status of Microfinance NABARD Reports from 2007-08 to 2018-19.

**Table 8**  
**Corelation matrix between various microfinance components in India**

| Itmes                           | No. of SHGs | Amount of Saving | No. of SHGs Borrowed | Loan Disbursed | No. of SHGs Loan outstanding | Amount of Loan outstanding |
|---------------------------------|-------------|------------------|----------------------|----------------|------------------------------|----------------------------|
| No. of SHGs                     | 1           |                  |                      |                |                              |                            |
| Saving                          | 0.88*       | 1                |                      |                |                              |                            |
| No. of SHGs Borrowed            | 0.71*       | 0.91*            | 1                    |                |                              |                            |
| Loan Disbursed                  | 0.87*       | 0.99*            | 0.90*                | 1              |                              |                            |
| No. of SHGs Loan is outstanding | 0.82*       | 0.71*            | 0.67*                | 0.69*          | 1                            |                            |
| Amount of Loan outstanding      | 0.91*       | 0.98*            | 0.86*                | 0.99*          | 0.72*                        | 1                          |

Note: \* Statistically significant at 1 per cent level of significance.

**Progress of Microfinance-A comparative analysis of Haryana vis-à-vis India:** Figure 3 presents a comparative analysis of growth in the number of SHGs in India and Haryana. The number of SHGs in microfinance activities has been found decelerating till 2012-13 and start increasing. However, in Haryana, the microfinance SHGs formation has declined till 2017-18.

The overall trend in India shows a decline in growth rate from 22.18 % to 14.52%; the number of SHGs in Haryana has marginally increased over time, depicting a growth rate of 41.1% in 2008-09 to 43.04 % in 2018-19. The growth rate of Haryana is almost double that of India. The average growth rate of the number of SHG in India is 6.77%, whereas that of Haryana is 9.25%.

Figure 4 displays a decline in the growth rate of saving amount from SHGs that is more or less equal compared to Haryana, where it shows a sudden bump in 2015-16 and a drastic decline in 2017-18. Haryana displays lower saving amount deposition in banks than in India except 2009-10 where the growth rate spiked up to 4121.77 % and 2015-16

with the growth rate of 333.26%. Apart from the two above mentioned increments, Haryana records a growth rate of -20%. The average saving amount deposit growth rates of India and Haryana are 18.59 % and 351.78 % respectively.

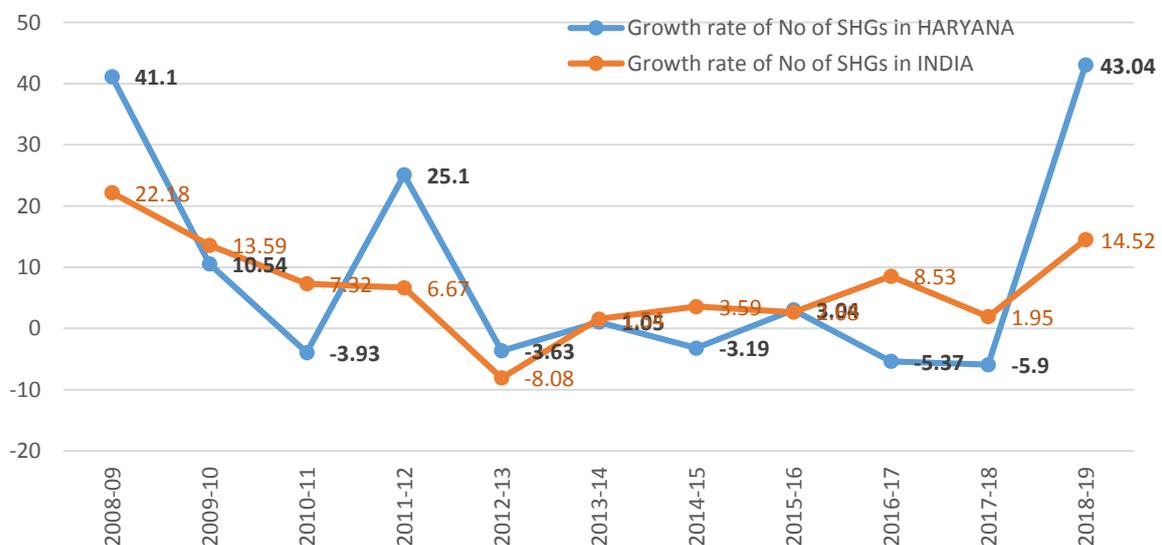
The growth rate curve of loan disbursement by SHGs in Haryana and India has been presented in figure 5 which shows a decline over time for both India (marginally) and Haryana (sharply). The SHGs in Haryana have experienced a negative growth rate in loan disbursement for five different years, whereas on the contrary, India has not. The average growth rates for Haryana and India are 16.99 % and 19.19 % respectively.

Figure 6 explains that the outstanding loan in Haryana is lower when compared to India which is a positive sign for the growth of SHGs. Haryana maintained a negative status in outstanding loan growth rate for five consecutive years after a sharp decline in 2012-2013. The average growth rates of outstanding bank loan in India and Haryana are 16.25 % and 3.84 % respectively.

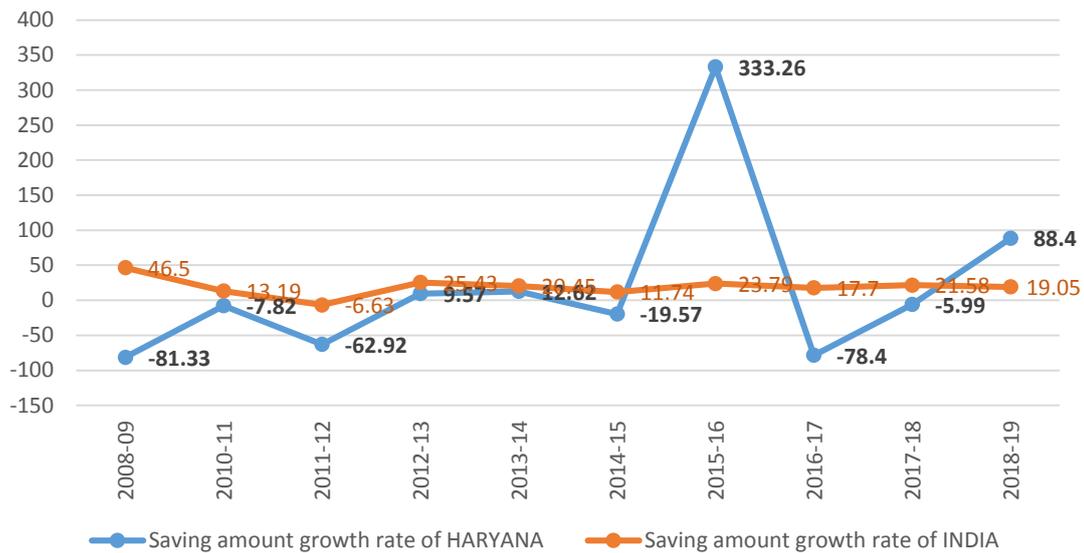
**Table 9**  
**Correlation matrix between various microfinance components in Haryana**

|                                 | No. of SHGs | Volume of Saving | No. of SHGs Borrowed | Loan Disbursed | No. of SHGs Loan outstanding | Amount of Loan outstanding |
|---------------------------------|-------------|------------------|----------------------|----------------|------------------------------|----------------------------|
| No. of SHGs                     | 1           |                  |                      |                |                              |                            |
| Saving                          | 0.24**      | 1                |                      |                |                              |                            |
| No. of SHGs Borrowed            | 0.32*       | 0.17             | 1                    |                |                              |                            |
| Loan Disbursed                  | 0.36*       | 0.21**           | 0.68*                | 1              |                              |                            |
| No. of SHGs Loan is outstanding | 0.46*       | 0.12             | -0.18**              | 0.36*          | 1                            |                            |
| Amount of Loan outstanding      | 0.39*       | 0.24**           | -0.48*               | 0.05           | 0.83*                        | 1                          |

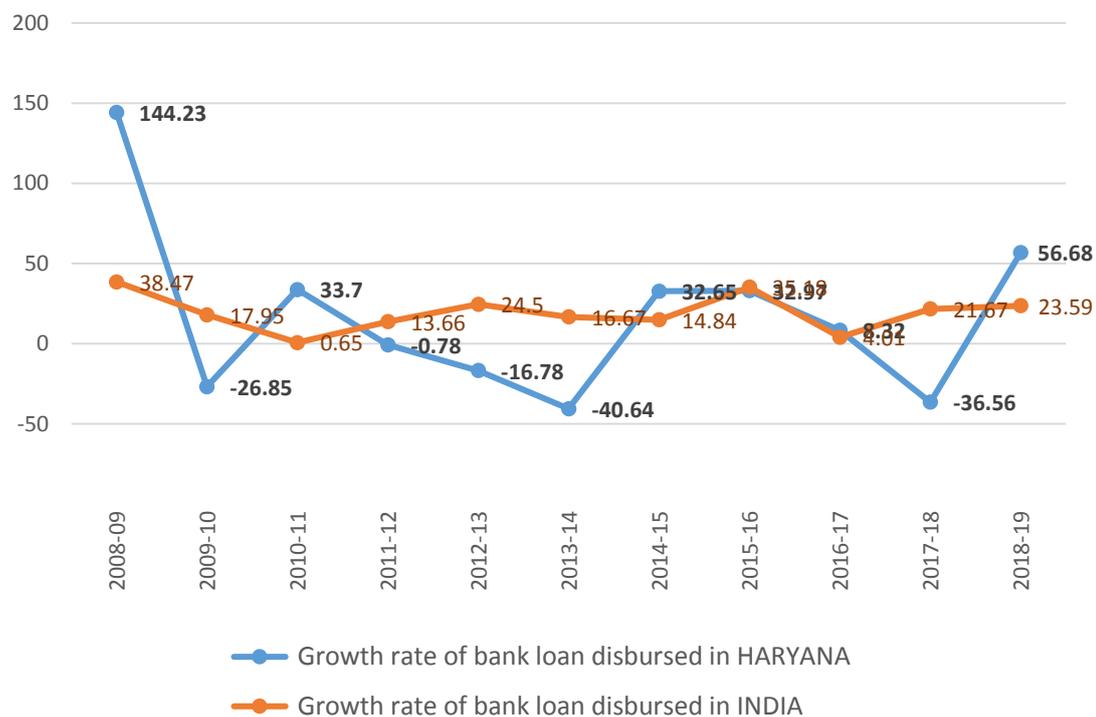
Note: \* and \*\* Statistically significant at 1 per cent and 5 per cent level of significance.



**Figure 3: Growth rate of number of SHGs in Haryana and India**



**Figure 4: Growth rate of saving amount of SHGs in Haryana and India**



**Figure 5: Growth rate of Bank loan disbursed by SHGs in Haryana and India**

To sum up, it can be inferred that there is tremendous progress in microfinance activities carried out through the formation of SHGs in Haryana and India. The analysis reveals that the State of Haryana accounts for only 0.55 % of SHG in India and constitutes 0.26 % of the total saving amount, 0.10% of total loan disbursed and 0.15% total outstanding loan. Therefore, the promotion of microfinance activities in the State is the need of hour.

It was further found that the year 2008-09 was the best for the progress of India regarding the number of SHGs, the volume of savings, loan borrowings, number of SHGs with outstanding loans and ousting loans against them. Haryana

exhibits remarkable progress in terms of the number of SHGs and the number of SHGs with outstanding loans in 2008-09, while the year 2018-19 in terms of the highest growth of SHGs and outstanding loans against them.

The correlation analysis reflects a positive and robust correlation between various components of SHGs led microfinancing at the India level, while the same is not true for Haryana. The departure in the case of Haryana is that number of SHGs who borrowed from banks is found associated negatively and significantly with a loan outstanding towards SHGs and the amount of loan outstanding against SHGs.

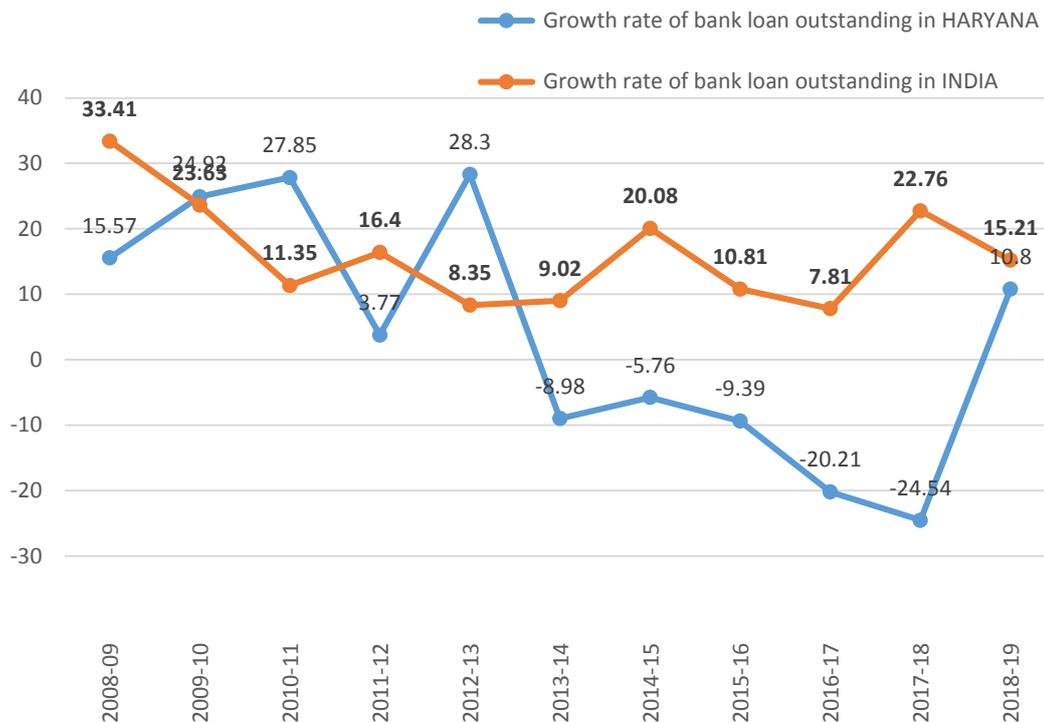


Figure 6: Growth rate of Bank loan outstanding against SHGs in Haryana and India

### Conclusions and Recommendations

The study explores the progress of microfinance activities availed through the formation of SHGs in India and its State Haryana by using secondary data for the period 2007-08 to 2018-19. Several statistical techniques like tables, per cent, growth rate, graphs/figures and correlation analysis have been used to shed light on various components of microfinance carried through SHG like saving volume loan disbursement and loan outstanding. The study reveals that the growth rate of bank loans disbursed in Haryana has fluctuated compared to the consistent national average. The conclusion points out that the year 2008-09 is the best for India's progress due to the progress in all the parameters of SHGs led microfinance.

On the other hand, the year 2008-09 captures remarkable progress in terms of the number of SHGs and number of SHGs with outstanding loans while the year 2018-19 in terms of highest growth of SHGs and outstanding loans against them for Haryana. The correlation analysis indicates a dire need to reduce the outstanding loan against SHGs, the volume of borrowing by SHGs and the loan outstanding against SHGs in Haryana. Therefore, the study recommends the promotion of standard financial facilities with stability for the social welfare of society. Haryana, one of the leading States of India, is lagging in terms of the spread of microfinance activities, which is the need of the hour to tackle the increasing problem of unemployment in the State besides generating employment in gainful economic activities.

The study suggests the SHGs need to strengthen by providing more financial support and rebate in their banks'

outstanding loan against them because they have advanced too many loans to the poor and vulnerable chunk of the population which are still to be realised.

The study pertains to microfinance activities availed through the formation of SHGs in Haryana and India and restricted to a limited area, with limited variables, limited period and application of secondary data and unable to apply more advanced statistical tools for analysis. Therefore, future researchers may employ longitudinal data, more variables and wider areas for better inferences and precision to analyse SHGs led microfinance model or other models for delivering more insights on the SHGs led microfinancing.

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