PROBLEMS AND PROSPECTS OF DALIT ENTREPRENEURSHIP

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Abstract

The Constitution of India guarantees equality of status to all citizens, irrespective of their caste, race, religion, descent, place of birth and residence.

For centuries, dalits have been at the bottom of the income and social ladders, despised and exploited. Independent India aimed to improve their lot through job reservations, but with very limited results.

Under such circumstances, other avenue for employment and livelihood such as entrepreneurship or self-employment assumes importance. These can provide both employment as well as better income opportunities.

Most Dalit entrepreneurs face problems varying from difficulties in getting enough supplies on credit, lack of social networks, and absence of kin groups in the business and control of traditionally dominate business caste groups. These along with other social variables such as lack of social capital make the situation of Dalit in India more complicated and vulnerable to homogenous categorization.

The present paper endeavors to study the problem and prospects of Dalit entrepreneurship in India - suggestions for the growth of Dalit entrepreneurs and success stories of some Dalit millionaires.

KEYWORDS: Entrepreneurship and Dalits.

Introduction

The constitution of India guarantees equality of law to all its citizens and this guarantee applies to all aspects of national life including social and economic. This provision was meant to be a tool especially for the upliftment of those sections of the population that had suffered deprivation for long periods in history owing to pernicious caste system. One such section is that of Dalits(also known as untouchables, Harijans or schedule caste) have historically been poor, deprived of basic human rights and treated as social inferiors in India. They still face economic, social, cultural and political discrimination in the name of caste. The concerns for dalits lead to more radical movement headed by Dr.B.R.Ambedkar. Gandhi viewed the Dalits problem as social one, whereas, Dr.Ambedkar saw
it as political and economic problem created by upper castes. When Dr. Ambedkar became the first law minister he created progressive legal reforms into the constitution (Prashad, 2001). Gandhian liberals referred them as Harijans (children of god) and the government of India officially calls them “schedule caste” means they are on a government schedule that entitles them to certain protections and affirmative actions.

Scheduled castes constitute 16.23% of the total population of the country (2001 census), whereas scheduled tribes constitute 8.2% of the total population of the country. Dalits continues 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. This is alarming as the constitution has been in vogue for more than half a century and several schemes have been launched by the Government from time to time for positive action in the form of socio-economic support to this section.

Although reservation has been provided to the Dalits in Government jobs, the number of such openings is obviously small compared to their population size. Besides, liberalized economic policies in recent years have strengthened the view that Government or private jobs need to be right-sized and despite that even in future this avenue is not likely to grow substantially.

Under such circumstances, other avenue for employment and livelihood such as entrepreneurship or self-employment assumes importance. These can provide both employment as well as better income opportunities.

Entrepreneurship is particularly important as the so called Dalits 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 the 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 felling of self-worth and independence that it generates. Independent India aimed to improve their lot through job reservation, but with very limited results. Nevertheless, experiment through democracy and economic opportunities created by years of economic reforms have created an astonishing new phenomenon the rise of Dalit millionaires. They
have established Dalit Chambers Of Commerce and Industry (DICCI) in Mumbai to gain a footing in business. Today, DICCI has 2500 entrepreneurs as members 400 of whom are in Maharashtra. In 2005 when it started it had only 100 members. The Confederation of Indian industry (CII) has also set at a target of training 50,000 youngsters from among the schedule caste and schedule tribe and facilitates an equal number of them in 2011-2012.

A small clutch of heavyweight industrial groups such as Tata, Godrej, Thermax, Forbes marshall and few MNCs such as Cummins India are beginning to intentionally engage with Dalit entrepreneurs hoping to identify, nurture and integrate them to their supply fold. The movement has picked up speed when the Central government opened up a 7000 crore opportunity with a Dalit enterprise-friendly sourcing plan.

In the present scenario, there is need for research and study of different aspects of economic life of this section of the population including their access to economic opportunities and entrepreneurship. Dalit millionaires may have burst on the scope, but how far do they represent the general state of Dalit entrepreneurs in the country?

**Review of Literature**

To make the present study in more feasible way, a review analysis also made to identify the past conditions of Dalit entrepreneurs.

Planning commission report (2005) 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 in this section of the population, the unique circumstances and conditions that SC entrepreneurs confront 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.

Laxmi Iyer, Tarun Khanna, and Ashutosh Varsheny (2001) the study is made with the comprehensive data on enterprise ownership from the Economic census of 1990, 1998, and 2005 shows substantiate caste difference in entrepreneurship across India. The Scheduled castes and Scheduled tribe are significantly under-represented in the ownership of enterprise and share of the workforce employed by them. These differences are widespread across all states, have decreased very modestly between 1990 and 2005 and cannot be attributed to broad differences in access to physical or human capital.
Surinder S. Jodhka (2010) the paper focuses on self-employed Dalits in business and small-scale entrepreneurship. Apart from reflecting on the consequences of expanding private sector, the paper addresses unsought questions of collective prejudiced emanating from tradition which has not crippled their prospects in the markets but are known to share self-image and identification. It is argued that while the available data provides indications of the employment patterns, yet questions related to the patterns of their social and economic mobility, kinds of barriers encountered in the process of setting up their enterprise remain unanswered.

D. Babu Shyam (2004) this paper discusses the means by which liberalisation can be tied to social justice, and argues that the extension of reservation policy to government purchases, dealerships and contracts would encourage entrepreneurship among Dalits.

Gopal Guru (2012) the study using Debord’s framework of the ideology of spectacle as false consciousness which forges a fake association between a person or a social collectivity and the spectacle, the study analysis the Dalit millionaire as a spectacle within the context of caste, corporate sector and the state.

**Objectives of the study**

1. To highlight the problems faced by Dalit Entrepreneurs
2. To emphasize prospects of Dalits Entrepreneurs
3. To showcase the Assistance given by Indian Government towards the development of Dalit Entrepreneurship in the country
4. To suggest the successful factors to be followed by all Dalit Entrepreneurs

**Statement of the Problem**

Dalits are the most vulnerable and backward caste group in India. They are socially, economically, and politically backward. The exclusion of Dalit community from the section has serious consequences in the sustenance of Dalit living. They are facing different kinds of problems like untouchability, poverty, social prejudice, inaccessibility to resources, lack of participation in decision making etc.

Most Dalit entrepreneurs face problems varying from difficulties in getting enough supplies on credit, lack of social networks, absence of kin groups in the business and control of traditionally dominate business caste groups. These along with other social variables such as lack of social capital make the situation of Dalit in India more complicated and vulnerable to homogenous categorization.
Rationale of the study
Available studies have focused mainly on the socio-economic conditions of Dalits. Few studies are available dealing with the ways of involvement of the excluded groups including Dalits in income generating activities, with the assumption that such activities would help them in raising their social status.

However, the existing studies do not provide adequate information about the formulation of policies toward empowering them. This study has therefore been carried out to address the issues, concerns and prospects of Dalit entrepreneur.

Methodology
Study is mainly focused towards the secondary data collected from different sources like Journals (National & International), publications, books and Websites on Dalit Entrepreneurship.

Implication of the study
The research study on Dalit entrepreneurs will help the government of India for policy making for the budding Dalit entrepreneurs by understanding their issues and problems, further this study will help to mitigate the persistent gaps in entrepreneurial activities across caste categories in India. The study will help the young entrepreneurs to gain a footing in business, the real benefit would be the possible change in the way Dalits are looked at by themselves and others.

Challenges faced by Dalit Entrepreneurs:
Shortage of Finance: Dalit entrepreneurs always suffer from inadequate financial resources and working capital. They are not able to afford external finance due to absence of tangible security and credit in the market. The complicated procedure of bank loans also creates lot of problems in getting the required finance. Dalit entrepreneurs even face problems in getting requisite working capital financing day to-day business activities.

Marketing problems: During the process of marketing of products Dalit entrepreneurs faced certain problems viz. poor location of shop, lack of transport facility and tough competition from establish players. Dalit entrepreneurs also find it difficult to capture the market and make their products popular. “It is a tough struggle in a market where businesses are run on networks and caste lines, and being a Dalit often means discrimination is not just on the line of untouchability, a whole structure of stereotypes is built around them. Dalit entrepreneurs continuously face the problems in marketing their products.
Caste Differences in Enterprise Characteristics: One reason that Dalits lag behind in employment generation could be difficulties in expanding the size of their enterprises. This can be either because of caste discrimination (members of other castes do not want to work with Dalits) or because of lack of knowledge or financing constraints. All these factors can also prevent Dalit entrepreneurs from entering industries that have significant economies of scale.

Absence of Entrepreneurial Aptitude: One of the biggest problems of Dalits is the lack of entrepreneurial aptitude. They have no entrepreneurial bent of mind. The basic characteristic of an entrepreneur such as risk bearing is absent in a Dalit entrepreneur. Lot of focus is given on getting government jobs and they think that entrepreneurship is not their cup of tea. Many Dalits take the training by attending the Entrepreneurship Development Programmes without entrepreneurial bent of mind.

Educational Facilities: Lack of or insufficient education facilities results in lack of knowledge and information about availability of raw material, access to finance and Government schemes and facilities and other existing or upcoming opportunities.

Stiff competition: Dalit entrepreneurs have to face severe competition from established industries and entrepreneurs having vast experience. Many of the Dalit enterprises have imperfect organizational set up.

Low risk taking ability: Dalit entrepreneurs suffer from the problem of low risk taking ability as compared to their other counterparts, because they have led a very miserable life. They even face discrimination in the selection of or entrepreneurial development training. Inferiority complex, unplanned growth, lack of infrastructure, hesitation in taking quick decision also increases the rate of risk and chances of loss.

Patriarchal Society: There is discrimination against Dalits in India despite constitutional equality. Dalits do not get equal treatment in Indian society and puts barriers in their Progress. Entrepreneurship has been traditionally seen a community based, Dalits taking up entrepreneurial activities considered as a distant dream.

Society: Society’s attitude towards Dalit entrepreneurs, unequal opportunities and broadly a lack of self-confidence haunt Dalit entrepreneurs. This low level of self confidence, will-power and optimistic attitude amongst Dalits create a fear of committing mistakes which affects their business. The family members and the society are often reluctant to stand beside their entrepreneurial endeavour.
In spite of all the above challenges there are many Indian Dalit who succeeded in their career as entrepreneurs, few examples include:

**Kalpana Saroj**, chairperson of the Mumbai-based Kamani Tubes, which she took over after clearing a debt of Rs 140 crore, “Being a woman and a Dalit, it was really tough to make the grade. Married at the age of 12, Saroj took a loan of Rs 40,000 from Allahabad Bank to purchase a few sewing machines and employed women to stitch and embroider garments. But ambition got the better of her and she moved soon enough into real estate and construction, using that money to buy Kamani Tubes eventually. The company started small, but today boasts a turnover of Rs 100 crore. In 2013, she was awarded with Padma shree, the highest civilian award. The award was less a celebration of material wealth and more one of human triumph over adversity, as she overcame lives of crushing poverty and marginalisation, and achieved unprecedented success against all odds.

**Milind Kamble**, a successful entrepreneur and one of the Dalit Billionaire and head of the Dalit Indian Chamber of Commerce and Industry (DICCI) and Padma shree awardee says To be a true follower of Ambedkar, become a 'job-giver' not a 'job-seeker'. Do not fight capitalists but try to become one amongst them.

**Bhagwan Gawai** worked as a construction labourer as a boy in Mumbai. But he completed school and college, and then joined HPCL. He always got good appraisals but these were tampered with by caste-conscious colleagues, so he was denied the promotions he deserved. He sued HPCL on grounds of discrimination, and won. Later HPCL posted him in Dubai. There he acquired Arab friends who became his partners in a new trading business. This business now has a turnover of a whopping $20 million. He has also brought 30 dalit entrepreneurs together under a holding company, Maitreya Developers.

**Ashok Khade**’s father was a cobbler, working under a tree in Mumbai. Ashok went to college and then joined Mazagon Docks. He acquired skills in offshore maintenance and construction. Today, his company DAS Offshore is a major offshore services company and he now plans a jetty fabrication yard that will employ 2,500 workers. He does not believe in caste reservation—only 1% of his workers are dalits.
Another dalit, **Balu**, manufactures soldering equipment with revenues of Rs 2.5 crore. He says 32 girls in a row rejected him as a marriage partner because of his poor prospects! His weak business was regarded as insecure. He says many dalit businessmen hide their caste identity to avoid social stigma and loss of business.

In all these cases, education was a key input. Alas, rural government schools are so terrible that many dalits remain functionally illiterate and handicapped. Even so, they have made astonishing strides in the last 20 years, as revealed by a study undertaken by Devesh Kapur and others.

**Initiatives taken by Government of India towards Dalit Entrepreneurship:**

1. Entrepreneurship Development Programmes are being organized by the SISIs exclusively for weaker sections including the persons belonging to SC/ST communities to motivate and equip them to set up small scale industrial units. They have also been given special performance in the selection of candidates for training in various programmes organized by SISIs.

2. The MSME-DO provides comprehensive consultancy services in technical, managerial, economic and other disciplines. Such services are provided mostly free of cost. Wherever, charges are leviable, the SC/ST entrepreneurs are given 50% concession.

3. Regular and adhoc training programmes are being organized by the Central Footwear and Training Centres for improving the skills of traditional artisans engaged in the leather Industry.

4. Under the Rural Artisans Programme guidelines were issued for the organisation of promotional schemes and training programme for rural SC/ST Artisans with a view to improving techniques and tools and setting them in their respective trades to enable them to upgrade level of skills and earnings.

5. National Safai Karamcharis Finance & Development Corporation (herein after referred to as NSKFDC)It is fully owned by the Government of India and has an authorized share capital of Rs. 200.00 crores. NSKFDC is to act as an apex institution for all round socioeconomic upliftment of the Scavangers Safai Karamcharis and their dependents throughout India.

6. National Scheduled Castes Finance and Development Corporation (NSFDC) NSFDC is the apex institution for financing, facilitating and mobilising funds from other sources and
promoting the economic development activities of the persons belonging to the Scheduled Castes living below double the poverty line.

**Key Suggestions for the Dalit Entrepreneurs for their successful career:**

To empower the budding Dalit entrepreneurs, the society as well as the government must continue to make efforts to increase opportunities for them in all walks of life, especially making them self employed the following steps may be adopted:

1. Policies for Dalits entrepreneurship should follow a comprehensive approach rather than be piecemeal. They should encourage subsector clusters by providing infrastructure facilities and services, such as training.

2. There is a need to periodically evaluate the impact of MSME-related policies on the success of Dalit-owned businesses and the extent to which such businesses take advantage of these policies. Good practices should be disseminated and shared broadly.

3. Government should increase sourcing of goods and services from Scheduled Caste and Scheduled Tribe (SC and ST) entrepreneurs by 10 to 20%.

4. Central and State governments should assist Dalit entrepreneurs to participate in international, national and local trade fairs, exhibitions and conferences. Dalit India Chamber of Commerce and Industry (DICCI), a national body formed to promote dalit entrepreneurship is ready to undertake such activities but they need the support from Corporates and government.

5. Attempts by various NGO’s and GO’s to spread information about policies, plans and strategies on the development of Dalits in the field of industry, trade and commerce are playing a crucial role and should be supported.

6. The procedures and formalities should be simplified for registration of business, financial and legal assistance, subsidies, concessions, relief etc, from different government and nongovernmental departments.

7. There are many dalit millionaires have emerged on the scene and they have proved their mettle in the market, these successful dalit entrepreneurs can become a guiding force and source of inspiration for the dalit communities.

8. Banks must take the onus of making sufficiently required funds available to Dalit Entrepreneurs in terms of working capital. Leading Bank in each District Head Quarter must open a fully dedicated counter for catering Dalit Entrepreneurs.
9. Government must be instrumental in setting-up of an agency responsible to bring Dalits Entrepreneurs in contact with venture capitalists for aiding, advising and nurturing their initial stage growth.

10. Marketing assistance should be developed by promoting linkages between Dalit enterprises of various sizes, by way of legitimate subcontracting and where appropriate, franchising or other forms of inter-firm cooperation.

The government of India has adopted several measures to improve the conditions of the Dalits, but still expected results are not there. Some Dalits have made to higher levels of the society and government. However, a very large number of them continue to face discrimination and hardships. Greater attention should be given to the Dalits based in the rural areas where untouchability, discrimination and poverty continue to threaten their future.

References


