

Strengthening Rural Economy through Developing Entrepreneurship among Scheduled Tribes: A Case Study of Keonjhar and Mayurbhanj Districts of Odisha

Abstract

Entrepreneurial qualities and skills are essential for industrial development as well as eradication of poverty by means of creating self employment and employment to others. The Central and the State governments are trying their level best for the promotion of entrepreneurship among the economically backward castes, particularly scheduled castes and scheduled tribes through policy measures and institutional network. Keeping in view the need and importance of the entrepreneurship development among underprivileged communities in the present era of liberalization, privatisation and globalisation the present study is an attempt made by the researcher to probe into the entrepreneurial process, problems and challenges faced by the scheduled tribe entrepreneurs and to make some possible suggestions for their success. The data used in this research are both Primary and secondary in nature. The sample consists of 150 Scheduled Tribe entrepreneurs. Out of the total sample of respondents 75 each were selected from both Keonjhar and Mayurbhanj districts of Odisha. On the basis of convenience sampling method 150 Scheduled Tribe entrepreneurs were chosen for the purpose of this study. A well structured questionnaire has been used to collect data from Scheduled Tribe entrepreneurs. The analysis of data has been done by using percentage analysis. The paper concludes with the suggestions that the EDPs should be organised at village level with the help of gram panchayats. The financial institutions should guide, train and monitor the day to day activities of tribal entrepreneurs. In order to give the benefits of the schemes to the beneficiaries and develop entrepreneurship among them, the implementing agencies should give wider publicity to the schemes and also prohibit strictly the intervention of middlemen.

Keywords: Rural Economy, Entrepreneurship, EDPs, Problems, Challenges

Introduction

In a developing country like India, entrepreneurship has a pivotal role to play for acceleration of industrialization, generating employment and eradication of poverty and exploitation of natural resources for the economic development of our country. In the era of liberalisation, privatisation and globalisation, the government has been eliminating its role as a job provider through disinvestments in public sector. Obviously, the reservations for backward communities in services would be meaningless. The need of the hour is to attract more and more number of young people to undertake entrepreneurial activities for self employment and giving employment opportunities to others also.

Significance of the Study

India lives in its villages and rural areas. Ever since the emergence of civilizations, rural areas have been the centre of cataclysmic changes, reservoirs of knowledge, culture, traditions and the technology. But, the emergence of towns and cities, in 21 century, equipped with all the modern basic as well as advanced facilities has led to the movement of people towards cities, neglecting the base i.e., rural areas. It is seen that, ever since its independence, maximum development of India has taken

Yayati Nayak

Assistant Professor,
Deptt. of Commerce,
Ravenshaw University,
Cuttack

place in the urban areas as compared to the rural areas. Entrepreneurship is often treated as an engine of economic growth. The policy and institutional framework for developing entrepreneurial skills, providing vocational education and training has widened the horizon and scope of people. Keonjhar and Mayurbhanj districts of Odisha are rich but the people of these two districts are poor. Development of these backward areas is only possible through entrepreneurship where tribal people constitute more than half of the total population. Keeping in view the need and importance of the entrepreneurship development among underprivileged communities in the present era of globalisation, the present study is an attempt made by the researcher to probe into the entrepreneurial process, problems and challenges faced by the scheduled tribe entrepreneurs and to make some possible suggestions for their success.

Review of Literature

Entrepreneurship and economic development are correlated. Economic development of a country depends on pace of industrialization and supply of dynamic entrepreneurs. The word "Entrepreneurship" has its origin from French word "enterprendre" which means to undertake. It is the ability to build something from practically nothing. Entrepreneurship is the function of economic activity, undertaking risk, creating something new, organizing and Coordinating resources (Gupta, 2004). Entrepreneurship is necessarily a creative activity (Shumpeter, 1954). Entrepreneurship is the economic activity associated with innovation and creativity, risk bearing and adaptability. In real sense, it is the driving force which accelerates economic development of the country.

A person having entrepreneurial qualities is an entrepreneur. An entrepreneur is the person who bears the risk of uncertainty in business (Richard Cantillon). An entrepreneur is change agent (J B say, 1827). In nutshell, an entrepreneur is an innovator, a risk bearer, a resources assembler and an organizer. Entrepreneurship development is upward change and one change leads to another change.

The entrepreneurs belonging to backward classes have lower technical profile which naturally cripples them while carrying their business (Lokhande A., 1993). It should be noted that due to poor financial position, SC/STs students cannot afford the high profile technical and professional courses. In addition, they do not have easy access to bank finance as they hardly possess property required for pledging with the bank. Social discrimination, high illiteracy rate, inherent poverty as some of the major obstacles resulting in low profile entrepreneurship among SC/STs.

Khan Eijaz Ahmed, Alam Md. Nur and Khan Sarif Mohammad (2005) in their research paper, "Factors Affecting the Growth of Entrepreneurship in Small-Scale Business" they have made an attempt to investigate that various micro and macro factors responsible for growth and development of entrepreneurship in small-scale business in Bangladesh. Factors like strong education

and training facilities, desire to achieve, accept responsibility, hard work, and risk orientation of the entrepreneur have a bearing on the success of entrepreneurship. In addition to this, the socio-economic factors like uniform commercial law and limited regulations, corruption, encouragement and support from society and family, good banking with available credit, social integration, social status, meaningful democracy, and free trade with limited tariffs, enterprise zone, available technology, and wide distribution networks are also very important for creating entrepreneurs.

Rahman Shaik Shafeequr & Sultana Nikhat (2011) in their research work, "Women Entrepreneurship Development through Micro Finance: A Study Focused on Hyderabad", they have tried to study the impact of Microfinance on entrepreneurial skills development of Muslim minority women in Hyderabad. A sample of 157 Muslim minority women were confined to Hyderabad District financed by APSMFC was taken to test the hypothesis for the research work. The study finds that the first challenge in the entrepreneurship involves the ability to identify the right opportunities, risk taking and access to capital/market. It was concluded that, if the bottlenecks will be removed, the micro finance sector will improve Entrepreneurship Development of Women.

Kumbhar Vijay (2013) in his research work, "Some Critical Issues of Women Entrepreneurship in Rural India", he has discussed on the issues regarding women entrepreneurship in rural India. The present research work is mostly based on secondary data and some observations. Findings of this study reveal that absence of definite agenda of life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of the property, absence of entrepreneurial skill & finance, very less awareness about capacities, low ability to bear risk, problems of work with male workers, negligence by financial institutions, lack of self-confidence, lack of professional education, mobility constraints and lack of interaction with successful entrepreneurs are some of the major problems encountered by women entrepreneurs of India.

Varshney Bhavana, Agarwal Shama and Rizwan Mohd. (2014) in their research work, "A Critical Study of Rural Women Entrepreneurship in India", they have discussed the issues regarding women entrepreneurship in rural India. This paper is mostly based on primary data collected by administering questionnaire in 10 villages of Moradabad district of Uttar Pradesh, India and selecting 10 rural women entrepreneurs from each village. The relevant secondary data was collected from various sources like different research articles and reports. Findings of this study depict that there are Personal challenge, social challenges, financial challenges, technological challenges, lack of marketing skills, lack of managerial skills, high competition, lack of mobility, lack of education, lack of law knowledge and other challenges are major

problems faced by rural women entrepreneurs in India. The study reveals that out of all the challenges faced by Indian rural women entrepreneurs, social challenge is the key challenge faced by rural women entrepreneurs.

Khan Firdouse Rahman (2015), in his research paper, "Women Entrepreneurship in Chennai, India – Factors Trigger and Prevent", he had analyzed the various factors affecting the women entrepreneurship development in the Small and Medium Enterprises (SMEs) of the industrial estates of Chennai. The study mainly focused on 107 women entrepreneurs of the SMEs who were selected on the basis of random sampling and were contacted through a questionnaire. A critical analysis was carried out by using null hypothesis, chi-square tests and ranking tests. The study reveals that factors like education, previous experience, employment, and religion play a crucial role in motivating women to become entrepreneurs. The paper recommends that the Government should help the women entrepreneurs through financial assistance especially during the moratorium period of the units, facilitating the acceleration process. Government assistance and adequate financial support could only help the women entrepreneurs and lead them towards successful entrepreneurship.

Research Gap

A good number of research works have been done in different areas of entrepreneurship in Odisha. There are some works of entrepreneurship in the KBK region of Odisha. However, Keonjhar and Mayurbhanj districts of Odisha have always been neglected by the researchers where the percentage of tribal population is very high as compared to other districts. After an intense review of related literature it has been found that a few studies have been conducted to study and examine the problems and challenges of scheduled tribe entrepreneurs of Keonjhar and Mayurbhanj districts of Odisha. Therefore, it is an attempt made by the researcher to fill the existing gap by conducting this study.

Aim of the Study

The principal objectives of the study are:

1. To study the progress of entrepreneurship among Scheduled Tribes in Keonjhar and Mayurbhanj Districts.
2. To examine the problem and challenges faced by the tribal entrepreneurs of the study areas and to make some possible suggestions for their success.

Research Methodology

Keonjhar and Mayurbhanj districts have been deliberately selected for the purpose of study as it has all the characteristics of an economically and industrially backward area. The present study attempts to examine the problems and difficulties of scheduled tribe entrepreneurs with the help of statistical tools such as percentage analysis and simple average, etc. For the purpose of the study, 150 micro entrepreneurs of scheduled tribes have been selected from two districts namely Keonjhar and Mayurbhanj. Primary data has been collected with

help of a well structured questionnaire. Secondary data has been collected from different secondary sources like journals, magazines, websites, etc.

Table No. 1:- Entrepreneurship Development among scheduled Tribes-Survey results

Factor	No of Respondents	% to Total
1. Caste wise Classification of Entrepreneurs		
Bhuyan	17	11
Munda	21	14
Juang	11	7
Santal	43	29
Bathudi	19	13
Gond	24	16
Saunti	15	10
2. Educational background of Entrepreneurs		
Below SSC	75	50
SSC/HSC	50	33
Graduate	15	10
Technical	10	7
3. Nature of Entrepreneurial activities		
Sal Leaf Cup and Plate	17	11
Paddy Processing	20	13
Tailoring	11	7
Fabrication	10	7
Mobile Repairing	12	8
Electrical Repairing	15	10
Cement Products	13	9
Stone Carving	11	7
Appliqué	13	9
Automobile	13	9
Sabai Grass	15	10
4. Motivational factors		
Knowledge and skill	15	10
Non availability of jobs	57	38
Lower income from the previous occupation	13	9
Social and economical status	11	7
Government's supportive policies	23	16
Encouragement by friends	14	9
Any other reason if any	17	11
5. Awareness of entrepreneurs regarding schemes of assistance		
Have a little information	87	58
Have full information	30	20
No information	33	22
6. Causes of delays in getting assistance		
Indifferent attitude of officers	20	13
Too much paperwork	50	33
Lengthy procedure	70	47
Negligence of the beneficiary	10	7

7. Exposure to entrepreneurship development programme		
Attended	57	38
Not attended	75	50
No response	18	12
8. Sources of fund		
Owned funds	15	10
Banks/RRBs	58	39
Moneylenders	40	27
Friends/relatives	37	24
9. Difficulties faced by entrepreneurs		
Lack of proper education	21	14
Economic backwardness	17	11
Low risk bearing capacity	13	9
Social discrimination	15	10
Inadequate financial assistance	33	22
Too delay in disbursement of loan /subsidy	16	11
Marketing Problem	11	7
Lack of Collateral security	13	9
High rate of Interest	11	7

Source: Authors' calculation based on field survey

Caste wise Classification of Entrepreneurs

Out of 150 respondents, 29% (43) belonged to Santal caste, 16% (24) belonged to Gond caste (Table -1). The respondents from Bhuyan, Munda, Juang, Bathuti and Saunti castes accounted 11%, 14%, 7%, 13% and 10% each respectively backward and need more attention to be given for their upliftment through entrepreneurship training.

Educational Background of Entrepreneurs

As far as educational background of the respondents under study is concerned, 50% (75 respondents) had education below matriculation while 33% (50) respondents were educated up to SSC/HSC, 15 respondents were graduates and 10 respondents had technical qualifications (Table-1). Educational development among tribal communities in Keonjhar and Mayurbhanj district is not up to the mark and needs to be enhanced substantially to inculcate entrepreneurship qualities and skill among the tribal youths.

Nature of Entrepreneurial Activities

It is noteworthy that the respondents under study had deliberately selected micro enterprises because they did not have any experience of manufacturing of trading activities. Naturally, being first generation micro entrepreneurs, they were found more conservative. Out of 150 respondents 20 (13%) had started paddy processing units and 17 (11%) respondents had set up Sal Leaf Cup and plate business. Mobile repairing and Electrical repairing services were started by 12 and 15 respondents each while Cement products were the entrepreneurial activities of 13 respondents each. 11 women respondents had set up Tailoring and another 13 had started Appliqué making. Ten respondents had started Fabrication and eleven respondents had started Stone Carving business respectively.

Similarly, 13 respondents had started Automobile business while fifteen respondents had started Sabai Grass as entrepreneurial activities respectively. It is noteworthy that all the entrepreneurs under study preferred to set up need based micro units.

Motivational factors

The study disclosed the majority of the respondents i.e. 38% of the total 150 respondents were motivated to undertake entrepreneurial activities because of non availability of jobs. 16% respondents were motivated by government's supportive policies for SC/ST entrepreneurs in the form of different facilities. 15 (10%) respondents had entered in the field of entrepreneurship because of their knowledge and skill. The shrinkage of job opportunities in recent years even in reserved job category has responsible for enforcing job seekers for SC/ST categories to undertake either manufacturing or trading activities. A sizeable no. of respondents i.e. 7% of the aggregate 150 respondents stated that they had been deeply influenced by the thoughts of Dr. Babasaheb Ambedkar and in quest of gaining economical and social status they had started their own business activities. It is very heartening fact that a large segment of our society is gradually coming in the national main stream. The spread of education among backward communities, tribes and adivasis has been responsible in creating skills, adoptability and innovative attitude in them. Of the 150 respondents 13 respondents were started their own units because of lower income from the previous employment. 17 (11%) out of the total respondents have started their own business due to some other reasons. Some 14 (9%) respondents were found encouraged by their friends and relatives to start independent business activities.

Awareness regarding schemes assistance

The disclosure of the study is the there was lower degree of awareness among tribal entrepreneurs regarding government policies and welfare schemes. The data analysis shows that the majority of the respondents under the study i.e. 58% of the total 150 respondents had a little information about the government schemes. Only 20% (30 respondents) had full information about different schemes of assistance available to tribal entrepreneurs. 33 out of the total respondents were found totally unaware of the schemes of assistance. The root cause of very low pace of entrepreneurship development among the Scheduled Tribe lies in lack of knowledge of government policies and scheme of assistance. Financial assistance, subsidies and concessions are effective incentives to new entrants in the field of entrepreneurship in general and to those belonging poor families in particular naturally, the entrepreneurship development process among the backward communities such as, SC/STs has deep impact whether the beneficiaries are benefited adequately and timely or not.

Causes of Delays in Getting Assistance

Too much paper work and lengthy procedure were main hurdles in case of 50 (33%) and 70 (47%) respondents respectively. Indifferent attitude of the

government officers was the main hurdles in getting assistance in case 13% respondents while 7% respondents were found negligible in preparation and submission of the proposal to the assisting agencies. Majority of the respondents have the opinion that good schemes were being implemented badly. However, some of the officers were co-operative and always ready to help according to few respondents.

Exposure to Entrepreneurship Development Programme

EDPs have been instrumental in developing entrepreneurial qualities among youth. The data analysis shows that out of 150 respondents 57 (38%) respondents had attended the EDPs while 75 (50%) respondents had not attended the EDPs. Some of these respondents complained that they did not receive the information about the programme and a few stated that due to living in remote rural areas they could not arrange to attend the EDPs as they were organized either at district level or block level.

Sources of Finance

Existence of financial institutions attracts more and more entrepreneurs to set up their units in particular place or region. It was noticed that out of 150 respondents under study 58 (39%) respondents have availed bank finance at concessional interest rates and while 24 respondents had availed funds from friends and relatives. Due to a lot of paperwork and undue delays in disbursement of loan 40 (27%) respondents had preferred borrowing from moneylenders while 15 (10%) respondents had started business from their own fund. Some of the respondents have the opinion that the financial agencies should be more responsive and cooperative with tribal entrepreneurs because of their weak financial position.

Difficulties faced by the Entrepreneurs

As all the entrepreneurs under study belong to economically backward families, they had to face a number of difficulties. The responses collected cover a long list of problems faced by the entrepreneurs under study. Out of the total 150 respondents 17 (11%) stated that economically poor position inherited by them was the major difficulty as many a times their applications for financial assistance were either delayed too long or rejected. In view of 21 (14%) respondents, lack of proper education (i.e. management, accountancy, marketing etc.) was main hurdle while 99 (66%) respondents stated that they had been facing stiff competition from big units. Social discrimination based on caste system was respondents for the slow growth of entrepreneurship in view of 15 respondents. It was noticed that the respondents (i.e. 13 out of 150) under study had selected mostly low risk, involved traditional entrepreneurial activities wherein the rate of return on their investment was much lower. They opined that the fear of loss and uncertainty did not allow them to expand the entrepreneurial activities. Accounting to 33 (22%) respondents, inadequate financial assistance was major difficulty 11 (7%) respondents complained about too high rates of interest while 11 (7%) respondents had marketing problem. In case of

16 (11%) respondents delay in sanction and disbursement of loan and subsidy was major problem. They criticized the indifferent attitude of the officers and further opined that entrepreneurs should get all the facilities and assistance under one roof. A good numbers of respondents i.e. 13 (9%) were unable to provide security to the banks finance to meet the requirements of working capital and had to borrow from money lenders at exorbitant interest rates. In this regard it may be suggested that the banks should liberalize their lending norms.

Suggestions

1. Both Keonjhar and Mayurbhanj districts of Odisha is lagging behind in industrial development due to infrastructure deficiencies and very low pace of entrepreneurship development in general and among SC/STs in particular. In this regard it may be suggested that the govt. of Odisha should provide adequate infrastructural facilities in the industrially backward districts of Keonjhar and Mayurbhanj.
2. As far as exposure to entrepreneurship development programmers is concerned, the exposure to the EDPs was not found as per expectation in case of ST candidates due to one or other reason. In order to train a large number of candidates from STs, the EDPs should be organized at village level with the help of gram panchayats. There should be a wide publicity to the EDPs to be organized.
3. With regard to the facilities availed from promotional agencies it may be suggested that these institutions should provide all type of assistance i.e. guidance, training and financial assistance. These corporations should simplify their procedures, reduce complicated paper work and provide adequate financial assistance to the projects of SC/ST entrepreneurship.
4. The study disclosed that ST entrepreneurship is deficient in business management knowledge as majority of them did not have either business background or got management/ commerce education. Business education should be made available to backward class students in the region.
5. Attention is also needed to be given on providing proper information to the applicants of the schemes of assistance so that they are able to avail adequate assistance without any hassles and start up their activities without further delays.
6. In order to give the benefits of the schemes to the beneficiaries and develop entrepreneurship among them, the implementing agencies should give wider publicity to the schemes and also prohibit strictly the middlemen.
7. Social discrimination has been a stimulating block in the process of entrepreneurship development among weaker section of our society. Any type of discrimination i.e. based on caste, creed or religion must be rooted out.
8. It may be strongly recommended that the banks and financial institution should not stress on security deposit in case of genuine weaker

section entrepreneurship as they hardly possess any property to offer it as security. Social banking still is needed for assisting poor artisans, craftsmen and micro entrepreneurs. Attention is also needed to be given on reduction of interest rates as they are too high in India in comparison of other industrialized countries.

9. The process of entrepreneurship development among scheduled tribes in the study areas is very slow. Therefore, the scheme of incentives in backward districts should be continued. Subsidies and concessions should be given timely and adequately to SC/ST entrepreneurship as they are solely depended on this assistance.
10. It was noticed that the indifferent attitude of the government officers towards SC/ST beneficiaries was discouraging. It is strongly recommended that such type of attitude must be rooted out and beneficiaries should be given respectable treatment so they are motivated and encouraged.
11. One of the major problems before tribal entrepreneurs is the marketing problem. It may be suggested that the government of Odisha should engage specialised marketing agency to assist in marketing their finished products.

Conclusion

Rural economy can be strengthened and developed through developing entrepreneurship. Entrepreneurship not only creates employment opportunities but also helps in the eradication of poverty. It gives support to big industries by supplying raw materials, basic goods, finished parts and components. Entrepreneurship is crucial for the development of society. Entrepreneurs however, cannot work in isolation; they need the right environment to thrive, the judicial system, the educational system, the financial system and general government policies should be such that it should encourage and promote entrepreneurship. Basic infrastructures such as power, water and transport systems are necessary to boost entrepreneurship. From the above discussions it may be concluded that the tribal entrepreneurship of both Keonjhar and Mayurbhanj districts of Odisha is not up to the mark due to many reasons. The tribal entrepreneurs are facing many problems in their normal course of business. Due to lack of education and knowledge they are far away from development. Inadequate financial assistance and delay in the approval of Bank loan discourage them to be a successful entrepreneur. Promotional schemes and assistance of the government is not able to motivate the tribal youths. Entrepreneurship Development programmes (EDPs) fail to draw the attentions of tribal entrepreneurs. This is the right time for the government to think and do something new especially for the benefits of tribal people who reside in the rural areas of Odisha. Awareness and Entrepreneurship Development Programmes should be conducted at village level in addition to Block level to attract more and more number of tribal youths towards entrepreneurship. Financial institutions should provide adequate and timely financial assistance to all

entrepreneurs irrespective of their age, sex and caste. The ruling state government should design new policies and programmes which can be easily implemented and reached at the grass root level. The need of the hour is to bring the poorest of the poor in the main stream and give them the fruits of economical development by facilitating their participation in economic activities i.e. entrepreneurial activities.

References

1. Lokhande M.A (2006), "Entrepreneurship Development among Scheduled Castes and Scheduled Tribes in Marathwada Region", *The Indian Journal of Commerce*, Vol.59, No.1, January-March 2006.
2. Khan Eijaz Ahmed, Alam Md. Nur and Khan Sarif Mohammad (2005), "Factors Affecting the Growth of Entrepreneurship in Small-Scale Business" *Business Review: Volume 05, Number 02, January to June, 2005, pp. 33-38, Business Administration Discipline, Khulna University, Khulna-9208, Bangladesh. (ISSN 1811 - 3788)*
3. Rahman Shaik Shafeequr & Sultana Nikhat (2011), "Women Entrepreneurship Development through Micro Finance: A Study Focused on Hyderabad", *International Journal of Rural Development and Management Studies*, Volume 5, Number 2, July-December 2011.
4. Kumbhar Vijay (2013), "Some Critical Issues of Women Entrepreneurship in Rural India", *European Academic Research*, Vol. 1, Issue 2/ May 2013, ISSN 2286-4822.
5. Khan Firdouse Rahman (2015), "Women Entrepreneurship in Chennai, India – Factors Trigger and Prevent", *International Journal of Management, Innovation & Entrepreneurial Research* Vol. 1 (1), April 2015, pg 29-43.
6. Varshney Bhavana, Agarwal Shama and Rizwan Mohd. (2014), "A Critical Study of Rural Women Entrepreneurship in India", *International Journal of Research in IT, Management and Engineering (ISSN 2249-9482) IMPACT FACTOR: 4.433, Volume 4, Issue 6, June 2014.*
7. www.Keonjhar.nic.in
8. www.Mayurbhanj.nic.in
9. www.google.co.in