

Private Enterprise Development Among Reserved Categories in India: Study of Ownership, Productivity and Policy Implications

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Abstract

Our Indian society is divided purely on the basis of caste. Initially occupation was inherited on the basis of caste. Marginalised groups (especially schedule caste) in India are an example which is included under the SCSP and TSP. Still seeking for the redistribution and recognition. It is an issue of identity and materialistic well being. Present study shows that these groups have remain the periphery of distribution due to their poverty and constitutive effect of poverty in our society.

Our Indian government has initiated various schemes for Reserved categories led MSMEs, SMEs etc. My study is an effort to examine the implementations of government policies and programmes for the unprivileged section of the society such as Reserved categories to prevent their discrimination by the state agencies within the social fabric of U.P. and the emergence of DICCI as a helping hand for the excluded group entrepreneurs in the country.

Keywords: SCSP, MSME, DICCI and entrepreneurship

Introduction

According to William Diamond Entrepreneurship is equivalent to enterprise which involves the willingness to assume risks in undertaking economic activities particularly a new one. It may involve an innovation but not necessarily so. It always involves risk taking and decision-making, although neither risk nor decision-making may be a great significance.

According to the Economic Survey 2006-07, Scheduled Castes constitutes 16.23% of the total population of the country (2001 Census) but continue to suffer on account of severe socio-economic deprivation arising out of poor asset base, dependence on wage labour, subsistence level of farming,

engagement in scavenging and other unclean jobs and other social evils. The research on Schedule Caste entrepreneurship is scarce and there are few in-depth studies on this subject. There is an urgent need as well as wide scope for research on Schedule Caste entrepreneurship in a developing country like India, which is riddled with the unique caste system non-existent anywhere else in the world.

The study intends to provide insight into the entrepreneurial challenges among persons belonging to Scheduled Castes. It intends to study the key variables responsible for the emergence of entrepreneurship (or the lack of it) in this section of the population; the unique circumstances and conditions that Schedule Caste entrepreneurs confront (different from the ones that other sections of society seldom face); their level of success and the constraints or challenges that such enterprises/entrepreneurs typically face. The study also examines the impact of Government schemes and initiatives targeted specifically for the benefit of such entrepreneurs.

Schedule Caste as an Entrepreneur

Entrepreneurship is particularly important as the so called “Scheduled Castes” have run and managed a number of traditional and cottage industries such as handicrafts, pottery, leather-work for centuries. The skills, know-how and domain of knowledge necessary for this purpose have been passed on from one generation to the next and are available with them even today. Our history is evidence that many small enterprises like fan-making, leather craft and manufacturing of musical instruments were their monopoly. These deserve to be revived with help of the new available technologies to make these neglected enterprises by traditionally skilled persons as successful entrepreneurship ventures. Another factor that contributes to the attractiveness of entrepreneurship in the context of this community is the feeling of self-worth and independence that it generates.

At the highest end of business activity, the absence is of course across a much wider spectrum than just the financial sector: out of fifty-five Indian billionaires in US dollars on the latest Forbes list, not one is from the SCs or STs. Yet, it would be incorrect to conclude from either the episode narrated by Gupta or this fact that the system has produced no entrepreneurs from the socially disadvantaged groups. While it is true that during the years of slow growth, the economy produced few significant

entrepreneurial successes among the socially disadvantaged, the recent acceleration in growth is beginning to pull them into its fold. The “pull-up” has not yet brought them all the way to the top and therefore into the Forbes billionaire list, but it has produced rupee billionaires from among at least the SCs if not STs. In fact, newspapers have recently widely reported on thirty “Dalit Crorepatis” who were invited for a meeting that the Planning Commission specially organized for them. Among the invitees was Milind Kamble, who serves as chairman of the Dalit Indian Chamber of Commerce and Industry (DICCI) formed in 2005. Kamble is reported to have said, “Including mine, most of the big Dalit-owned businesses are fifteen years old. With the emergence of globalization and the disappearance of the License-Permit Raj, many opportunities appeared and many of us jumped on them.” Describing the meeting at the Planning Commission, he went on to note, “The Planning Commission was stunned when they asked how many of us used government schemes to build their businesses. Only one entrepreneur from Mumbai raised his hand and described how he’d applied for \$20,000, spent three Years visiting government offices to chase his money and finally got \$15,000”.² Beginning on July 21, 2011, *The Economic Times*, India’s leading financial daily, have been profiling some of the most prominent Schedule Caste entrepreneurs.

Classification of Enterprises

Classification is based on International Standards Industrial Classification (ISIC) introduced recently by Central Statistics Office (CSO) was used for classifying economic activities. In this study we have taken 50 enterprises as a sample size from both the districts and categorized on the basis of their Capital Investment and Turnover, Gender, Caste, type of enterprise whether it may be registered or unregistered etc.

Review of Literature

SC/STs got the first boost in 1950, when republic of India was formed & they got a preferred chance to get education at par with others. Most of the entrepreneurs from these communities started their business post liberalization policy of 1991. In the recent years, affirmative action programmes has broadly benefitted the SC/ST entrepreneurs. (VARHAD report)

In terms of the SCs population, the two states are quite similar and both have fairly large proportion of Scheduled Castes (Haryana: 19.30 percent and U.P.21.10 percent) (Jodhka Surinder S.). There are clear castes and gender disparities in ownership of registered manufacturing MSMEs, where SCs and STs are under-represented compared to their population shares, OBCs are roughly equal to their population share and “Others” and Hindu upper castes (non-SC-ST-OBC Hindus) are over-represented. Caste disparities have marginally increased over 2001-2 and 2006-7, whereas gender disparities have marginally decreased. Proportions of SC, ST, OBC and female-ownership are higher in rural compared to urban areas (Deshpande & Sharma 2013).

Conclusion

OBC and especially SC and ST Entrepreneurs have brought out significant changes at the level of entrepreneurship representation in Independent and Global India. The evidence we have presented in this study shows that OBC entrepreneurs have made progress in entrepreneurship, but SC and STs have remained considerably underrepresented in the entrepreneurial prowess. The rise of dalit millionaires, driven in part by newer economic freedoms, does not appear representative of the broader swatches of the reserve caste population.

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