

Ph.D. Research Design Seminar
TRIBAL ENTREPRENEURS AND SOCIO-ECONOMIC
DEVELOPMENT IN ANDHRA PRADESH
(A Study of Select Districts)

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Introduction

In recent times, the role of an entrepreneur has been considered to be very significant in accelerating the pace of growth and economic development in both the developed and developing countries. The advanced countries owe much of their economic development to enterprising people. Developing and underdeveloped countries, having seen the history of economic development in development countries, are now conscious of the significance of entrepreneurship for economic development. There is a growing realisation that both quantity and quality of entrepreneurs are of utmost important for achieving the goal of economic development. Active and enthusiastic entrepreneurs can fully exploit the potentialities of the country's available resources like labour, technology, raw material and capital. The overall development of society becomes possible when all available factors of production are utilized by active participation of all sections of its people. In India, only limited sections of people are involved in the economic activities of the country.

Due to various historical and social reasons, certain communities and castes were kept out of the mainstream. However, over the last five decades, consistent efforts have been made to overcome the existing hurdles and to create opportunities for all communities and castes and to contribute to the mainstream of life. The entrepreneurship in the caste content is closely associated with caste groups. Accordingly, marwaris in maharashtra, banias in Gujarat, Bhumihaar in Bihar, and Chettairs in south are mercantile caste groups. The other dominant castes like scheduled castes, scheduled Tribes and other backward castes have in no way associated themselves with entrepreneurial activities and political power.

Need and Importance of the Study in the Present Scenario

Economic development has been a focal point right from the days of Adam smith, Mill, Schumpeter and other noted economists. Adam Smith did not assign any significance to entrepreneurial role in his monumental work "An Enquiry into the Nature and Causes of the

Wealth of Nations” Some of the economists have described the role of an entrepreneur in economic development in different words. Schumpeter says innovation should be a significant contribution of an entrepreneur in economic development. Harbison considered entrepreneur as one of the prime movers of innovation and describes entrepreneurship as a necessary dynamic force. Underdeveloped economies usually suffer from paucity of funds, lack of skilled labour and non-existence of minimum economic and social overheads. Market environment in such economies is less conducive to the emergence of innovative entrepreneurs.

Entrepreneurship need not be confined to industry, trade and commerce. In fact the pace of development in general would be far greater when people in all walks of life and in all work situations start reflecting entrepreneurial behaviour. Developing economies need greater number of people possessing entrepreneurial qualities and capable of taking decisions under conditions of uncertainties. It is this class of human resource which has the potential of transforming their underdeveloped economies into developed economies.

The entrepreneurship in the caste content is closely associated with caste groups. Government of India has taken a number of steps in the form of policy measures to bring the scheduled castes and scheduled tribes to the mainstream. In spite of consistent efforts, the participation of scheduled tribes in entrepreneurial activities, are still in the primitive stage. There is a need for intensive entrepreneurial awareness among the Scheduled Tribes. To create awareness among the Scheduled Tribes, various institutions have been established by the government and special assistance programmes have been formulated exclusively for Scheduled Tribes. In spite of having various institutions/organization, the awareness among Scheduled tribes is still far below the expectations. Therefore, in the proposed study an attempt is made to know entrepreneurial activity, socio-economic conditions and entrepreneurial development programmes among the scheduled tribes.

Literature Review

The following research works have been reviewed for understanding the gap on the subject.

1. **Berna(1960)** in his article “Industrial Entrepreneurship- madras state” explained Entrepreneurial activities based on social origins i.e., caste and social community to which

entrepreneurs belong. He concluded that economic factors such as access to capital, possession of business experience and technical knowledge are more important than Sociological factors such as caste attachment to traditional activities to which a potential entrepreneur belongs.

2. **Srivastava and Dr. Rubydhar(1998)** in their article “Socio-economic perspective” mentioned that the concern of Indian planning has been the welfare and development of Scheduled Castes and Scheduled Tribes which constitute a quarter of the total population and for historical reasons, have remained socially and economic backward. Multi-Sectoral programmers have been under taken to fulfil their minimum needs through assistance in the acquisition of assets, and in the improvement of skills.
3. **B. Rajarathnam(2004)** in his article “Impact of institutional credit on Socio-economic Development of Tribals” opined that the institutional credit agencies have come to play a significant role in providing development credit to the tribal communities for their economic upliftment. However, non-institutional agencies still dominating the credit scene in most of the tribal areas of the country and tribal were still at the mercy of private traders, professional money lenders and commission agents to meet consumption credit, need as most of the credit institutions play a limited role in this regard.
4. **M. Kasi Reddy(2005)** in his article “Entrepreneurial process among Scheduled Castes and Scheduled Tribes in Andhra Pradesh” suggested that the development agencies have to reorient their Entrepreneurship Development Programmes with local language and contents familiar to the rural entrepreneurs.
5. **M. Kasi Reddy (2005)** in his article “Role of Institutional agencies in training Scheduled Castes and Schedules Tribes as entrepreneurs in Andhra Pradesh. - A Study “suggested that there is urgent need to have independent developmental agencies with financial authority to promote entrepreneurship among scheduled castes and scheduled tribes. The existing Developmental Agencies must be given a time bound target oriented schemes for implementation. Otherwise they may not take active part in promoting Scheduled Castes and Schedules Tribes as entrepreneurs.
6. **J.M. Arul kamaraj and K. Muralidaran (2005)** in their article “Motivation for Entrepreneurial opportunities” concluded that the general environment now is gradually becoming supportive to the well qualified and competent young entrepreneurs.

7. **S.S. Khanka(2005)** in his article “Entrepreneurship development in the North Eastern India- Experiences and Prospects” stated that the entire process right from the conception of an idea to the establishment of a business enterprise is a daunting task. Enterprise establishment and/or Entrepreneurship Development has never been an individual task but the outcome of the combined efforts of various people involved in the process.
8. **M.A. Lokhande(2006)** in his article “Entrepreneurship development among Scheduled Castes and Scheduled Tribes in Marathwada region” opined that the region is lagging behind in industrial development due to infrastructure deficiencies and very low pace of entrepreneurship development in general and among Scheduled Castes and Scheduled Tribes in particular. The exposure to the entrepreneurship development programmes was not found as per expectations in case of Scheduled castes and scheduled tribes due to one or other reason. He also said that development agencies such as National Scheduled Castes and Financial Development Corporation and Maharashtra Backward Class Development Corporation could not make a significant contribution to entrepreneurship development among SC's/ST's in Marathwada.
9. **K.V. Ramana Reddy, Dr. B. Krishna Reddy and Dr. K. Maddileti (2006)** in their article “Impact of APSFC on Small Industry Development” opined that state Financial Corporation constitutes an important policy instrument in fortuning the development of small industry in backward areas. This paper developed an appropriate methodology in estimating units, employment and investment due to credit deployment and analyzed their nature and pattern. It also studied the role of SFC in providing entrepreneurship development.
10. **S. David Amirtha Rajan and P. Gnana Soundari(2007)** in their article “Innovative training to create rural women entrepreneurs in Madurai- A Case Study” concluded that women owned business are becoming increasingly popular in the economies of all countries, hence, it is essential to impart knowledge and awareness to rural women through entrepreneurial training.
11. **Ms. Swaleha Sindhi (2012)** has observed that tribal development in India has been a success as the primitive societies living in remote rural areas are now educating their children and living in desirable standards. It is interesting to note that apart from several governmental efforts, the contributions of non-governmental organizations in providing training and development in different sectors of economy especially the tribal population. ERT India

group initiated a survey as a part of the ERT International project to study the opportunities and avenues for the people living in remote tribal villages to acquire essential knowledge and skills for their livelihood. The project also focused on various skill development programs, especially for women. This paper discusses training as well as skills development in tribal women of Gujarat, India. The training and skill development among women would be mainly pertaining to farm forestry, papad making, sewing, cooking, sanitary pads making and so on. Women in tribal India often face abusive situations related to domestic violence, physical and mental torture, wife-beating, sexual abuse, and so forth. It is also realized that women face resistance in participating in training programmes due to sharing of responsibilities at family level. They also face barriers due to bias and discriminatory behavior common in society. Arrangements are made by the government and NGO'S to encourage women to form self-help groups and seek answers to their own problems. The paper brings out the cases of under-represented women who are successful in empowering themselves by making use of education and training. It reviews vocational and skill based training among the women of several tribal villages in Gujarat.

12. **Lakshmi Iyer at. el., (2013)** observed that it is now widely accepted that the lower caste have risen in Indian Politics. There has been a corresponding change in the economy or not is the fundamental question which needs to be answered. Using comprehensive data on enterprise ownership from the Economic Census of 1990, 1998 and 2005. This paper shows there are substantial caste differences in entrepreneurship across India.
13. **Sorin-George Toma at. el., (2013)** examined Several dynamic forces, such as technological disruption, fluctuating economies or demographical changes, have brought new opportunities and threats for organizations, and transformed societies from all over the world. In order to cope with these shifting forces, governments, public and private organizations, and the public are more and more aware of the importance of entrepreneurship. Entrepreneurship is a multifaceted phenomenon, being analysed as a process, a resource or a state -of-being. According to the Schumpeterian view, the entrepreneurial process constitutes one of the key factors in the economic development of a country/region. However, researchers have expressed different views about the relationship between the stages of economic development and entrepreneurship during the time. The aims of the paper are to examine in brief the concepts of economic development and

entrepreneurship, and to emphasize the role of entrepreneurship in economic development. The methodological approach is literature review. The paper provides a theoretical model that highlights some of the main factors involved in the relationship between entrepreneurship and economic development. More than ever in the history, economic development and entrepreneurship have become strongly interconnected.

14. **Charles Mwatsika (2015)** Integrated rural development under the Malawi Growth and Development Strategy is a key operational framework for achieving sustainable economic growth where rural industrialisation is earmarked as a strategy for achieving production diversity, creation of employment, reduction of poverty and curbing rural-urban migration. Entrepreneurship development has been central to this process. Existing models offer three key components for entrepreneurship development; the supportive and cooperative environments and entrepreneurial orientation. Efforts to create the supportive and cooperative environments for entrepreneurship development in Malawi have existed since the 1970s. However, lack of significant entrepreneurship development raises questions on the entrepreneurial orientation of the rural communities targeted with supporting efforts. The research investigated entrepreneurial orientation of 162 participants in two rural areas of Malawi. The results first confirm that practice of entrepreneurship is predominantly at income generating activities level. Entrepreneurship is affected by poverty, low levels of education and lack of technical and enterprise management skills. The practice of entrepreneurship is driven by push factors as such as lack of employment and no alternative sources of income to earn a living. These results do support previous empirical studies. The research however found positive mind sets and orientation towards entrepreneurship. There are positive entrepreneurial attitudes and intentions in the rural areas in Malawi. The intentions are influenced by the respondents' perceived desirability of entrepreneurship, their perceived feasibility that informs positive attitude towards entrepreneurship. These results support the theory of planned behaviour that attitude, perceived feasibility and perceived desirability are the antecedents of entrepreneurial intentions. The research further found that education and training significantly affected entrepreneurship practice but availability of finance does not affect entrepreneurial intentions. The results of this research therefore call for a review of entrepreneurship development strategies and models because despite proving the existence of entrepreneurial

orientation in particular rural contexts where supportive and cooperative environments do exist, entrepreneurship has not developed to contribute to economic growth. That demonstrates the inadequacy of the existing models to guide entrepreneurship development in practice. Practical models are required that can offer guidance for entrepreneurship development in rural economies to help achieve economic growth and development.

Research Gap

The existing literature trace out several empirical studies relating to Tribal Entrepreneurship development. It is worthwhile to remember that tribal entrepreneurship development is not at similar level in different parts of the country. It may be due to geographical, political and social reasons. The literature identifies a gap that there are no studies on the Tribal Entrepreneurship Development in the State of Telangana in the recent past. So, to fill the research gap, the present study is proposed to be undertaken for doctoral research.

Objectives of the Study

The following are the objectives of the study:

- To study the overview of Tribal Entrepreneurship Development in India
- To study the profile of the select Tribal Entrepreneurs
- To assess the role of Financial Institutions in providing financial assistance to the Tribal Entrepreneurs
- To evaluate the impact of Tribal Entrepreneurial Development on their Socio-Economic Development

Hypotheses of the Study

Null Hypothesis: Financial Assistance provided by the Government does not impact the Entrepreneurial Development of the Tribal's

Alternative Hypothesis: Financial Assistance provided by the Government impacts the Entrepreneurial Development of the Tribal's

Null Hypothesis: Entrepreneurial Development does not cause socio-economic development of the Tribal's

Alternative Hypothesis: Entrepreneurial Development causes socio-economic development of the Tribal's

Methodology of the Study

Sources of the Data

The present study is basically dependent on the primary data will be collected by executing structured questionnaire/schedule to the Tribal Enterprenuers in the select districts of Telangana. Data relating to financial assistance provided to tribal entrepreneurs will be collected from the websites of the concerned financial institutions. Apart from this, various journals and magazines will be referred to get the relevant information

Period of the Study

Primary data is proposed to be collected during the period of six months from october, 2017 to March,2018. Data on financial assistance provided to tribal entrepreneurs for last 10 years i.e., from April, 2007 to March,2017 will be analyzed.

Scope of the Study

The present study is confined to analyze the entrepreneurial activities of the tribal's which are undertaken with the help of financial assistance provided by the government. The entrepreneurial activity undertaken by the tribal's by procuring funds without government subsidy are kept outside the scope of the study. Though, there are ten districts in the state of Telangana, the study proposes to confine only to the top five districts based on the number of beneficiaries. The study is proposed to analyze the entrepreneurial impact on only the socio-economic development of the tribals. Other dimensions of development of the tribal's is kept outside the scope of the study.

Sample Selection

The following table enumerates the district-wise Tribal beneficiaries engaged in manufacturing, service and other business and obtained loan with government subsidy

Table 1: District-wise Number of ST Beneficiaries in Manufacturing Business

District	Beneficiaries		Amount Sanctioned	
	Number	% to Total	Amount	% to Total
Warangal District	20	25.97	51555055	25.63
Ranga Reddy District	17	22.08	43392690	21.57
Nizamabad District	8	10.39	7250670	3.60
Karimnagar District	7	9.09	25716030	12.78
Nalgonda District	7	9.09	15805840	7.86
Mahabubnagar District	6	7.79	18295839	9.10
Khammam District	5	6.49	21983475	10.93
Hyderabad	3	3.90	7312020	3.64
Medak District	3	3.90	4841400	2.41
Adilabad District	1	1.30	5000000	2.49
Total	77	100.00	201153019	100.00

Table 1 shows the district-wise tribal beneficiaries engaged in manufacturing business. The data reveals that Warangal district has occupied top position with 26% of the total number of beneficiaries and total amount sanctioned and Adilabad district is placed in least position. Based on number of beneficiaries top five districts will be selected for the study. The districts which will be selected include Warangal, Ranga Reddy, Nizambad, Karimnagar and Nalgonda. The total number of beneficiaries in these five districts are 59 representing 77% of the total number of beneficiaries.

Table 2: District-wise Number of ST Beneficiaries in Service Business

District	Beneficiaries		Amount Sanctioned	
	Number	% to Total	Number	% to Total
Warangal District	114	23.31	117529627	20.67
Khammam District	104	21.27	116082123	20.42
Nalgonda District	65	13.29	89646023	15.77
Nizamabad District	52	10.63	55584100	9.78
Adilabad District	47	9.61	47770500	8.40
Mahabubnagar District	42	8.59	40181030	7.07
Ranga Reddy District	33	6.75	60329818	10.61
Karimnagar District	16	3.27	24660390	4.34
Hyderabad	9	1.84	5556260	0.98
Medak District	7	1.43	11179819	1.97
Total	489	100.00	568519690	100.00

Table 2 shows the district-wise tribal beneficiaries engaged in service business. The data reveals that Warangal district has occupied top position with 23% of the total number of beneficiaries and 21% of total amount sanctioned and Medak district is placed in least position. Based on number of beneficiaries top five districts will be selected for the study. The districts which will be selected includes Warangal, Khammam, Nalgonda, Nizamabad and Adilabad. The total number of beneficiaries in these five districts are 382 representing 78% of the total number of beneficiaries.

District-wise Number of ST Beneficiaries in Other Business

District	No. Of Beneficiaries		Amount Sanctioned	
	Number	% to Total	Number	% to Total
Ranga Reddy District	79	33.05	56840110	33.22
Mahabubnagar District	43	17.99	35133540	20.54
Nalgonda District	39	16.32	24434593	14.28
Medak District	30	12.55	21008340	12.28
Warangal District	30	12.55	20825318	12.17
Hyderabad	7	2.93	4671460	2.73
Karimnagar District	5	2.09	4397630	2.57
Nizamabad District	3	1.26	1891170	1.11
Khammam District	2	0.84	1500690	0.88

Adilabad District	1	0.42	379890	0.22
Total	239	100.00	171082741	100.00

Table 3 shows the district-wise tribal beneficiaries engaged in other business. The data reveals that Ranga Reddy district has occupied top position with 33% of the total number of beneficiaries and 33% of total amount sanctioned and Adilabad district is placed in least position. Based on number of beneficiaries top five districts will be selected for the study. The districts which will be selected includes Ranga Reddy, Mahabubnagar, Nalgonda, Medak and Warangal. The total number of beneficiaries in these five districts are 221 representing 92% of the total number of beneficiaries.

Table 4: Sample proposed to be selected for the study

Business	Total Beneficiaries	Selected Beneficiaries	% to Total Beneficiaries
Manufacturing	77	59	77
Service	489	382	78
Other Business	239	221	92
Total	805	662	82

Total sample selected is 662 out of total number of beneficiaries of 805. It covers 82% of the total beneficiaries.

Statistical Techniques Used

The present study will use frequency tables, cross-tabulations, chi-square test to examine the association between demographic profile of the tribals and impact of entrepreneurship development on the socio-economic development of the tribals. Trend analysis, Descriptive Statistics will be used to analyze the data relating to financial assistance provided by the Financial institutions.

Chapterisation: The Scheme of Chapterisation of the study is as under

Chapter-I: Introduction: This chapter introduces conceptual understanding of the study. It provides preliminary aspects of the study such as importance, objectives, methodology, period of study, sources of data, and limitations of the study and review of literature on the topic.

Chapter II: Tribal Entrepreneurship Development: The present chapter will provide the overview of the various Entrepreneurship development programs initiated by the Central and State governments for the benefit of Tribals.

Chapter-III: Tribal Entrepreneurs Profile: This chapter also presents profile of select scheduled tribes and tribal entrepreneurs. Profile of scheduled tribes entrepreneurs includes their age, gender, educational background, marital status family ground etc.,

Chapter-IV: Role of Financial Institutions: This chapter examines the role of financial institutions in providing assistance to Tribal Entrepreneurs.

Chapter-V: Entrepreneurial Impact on Socio-Economic Development of Tribal Entrepreneurs: This chapter presents Socio-Economic background of tribals and evaluates their Socio-Economic Development due to Entrepreneurial activities undertaken by them. This chapter compares the living conditions of Scheduled Tribes Entrepreneurs in pre-loan period and in post-loan period. It also studies the change occupation of the Scheduled Tribes Entrepreneurs after getting financial assistance. This chapter also compares the saving capacity of the Entrepreneurs in pre-loan period and in post-loan period. A study has also been made to measure the impact of gender, age, education background on the success rate of the Entrepreneurs.

Chapter-VI Conclusions & Suggestions: This chapter highlights the important conclusions derived from the study and suggestions made for further improvement in Socio-Economic development of Tribals.

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