

Entrepreneurship: A study on different socio economic challenges faced by Dalit Enterprises

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Abstract

Dalit in India is a powerful segment in terms of population, vote bank and workforce but in business is very rare due to social structure of the country which depresses these people whenever they come up in life. Development of economy of any nation depends primarily on the important role played by entrepreneurs. Dalit entrepreneurs are the persons belonging to dalit community who initiate, organize and operate a business enterprise. In order to eradicate the caste disease step-by-step, the State is called upon to play an active role in the process by provision of economic support through loans and regulation of markets to Dalit, the emphasis is on development of entrepreneurial culture that can enable Dalits to participate in the private sector and informal economy on equal term. In spite of the earnest and consecutive efforts by the governments, the share of Dalits in firm ownership and employment generation has not been up to the mark. The result of various researches depicts that lack of finance, marketing opportunity, low profit, inadequate credit facility, cut-throat competition are the major barriers faced by the dalit entrepreneurs.

A dalit can become an entrepreneur is still challengeable in the modern day society, due to the social system of the country. From origin itself dalits are oppressed by upper caste people through socio-religious sentiments. The Government of India for the first time, provided for notification of socially disadvantaged castes as 'scheduled caste' and a list of such castes was accordingly notified in the Government of India. Thus the scheduled castes category initially comprised castes that were isolated and disadvantaged. While it is significant that there is now an emerging section of Dalit entrepreneurs, we find that most Dalit businesses occupy a very different place in the production chain, viz., that they are engaged in the bottom-of-the-ladder, low productivity, survival activities, as can be seen from our estimates of their lower rate of growth, after controlling for other characteristics. Thus, we find that entrepreneurship as a vehicle for social mobility for Dalits is yet to become a reality for India.

It is believed that "Dalit Capitalism" will help dalits rise to the top of the social pyramid, and pave the way for the end of the caste system. We believe that in order to understand the spread of "Dalit Capitalism", it is not enough to focus on the top-end of dalit businesses, but instead to investigate the extent and spread of dalit participation in small businesses, which more accurately reflect the material conditions of millions of dalits not in wage employment. In India dalit have made a comparatively late entry into business scenario

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mainly due to the orthodox and traditional socio-cultural environment. Dalits lacked economic resources, but even when they had economic resources they were crippled by a lack of social resources. However, even though it is true across the entire spectrum of Dalits, it varied quite significantly across different caste communities.

Keywords: Dalit Entrepreneurs, Dalit, Domination, Entrepreneur, social structure

1. INTRODUCTION

Development of economy of any country depends primarily on the magnificent role played by entrepreneurs. Under the new establishment of 1970s, the state starts to withdraw from its direct engagement with the economy, with this rule the individual enterprise was allowed and encouraged to expand their area and interest of economic activity. The establishment was not in terms of growth rates and profit but also there was an ideological shift. After this the socialist rhetoric which was based on Nehruvian Ideas lost its importance. The core policy of state was to provide quotas and reservations for SC and STs in government sector jobs and state funded educational institutions. Liberalization had its negative impacts on India's higher education which results to restiveness among a section of Dalits. Later, in the year 2004, when the United Progressive Alliance (UPA) came into power proposed extension of the reservation system of SCs and STs to the private sector. Though the State is called upon to have an active role in the process of economic development through loans and regulation of markets, the emphasis is on development of entrepreneurial culture that can enable Dalits to participate in the private sector and informal economy on equal terms, however Dalits are not only poor, they also face discrimination in the labour market³.

Emphasizing on the relationship between Dalits and entrepreneurship, there are two basic issues which have to be analyzed for the rapid economic growth. A narrative that the rich have benefited more than the poor, the towns and cities more than the villages, and the upper castes more than the lower castes has acquired salience in several quarters, there is also some concern that levels of entrepreneurship in India lag behind other countries with similar income levels.⁴

The other narrative relates to an imperative new discourse in dalit politics, which focus on the need for "dalit entrepreneurs", a category noticeable by its absence in India's business history, this description has its philosophical and political roots. Getting together in Bhopal, Madhya Pradesh, under the sponsorship of Digvijay Singh, the then chief minister of the state, some leading dalit intellectuals argued that "the imagination of the post-Ambedkar dalit movement has been shackled...within the discourse of reservations"⁵.

³ Surinder S. Jodhka, "Dalits in Business: Self-Employed Scheduled Castes in Northwest India", Working Paper Series Indian Institute of Dalit Studies New Delhi 2010, available at: <http://www.dalitstudies.org.in/wp/1002.pdf> (Visited on 20 Mach, 2015).

⁴ Lakshmi Iyer, Tarun Khanna, & Ashutosh Varshney, "Caste and Entrepreneurship in India", XV6 *EPW*, February 9, 2013, available at: http://wcfia.harvard.edu/files/wcfia/files/caste_and_entrepreneurship_in_india.pdf (Visited on 20 Mach, 2015).

⁵ *Ibid* at Nigam 2002: 1190

The differences in entrepreneurship are not appreciably correlated to demographic or economic distinctiveness such as literacy rates or the proportion of the population engaged in farming or levels of secondary schooling. There is a positive assertion that we need to examine more nuanced hypotheses to understand the reasons behind the observed facts.⁶ These SCs and STs were given access to confirmatory action policies at the domestic level only in the 1990s, though the reservation benefits given to them in education and government employment at the local level in the late 1950s and near the beginning 1960s in southern India. By 2005, their share in enterprise ownership and employment generation was very much in line with their population share, having risen significantly since the 1998 wave of the economic census.⁷ Questioning the adequacy of reservations for dalit welfare in contemporary India, these intellectuals articulated an important challenge faced by the dalit community in India's rapidly growing economy.⁸ With this background this particular issue is an untouched one, where no one is much bother about a Dalit nad his enterprises, with an exception that a dalit carries to local self system to his place and provides employment to thousands peoples.

2. OBJECTIVES⁹

1. To analyze the dalit entrepreneurs (DEs).
2. To identify the problems faced by Dalit Entrepreneurs.
3. To discuss the importance of woman entrepreneurs.
4. To provide valuable suggestions and conclusion on the basis of the analysis

3. DALIT ENTREPRENEURS (DEs)

Hinduism appeared to be a simple demographic identity and not really an issue of faith or passion. There was hardly anyone who seemed excited or proud while reporting their religion as Hinduism. "You could write Hinduism, if you must" or "we are Dalits, but we are clubbed with Hindus" were some of the typical answers. Some of them were even more vocal in expressing their annoyance at being classified as Hindus¹⁰. Self-employment is also hypothetically conferred to autonomy (what, when, how, and where to produce) and economic freedom (scale of operations, partnerships at various levels etc.). In actuality it is the last resort to become an entrepreneur where in the larger part of self-employment in developing countries reproduces low-productivity, survival activity; with a consequence, individuals who fail to get regular jobs. And picture becomes more complex when it comes to a Dalit being entrepreneur. Even DICCI focuses on entrepreneurship, as it believes that "Dalit Capitalism" will help Dalits rise to the top of the social pyramid,

⁶ *Supra* note 4

⁷ *Ibid*

⁸ *Ibid*

⁹ R. Saravanan & Dr. P. Srihar, "Challenges to Dalit Entrepreneurs in Paramakudi town", III, Issue I, January 2015 [71], available at: <http://scholarsworld.net/english/wp-content/uploads/2015/01/Paper-9.pdf> (Visited on 20 Mach, 2015).

¹⁰ *Supra* note 3

and will pave the way for the end of the caste system.¹¹ The extensive history of engagement with the question of obliteration of caste is indication to how vexed this question is, with no specific and satisfactory answer. We believe that in order to understand the spread of “Dalit Capitalism” it is not enough to focus on the top end of Dalit businesses (the Dalit billionaires), but instead, to investigate the extent and spread of Dalit participation in small businesses, which more accurately reflects the material conditions of millions of Dalits who are not in wage employment¹².

3.1 Under Representation of Dalits and Enterprise Ownership

The representation of Scheduled Castes counted for 16.4% of India’s population in 2001, but owned only 9.8 % of all enterprises in 2005 which employed 8.1% of all non-farm workers.¹³ However, there is no universally accepted definition of entrepreneurship and in future work, we will investigate alternative measures. A similar pattern of under-representation is observed for Scheduled Tribes, whose members constituted 7.7% of the nation’s population but owned only 3.7% of non-farm enterprises, employing 3.4% of the non-farm workforce.¹⁴

The stigma of being untouchable has traditionally kept Dalits away of food-related industries. The proportion of Scheduled caste-owned firms in food foodstuffs and beverages is drastically lower than the national standard, and that of all other caste groups. However, over the time, this proportion has increased; and is increasing both in rural and urban areas. But this proportion is lesser in urban areas compared to rural one. To the extent that Dalit participation in leather and exclusion from food are indicators of traditional caste practices, we find some evidence of loosening of these ties, but find that these practices more strongly entrenched in urban compared to rural areas, which is an enigma.¹⁵ However, the participation matters a lot for the overall development of any caste or religion, so do the same in the picture of Dalits, they need more representation and more participation for their industrial growth.

3.2 The lack of Education and Training

The next reason would be lack of basic resources i.e. education and training. The level of literacy amongst male is 68 per cent and female is 90 per cent. There was only one *Balmiki* respondent who reported being completely illiterate. Nearly 30 per cent of them have gone to college or university for a degree (B.A. and above). Another 31 per cent had successfully completed their school up to class 10 or 12. Interestingly, there were no significant variations across caste groups in the level and nature of education among our respondents.¹⁶ Approximately half of them also reported that they obtained the technical and industrial skills

¹¹ Ashwini Deshpande and Smriti Sharma, “Entrepreneurship or Survival? Caste and Gender of Small business in India”, available at: <http://www.cdedse.org/pdf/work228.pdf> (Visited on 20 Mach, 2015).

¹² *Ibid*

¹³ *Supra* note 3

¹⁴ *Supra* note 4

¹⁵ *Supra* note 11

¹⁶ *Supra* note 3

required for the enterprise or business by working with someone who was already into or in a similar business that they are running informally. Around 12 per cent reported that they were into a business where they could use their inherited skills. These were mostly the ones who were in leather related businesses. Only around 14 per cent had acquired the skills they were using in running their businesses, formally, through a university degree/diploma¹⁷.

For any successful business training and skills are paramount and thereto education played a positive role with towards individuals.

3.3 Size and Growth

Quality comes from quantity is one of the famous quote which means that even quantity counts for quality. As everyone know that majority of the Dalit enterprises are small in size and it run mostly (96 percent) as self-proprietorships and invariably as an informal establishment. In practically half of the entrepreneurs have buildings from where the business can be carried out however, an equal number of them had rented the space. Occasionally they would have to take help from their members of the family; otherwise they hired labour at different incidents ranging from one to forty or even more.

4. NEED AND IMPORTANCE OF WOMEN ENTREPRENEURS¹⁸

The contribution of women in economic activities as self-employed folks is very important. Numerous of the traditional professions, open to females were mainly based on caste, faith and the nature of service according to their standard of living. At the moment, women are producing service for themselves in an unorganized division and an additional category of women who make available employment for others. The economic position of the womenfolk is now acknowledged as a sign of a society's phase of development and consequently it converts vital for the Government to frame guidelines for growth of entrepreneurship amongst women. The notion of emerging women entrepreneurship lays stress on the creative application of women labor force to create income and productivity. The program for evolving women entrepreneur would make an impression to lessen poverty.

4.1 DEVELOPMENT OF DALIT WOMEN ENTREPRENEURS

The dalit women businesspersons are typically the ones who set up small enterprises to withstand themselves and their folks. They have entrenched need for wisdom of individuality besides a wish to do something significant and to have their own individuality instead of lasting in a closet behind their spouse's sign. The major issues persuading dalit women entrepreneurs are monetary independence, individuality, achievement of brilliance, confidence, gaining risk-taking skill and motivation, equivalent position in society and superior freedom and flexibility.

¹⁷ *Supra* note 3

¹⁸ Dr. Annapoorni, "Prospects and challenges of Women entrepreneurship with specific reference to dalits", 4 (1), *IJRCM*, (2013), available at: http://jrcm-1-vol-4_issue-1-art-11.pdf, (Visited on 20 Mach, 2015).

To start an enterprise is not a stress-free task for women entrepreneurs in India. At the similar time successively function the enterprise is a bigger task. A challenge is constantly there for women entrepreneurs to track their enterprise effectively, getting profit and guaranteeing the development of the enterprises which will relentlessly test their entrepreneurial skill and subsistence of the unit. Regardless of various odds in contradiction of them, numerous women have started to run their own enterprise.

In India, researches had been restricted to study involving to the visions and tasks of dalit women entrepreneurs for examining the reasons and difficulties of women entrepreneurs. Consequently prospects and tasks of dalit women entrepreneurship was expressed to recognize the socio economic outline of Dalit women business persons, chief restraints faced by the Dalit womenfolk entrepreneurs and to highlight the chief motivational issues for Dalit women entrepreneurs.

5 RECOMMENDATIONS

Being a Dalit entrepreneur in India is still extremely challengeable because of the social system of our country. Through education and awareness, a few dalits, if want to start some trade of their own, the culture and organized structure are chief hindrances in all aspects.

For good growth of Dalit enterprises many strategies are required to be evolved to suit numerous situations in different communities and sections. Suggestive measures to resolve the difficulties confronted by dalits and for functioning of their initiative smoothly are:

1. Provisions of appropriate technical training to Dalit;
2. Refined youth of Dalit community should be encouraged to partake in the entrepreneurial Development program and to turn into entrepreneurs
3. Enhancement of identification machinery of new enterprise;
4. Support in project creation;
5. Forming consciousness of various credit services, financial enticement and subsidies according to the size of business and proceeds earning capacity;
6. Suitable follow-up and maintenance to the enterprises;
7. Enterprises research from time to time have to be acknowledged; and
8. Efforts by the Government to arrange for access to information.

There is a requirement for multi-dimensional approach from dissimilar sector, specifically from the Government side, financial organizations, distinct entrepreneurs and several more, for a springy integrated and harmonized specific method.

The constant and synchronized effort from all magnitudes would lay concrete on the way for the dalit, moving into entrepreneurial action. It improves the social and financial growth of the family members and in that way gain fairness and equal reputation for themselves.¹⁹

¹⁹ *Supra* note 9.

Government has applied various structures and programs to indorse the dalit entrepreneurs. But the achievement is not inspiring. Government, financial establishments and representatives have not enthusiastically encouraged the dalit entrepreneurship; henceforth there is a necessity of a thorough homework on the application of the structures to know the status of recipients in our country.

6. CONCLUSION

The foremost factor in emerging entrepreneurship amongst alit is not on footings of organization or financial support or classifying an enterprise, but is a matter of clearing the reasons for their association into entrepreneurship. Since long, they have been restricted to a inferior role however there are numerous factors contributing to the occurrence of dalit as entrepreneurs. The continued and harmonized struggle from all magnitudes would pave the way for dalit moving into entrepreneurial activity.²⁰

Entrepreneurship is the only way to improve the sustainable development of the country which brings fruitful results in employment, flow of capital, innovation, utilization of resources and overall socio-economic conditions of the people particularly those who are downtrodden in the society. Dalit in trade is an evolving area in the socio-economic matters of the country; affiliates of dalit entrepreneurs connecting themselves in entrepreneurship have progressively improved due to changing approach of the educated and cultured dalit youth, Government guidelines promising entrepreneurship etc.²¹

It is noticed that SCs, STs and predominantly the OBCs, have made noteworthy improvement at the level of governmental representation in self-regulating India. The OBCs have made development in entrepreneurship, but SCs and STs are significantly under-represented in the entrepreneurial field. The upsurge of Dalit millionaires, determined in part by novel economic liberties, does not seem to be a representative of the wider envelop of the SC/ST inhabitants, at least up until 2005. Such under-representation seems to continue even in states with very broadminded policies towards SCs and STs, in states where OBCs have made substantial growth in enterprise rights, and in metropolitan areas wherever absolute discernment is lower than in rural India.²²

We need to contemplate deeper about the determining factor of entrepreneurship, with conceivably more exhaustive scrutiny at a level further disaggregated than the state. For instance, the developments of enterprises are strongly influenced on network effects, together for finding the true workforces and for creating relations with dealers and clientele. SC and ST enterprise proprietors might thus be underprivileged by their moderately minor linkages, predominantly in town areas. Challenging these types

²⁰ *Supra* note 18.

²¹ Dr. C. Paramasivan P. Mari Selvam, "A Pilot Study on Socio-Enterprise Status of Dalit Entrepreneur in Tiruchirappalli District, Vol. 3 (11), (Nov 2013), available at:

http://www.theglobaljournals.com/ijar/file.php?val=November_2013_1383225192_b0fa7_17.pdf (visited on 20 March, 2015).

²² *Ibid*

of instances would necessitate quantifying such linkages at a considerably local level than the national level.²³

The gender-caste inter section designates that the stake of woman retained and managed enterprises is considerably bigger amongst SC-ST-owned enterprises than amid those possessed by others, and particularly those maintained by Hindu upper castes, signifying that the effects of the historic bars on upper-caste women on admission into public arenas of financial fabrication to continue to loiter, although the official taboos have loosened.²⁴

The mainstream of the MSME labor force is engaged in non-SCST-owned businesses. Therefore, the MSME segment, as it positions today, is not a chief vehicle for job formation amongst the dalits. While it is noteworthy that there is a developing section of dalit business persons who could be work givers, most dalit trades occupy a very unlike place in the production series, viz, that they are involved in bottom-of-the-ladder, and little output existence activities, as visible from their lesser rate of progress, after supervising other characteristics.²⁵

In India, some castes and societies have conventionally been business groups and entrepreneurs from these societies start with strong natural leads, that they retain insider understanding, know-how, and solid commercial linkages delivered down from generations. In this framework, a significant passage of social flexibility would be the degree to which downgraded groups, whose customary professions have not been business-related, have been able to enter into conventional linkages and set themselves up as entrepreneurs. Though this information does not deliver comprehensive and precise data, the evidence proposes that entrepreneurship as a significant means of transportation for social flexibility amongst dalits is yet to convert an actuality in India.²⁶ Henceforth, it is determined that the socio-enterprise profile of dalit entrepreneurs in India has improved and is not established fully.

²³ *Ibid*

²⁴ *Supra* note 11.

²⁵ *Ibid*

²⁶ *Ibid*