

Think India Journal
ISSN: 0971-1260 Vol-22, Special Issue-20

National Conference on

**“Role of Technology in Business
Sustainability and Market Transformation”**

sponsored by

Lexicon Management Institute of Leadership & Excellence , Pune
on Saturday 21st December 2019



**Sustainable and Inclusive Entrepreneurship: An Appraisal of the State of
Marginalised Section**

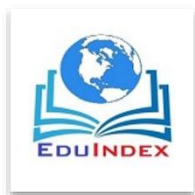
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ABSTRACT

The socio-economic development of marginalized section in particular the tribe in India much lies in their self-reliance. Predominantly, these classes are making their survival through means of daily wages or depend on services in case of some education. However, this mere means of livelihood has not come to much rescue for the tribes. There is need to include this backward classes in the process of wealth and employment creation. A very purposeful attempt needs to be undertaken to facilitate the growth of self-employment as well as providing all the necessary support in establishing enterprises. The more such attempts are made the less this class would be dependent on the mercy of government and other affluent class of the society for their livelihood leading to overall sustainable development. The paper explores the presence of marginalized class in entrepreneurship and its direct effects in employment generation for their own community. The data to this effect reveals that the employment opportunities grew amongst the marginalized class with the growth of entrepreneurs from the same class. However, the growth of marginalized entrepreneurs has proportionately reduced over the decades. Further, the paper attempts to highlight the areas of concern, plausible intervention and also critically evaluate the existing affirmative actions in promoting marginalized entrepreneurs.

Key words: Entrepreneurship, Livelihood, Inclusiveness, Marginalized section, CSR, Sustainability



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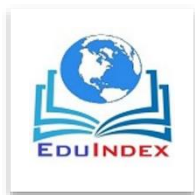


1. Introduction

The State's policy of preferential treatment to hitherto deprived sections of the society has long been in existence in India but it is yet to be realized in full. Therefore, while initiatives are needed to ensure its wider reach amongst the more deserving and neglected people on the one hand simultaneously, an expert scrutiny is also needed to prevent its use as a tool to serve partisan political interests, on the other. The most potent fundamental right to equality is the fountain head from which principles of reservation for the underprivileged and the backward classes spring. The Indian constitution expressly provides that special provisions for the advancement of any socially and educationally backward classes of citizens or for the Scheduled Castes and the Scheduled Tribes shall not be considered as offending the equality principle. Apart from the political awareness and other social advancement measures special attention has to be given on educational upliftment and economic transformation. In particular, there needs a sincere attempt to create level playing field by helping the marginalized in understanding and overcoming the constraints towards entrepreneurship. To make entrepreneurship more inclusive, there is a need to identify the creative potentials of the tribal specifically in the indigenous art and honing it further on a large scale for their sustainable future.

2. Education intervention

Education has all along been considered a powerful instrument of social, economic and cultural development. Therefore, the system of education should be so designed as to enable each and every individual of the society to develop his/her capacity and aptitude to the maximum extent. In India, the present system of education has been devised accordingly on the sound principle of social justice in accordance with the provisions laid down in the Constitution. Continuous effort is being made for educating the weaker sections, namely, the SCs, STs and other backward groups of people. As a result, there has been rapid expansion of higher education system in terms of enrolment, number of institutions and growth rate, etc. since independence. After formulation



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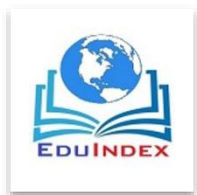


of New Education Policy in 1986, the system has undergone a rapid and unique transformation from an elitist to an egalitarian one. All sections of the population have gained the benefit of such enlarged system.

However, disparity between disadvantaged groups viz. STs, Nomadic Tribes and non-disadvantaged groups still continues. Even after the framing of NEP, ST and NT students have limited opportunity of good education. The reasons are not far off to seek. For one thing, their parents do not realize the importance of providing them a good education, as they do not have the tradition of education in their families. Under such circumstances, very few students of these communities become able to upgrade themselves from lower to higher, especially college and University levels of education. Some times, they get enrolled at inferior educational institutions because of their weak socio-economic status, low aptitude for higher education, etc. Though, there has been a gradual increase in the enrolment of the tribes in schools but their educational achievements are meager in comparison to higher castes. As the level of education increases, the number of enrolment decreases at each level. Their representation is always lower than that of general students. The reason for dropouts, especially after primary level, been economic backwardness and lack of awareness towards the importance of education. However, with the changing economic conditions, ad-hoc affirmative actions alone will not suffice. There is a need for the access to relevant and contemporary knowledge up gradation in the conventional and not so conventional fields of livelihood.

3. Economic upliftment

Economic upliftment comes essentially through guaranteeing an adequate share of participation and selection, with relaxation in criteria especially as regards age, educational qualification are important objectives realized through reservations. Significantly, it shall not be merely at the entry level into public employment but also in matters of promotion with consequential seniority



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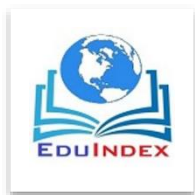
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to any class or classes of posts, which in the opinion of the State are not adequately represented. Unfilled vacancies in a year which are reserved for being filled up in that year may be filled by in any succeeding year or years without clubbing with the vacancies of the year in which they are being filled up. With the object of promoting educational and economic interests of backward classes and removing social disabilities attached to them and in order to bring them at par with the rest of the communities, the Constitution of India prescribes protection and safeguard for them. However, the welfare and development of the people in general and hitherto deprived sections in particular will depend more on their capability to be self-reliance. Hence, an attempt to promote self employment through focused vocational training will be of greater help. Further, undertaking of training programs and ensuring the financial support to float small to medium enterprises is requirement for the deprived section so as to make them part of the wealth creation process.

There is a clear and persistent caste and gender disparities in virtually all enterprise characteristics in the registered manufacturing MSME sector. The share of SC-ST ownership has declined over the period (refer table 1) SC-ST enterprises tend to be smaller, more rural than urban, have a greater share of owner-operated (single employee) units. The Government monitors the number of Micro, Small and Medium Enterprises (MSMEs) in the country, by conducting All India Census of the sector periodically. As per the latest census (Fourth Census) conducted (with base reference year 2006-07), wherein the data was collected till 2009 and results published in 2011-12, the number of working MSMEs, in Registered Sector is 15.64 lakh out of which 1.64 lakh MSMEs are owned by SCs/STs entrepreneurs. The total number of registered MSMEs in the sector owned / managed by SCs/STs increased to 1.64 lakh as compared to 1.56 lakh in the Third All India Census of Small Scale Industries (SSI), conducted with reference year 2001-02 but the overall share of the enterprise owned by SC/STs have dropped.. Even though, one could witness few attempts towards such inclusion undertaken by the



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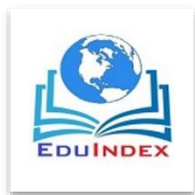
industrial organization and government. Dalit Indian Chamber of Commerce & Industry (DICC) floated Rs 500cr venture capital fund targeted at investing exclusively in organizations managed and run by marginalized sections including SC/ST. Government schemes predominantly are focused on generating self employment and not entrepreneurs.

Table 1; MSME owned by SC/STs

Enterprise owned by	Enterprises owned in %	
	2001-02	2006-07
SC	7.7	6.3
ST	3.5	2.9

(Source: PIB, Ministry of MSME dtd March 2015)

Another area of intervention is through public-private partnership. The National Scheduled Castes Finance & Development Corporation ventures into a pilot project on retail outlets for entrepreneurs belonging to SC and ST categories in Delhi and Maharashtra. The corporation along with CII and retailer Future Group started the pilot project. CII, NSFDC, Future Group and State Channelizing Agencies (SCAs) of Delhi and Maharashtra have entered into an MOU to start a pilot project of Retail Outlet franchise Scheme of Big Bazar for entrepreneurs belonging to SC and ST categories. Nevertheless, the outcomes of the project are still to be ascertained. GOI on the other hand has allocated Rs 200crore for setting up venture capital fund for SC to provide concessional finance to entrepreneurs. Further, the Ministry of MSME have a policy for micro and small units in which 51 per cent shares are owned by SC/ST are entitled to reservation under government procurement policy for MSME sector. The Public Procurement policy mandates every central ministries, departments and PSUs to buy 20 per cent of their total annual purchases value from MSME. The policy also earmarked 4 per cent share out of this 20 per cent procurement from MSEs owned by SC/ST entrepreneurs. The scope to create more employment through the promotion of SC/St entrepreneurs is evident from the data in table 2.



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4. Contemporary status on entrepreneurship inclusion

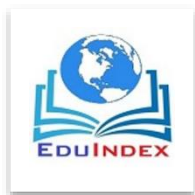
However, “procurement by PSUs from micro and small enterprises owned by entrepreneurs belonging to Scheduled Caste and Scheduled Tribe communities remained at a dismal 0.47 per cent in 2017-18, government data showed. During 2017-18, procurement from 2,186 SC/ST owned MSEs stood at Rs 5.4 billion, out of total procurement of Rs 261.02 billion from micro and small enterprises by CPSEs, according to MSME Sambandh portal data. The Public Procurement Policy 2012 stipulates that 4 per cent of the total procurement shall be done by ministries, departments and central public sector enterprises (CPSEs) from micro and small entities owned by SC/ST. Expressing concern over little procurement by CPSEs from micro, small and medium enterprises (MSMEs), Prime Minister had recently prodded them to buy more from small units and also ensure timely payments”. (source: Ministry of MSME press announcement dtd 13 June 2018)

Table 2; Caste composition of MSME employees by caste of owner

Categories	% SC emp	% ST emp	% OBC emp	% Others emp
SC-owned	60.78	1.76	14.24	23.22
ST-owned	6.16	59.85	11.86	22.12
OBC-owned	4.84	0.98	77.37	16.79
Others-owned	5.98	2.27	18.17	73.57
Upper-caste owned	6.12	2.43	17.78	73.65

(Source: PIB, Ministry of MSME dtd March 2015)

This Ministry of MSME has approved a scheme for setting up of National Schedule Caste and Schedule Tribes (SC/ST) Hub on 25.07.2016. The said Hub was formally launched by the Honble Prime Minister on 18.10.2016. The Hub is set up to provide professional support to



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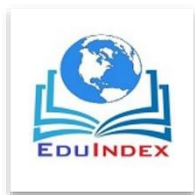
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SC/ST entrepreneurs to fulfill the obligations under the Central Government Public Procurement Policy for Micro and Small Enterprises Order 2012, adopt applicable business practices and leverage the Standup India initiatives. The total project cost of the National Schedule Caste and Schedule Tribes Hub is proposed to be Rs. 490 crore for period from 2016-17 to 2019-20. The functions of Hub include collection, collation and dissemination of information regarding SC/ST enterprises and entrepreneurs, capacity building among existing and prospective SC/ST entrepreneurs through skill training and EDPs, vendor development 17 involving CPSEs, NSIC, MSME-DIs and industry associations including Dalit Indian Chamber of Commerce & Industry (DICC), promoting participation of SC/ST entrepreneurs in exhibitions and organizing special exhibitions for this purpose, facilitating SC/ST entrepreneurs participating in public procurement and monitoring the progress, etc. Four Sub-schemes have approved under National SC/ST Hub namely (a) subsidy for SC/ST enterprises to obtain Single Point Registration Scheme (b) Special Marketing Assistance Scheme (SMAS) to provide marketing support to SC/ST owned MSMEs and (c) Subsidy for Performance & Credit Rating Scheme (SPCRS) for SC/ST enterprises and (d) Special Credit Linked Capital Subsidy Scheme. The Ministry with NSIC had organized NSSH Confluence on 20.09.2017 to interact with Industry Associations and Incubators from across the country to understand the gaps in realizing the mandate of public procurement Policy. 18 State conclaves have already been conducted. The purpose of these conclaves is to take cognizance of various endeavours undertaken by the Central and State Government to boost entrepreneurship and ensure higher participation of SC-ST entrepreneurs in the supply chain of CPSEs requirement.

Ministry of MSME has brought in many legislations, policy frameworks, projects and institutions to handle social problems of exclusion but we have failed to make use of Information and Communications Technology (ICT) to bring about a change in the mindset of the people. This is where corporate can intervene. Starting April 1, 2014, CSR is made mandatory



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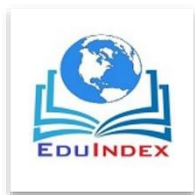
for private companies. With the conditions set in by the ministry, it is believed that a spectrum of 9000-10000 companies expected to come under the ambit of CSR obligation. The 2% of the profit contribution from the corporate is expected to generate Rs 15,000-20,000 crore per year for CSR activities. Now, this is huge opportunity for corporate to make a meaningful long term intervention with the help of the expert institutions and machinery. Further, it is justified, as one of the important thrust areas for CSR happens to be socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

Conclusion

With all the possible attempts of entrepreneurship inclusion, entrepreneurship as a vehicle for social mobility for tribes is yet to become a reality for India. However, the inclusion of the marginalized class of people into the mainstream would require more contemporary initiatives from various stakeholders and precisely the wealth creators, to meet the biggest challenge for social equality. There is a need to intervene in establishing the facilitation centers at the district/division level that would sole objective to inculcate the skill sets and the spirit of entrepreneurship into the marginalized sections of the society and further act as a nodal liaison agency between the society and public private ventures capitalist.

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Biographical Notes

Dr Devidas Golhar is a doctorate in management and has MMS from University of Mumbai. Presently he is working as Professor at Sinhgad Institute of Management (affiliated to Pune University), Pune, India. He has 19 years of academic experience along with the 10 years of research work at TISS and Mumbai University. His area of interest includes CSR and Social Entrepreneurship.