

Entrepreneurship Development among SCs and STs Through Micro Enterprises: A Critical Review of Public Policy Support

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Abstract - Since the late 1980's many studies have been witnessed, examining the contribution or performance of entrepreneurship in terms of economic development. Entrepreneurship is a source of economic growth and prosperity of a nation. Entrepreneurial qualities and skills are essential for industrial development as we know; eradication of poverty can only be done by means of creating self-employment and employment to others. Micro enterprises find a special place in employment creation and poverty alleviation in India, and this is true also in other parts of the world. The problems and prospects of micro enterprises are different from those of small and medium industries. They have unique problems and require a different kind of support system. A country's development can be achieved to the fullest extent only if all the human resources are being utilized to the optimum level. But there is a wide range of disparities among different sections of population in India; especially Scheduled Caste (SC) and Scheduled Tribe (ST) section are socially, educationally and economically weaker than the other sections of the population. They generally earn their livelihood by engaging themselves in the business with less investment, probably the hard labour brings happiness at one side and at another side the non saving, non entrepreneurial, less education and market knowledge hijacked their potential skills leaving them at same status. Hence an effective support system is required to utilize the productive potential of those SCs and STs. This paper is trying to focus on the problems faced by SCs and STs in case of micro enterprises as well as focusing on the various policies which are designed to support those MEs and backward classes. The study of this nature will be useful to give an actual insight in the managerial problems associated with the emergence of entrepreneurs of SCs and STs, along with this it will be enable entrepreneurs to take necessary measures for setting up micro enterprises by way of not allowing any scope for their sickness. This paper is paragraphed with introduction, objectives, methodology, discussion and lastly conclusion.

Keywords: *Entrepreneurship, Micro enterprise, SC & ST, support system, policy.*

I. INTRODUCTION

Economic backwardness of an economy or region is characterized by the co-existence of unutilized or underutilized manpower, on one hand, and unexploited natural resources, on the other. Economic development means a process of upward change whereby the real per capita

income over a period of time. The question arises: what makes a country development. The answer is that men have been becoming kingpin role in economic development. Who is this man, he is an entrepreneur who has urge to do something new, organize production, and undertake risk and handling the economic uncertainty. The set of such attributes is called entrepreneurship. Entrepreneurship is the manifest ability and willingness of individuals, on their own, in teams, within and outside existing organizations, to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product- market combinations) and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions. Entrepreneurs are one of the most important inputs in the economic development of a country or of region. To accelerate the formulation of entrepreneurs, imaginative programmes and policies backed by sound institutional support will require, indentifying, motivating and strengthening a new breed of entrepreneurs. The issue, post independence was that entrepreneur should come from non-traditional groups, thereby breaking the monopoly of dominant business castes and communities and diversifying the entrepreneurial resource base.

Entrepreneurship is important for national growth and social development. The unique contribution of entrepreneurship is that, it is low cost strategy of economic development, job creation and technical innovation. For instance, a micro enterprise requires about Rs.25000 per unit of per employment, whereas the large enterprise needs Rs.300,000 for providing employment to one person. On the other hand, during the seven year period from 1991-1998, it has created almost 42 lakhs jobs whereas the entire organized sector enterprise including government was able to create only 14.3 lakhs jobs i.e. a ratio of 3:1 in employment generation between small and large enterprise. Therefore it can be stated that micro enterprises play a crucial role towards achieving industrial and economic development objectives of an economy. Recent years have seen increasing attention focused on MSME sector in both

developed and developing countries. This is partly because MSMEs are seen as a potentially important source of employment generation, especially for the unskilled and semi-skilled. They also possess the potential as an engine of growth, it is therefore important to create a favorable environment that allows them to expand and prosper.

What is exactly a micro enterprise? The present definition of SSI has introduced as MSMED act 2006 (micro, small and medium enterprises) operational from 2nd October with the objective of promoting, developing, and enhancing the competitiveness of micro, small and medium enterprises. The act classifies micro, small and medium enterprises as manufacturing and servicing enterprises and the investment limit have been increased.

II. MANUFACTURING

Micro: investment in plant & machinery not more than Rs.25 lakhs.

Small: investment in plant & machinery more than Rs.25 lakhs but less than Rs. 5 crores

Medium: investment in plant & machinery more than Rs. 5 crores but less than Rs. 10 crores.

Service:

Micro: investment in equipment not more than Rs. 10 lakhs.

Small: investment in equipment more than Rs. 10 lakhs but less than Rs. 2 crores

Medium: investment in equipment more than Rs. 2 crores but less than 5 crores.

The limit has been increased over the years in terms of investment ceiling due to rising cost. The problems and prospects of micro enterprises are different from those of small and medium industries. Though India has clearly defined MSMEs by the MSMED Act 2006, micro enterprises need different treatment and policy initiatives for their development. MEs find it difficult to enjoy or make use of maximum benefit of different national state industrial policies. Though policies are normally developed for micro, small and medium, as well as large and mega industries, policy support may not be applicable or accessible for the ME support, and ME issues do not figure in such policies.

Micro enterprises are important, since they provide employment to youth in rural and urban areas and are created informally. MEs are seen as activities of family business, of low investment, serving the basic needs. They find markets locally. Besides, they hardly depend on macro-economic policies or sophisticated technology, and are out of the tax regime. In India, the traditional arts and crafts; other hereditary artisans like cobblers, carpenters,

barbers, tailors, goldsmiths, blacksmiths, dhobis; agriculture, horticulture, sericulture and fisheries based on post-harvesting activities; engineering, chemical, electrical, automobile, service activities etc, have been treated as village industries/ rural industries or micro industries. They contribute more to the development of local economy. In today's global economic scenario, there is a need to expand and bring them into value chains and develop other MEs more professionally based on the micro and macro-economic policies for better job creation and economic growth. Apart from traditional ones, new generation MEs cover many other activities. Hence, deliverable policy measures are to be designed to achieve the target of the development of MEs. In India, efforts are being made to provide a better platform for individuals and groups for creation of MEs. It is observed that there are no shortcuts to developing entrepreneurial culture in the society. The solutions for ME problems need special attention, with approachable and operative schemes. After the MSMED Act 2006, there has been no specific ME development policy by the government of India or any of the states. However, there have been industrial policies, bio-technology policies, IT policies, infrastructure policy, tourism policy, SEZ (Special Economic Zone) policy, wine policy, etc. Keeping in mind all available support offered in the industrial policies and other programmes (not related to industrial policies) which are meant for micro enterprises creation, development and sustenance, holistic approach has to be made and the problems of MEs addressed. Though many policies or schemes are implemented for the MEs to achieve the economic goals, yet everything will be failed if all the human resources are not being utilized to the fullest extent. Only the people of a nation can bring the ultimate development in every field. Though India is a labour-surplus economy, but it is revealed that low labour force is a cause for serious concern for development of micro enterprises in the country. There is a wide range of disparities among different sections of population in India. Especially, the Scheduled Caste (SC) and Scheduled Tribe (ST) section of the population are socially, educationally, economically weaker than the other sections of the population. This disparity is perceived in terms of productivity of agriculture, per capita income, unemployment, absence of market and marketing facilities and lack of alternative subsidiary occupation in the village and other industries. It is interesting to note that more and more SC/ST people are coming forward looking for entrepreneurial activities like livestock, Eri, muga, paat, handloom and handicrafts, food processing etc. Another aspect also observed that culture of SC/ST people in the country is characterized by subsistence occupational pattern and restricted consumption due to lack of awareness and literature norms. Hence, neither the local supply of resources nor any

demand force operates effectively to take risk to promote industrialization. Hence, entrepreneurial activities are very less in the nation.

The main aim of micro enterprises is to make the rural community self-reliant, generate income within the community and to provide employment to rural people, also to reduce migration from rural to urban areas. Finally within the available infrastructure and resources, the entrepreneur can promote his entrepreneurial capability as well as induce economic growth. Therefore in this paper, it is being tried to focus on the potentiality of those SCs & STs only the means to end to help the emergence of healthy, talented and successful entrepreneurs those can take over responsibility among them for their economic growth by establishing micro enterprises as well as trying to put effort for building an effective support system.

III. STATEMENT OF THE PROBLEM

This study aims at understanding the problems or needs of micro enterprises as well as it will give an insight in managerial problems associated with the emergence of entrepreneurs of SC/ST, present support system, policies available, and how the problems need to be addressed and policies to be implemented. The government effort to push the idea of ME has been continuously increasing. Concepts like rural industries, village industries and cottage industries and service industries all denote micro enterprises. Studies on rural industrialization, micro enterprises suggest measures to tackle the problems of micro enterprises. The suggestions have been well taken by the policy makers who had devised many schemes and created many agencies. To achieve the objectives of the schemes for micro enterprises, the development- delivery mechanism has to be identified. It is in this context, the paper intends to review the problems of ME among SCs and STs, discuss suitable mechanism for addressing them and make recommendations for implementing the industrial policies and also poverty alleviation programmes for the development of micro enterprises.

IV. OBJECTIVES OF THE STUDY

- (1) To study the various problems related to Micro enterprises.
- (2) To identify the policy support and schemes available to SC & ST entrepreneurs among micro enterprises.
- (3) To suggest steps to strengthen the delivery system.

V. REVIEW OF LITERATURE

So far a number of studies in this area of research have been conducted by researchers, academicians, and non-government agencies. Before going to the details of

the study, some view of different authors has been quoted in the context on small entrepreneurs:

Schumpeter,(1961). Suitable environment, intuition in grasping the essential factors influenced small entrepreneurship development.

Staley & Morse,(1965). Quality and services in industrial advice, managerial training and industrial research are the factors contributed to development of entrepreneurship.

Levine, (1969), Status mobility system where status is attained through outstanding performance, initiative, reliance and achievement training influenced entrepreneurs' performance.

McClelland, (1969), Need for achievement through self study, goal setting and inter personal support, keen interest in situations involving moderate risk, desire for taking personal responsibility, concrete measures of task performance, anticipation of future possibility, organizational skills, energetic and novel activity are some important factors influenced entrepreneurship development.

Christopher, (1969), his views that high demand for product and experience in the line of business is encouraging factors for entrepreneurship development.

Hagen, (1971), creative personality, high need for achievement, need for order and need for autonomy, creative problems solving ability, positive attitudes are leads entrepreneurship development.

R .P. Sinha on "Some Problems of Small Scale Industries" (1979) observed that the government purchase schemes in Bihar were not encouraging to development of small entrepreneurs in the region. He recommends the setting up of a "Development consortia" and creation of a trade centre to boost the marketing SSE's products.

T . Subbi. Reddy, in his study (1981) observed that nearly eighty percent of the entrepreneurs not aware about government schemes. He emphasized the wide publicity of Government schemes through advertisement media and suggested the subsidy must be simple.

Manohar. U. Despande, (1982), viewed involvement of development agency regarding management expertise so that extended entrepreneurial environment among local youth.

Inderjeet Dagar, (1993), revealed that management of human resource is important factor for the development of SSEs. He recommended systematic and scientific management of human resources development.

S. K. Bansal, (1992), advocated few mechanisms i.e. net worth to fixed assets, net sales to turnover, net sales to gross working capital etc. with the help of the device, the

financial institution should ensure before sanctioning of loan about the future prospects of the produce and service.

A. K. Sharma (1976) stated that sixty percent of surviving units were not managing their finance properly. According to him, availability of bank finance would solve the problems of small entrepreneurs in the region.

N. B. Dey, (1980), mentioned that most of the entrepreneurs do not attend any regular courses on management. He recommends that the entire development agency involved for the development of small enterprise should rightly come forward to ensure speedy utilization of fund for true purpose.

P. Baishy, (1986), revealed that cottage industries are gradually under developed due to lack of innovation in technology. He opined that cottage and small scale industries can provide more employment opportunities in the region.

The word 'caste' has the origin from the Portuguese word 'caste' which means a race, a breed. The British government had issued Government of India (Scheduled Castes) order, 1935 specifying certain classes as scheduled castes. In India, the word caste is used to denote a varna, a gotra or jati. Scheduled castes are those castes mentioned in the scheduled castes order of the government of India in August, 1950 (Victor, 2000). Scheduled castes and scheduled tribes have been mentioned in the clause 24 and 25 of articles 366 of the constitution in the social structure and have inadequate share in trade, industry and commerce. For centuries, backward classes were deliberately kept away from education, knowledge and culture on religious ground (Wankhede, 1999). 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 discriminations, high illiteracy rate, inherent poverty are some of the major obstacles resulting in low profile entrepreneurship among SC/STs. Another research scholar observed that financial assistance rendered by MPBDC and banks under 20 point economic programmes were found to be instrumental in raising economic status of the beneficiaries from backward classes (Dahiwal, 1986).

VI. METHODOLOGY OF THE STUDY

The data used in this paper is of secondary nature. Research documents and other literature relevant to the topic have been reviewed. For the purpose of the study, the required information has been compiled from the Annual Survey of industries, study reports of task force on MSME

and other related reports. An effort has been made to suggest ways for implementing programmes by relating problems, schemes, and delivery mechanism.

This paper is written in four segments:

- (i) Firstly, Policy support for MSMEs and for SCs/STs, both at the Central and State (NER) level are reviewed.
- (ii) Secondly, Schemes and various programmes run by different agencies, which are available for Entrepreneurship Development are analyzed.
- (iii) Thirdly, critically analyzed the policies and schemes.
- (iv) Lastly, a discussion has been made on the support system and has concluded the paper with some suggestive steps to strengthen the delivery mechanism.

VII. PROBLEMS OF MICRO ENTERPRISES: AN EMPIRICAL PERSPECTIVE

Indian perspective:

Many studies, reports research works have been undertaken by scholars and authorities in the field pertaining to the problems of MEs. However, these studies have been in the form of indentifying the problems of village or cottage industries, small scale industries (SSI), medium and large industries. Now micro industries fall in the fold of village and cottage industries. Hence the problems of micro industries or micro enterprises can be drawn from the studies on village or cottage industries and SSIs.

K. Sundar and T. Srinivasan (2009) argue that there is need for a rural industrial policy to overcome the problems related to rural industrialization. Patel (2004) is of the view that lack of coordination among the various poverty alleviation programmes of rural industrialization is a serious lacuna. Manon (2007) has observed in his article that too many schemes, too many government agencies, dual governments, high leakage of financial assistants and role ambiguity have made little impact on rural poverty and growing rural unemployment. A clear cut policy for rural industrialization is to be evolved to address to the likely pitfalls in the road to rural industrialization.

Global perspective:

Keith Psaila on observing the problems of micro enterprises, indentifies two major policy issues that aim at improving the efficiency of micro enterprises, indentifies two major policy issues that aim at improving the efficiency of micro enterprises and policies that encourage entrepreneurship. Micro enterprise Fact Sheet Series,

(spring 2005) identifies problems such as lack of continuous support by government, lack of funds for innovation, effectiveness, learning and dissemination. According to "A micro enterprise development policy Agenda USA", problems of the ME are related to infrastructure, technical and financial assistance, private market and capital accessibility, entrepreneurship and health policies. Working paper 4 on financial support for micro and small enterprises in Thailand (1999) identifies problems such as lack of quality of entrepreneurship, skill to manage finance, market, and so on. The administrative/red tape, clearances, laws and absence of life-long learning are considered as problems of MEs. The High Level Meeting on Micro Enterprises (HLMME) during APEC 2002 in Mexico has identified problems such as lack of information and knowledge, unfavorable policy and regulatory environment, limited access to financial services, lack of opportunity to access modern technology, particularly information and communication technology, lack of basic management skills, techniques, and limited access to existing capacity building programmes. A study of Micro Enterprise Development Programme (MEDEP) of Nepal (2006) identified ME problems such as market, technical skill development, policy changes, value chain, capacity building, advice and support.

Problems of SCs & STs:

As all the entrepreneurs under study belonging to economically backward families i.e. SCs & STs, they have to face a lot of difficulties. Economically poor position inherited by them is one of the major difficulties. Moreover, delays in financial assistance, lack of proper education regarding entrepreneurial activities as well as not having proper knowledge on the support system available for them, are the main problems. Social discrimination based on caste system is a cause for slow growth of entrepreneurship. People from backward classes generally involve themselves in traditional entrepreneurial activities wherein the rate of return on their investment is much lower. The fear of loss and uncertainty did not allow them to expand the entrepreneurial activities. Many a times, these weaker sections are 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.

Public policy support for micro enterprises in India:

Since the independence, India has made constant and continued efforts to promote industrialization through policy support. There have been industrial policies from 1948 to 1990-91, which were protective and uncompetitive in the world market. After the liberalization industrial policies have been framed to enable industries to compete in the international markets. These policies defined manufacturing industries based on the investment in plant

and machineries from time to time to administer the incentives and concessions. However, the Government of India had announced its MSME development Act in 2006. The MSMED Act includes manufacturing and service sectors. The Act gave a legal frame to MSMEs. The MSMED Act is a guideline for all the state policies, based on which states formulate industrial policies to promote MSME development. To facilitate FDI (Foreign Direct Investment) in MSMEs, FDI policy was introduced removing the 24 percent equity restriction in the case of MSMEs. In March 2007, a third package for the promotion of micro and small enterprises was announced accordingly. The limited Liability Partnership (LLP) Act, 2008 provides limited liability and corporate entity to MEs. Credit policies for MSMEs are very important for the development of MSMEs. SIDBI plays a vital role in the institutionalization of credit flow to MSMEs.

State industrial policies are basically intended to attract investment and ensure employment generation in their respective states, based on the natural resource, human resources and the capacity of the state government to offer various fiscal incentives. States are generally implementing their industrial development programmes through District Industries Centre (DIC) and other industrial development support organizations.

The Government of India is presently evolving programmes on the basis of MSMED Act 2006. Industrial development policies are formulated by the Union Department of Industrial Policy and Promotion (DIPP), Ministry of Industry and Commerce. A number of promotional schemes have been launched to help the MSMEs to compete in global markets. States are also making their best efforts to focus industrialization as major area of development.

Ministry of MSME schemes

The Ministry of MSME has the following programmes to its credit to promote the development of MSMEs both at the Central as well as State level:

- Surveys, studies and policy research
- Assistance to training institutions (PI scheme)
- Rajiv Gandhi Udyami Mitra Yojana (RGUMY)

Schemes implemented through KVIC

- Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
- Prime Minister's Employment Generation Programme (PMEGP)
- Product Development, Design Intervention and Packaging (PRODIP)

- Khadi Karigar Janashree Bima Yojana for khadi artisans
- Interest subsidy eligibility certification (ISEC)

Schemes implemented through NSIC

- Marketing assistance scheme
- Performance and credit rating scheme

The above schemes are designed to help MSMEs, and are operated through different institutions. The Ministry of MSMEs offers schemes for individuals, and groups of entrepreneurs, to institutions for assessing the current status of MSMEs, for upgrading the institutions, for providing escort services to entrepreneurs to KVIC specially focus on artisan sector and rural enterprise development. KVIC provides financial assistance, product design and development, insurance, encouragement to prompt repayment of loan by artisans. NSIC helps the entrepreneurs to market their products, and makes assessment of the enterprise for creditworthiness.

Under newly launched MSME policy, the Development Commissioner (DC) operates a number of schemes for promoting of the MSME sector. They are:

- National Manufacturing Competitiveness Programme (NMCP) schemes.
- Micro & Small Enterprises Cluster Development Programme (MSE- CDP)
- Scheme for capacity building
- Credit Linked Capital Subsidy Scheme for technology up-gradation.
- Credit Linked Capital Subsidy Scheme for technology up-gradation
- Credit Guarantee Scheme- collateral free loans up to a limit of Rs. 50 lakh for individual MSEs.
- ISO 9000/ISO/ 14001 Certification reimbursement scheme
- SME MDA – Market Development Assistance scheme for participation in international exhibitions/ fairs
- Purchase and price preference policy
- Mini tool rooms assistance
- Assistance to entrepreneurship development institutes
- Scheme of micro finance programme
- Scheme of National Award

- Scheme to support 5 selected universities/ colleges to run 1200 entrepreneurship clubs.

From the above mentioned schemes of MSME, some schemes give special importance to SCs and STs. Some of them are:

(i) MSE- CDP: The Ministry of MSME has adopted cluster development approach as a key strategy for enhancing productivity and competitiveness as well as capacity building of MSEs and their collectives in the country. Under this scheme the Govt provides assistance in setting up Common Facility Centres (CFC), in which Govt give assistance for project fund of Rs. 15 crore and 50% and more for SC/ST/ women entrepreneurs.

(ii) Market assistance (SME-MDA): This is a GoI initiative for adoption of modern marketing techniques by MSMEs, consistent with the requirement of global markets. The scheme is divided into eight sub-components, and GoI assistance is available in various proportions. Funding support to MSMEs belonging to North-Eastern Region for participation in marketing events Funding for participation of MSMEs in State/District level local exhibitions/trade fairs support (reimbursement) Re-imbursement up to Rs.75,000 per unit(North–East) for space charge, to and fro and transport charges The total re-imbursement up to Rs.30,000per unit for SC/ST/woman/physically handicapped entrepreneurs, and Rs.20,000per person for other MSME units for participation in state and district level trade fairs.

(iii) National Awards: The MoMSME with a view to recognizing the efforts and contribution of MSMEs, gives National Awards annually to selected entrepreneurs and enterprises under the scheme of National Awards. Innovative works can only be possible with greater ambitions and visionary spirit of the entrepreneurs. Hence, entrepreneurs are categorized in different categories and offered assistance with cash prize which varies section to section like Rs. 1 lakh, Rs. 0.75 lakh, Rs. 0.50 lakh, Rs. 0.20 lakh etc. in this respect, special national award of Rs. 1 lakh is given to SC/ST entrepreneurs and special recognition award is given to MSMEs of NER scoring above 80% and 50%.

Apart from the MSME policy and schemes, different programmes are being implemented as poverty alleviation programmes by different agencies and ministries for micro enterprise development. Some of them are:

- Urban development- Swarna Jayanti Shahari RozgarYojana (SJSRY)
- Rural Development- Swarnajayanti Gram Swarozgar Yojana (SGSY), noe restructured as National Rural Livelihood Mission (NRLM)

- Horticulture Department under National Horticulture Mission
- Agriculture Department for post harvesting micro enterprises
- Ministry of textiles, Ministry of Food processing, Ministry of Tourism, Ministry of Industry and Commerce, Ministry of Social Justice
- Department of women and child welfare
- Development Commissioner, handicrafts
- Khadi and Village Industries commission and Boards
- Small Industries Development Bank of India (SIDBI)
- National Bank for Agriculture and Rural Development (NABARD)
- Many national institutes for R & D, technology and entrepreneurship training

The above ministries, boards and institutions provide focused attention to the entrepreneurs in their respective fields. The above schemes aim at eradication of poverty through micro enterprise development, apart from helping the MSMEs.

Poverty alleviation through micro enterprise development

Micro enterprise development is regarded as the best means for alleviating poverty, hence so many schemes and programmes are there. Some of the important ones are discussed below:

Swarna Jayanti Shahari Rozgar Yojana

SJSRY is a micro enterprise development scheme for urban areas, implemented by the urban development authorities. The Ministry of Urban Development and Poverty Alleviation has reviewed the progress under SJSRY and recommended new programmes to overcome the problems in implementation. The new scheme of 2009 has five programmes for micro enterprises.

1. Urban Self-Employment Programme (USEP)
2. Urban Women Self-Help Programme
3. Skill Training for Employment Promotion amongst urban Poor (STEP-UP)
4. Urban Wage Employment Programme (UWEP)
5. Urban Community Development Network (UCDN)

The scheme proposes skill training, wage employment training and cluster development focusing on business, service and industry (BSI) sectors. Programmes have subsidy and loan components.

National Rural Livelihood Mission 2010

The draft background material on NRLM has brought out the following issues: the SGSY, centrally sponsored scheme implemented in all states except Delhi and Chandigarh since 1999, is primarily designed to promote self-employment oriented income generating activities for the BPL households in rural areas. The District Rural Development Agency (DRDA) of the Zila Panchayat is the implementing agency. The main focus is on the development of MEs in rural areas.

A review of SGSY by G. Bhaskara Rao has recognized the importance of small and medium enterprise creation and stressed on micro enterprises development. He recommends setting up new RUDSETI (Rural Self-Employment Training Institute), and other training institutions and networking them.

However, industrial policies and schemes make no intervention in the SGSY. The upcoming NRLM scheme also stresses on the creation of MSMEs, but there is no dovetailing of the policy and the schemes.

Prime Minister's Employment Generation Programme

The PMEGP is a micro enterprise promotion programme created by merging two schemes: The Rural Employment Generation Programme (REGP) and the Prime Minister's Rozgar Yojana (PMRY). The PMEGP is the only programme designed for micro enterprise promotion (Provision up to Rs. 25 lakh and Rs. 10 lakh for industry and service sectors respectively) with credit linked subsidy. The scheme is being implemented by three agencies: DIC, KVIC and KVIB. The targets are low compared to PMRY. KVIC does not have district offices and taluka offices, but KVIB has a district office with minimum staff. The DIC officials are the only coordinating officers.

Importance of District Industries Centres (DICs)

The report of the Task Force on micro, small and medium enterprises (2009) has recommended strengthening the delivery system as follows:

“The District Industries Centres (DICs) should be strengthened with provision of modern IT-enabled communication facilities and re-training of human resource available with these institutions. As the DICs form the bedrock of MSME promotion, they should be urgently strengthened, revitalized and transformed to play a more active role in advocacy and capacity building for potential and existing entrepreneurs. Wherever viable, active involvement of the private sector for revamping the DIC network should be considered. Such re-engineering of the DICs may be supported by the Central Government.” Though the DICs are important in the development of MEs, the new schemes for the development of ME for

poverty alleviation are routed through different ministries and agencies. This situation has led to very minimum use of trained, qualified human resource in the development of MEs for poverty alleviation through ME development programmes.

Some important decisions regarding MSMEs in the 12th five year plan (2012- 2017):

- Schemes of the ministry for installation of plants & equipments with advanced technology.viz CLCSS & NMCP components may be emerged with one scheme.
- Ministry of MSME has mandated to provide skill to 42 lacs persons during the 12th plan period.
- Ministry of MSME has adopted the Cluster approach as a key strategy for enhancing the technical & physical infrastructure.
- For maintenance of industrial estates, it is proposed to be set up Modular Industrial Estates, near centres of excellence like IITs.
- Cluster Development Programme of MSME (MSME- CDP) may be continued in 12th plan period.
- For developing a good marketing infrastructure, testing facilities & establishment of information dissemination centres and display cum exhibition centres may be required to set up during 12th plan period.
- Public procurement policy has been recently introduced by the Government for MEMEs.

SC/ ST & support systems:

- For the economic development of SCs & STs, two national level institutions were set up: (i) Tribal Cooperative Marketing Development Federation in 1987 as an apex body for State Tribal Development Cooperative Corporation, (ii) National Scheduled Caste & Scheduled Tribes Finance Development Corporation, primarily to act as a catalytic agent in developing scheme for employment generation and financing pilot projects. SC and ST development corporation provide economic assistance for self-employment projects.
- Special consideration is accorded to SC and ST families under Integrated Rural Development Programme (IRDP), the most important poverty alleviation programme in the country. In the wage employment programme of Jawahar Rozgar Yojana, preference is given to SCs and STs and freed bonded labourers. It has also been provided

that 15% of the annual allocation must be spent on the items of work that directly benefit the SCs and STs.

- Entrepreneurship Development Programme is specially arranged for SC/ST people which has widened the opportunities for SC & ST job seekers. At the end of 1990, there were 44.53 lakh SC and 11.48 lakh ST job seekers on the register of Employment Exchanges as compared to 19.69 lakh & 5.54 lakh respectively in 1981.
- Problems of SCs & STs are generally tackled by suitable streamlining of the mechanism of planning and implementation of programmes Special component Plan, Tribal Sub-Plan, and the schemes specifically targeted for welfare and development of SCs & STs.
- The National Scheduled Castes and Scheduled Tribe Finance Development Corporation would take up projects for the benefit of SCs & STs. In addition, the federation would organize training courses to provide skills.
- The Tribal Cooperative Marketing Development Federation through the State Tribal Development Cooperative Corporation would organize and collection of minor forest produce in such a way as to ensure reasonable returns to tribals. A new policy on Minor forest produce in relation STs will be formulated.
- The functioning of cooperative institutions like Large Multipurpose Cooperative Society (LAMPS) in tribal areas has been reviewed to meet the genuine needs of tribal people in forests, credit, marketing of minor forest produce and supply of essential commodities.
- Limited access to credit for consumption and production purposes has resulted in increased dependence of SCs and STs on money lenders. Hence initiatives have taken to increase the limit of credits from bank and cooperative institutions.
- The National Backward Classes Finance and Development Corporation will promote economic and other developmental activities for the benefit of backward classes.
- An outlay of Rs. 2548 crores in the central sector, including 1125 crores as special central assistance for special component plan for Scheduled Casts and 3086.06 crores for the state plan under backward classes sector have been provided. In addition, a provision of Rs. 1250 crores has been

made for special central assistance to tribal sub-plan.

- SC entrepreneurs may avail special loans under Venture Capital Fund. It is to boost entrepreneurship among SC who constitute 16.62% of India's total population. It was launched with minimum funds of Rs. 200 crore. Any entrepreneur belonging to SC community can get financial support upto Rs. 15 crore for a period of 6 years.
- During 2015-16 budget, finance Minister Sri Arun Jaitley announced the introduction of Pradhan Mantri Mudra Yojana. Prime Minister Narendra Modi launched the scheme on 8th April, 2015. Under this scheme micro & small business sectors (including SC/ST entrepreneurs) can avail upto Rs. 10 lakh.
- PM Narendra Modi launched the “ Stand up Scheme” specially for SC/ST & women entrepreneurs. Under this, they can avail loan of Rs. 10 lakh to 1 crore, repayable upto 7 years.
- Government has allocated Rs. 500 crore for SC/ST & women under stand up scheme and it will also set up national hub in the Ministry of MSME in partnership with industry associations to provide professional support to SC/STs during Union Budget 2016-2017 in parliament.

Critical review of Public Policy support for Micro Enterprises & SCs/ STs:

The study indicates gaps in micro enterprise promotional activities. Problems such as access to finance, technology up gradation and transfer, market, lack of entrepreneurship and skilled man-power, human resource development efforts, entrepreneurship training, management training, government agencies administration hurdles, power supply, infrastructure facilities, raw material availability, forward and backward linkages, appropriate interventions, innovations, creativity, anchor industries support to micro enterprises etc. For the identified problems many schemes, technology development institutes, market development schemes and agencies, entrepreneurship development institutes, skill development institutes and programmes, simplification of administrative procedures and single window facilities, incentives and concessions in the form of cash and kind, industrial areas and estates, finance and micro finance schemes, cluster development programme, industrial associations to address problems, welfare schemes for artisans, labour laws etc, are in place the form of policy support and special poverty alleviation programmes. However, there is a missing link to achieve the objectives

of developing micro enterprises in the form of single point delivery mechanism. Micro enterprises get very minimum support and benefits of MSME or Industrial policies. All the support existing today in MSME policies is accessible to small and medium enterprises more easily because of their eligibility, capacity and entrepreneurship quality.

Micro enterprise can be established for self-employment or by an entrepreneur who provides jobs to people or as self-employment or by an entrepreneur who provides jobs to people or as self-employment for himself. As per the MSME Act, the investment in each micro enterprise may vary from ‘ 1 lakh to 25 lakh’ in case of manufacturing and 10 lakh in case of service enterprises. On an average micro enterprise investment is on the lower side. For a micro enterprise, policy support may be of little use or less accessible as visiting the district offices to avail the benefits may not be applicable or useful for most of the ME irrespective of their location. For example, incentives for pollution control, provident fund contribution, tax benefits, export incentives, getting the ISO certificate so on and so forth.

There are a good number of both central and state government programmes for SCs and STs to support the development of MEs. But to use or implement the different policies and its schemes there is need for a reliable delivery mechanism. The entrepreneur has to approach different agencies and offices mostly at district level. The offices should reduce the complicated paper work which makes it difficult for MEs to get the benefit of the policies. Generally SC/ST entrepreneurship is deficient in business management knowledge as majority of them did not have business background or got management/ commerce education. Business education should be made available to backward class students in the region. Through self-help groups rural EDPs should be organized for scheduled castes and scheduled tribes in rural areas. It is also needed to introduce a new education system based on practical experiences and business orientation. The need of the hour is to bring the poorest of the poor in the national stream and give them the fruits of economical development by facilitating their participation in economic activities i.e. entrepreneurial activities. 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. 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.

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. It may be strongly recommended that the banks and financial institution should not stress on security 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, craftsman and small entrepreneurs. One of the major problems before SC/ST entrepreneurs is the marketing problem. It may be suggested that the MSSIDC should provide raw material to small enterprises run by SC/ST entrepreneurs and also assist in marketing their finished products. The government should give priority to these enterprises in its purchase programme.

VIII. DISCUSSION

For the problems of MSMEs, programmes and support systems have been designed. Micro enterprises (which comprise poverty alleviation activities also) find it difficult to make use of the programmes/ schemes discussed above. The programmes/ schemes are non-operative by the district or taluk level offices and officers. Many a times, in district offices the culture of giving 'Bribe' to the officers, is seen to be continued, and therefore in that case who are unable to give bribe to the officials, get negative responses or delayed services. So the bureaucratic structure of the offices should be changed and also red-tapism should be minimized. Hence practically many issues which get importance in policy guidelines need specific strategic approach to achieve the intended impact.

IX. CONCLUSION

For the development of micro enterprises a dedicated delivery mechanism needs to be worked out. There is need for demarcation of the role of each agency based on the capacity and outreach of each organization. The partner or support agency need not be the implementing agency. Due to the structure, capacities, objectives, of the each organization, the enterprise creation efforts at grass- root level differ. A backward region is mostly tradition bound and the behavioral pattern is complex, not conducive enough for developing new lines of production, other than the ones with which people are familiar over decades. Under such circumstances, a mere passive role by development agencies is inadequate to overcome the hurdles and trigger off a process of industrialization by promoting new lines of manufacturing activities. The involvement and intervention of the Government should be deeper. The commitments of the development agencies should be genuine, supported by adequate expertise, initiative and finance. There should be adequate provision for an effective support system and greater encouragement to SC/ST entrepreneurs to participate in the process. Without adequate incentives and

practical assistance, local participation would continue to be weak and far between, especially when the local entrepreneurs in a backward state that too in rural areas are very scarce.

At the conclusion part it is needed to be mentioned that, "it should be the moral responsibility of the society and Government as a whole to encourage this community people for the production of items in the form of use, design, skill development and finance to generate rural employment, use of barren lands and moreover, eco-environmental friendly application & attitude of a community business for sustainability".

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