

Generating Self-Employment Opportunities in North-East India: Challenges Faced by the Self-Help Groups

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Abstract - The Government has put in place policies and programmes to alleviate urban poverty. Urban Local Bodies (ULBs) are the facilitators to reduce poverty in their respective areas. Urban Self-Help Groups (SHGs) aim at sustainable employment for their members. But they face many challenges during their day-to-day activities. The present study aims at identifying the issues, challenges or problems faced by SHGs in the urban areas of the State of Tripura. It relates to urban areas of Tripura, a small hilly state in the North-East India, for which 14 ULBs out of 20 have been selected from all the eight districts. Based on a sample size of 353 SHGs, the study shows that women SHG members have to face internal or organizational challenges and external ones in running SHGs having a cascading effect to their income level, which is not sufficient enough to cross the poverty line sustainably. The paper has also recommended certain solutions to the problems. **Keywords:** Challenges, Problems, Issues, Self-Help Groups (SHGs), Urban Local Bodies (ULBs)

I. INTRODUCTION

Urban SHGs are congregations of urban women of myriad of backgrounds. SHG members have to adjust with variant situation in groups. Women in urban SHGs, at the time of discharge of their activities, normally face various kinds of challenges and risks. They face challenges at home with the families, within the organizations, with banks and governments, while procuring inputs and marketing their products, giving leaderships and within the society. The prolonged operation of urban poverty programmes has made certain improvement towards employment situation through both group and individual approach. The present paper aims at analyzing the status of issues or challenges on certain parameters faced by urban SHGs and prescribing effective tools of recommendations to resolve those challenges in urban areas of Tripura State of North-East India.

A. Demographic Background, Urban Administration and Socio-economic Scenario in Tripura

Tripura, a hilly land-locked State is located in the North-Eastern Region of India. Having a total geographical area of 10491.69 sq. km. and census population of 3673,917, it has now 8 Districts, 23 Sub-Divisions, 58 Rural Development Blocks and 20 ULBs.

The Municipal Administration, established in 1874, has gradually been extended to semi-urban areas and some rural areas. (Agartala Municipal Council, 2009). The State is characterized by high rate of poverty, low per-capita

income, low capital formation, inadequate infrastructural facilities, slow progress in industrial field and high unemployment problem. Low availability of infrastructure has made the process of economic development and industrialization extremely difficult in the State. The unorganized manufacturing and service activities are dominant. The un-employment situation in the State is alarming with the rise of total job seekers to 662,756. (Directorate of Economics and Statistics Planning, 2016) Lack of suitable opportunities in Tripura have caused migration of many young people to other states for better employment, while a good number of skilled manpower from outside are found in the industrial houses indicating a demand-supply mismatch. An incremental demand for skilled manpower is witnessed in sectors like rubber, tea, construction material, civil works, food processing, financial, health, electronics, automobiles, tourism, IT & ITES, gold jewelry designing, handicraft and handloom due to skill gap. Skills in sectors having job prospects in other parts of India and skills in sectors having potential to attract industries in the state are identified. The need is to create infrastructure to train manpower in respective sectors, design scheme with reputed private/government training institutes for registered job seekers and set up a common placement cell for all. Enhancing employability of the youths and identifying core industry sectors like agro and agro-based industries, natural gas, tourism for employment should be the objectives of the state (Directorate of Industries & Commerce, 2012). SHGs formed in all 20 ULBs of Tripura under DAY-NULM are 1616. (Directorate of Urban Development Department, 2016). ULBs in Tripura largely suffer from institutional weakness, poor financial health and lack of basic physical and social infrastructure, although the State Government has been implementing many self-employment programmes. To the best of our knowledge, there has not been any study of this kind in the study area as per the model adopted by us.

B. Objectives of the Study

The present study aims at identifying issues or challenges faced by SHGs while doing different activities from time to time. Broadly, the following are the objectives of the study:

1. Identifying and analyzing internal issues of SHGs.
2. Identifying and analyzing external issues or challenges faced by SHGs.

C. Methodology of the Study

The paper relates to urban areas of Tripura in all its eight districts for which 14 ULBs have been randomly selected out of 20 ULBs. Collection of requisite information is done through structured schedules through the direct face-to-face interview, focus group discussion (FGD) and observations in the field from the randomly chosen SHGs. This paper is mainly based on the primary data, although the secondary data collected from several sources including literature review are relied upon for strengthening inferences. The sample size of the study is 353 SHGs. Out of 4099 members (98% being women) 1050 respondents have represented on the whole, which is 25.6% of the total members (3 respondents per SHG). The information collected from the above sources has been processed with the help of simple statistical tools for arriving at inferences to meet the objectives of the study.

II. LITERATURE REVIEW

There are a number of studies on challenges or issues faced by SHGs while discharging their day-to-day activities. Following readings have contributed to gather some ideas.

As most of the activities carried out by SHGs are home-based and not by choice but by force of circumstances, security of housing tenure is an important issue, especially for urban micro entrepreneurs and again as these being informal groups, accessing linkages with the formal sector is a challenge. (Chua, 1996). The poverty is not a personal issue due to laziness or lack of intelligence, but it is a structural one due to lack of capital. The solution is linking their work to capital to enable them to accumulate an economic cushion. (Jolis, 1996)

The study conducted in the region of high poverty (in 9 states including North-East Indian States of Assam and Tripura) reflects that the quality of access to institutional credit ought to be greatly improved through removal of constraints on supply and demand sides. Bankers' usual perception that the ultra-poor not bankable should be corrected (supply side). The demand side challenges might be removed through systematic documentation of the individual borrowers' history and capacity building through training, skill and entrepreneurial development. However, banks had severe understaffing; many non-conversant officials with programme guidelines and RBI circulars; varying interest rates on the loans including subsidy and reportedly limited the loan size. (Purushotham, 2009)

It was demonstrated that there had been no risk to the process of financing the poor and banks could do better by extending credit to the poor, who paid their loans back rather than to the rich people, who did not. (Yunus, 2005)

The Study Report on some districts of Gujarat, Andhra Pradesh and Chhattisgarh in India finds that except for first two states, line departments' cooperation on effective convergence is low, funding pattern is not just transparent,

delays in the funds passing from the Governments and banks shirk responsibility for SHGs. Banks are not involved at all stages right from choosing the beneficiaries, unfortunately no authority can question banks for such an act. Defects in the BPL lists need to be removed as criteria for identifying the poor are sufficiently vague and elastic to leave a room for politicization and manipulations. (Planning Commission, 2008),

The crucial issue faced by any microfinance programme is the imperfect information available on poor customers reducing their creditworthiness, which can be tackled by using social capital effectively by using SHG members' knowledge about each other, peer pressure and enforcement reducing transaction costs. (Prema, 2010)

The study in Haryana State of India reveals some issues like SHGs not able to increase their incomes because they have poor quality of assets, insufficient working capital for managing enterprises, losing wages for meeting official requirements, SHG members' idea that the government is responsible to look after them, SHGs not having the right kind of attitudes and skills for managing their enterprises and SHGs not involved in planning and executing the programme. (Technical Assistance Team of Haryana, 2003).

Financial issues and other major problems faced by women entrepreneurs in India include gender biasness. Countries like Britain and Canada show that females own one third of the business in the society and they enjoy much more freedom as compared to females in emerging economies. Some basic problems still jolting on women entrepreneurship include stiff competition from male establishments, shortage of raw materials, family conflicts and legal awareness, low risk-taking ability and requirement of entrepreneurial training and availability of credit facilities for females. Generally banks fail to recognize women entrepreneurial aptitude and do not want to take a chance for financing them. (Raj, 2014).

In the study in both rural and urban areas in Kanyakumari district of Tamilnadu to the promotion of entrepreneurship and economic empowerment of women poses a challenge to the government, funding agencies and NGOs. Majority of the urban women entrepreneurs face many challenges like financial, personal, competition, marketing, social, managerial, lack of mobility, technological, lack of legal knowledge, educational and accounting. Solutions are that women entrepreneurs need proper training institutes for enhancing their level of working knowledge, skills, risk-taking capabilities, practical experience, personality development and mobilizing resource. Women education contributes to a great extent to the social transformation. (Sivanesan, 2014)

The Research study conducted by the National Commission for Women of India examines the effectiveness of women SHGs in the promotion of micro enterprises in Rajasthan and Tamil Nadu and points out a number of operational problems still being faced by SHGs due to incorrect interpretation of RBI instructions, such as impounding of

deposits and insistence on collateral for loans, insistence on Income Tax PAN or alternative declarations with specified proofs like ration card and minimum balances even for opening of Savings Bank account. The biggest issue is the simultaneous development of investment potential and improvement of skill levels of the borrowers. (National Commission for Women, 2004)

III. CHALLENGES/ISSUES CONFRONTED BY SHGS

This Section of the Paper highlights challenges/issues faced by SHGs in urban areas in their day-to-day functioning and possible solutions against those. Both internal and external challenges of SHGs have been assessed based on the responses of SHG respondents.

A. Internal or Organizational Challenges or Issues faced by SHGs

Parameters have been framed in the form of questionnaire to find out responses in regard to challenges/issues on skill development, savings, organizing group meetings, maintenance of records and leadership, which exclusively depend upon the SHG organization and its internal group dynamics. Field data collected on these indicators have been processed and presented in the Table 1. Of the 6 parameters analyzed, 'inadequate skill development' is the major challenge, because about 70% of the SHGs have endorsed their positive responses to this issue. 80% to 100% of SHGs in Dharmanagar, Kailashahar, Belonia Municipal Councils

(MC), Kamalpur, Santirbazar and Sabroom Nagar Panchayats (NP) have responded positively to this issue, implying that there is much scope to provide adequate skill development training to SHGs in consonance with the market or industry demand so that sustainable increased income of SHGs is ensured, otherwise the incentive to remain as SHG members will be defeated. The Urban Development Department, ULBs and bankers should conduct market survey and research for linking the markets for selling the products of SHGs. 40.5% of the SHGs interviewed supported that 'Organizing Group Meetings' is a challenge. ULB-wise this is high in Teliamura MC (69% of SHG responses) and in Sabroom (66.7% of SHG responses). Focus group discussion (FGD) reveals that factors like lack of cohesion, resistance from the families of SHG members (being women) for attending meetings, lack of transparency and indiscipline have added to the issue. It is recommended for re-training for giving positive motivation or removal of errant leaders/members. 'Inducing Regular Savings' is another important issue as endorsed by 34% of the SHGs and in particular 75.86% of the SHGs in Teliamura MC and 50% of the SHGs in Belonia MC. Although the issue is considered not alarming in the study area and internal to the SHGs, yet regular organized saving should be induced by the office-bearers from their members to enhance the internal capital fund availability, financial viability, financial discipline, observance of the code of ethics of SHGs and thereby helps obtaining bank credit (external credit).

TABLE I ORGANIZATIONAL ISSUES OF SHGS

S. No.	Name of the District / Name of the ULB		No. of SHGs	Inadequate Skill Development		Augmenting Savings		Inducing regular Savings		Organizing Group Meeting		Record/Accounts Keeping		Leadership	
				No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	North Tripura	Dharmanagar	10	9	90.00	3	30.00	3	30.00	3	30.00	3	30.00	4	40.00
2	Unokoti	Kumarghat	23	9	39.13	11	47.83	9	39.13	8	34.78	8	34.78	8	34.78
		Kailashahar	23	21	91.30	14	60.87	11	47.83	10	43.48	11	47.83	16	69.57
3	Dhalai	Kamalpur	14	12	85.71	3	21.43	5	35.71	6	42.86	4	28.57	5	35.71
4	Khowai	Teliamura	29	20	68.97	22	75.86	22	75.86	20	68.97	20	68.97	19	65.52
5	West Tripura	AMC	114	90	78.95	23	20.18	24	21.05	38	33.33	24	21.05	50	43.86
		Ranirbazar	41	18	43.90	10	24.39	9	21.95	15	36.59	9	21.95	17	41.46
6	Sepahijala	Bishalgarh	10	5	50.00	1	10.00	2	20.00	5	50.00	1	10.00	5	50.00
		Sonamura	9	3	33.33	4	44.44	3	33.33	4	44.44	5	55.56	6	66.67
7	Gomati	Amarpur	14	8	57.14	3	21.43	5	35.71	5	35.71	8	57.14	8	57.14
		Udaipur	35	21	60.00	14	40.00	12	34.29	13	37.14	10	28.57	16	45.71
8	South Tripura	Belonia	10	9	90.00	3	30.00	5	50.00	4	40.00	5	50.00	5	50.00
		Santirbazar	6	6	100.00	1	16.67	3	50.00	2	33.33	2	33.33	4	66.67
		Sabroom	15	15	100.00	6	40.00	7	46.67	10	66.67	5	33.33	8	53.33
Total			353	246	69.69	118	33.43	120	33.99	143	40.51	115	32.58	171	48.44

Source: Field Data Processed

Overall 33.4% of the SHGs interviewed have stated that “Augmenting Saving” is a challenge and similarly ULB-wise 75.86% of the SHGs in Teliamura MC and 60.87% in Kailashahar MC have endorsed the same as a major challenge. Augmenting Savings helps increase internal resources for lending among SHG members. In our finding in a separate study in the same study area, average saving per month per SHG member has been Rs.103, which is double that of initial saving of Rs.52 rate and the average group saving is Rs.53,772.00, indicating thereby that savings have been augmented. However, augmenting savings has been a challenge as not all members do contribute towards savings regularly and hence potential of SHGs should be explored for which corrective steps should be taken by all the ULBs of the State.

‘Record/Accounts Keeping’ for the groups is one of the important pre-conditions to become eligible for ‘revolving fund’ under SJSRY, now called ‘seed money’ under DAY-NULM, subsidy and bank credit. From the Table I clearly 33% of the sample SHGs interviewed and ULB-wise in Teliamura MC (69% of SHGs), Amarpur NP (57% of SHGs) and Sonamura NP (56% of SHGs) have responded that maintaining records/accounts is an issue faced by SHGs. FGD reveals that majority of office-bearers of SHGs are not educated enough or training has not been effective

for record keeping of SHGs and in fact, in many cases these are maintained by third parties. Overall 48.44% of SHGs have responded that leadership is an issue in the study areas of Tripura and it is the 2nd most problem faced by SHGs. The problem is acute in Kailashahar MC, Teliamura MC, Sonamura NP, Amarpur NP, Santirbazar NP and Sabroom NP, where more than 50% SHGs have revealed their responses.

B. External Challenges faced by SHGs

Main external challenges faced by SHGs relate to banking services in the matter of getting loans from banks, non-cooperation by banks, loan instalment release, conduct of bank officials with the SHG office-bearers, sanctioning of loan amount, non-support from ULBs and Government officials. The present study tries to reveal the perceptions of SHGs on Issues/Challenges.

1. *External Challenges arising out of Non-supportive Attitude to SHGs:* Parameters have been framed in the form of questionnaire to find out ‘positive’ and ‘negative’ responses in regard to getting bank loans, non-cooperation by banks, non-support from ULBs and non-support from Government officials. Only the positive responses of SHGs are detailed in the Table II.

TABLE II EXTERNAL CHALLENGES FACED BY SHGS DUE TO NON-SUPPORTIVE ATTITUDE

S.No.	Name of the District / Name of the ULB		No. of SHGs	Getting Loan from Banks		Non-Cooperation by Banks: Bank officials not paying attention when approached		Non-Support from ULBs		Non-Support from Govt. Officials	
				No.	%	No.	%	No.	%	No.	%
1	North Tripura	Dharmanagar	10	4	40	3	30	4	40	2	20
2	Unokoti	Kumarghat	23	14	60.9	7	30.43	5	21.74	2	8.696
		Kailashahar	23	18	78.3	9	39.13	8	34.78	2	8.696
3	Dhalai	Kamalpur	14	4	28.6	3	21.43	1	7.143	3	21.43
4	Khowai	Teliamura	29	22	75.9	14	48.28	14	48.28	10	34.48
5	West Tripura	AMC	114	39	34.2	42	36.84	31	27.19	22	19.3
		Ranirbazar	41	15	36.6	15	36.59	9	21.95	13	31.71
6	Sepahijala	Bishalgarh	10	6	60	5	50	2	20	2	20
		Sonamura	9	2	22.2	6	66.67	0	0	2	22.22
7	Gomati	Amarpur	14	6	42.9	4	28.57	4	28.57	4	28.57
		Udaipur	35	21	60	15	42.86	7	20	5	14.29
8	South Tripura	Belonia	10	6	60	7	70	0	0	2	20
		Santirbazar	6	4	66.7	1	16.67	3	50	0	0
		Sabroom	15	7	46.7	4	26.67	1	6.667	3	20
Total			353	168	47.6	135	38.24	89	25.21	72	20.4

Source: Field Data Processed

Of the 4 issues mentioned in the Table II, “Getting Loan from banks” is the most important as 47.6% of SHGs have endorsed in favour of this issue and 60% to 70% of SHGs of MCs in Kumarghat, Kailashahar, Teliamura, Bishalgarh, Udaipur, Belonia and Santirbazar NP have endorsed this

issue as acute. FGD reflects that bankers are reluctant to finance SHGs due to their perception that SHG members are poor and bad experience of recovery in the past. The 2nd most external important issue faced by SHGs is ‘Non-cooperation by banks’ in the sense that ‘bank officials do

not pay attention when approached by SHGs' because overall 38.2% of SHGs have endorsed their responses in favour of this issue. The 3rd important external challenge faced by SHGs is "non-support from ULBs", as 25.21% of SHGs have posed this as a challenge and this challenge is more acute in Dharmanagar MC, Teliamura MC and Kailashahar MC. It is unexpected, because ULBs are the main stakeholders for implementation of Government programmes. As for the 4th important challenge, 24.4% of the SHGs have aired their views that there has been non-support from Government officials in the matter of SHGs activities. ULB-wise the problem is felt the most in Teliamura MC (34.5% of SHGs responded positive), Ranirbazar MC (31.7% of SHGs) and Amarpur NP (28.6% of SHGs).

2. External Challenges faced by SHGs Vis-à-vis Banking Services: Major challenges faced by SHGs relating to banking services are: release of subsidy to SHGs, loan instalment payments/release, sanction of loan amount etc. SHG office bearers/members, while interviewed, have been put to a question: "Are you satisfied with the banking services"? 51.8% of total SHGs responded 'Yes.' Negative responses, i.e., 48% of SHGs not satisfied with the banking services, have been categorized into 7 possible indicators

(as reasons). The question, the responses, reasons for not being satisfied with banking services, as revealed by the SHG respondents, are tabulated and depicted in the Table III. It may be noted that the reasons for not being satisfied with banking services are multiple and overlapping. From the Table 3, ULB-wise overall dissatisfaction by SHGs over the banking services is noticed in case of Udaipur (69% of negative responses). Dissatisfaction because of 'subsidy not released by banks on time' is the highest in Belonia MC (75% of negative responses), whereas overall dissatisfaction is only responded by 29% of SHGs. The overall dissatisfaction over 'subsidy is adjusted against loan repayment' has been 16% of SHGs, the highest level of dissatisfaction being in Santirbazar MC (100% of SHGs negatively responded) followed by Kamalpur NP (75%). On the indicator 'loan instalments not released on time', the highest responses have been in Bishalgarh (67% of the SHGs), whereas the overall dissatisfaction is 32%. Overall 16% responses have been on the indicator "Loan instalments adjusted against repayment" and ULB-wise the highest responses have been in Kamalpur NP (75%), Belonia MC and Sabroom NP, whereas "0" responses are against the indicator in case of Kailashahar MC, Sonamura NP and Udaipur MC.

TABLE III "ARE YOU SATISFIED WITH BANKING SERVICES"? NEGATIVE RESPONSES ANALYZED WITH REASONS

Sl. No.	Name of the District / Name of the ULB		No. of SHGs	No. of 'Yes'/'No'				Bank does not release subsidy on time		Subsidy is adjusted against Loan Repayment		Loan instalments not released on time		Loan instalments adjusted against Repayment		Loan amount inadequate to meet requirement		Delay in Sanction of Loan Amount		Subsidy is released after disbursement of loan money	
				Yes		No															
				No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	North Tripura	Dharmanagar	10	4	40	6	60	2	33	1	17	3	50	1	17	1	17	0	0	0	0
2	Unokoti	Kumarghat	23	12	52.17	11	48	0	0	0	0	5	45	2	18	1	9	2	18	0	0
		Kailashahar	23	14	60.87	9	39	3	33	1	11	4	44	0	0	0	0	1	11	1	11.1
3	Dhalai	Kamalpur	14	10	71.43	4	29	1	25	3	75	0	0	3	75	4	100	3	75	2	50
4	Khowai	Teliamura	29	12	41.38	17	59	0	0	4	24	2	12	1	6	2	12	0	0	0	0
5	West Tripura	AMC	114	65	57.02	49	43	22	45	3	6	17	35	5	10	16	33	19	39	5	10.2
		Ranirbazar	41	27	65.85	14	34	4	29	0	0	9	64	1	7	7	50	0	0	1	7.14
6	Sepahijala	Bishalgarh	10	4	40	6	60	0	0	1	17	4	67	2	33	2	33	3	50	0	0
		Sonamura	9	4	44.44	5	56	1	20	3	60	0	0	0	0	2	40	0	0	1	20
7	Gomati	Amarpur	14	5	35.71	9	64	3	33	0	0	5	56	2	22	1	11	1	11	2	22.2
		Udaipur	35	11	31.43	24	69	9	38	6	25	1	4	0	0	7	29	0	0	0	0
8	South Tripura	Belonia	10	6	60	4	40	3	75	1	25	0	0	3	75	0	0	2	50	3	75
		Santirbazar	6	3	50	3	50	0	0	3	100	1	33	1	33	3	100	1	33	2	66.7
		Sabroom	15	6	40	9	60	1	11	2	22	3	33	6	67	1	11	2	22	0	0
Total			353	183	51.8	170	48.2	49	29	28	16	54	32	27	16	47	28	34	20	17	10

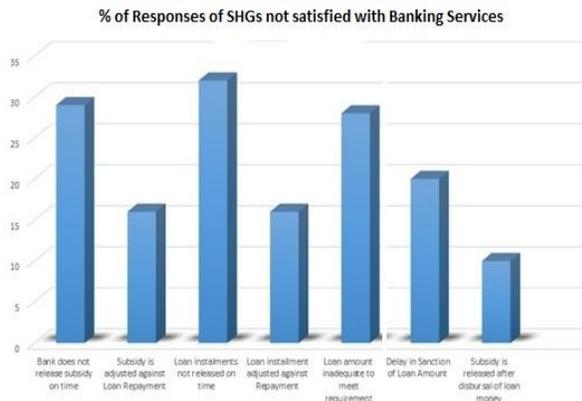
Source: Field Survey Data Processed

Over the indicator "Loan amount inadequate to meet requirement," 100% dissatisfaction has been expressed by SHGs of Kamalpur NP and Santirbazar NP and 50% by SHGs of Ranirbazar against the overall 28% of SHGs. In case of the indicator, "Delay in sanction of loan amount" overall 20% of SHGs have supported in favour, the highest

level being by 75% SHGs in Kamalpur NP, whereas '0' level dissatisfaction is expressed by SHGs of 5 ULBs. On the indicator "subsidy is released after disbursement of loan money", which should have been the reverse as per norms, the level of dissatisfaction with the banking services are expressed by 10% of SHGs. Thus, there has been

dissatisfaction over the services of banks expected by SHGs from the perceptions of the SHGs in the 14 ULBs studied in Tripura.

The level of dissatisfaction of SHGs vis-à-vis Banking services on 7 parameters has been depicted in the bar diagram in the Figure 1. Thus, from the Figure 1, clearly ‘loan instalments not released on time by banks’, ‘bank does not release subsidy amount on time’ and ‘loan amount inadequate to meet requirement’ are the most important external challenges faced by SHGs amongst the 7 parameters on which banking services expected to be delivered to SHGs as per the scheme of the DAY-NULM or SJSRY (old scheme). This necessitates positive attitudinal changes of bankers.



Source: Based on Table III

Fig. 1% of Responses of SHGs not satisfied with Banking Services

IV. FINDINGS AND RECOMMENDATIONS

From the analysis made above, the following are the findings of the Study:

1. Of the six internal challenges, skill development not being adequate is the major challenge faced by SHGs because about 70% of the SHGs interviewed endorsed their responses in favour of this issue, followed by leadership as 48.44% of SHGs have endorsed their responses for this. Organizing group meetings, inducing regular savings, augmenting saving and record/accounts keeping for the groups are also important challenges. It is no wonder that about 60% of the SHGs’ books of accounts have either not been kept up-to-date or had incomplete postings, as groups don’t have trained persons to keep their books of records/accounts
2. External challenges arising out of non-supportive attitude to SHGs include four –not getting loan from banks faced by 47.6% of SHGs; non-cooperation by banks in the sense that bank officials do not pay attention when approached by SHGs; non-support from ULBs and Government officials.
3. Externally, 48.2% of the SHG respondents have expressed their dissatisfaction with the banking services, which is alarming. Loan instalments not released on time by banks, bank does not release subsidy amount on time, loan amount inadequate to

meet requirement, subsidy is adjusted against loan repayment, loan instalments adjusted against subsidy, subsidy is released after disbursement of loan money repayment and delay in sanction of loan amount are the 7 most important external challenges faced by SHGs.

4. The UDD, concerned line department officials and ULBs could not provide the required infrastructure, backward and forward linkages, technology and market support to SHGs due to which SHGs have been deprived from opting for viable livelihood activities enabling them to cross the poverty line.
5. Existing SHG leaders are reluctant to withdraw from their position due to their vested interests and second line leadership seems difficult as most of the members are unwilling to take up managerial responsibilities.
6. SHGs usually have to carry out home-based activities for which they do not have security of housing tenure and land tenure and many SHGs face scarcity of land and buildings or accommodations for doing their business.
7. Poverty is a structural one due to lack of capital and the existing financial institutional system does not allow the poor to save and invest in improving themselves financially. The quality of access to institutional credit for SHGs is greatly constrained by supply and demand side management.

It is recommended that

1. The UDD and ULBs in coordination with banks should take corrective steps for enhancing the capacity of SHGs and identification of the sustainable income generating opportunities through skill development, otherwise interest of SHGs and the incentive to remain as members of SHGs will be defeated. They should conduct market research to select marketing opportunities and linkages for selling the SHG products.
2. Regrouping of interested members by removal of existing errant and incompetent leaders/members of SHG should be done and second line leadership willing to take up managerial responsibilities needs to be developed through training and motivation on management and leadership. Disciplined, sincere and transparent office-bearers should be encouraged and given recognition among SHGs.
3. Continual of regular savings habits and augmenting savings by SHG members required for the internal financial strength and viability of SHGs, regular updation of SHG accounts and other records being the pre-condition of getting bank credit by SHGs, ULBs should organize proper handholding training for SHG members by Community Organizers of ULBs.
4. In order to sustain proper SHG-bank linkage, officials of bank branches and ULB officials/public representatives should be adequately educated and motivated to bring about perceptual and positive attitudinal changes in them so that they should know how to positively cooperate and support SHGs for

implementation of the DAY-NULM. Bank officers should be associated with and made responsible for selection of beneficiaries, trades, implementation SHG project, visiting during pre-formation and post-formation stages of SHGs and grooming banks as SHG Promoting Institutions.

5. For the ease of doing business the Government and ULBs should ensure providing land and buildings on lease basis to SHGs for a term of 3 years. To supplement the role of the Government/ULBs, setting up of trained community structures or NGOs should be encouraged. These structures will enhance organizational strength, bring in social capital building among SHG members and resolve many socio-economic development issues of SHGs.
6. Continual education, training and capacity building of SHGs and other stakeholders with up-dation of knowledge and imparting high quality professional skills will resolve many challenges including raising of the productivity of urban SHGs. Effective and quality skill acquisition leading to entrepreneurship development should be arranged with specialized institutions. Customized designed curriculum inputs should be prepared after a comprehensive training need assessment of SHGs.
7. With appropriate technology inputs intervention, employment potential of local resources should be enhanced and value addition should be created by processing locally available material for the local and non-local market. Promotion of marketing of the goods produced by SHGs should be made by organizing exhibitions/fairs at different levels by development of markets, accessing market intelligence, consultancy services and institutional arrangement for marketing of the goods including exports.
8. Since poverty is a structural one due to lack of capital, appropriate SHG-bank linkage should be developed so that the existing financial institutions should allow the poor to save and invest with adequate credit facilities for uplifting the urban poor SHGs. Thus, the quality of access to institutional credit ought to be greatly

improved through removal of constraints on supply and demand sides. The micro-credit intervention should be an effective, hassle-free and customer-friendly SHG-bank linkage.

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