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# Self-Help Groups in Faridabad, Haryana: A Systematic Literature Review, Gap Analysis, and Research Agenda

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**Abstract--** This paper presents a systematic review of literature pertaining to Self-Help Groups (SHGs) in Faridabad district, Haryana, within the broader context of the national SHG-Bank Linkage Programme. Faridabad occupies a unique position as an industrial hub of the National Capital Region (NCR) with a sizeable informal female workforce, a large migrant population, and rapid peri-urban expansion; yet it has received virtually no dedicated scholarly attention in the SHG literature. The review draws on peer-reviewed journals, doctoral theses, NABARD annual reports, and government programme documents to synthesise the state of knowledge, identify critical research gaps, and articulate a focused research agenda for future empirical work.

**Keywords--** Self-Help Groups, Faridabad, Haryana, SHG-Bank Linkage Programme, women empowerment, urban microfinance, DAY-NRLM, financial inclusion, NCR.

## I. INTRODUCTION

The Self-Help Group (SHG) model, formalised through the SHG-Bank Linkage Programme (SHG-BLP) launched by NABARD in 1992, has evolved into the largest savings-led microfinance initiative in the world, covering 17.75 crore households across India [22]. With 83.52 per cent of groups comprising exclusively women, the programme has served as a critical institutional channel for financial inclusion, livelihood generation, and social empowerment of marginalised communities. Policy evolution has progressed from the Swarn Jayanti Gram Swarozgar Yojana (SGSY, 1999) through the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM, 2011) to the Lakhpati Didi Scheme (2023), each successive framework seeking to graduate SHG members toward sustainable micro-entrepreneurship.

Within this national trajectory, Haryana presents a paradoxical case. As one of India's more economically developed states, its contribution to the national SHG base remains disproportionately marginal [3, 4]. The dominant mode of SHG promotion in the state has been the SGSY-NRLM pathway, supplemented by sectoral schemes of the Women and Child Development Department, Forest Department, and Mewat Development Agency under the International Fund for Agricultural Development (IFAD) [2].

Across these channels, the predominance of top-down group formation — driven by scheme targets rather than organic social mobilisation — has resulted in high dormancy and discontinuation rates.

Within Haryana, Faridabad district presents an analytically important yet chronically understudied context. It is the state's most populous city and one of Asia's largest industrial estates, hosting approximately 15,000 small, medium, and large industries and providing direct and indirect employment to nearly half a million people [21]. Its positioning within the NCR has induced rapid urbanisation, peri-urban expansion, and large-scale in-migration from eastern and central Indian states. The informal female workforce in Faridabad spans industrial assembly, home-based piece-rate work, domestic service, and petty trade — a constituency substantially different from the rural poor that the SHG model was originally designed to serve. Despite these distinguishing characteristics, no published primary study has examined SHG functioning exclusively within Faridabad district. This review is the first systematic attempt to collate existing evidence, map research gaps, and propose an empirical research agenda for this geography.

## II. REVIEW METHODOLOGY

This review adopts a systematic narrative approach, drawing on sources identified through keyword searches across Research Gate, Academia.edu, Springer Nature, PLOS ONE, Science Direct, IDEAS/RePEc, FinDev Gateway, and NABARD's institutional repository. Search terms included: 'self-help groups Haryana', 'SHG Faridabad', 'SHG urban NCR', 'women empowerment SHG Haryana', 'SHG dormancy Haryana', 'urban SHG sustainability', and combinations thereof. The review covers publications from 2005 to 2025, with priority accorded to post-2015 studies that reflect the contemporary DAY-NRLM framework. Sources were evaluated for methodological rigour, geographic specificity, and thematic relevance. Government documents — particularly NABARD's annual Status of Microfinance in India reports — were used to establish the quantitative baseline.

**III. THE SHG-BLP IN INDIA: A QUANTITATIVE BASELINE**

As of the financial year 2023-24, a total of 144.22 lakh SHGs are savings-linked with banks nationally, of which 53.68 per cent carry outstanding loans, implying a credit gap of approximately 46 per cent despite a 44 per cent increase in loan disbursements during the year [18]. Regional disparities are pronounced: Karnataka (98 per cent), Telangana (96 per cent), and Andhra Pradesh lead in credit linkage, while northern states, including Haryana, lag substantially. NABARD and DAY-NRLM formalised this convergence through a landmark Memorandum of Understanding in 2024, establishing collaborative pathways for digital transaction facilitation, Lakhpati Didi graduation, and livelihood enterprise development across State Rural Livelihood Missions [23].

Research on programme performance at the national level consistently finds that all-female SHGs outperform mixed groups on financial performance and sustainability indicators [8]. Financial literacy is identified as a significant determinant of SHG-BLP effectiveness: Pandey et al. (2024), employing Artificial Neural Network analysis on

data from 967 SBLP members in Uttarakhand, establish that literacy levels directly shape savings discipline, loan utilisation, and repayment behaviour [13]. Post-COVID-19 sustainability has emerged as a distinct challenge: Ghai et al. (2024) document, through qualitative inquiry across multiple Indian states, that the pandemic imposed an existential disruption on SHG enterprises — particularly those dependent on market demand rather than subsistence activity [10]. Urban and peri-urban SHG clusters, being more demand-dependent, appear disproportionately affected by this disruption, though empirical verification for NCR contexts is absent.

**IV. SHG RESEARCH IN HARYANA: A CRITICAL REVIEW**

*4.1 Institutional Architecture*

Multiple agencies promote SHGs in Haryana under distinct mandates and programme frameworks. Table 1 summarises the principal promoting institutions and their respective programme affiliations, as documented by Singh and Mittal (2017) and the FinDev Gateway working paper on the Haryana SHG movement [2, 6].

**Table 1: Principal SHG-promoting institutions in Haryana**

Agency	Programme / Scheme	Focus
NABARD	SHG-Bank Linkage Programme	Credit linkage and savings
HSRLM / DRDA	DAY-NRLM (formerly SGSY)	Livelihood & social mobilisation
Women and Child Dev. Dept.	Swayamsiddha; Gender Equity Programme	Women empowerment
Mewat Development Agency	IFAD Programme	Backward district development
Forest Department	Community Forest Project; INRM	Natural resource-based SHGs

*(Source: Singh & Mittal, 2017 [2]; FinDev Gateway [6])*

*4.2 Performance and Sustainability: Key Empirical Findings*

The most comprehensive district-level study in Haryana was conducted by Goyal (2014) across three blocks of Mewat district -Nuh, Punhana, and Firozpur Jhirkha - surveying 900 member beneficiaries and 304 group leaders under the IFAD-backed programme. Mewat, which was carved from the erstwhile Gurgaon and Faridabad districts, shares its southern boundary with Faridabad and represents the most backward district in the state on female literacy and infrastructure indicators [1]. The study documented measurable improvements in savings behaviour and awareness of government schemes, though income gains remained modest and group cohesion was fragile beyond the active project period.

The sustainability analysis conducted across 240 SHGs in four Haryana districts-Kaithal, Panipat, Rewari, and Mahendergarh, revealed an alarming picture of programme failure at scale: 56.66 per cent of the surveyed groups were discontinued, 34.58 per cent were dormant, and only 8.75 per cent were active [3]. This finding implies that the existing institutional architecture in Haryana has produced a largely non-functional SHG base, a structural problem rooted in top-down group formation, inadequate handholding, and insufficient credit linkage post-formation.

The FinDev Gateway working paper on the Haryana SHG movement identifies NRLM design shortcomings as a contributing cause: the mission treats the rural economy as a monolithic category, neglects sub-sector and value-chain differentiation, and has failed to sensitise banking staff to the specific financial needs of SHG members [6].

The paper recommends structural reform of the support architecture, emphasising timely credit flow, inter-learning from successful groups, and innovative marketing solutions as prerequisites for scale. Nandal et al. (2022), studying SHGs under the Baba Saheb Ambedkar Hast Shilp Yojana across four villages in two Haryana districts, confirmed positive post-SHG changes in income, employment, and savings, but acknowledged that Haryana's share in the national SHG base remains 'very marginal' [4].

#### 4.3 Faridabad: Available Data

The only publicly available district-specific data for Faridabad is contained in NABARD's district credit plan executive summary, which records 940 SHGs operating in the district, with 828 carrying outstanding bank loans aggregating to ₹723.98 lakh [21]. This implies a credit linkage rate of approximately 88 per cent among existing groups—a figure substantially higher than both the state average and the national average of 53.68 per cent. This finding warrants qualified interpretation: the relatively small absolute number of groups may reflect rigorous promotion by quality-conscious institutions, but it may equally reflect under-reporting or a narrow definition of 'active' groups. No data is available in the published literature on group quality indices, member demographic profiles, income-generating activity distribution, repayment performance, or empowerment outcomes specific to Faridabad.

### V. SHGS IN URBAN AND NCR CONTEXTS

The scholarly literature on SHGs has been overwhelmingly oriented toward rural contexts. Urban SHGs particularly those embedded in industrial cities, slum settlements, and peri-urban zones—constitute an understudied sub-field.

The NCR, with a population exceeding 46 million and an urbanisation rate of 62.6 per cent, presents a socio-economic geography that rural SHG frameworks are ill-equipped to address [25]. Delhi alone records informal employment among women at 76 per cent — a structural characteristic mirrored in Faridabad's industrial workforce. The urban poor in NCR cities are characterised by tenuous tenure, occupational volatility, weak social capital networks, and identity fragmentation among migrant communities— all of which affect SHG formation and cohesion in ways not captured by existing rural literature.

The most directly relevant empirical study is by Yadav and Bhaskar (2025), which examined SHG impact across the Delhi NCR region and found a strong positive correlation between SHG membership and increases in income, savings, and individual agency [7]. The study explicitly identifies digital literacy, market linkage, and policy integration as residual gaps in NCR urban SHG functioning, and recommends longitudinal comparative analysis between rural and urban SHG outcomes as a priority research direction. A complementary study on migrant women workers in Delhi-NCR, employing the Sustainable Livelihood Framework (2025), found that SHGs were not accessible to the migrant population as an institutional mechanism pointing to a critical outreach failure specific to Faridabad's large migrant industrial workforce [15].

### VI. GAP ANALYSIS

The review reveals the following significant lacunae in the existing literature. These gaps collectively constitute the justification for a primary empirical study focused on Faridabad.

**Table 2: Identified Research Gaps (Compiled from Systematic Review)**

	<b>Research Gap</b>	<b>Policy / Scholarly Significance</b>
G1	No primary study exclusively focused on SHGs in Faridabad district exists in the published literature.	District-specific programme design and targeting require a baseline evidence foundation.
G2	SHG performance in urban-industrial NCR cities (Faridabad, Gurugram) remains empirically unexplored.	NCR is a high-growth, high-informality zone of national policy importance.
G3	The participation and outcomes of inter-state migrant women workers in Faridabad's SHGs are entirely undocumented.	Migrant women constitute a significant share of the city's informal female workforce.
G4	Digital financial literacy and technology adoption status of SHG members in Faridabad have not been assessed.	Post-demonetisation and post-COVID digital banking adoption is a programmatic priority under DAY-NRLM.
G5	Market linkage effectiveness for SHG enterprises in Faridabad's urban economy is unmeasured.	Urban market competition requires distinct enterprise strategies not addressed in rural SHG literature.
G6	Group dormancy and discontinuation rates in Faridabad are unknown; state average dormancy is 56.66 per cent.	Dormancy data is essential for programme reform and resource allocation.
G7	No longitudinal study tracks SHG member empowerment outcomes in any urban district of Haryana.	Cross-sectional studies cannot establish causality or assess programme durability.
G8	The post-COVID-19 disruption impact on SHG sustainability in NCR's urban context is undocumented.	Urban SHG enterprises are disproportionately demand-dependent and thus more COVID-vulnerable than rural groups.

#### VII. PROPOSED RESEARCH OBJECTIVES

The following research objectives are derived directly from the gaps identified in Section 6. A primary empirical study anchored in these objectives would generate the first district-level evidence base for SHGs in Faridabad and contribute to both scholarly literature and policy design for urban microfinance in the NCR.

1. To map the institutional landscape of SHGs operating in Faridabad district, identifying the composition of promoting agencies, programme affiliation, geographic distribution, and demographic profile of member beneficiaries.
2. To assess the financial performance of SHGs in Faridabad with reference to savings mobilisation, credit linkage, loan utilisation pattern, repayment behaviour, and group dormancy rates.
3. To evaluate socio-economic empowerment outcomes for women members of SHGs in urban and peri-urban Faridabad, with reference to income, household decision-making participation, and social capital formation.
4. To examine the level of digital financial literacy among SHG members in Faridabad and its relationship with group performance and credit linkage outcomes.
5. To identify barriers to and enablers of SHG sustainability in Faridabad's urban-industrial context, including post-COVID recovery status and the role of local promoting institutions.
6. To assess the effectiveness of market linkage mechanisms for SHG enterprises in Faridabad and their integration with the National Urban Livelihoods Mission (NULM) framework.

#### VIII. CONCLUSION

The present review establishes that the SHG literature for Faridabad district is, in substantive terms, absent. While national-level data and state-level findings from Haryana's rural districts provide a partial contextual foundation, the specific conditions of Faridabad — its urban-industrial character, large migrant workforce, NCR-driven economic dynamism, and peri-urban transitional zones — require dedicated empirical investigation. The state-level evidence is itself sobering: dormancy rates exceeding 56 per cent, marginal credit linkage in most districts, and structural design weaknesses in the NRLM implementation framework [3, 6]. Against this backdrop, the relatively high credit linkage rate of 88 per cent observed in Faridabad's NABARD data, if substantiated through primary research, could represent a model worth replicating — or it may reflect statistical limitations in the available data.

A primary study guided by the six research objectives proposed in Section 7 would address the most critical of the identified gaps: establishing a baseline, profiling the membership, assessing empowerment outcomes, and interrogating sustainability in an urban-industrial context. For the research community, such a study would contribute to the emerging literature on urban SHGs in NCR cities. For policymakers, it would provide actionable evidence for programme reform across NABARD, HSRLM, district administration, and the banking sector operating in Faridabad. For institutions engaged in community development in the region — including academic institutions affiliated with J.C. Bose University — it represents an opportunity for scholarly contribution grounded in local knowledge.

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