

# Opportunities and Challenges of Dalit Entrepreneurship in India

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## Abstract

Dalit in the society treated as a suppressed community those who are involved only to assist the upper caste people. Dalit become entrepreneurs are highly impossible in the modern world in the country, though few Dalits become entrepreneurs due to their origin and traditions. But the Dalit entrepreneurs are still struggle to sum the business not because of their in efficiency but because of their belonging to Dalit community. In this situation there are 118.90 thousand (8%) of MSM enterprises owned by Dalit in India which indicates that, Dalit do can engage business of the opportunities and encouragement from the government and entrepreneurs. Dalit become entrepreneurs not only help to improve their status in the society but also it leads to overall growth of nations.

**Keywords:** Dalit Entrepreneurship, untouchable, Scheduled Castes, MUDRA

## Introduction

India is a caste-based society, caste plays a predominant role in Indian society and its importance is growing day by day. Manu divided the society into four varnas – Brahmins, Kshatriyas, Vaishyas and Shudras. The Panchama varna was named as untouchables. Untouchability is a by-product of caste system in India. The untouchables were the poorest section of Indian society. Their avenues of employment were strictly limited. They lived apart, unhygienic surroundings on the outskirts of villages and cities. Though they were Hindus and believed in Hinduism and worshipped Hindu gods and goddess. They were not allowed to enter Hindu temples, public institutions like schools, hostels etc, were closed to them, it always violated human dignity by compelling untouchables to do work which was unclean and degrading. It was opened that Untouchability against the spirit of democracy. The aim to present this article is to identify opportunities and challenges of Dalit Entrepreneurship in India.

There is controversy on the origin of untouchability with some accounts stating that it was a feature of ancient Indian society and others that it was introduced with the Aryan invaders in the third century BC. The philosophy of caste is contained in the Manusmriti, a sacred Hindu text dating from the second century BC and is related to the theory of transmigration of the soul and of karma (rebirth) and dharma (duty). “Untouchable” outcast communities were forbidden to join in the religious and social life of the community and were confined to menial “polluting” tasks such as slaughtering animals and leatherworking. The introduction of Islam from the thirteenth century AD led to widespread conversions by many low caste and “untouchable” groups and by the mid-nineteenth century about one quarter of the population was Muslim. The period of British rule from the late eighteenth century brought little change and attempts to ensure that public facilities, such as government schools, would be open to all castes. During the first half of the twentieth century the British Indian government began to take an

interest in the condition of “untouchable groups” and “depressed classes” and their special position was recognized under the term “Scheduled Castes”. Among Indian politicians two main approaches emerged, typified by two political and religious leaders who have by their ideas and actions made most impact on “Untouchable” advancement. Mahatma Gandhi coined the term Harijan (children of god) to describe the scheduled caste. Dr. B.R Ambedkar, a brilliant ‘Untouchable’ lawyer who believed that only by destroying the caste system could untouchability be destroyed. Ambedkar became the chief spokesperson for Scheduled Castes and replaced the word Harijan with the term Dalits. He also fought for electoral representation and a guarantee of special protection and rights for them. Consequently reserved constituencies have been emerged and Dalits got an opportunity to enter into politics. There are also reservations for the Scheduled Castes in legislatures in the centre and the states. In the two houses of Parliament, the Lok Sabha and the Rajya Sabha, 15% of the seats are reserved for Scheduled Caste members and similar representation occurs in the state assemblies in proportion to the percentage of Scheduled Castes in the state’s population.

### **What is entrepreneurship?**

Entrepreneurship is the act of starting a business in the hope of earning a profit. However, our modern perception of entrepreneurship has evolved into recognizing its ability to solve large-scale problems and influence social change. Entrepreneurs may also become thought leaders in their fields, although this isn’t necessarily a distinguishing factor of someone in this role, but it can be a natural outcome. Entrepreneurship also plays an important role in the economic development of our vibrant marketplace. It leads to better standards of living and generates new wealth, as well as increased employment and national income. Entrepreneurs also have the opportunity to help bridge the digital divide, the gap between those with access to internet and those without. With technological advancements and market demand for new business ideas and innovation, the practice of entrepreneurship is growing rapidly. Today, more and more self-motivated individuals are looking to become fully independent in their professional lives and are aspiring to create their own future. The term is not a new one, for example, economist Joseph Schumpeter (1883–1950) defined the role of an entrepreneur as being involved in “creative destruction.” Making entrepreneurship responsible for new ideas and innovations that disrupted traditional and existing businesses or industries, and replaced them with something new and forward thinking. For the economist Schumpeter, the changes and “dynamic disequilibrium brought on by the innovating entrepreneur [were] the norm of a healthy economy”. Entrepreneurship is thus part of the natural cycles of economic and industrial development and evolution. While potentially disruptive in the short term, in the long term it’s expected to bring about positive change and innovation.

### **Dalit Entrepreneurship**

‘Someone who believes in equality, practices equality in his or her life, and protests inequality wherever he or she sees it’. The term ‘Dalit’ has different meanings for different people. The most common use of the term is to define people who were known as ‘untouchables’, separated from the rest of the society by the caste system. The word ‘Dalit’ comes from the Sanskrit root dal- and means ‘broken, ground-down, or oppressed’. Those previously known as Untouchables, Depressed classes, and Harijans who are sharing 24.4% in the total population (According to 2011 census data) are today increasingly adopting the term ‘Dalit’ as a name for themselves. The Dalits have historically been poor, deprived of basic human rights, and treated as social inferiors in India. They still face economic, social, and political discrimination in the

name of caste. The constitution of India guarantees equality of law to all 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. Pearl, 3 (1), 52-62, February 2017 Radhakrishna Gowda V et al. 54 Dalit Entrepreneurship: Problems and Prospects with Special Reference to Dakshina Kannada District The concerns for Dalits lead to more radical movement headed by Dr B.R. Ambedkar. Mahatma Gandhi viewed Dalits problem as social one, whereas, Dr Ambedkar saw it as political and economic problem created by upper castes. Entrepreneurship is particularly important, as the so-called Dalits have run and managed a number of traditional and cottage industries such as handicrafts, pottery and 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 evident 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 as 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 filling of self-worth and independence that it generates.

### Importance of Dalit Entrepreneurship

Dalit entrepreneurship is not only a social and economic necessity but also a technological and strategic necessity due to the following reasons;

1. **Breaking Barriers:** Dalit entrepreneurship empowers individuals to overcome historical and ongoing discrimination, achieving economic self-reliance and breaking free from traditional caste-based occupations.
2. **Social Mobility:** Entrepreneurial success can lead to increased social status and influence within the community, challenging traditional hierarchies.
3. **Role Models:** Dalit entrepreneurs serve as inspiring role models for other Dalits, demonstrating the potential for upward mobility through business.
4. **Education and Skills Development:** Entrepreneurship provides a platform for acquiring new skills and knowledge, which can further enhance economic opportunities. Economic Development and Growth:
5. **Job Creation:** Dalit-owned businesses contribute to job creation, providing employment for both Dalits and other members of society.
6. **Innovation and New Ventures:** Entrepreneurial initiatives bring new ideas and solutions to market, fostering innovation and economic growth.
7. **Economic Diversification:** Dalit entrepreneurship can diversify the economic landscape, reducing dependence on traditional, often low-paying, occupations.
8. **Community Development:** Entrepreneurship can lead to improved infrastructure, better access to goods and services, and overall enhancement of community well-being.

### Opportunities and Challenges of Dalit Entrepreneurship in India

Dalit entrepreneurship offers opportunities for economic empowerment and social mobility, but also faces significant challenges rooted in systemic discrimination and lack of resources. While government schemes

and private funding can help, Dalits often struggle with accessing credit, networks, and the social capital needed to thrive.

### Opportunities:

1. **Economic Empowerment:** Entrepreneurship can provide Dalits with a means to generate income and build wealth, breaking the cycle of poverty and social exclusion.
2. **Social Mobility:** Successful Dalit entrepreneurs can serve as role models and inspire others to pursue entrepreneurial paths, contributing to a more inclusive society.
3. **Government Schemes:** Various government schemes and initiatives, like the MUDRA Bank loans, offer financial support and resources specifically targeted at Scheduled Castes and Tribes.
4. **Private Funding:** The increased availability of private funding and angel investors can make it easier for Dalit entrepreneurs to access capital, particularly in the early stages of their ventures.
5. **Shifting Societal Attitudes:** The success stories of Dalit entrepreneurs can help challenge negative stereotypes and promote a more inclusive and equitable business environment.
6. **Islamic Banking:** Interest-free financing through Islamic banking windows can be a valuable alternative for Dalit entrepreneurs who may face difficulties accessing traditional credit.

### Challenges of Dalit Entrepreneurship in India

Main challenges of Dalit Entrepreneurship in India are as follows:

1. **Caste-Based Discrimination:** Dalits often face discrimination from lenders, suppliers, and customers, making it difficult to build business relationships and access necessary resources.
2. **Lack of Access to Capital:** Dalits may face difficulties accessing credit due to perceived risk, lack of collateral, and discrimination in lending practices.
3. **Lack of Networks:** Dalit entrepreneurs may lack the social connections and networks that can provide valuable business insights, mentorship, and access to resources.
4. **Limited Access to Training and Skills Development:** Many Dalit entrepreneurs lack the skills and knowledge required to manage and grow their businesses effectively.
5. **Stiff Competition:** Dalit entrepreneurs often face competition from established businesses and entrepreneurs from higher castes, making it difficult to gain market share.
6. **High Prices of Raw Materials:** Dalit entrepreneurs may be at a disadvantage when it comes to negotiating prices for raw materials, particularly if they lack the bargaining power of larger businesses.
7. **Lack of Support from Family and Community:** Family and community support can be crucial for entrepreneurship, but Dalits may face reluctance or resistance from their communities due to traditional roles and social expectations.
8. **Lack of Specialized Programs:** There may be a lack of specialized entrepreneurial development programs designed specifically for Dalit entrepreneurs, addressing their unique needs and challenges.

### Conclusion

In the modern technology dominated and development driven times, to fulfil the mission of, 'Subka Saath - Subka Vikas', there is an urgent need as well as wide scope for research on Dalit entrepreneurship in a developing country like India. It is necessary to reflect on the factors that have imprisoned them in the dungeon of depravity and shed light on how to push them to the mainstream of the economy with access to means of better livelihood and opportunities. The present research is an effort in this direction with

intensive hope and confident belief to make positive contributions and bench-mark in the field of research and its implications on Dalit Entrepreneurs.

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