



TRIBAL ENTREPRENEURSHIP DEVELOPMENT: A OVERALL VIEW

Minal Bhosale¹ & Santoshi Salunkhe²

^{1&2} Dr. D. Y. Patil Arts, Commerce and Science College, Akurdi, Pune-44.

Corresponding Author: Minal Bhosale

DOI -10.5281/zenodo.14566788

ABSTRACT:

Entrepreneurship plays pivotal role in accelerating the economy, generating employment, eradication of poverty and exploitation of natural resources for the economic development of the country. After the emergence of Liberalization, Privatization and Globalization (LPG) concept the government has shifted its role from job provider to a facilitator of job creator. With this more and more younger people get attracted to undertake entrepreneurial activities for self employment and employment to others also. 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 best for promotion of entrepreneurship among the economically backward castes, particularly in scheduled tribes through policy measures and institutional network. Keeping in view the need and importance of the entrepreneurship development among underprivileged communities, the present study is taken up to explore about schemes available to support the entrepreneurship development and challenges and opportunities faced by the tribal entrepreneurs and guidelines provided by the government recently to setup tribal entrepreneurship.

Keywords: *Entrepreneurship, Tribal, Schemes, Challenges, Opportunities.*

INTRODUCTION:

The tribal situation in the country presents a varied picture. Some areas have high Tribal concentration while in other areas tribal's have a small portion of the total population. There are some tribal groups, which are still at the food gathering stage, some others practice shifting cultivation, yet other may be pursuing primitive forms of agriculture. Scheduled Tribes (STs) are official designations given to various groups of historically disadvantaged people in India. During the period of

British Rule in the Indian Subcontinent, they were known as the Depressed Classes. In modern literature, the Scheduled Tribes is used as an official term for Adivasis. The Scheduled Tribes comprise about 8.6 percent of India's population according to the 2011 census. The Constitution (Scheduled Tribes) Order, 1950 lists 744 tribes across 22 states in its First Schedule. Since independence, the Scheduled Tribes were given Reservation Status, guaranteeing political representation.

The Constitution lays down the general principles of affirmative action for STs.

The Constitution of India provides for a comprehensive framework for the socio-economic development of Scheduled Tribes and for preventing their exploitation by other groups of society. A detailed and comprehensive review of the tribal problem was taken on the eve of the Fifth Five Year Plan and the Tribal sub-Plan strategy took note of the fact that an integrated approach to the tribal problems was necessary in terms of their geographic and demographic concentration.

AIM OF THE PRESENT STUDY:

Though there is a strong focus of Government of India and state governments on addressing the needs of the tribals, the normal planning mechanisms requires a more pointed attention on these ground. The Ministry of Tribal Affairs (MoTA) approached DEA in September 2011, for a World Bank assistance to examine the issues of resource allocation and service delivery in tribal areas under the SCA to TSP and under Article 275(1), i.e., grants for tribal administration and welfare schemes. There is increasing recognition that tribal areas suffer from a 'development deficit,' with very slow progress over the past few decades. This is despite the fact that the strategy of Tribal sub-plan (TSP), is in operation

for more than 35 years, has not been successful to influence all in right perspective. Hence, the present study is made an attention about the Schemes, Programmes, Challenges, and Opportunities for the welfare of tribal people and tribal entrepreneurship.

SCHEMES/PROGRAMMES FOR TRIBAL WELFARE:

The major schemes/programme of the Ministry of Tribal Affairs are briefly Indicated below:

- Special Central Assistance & Grants Under Article 275(1) of the Constitution
- Scheme of Development of Primitive Tribal Groups (PTGs)
- Tribal Research Institutes
- Girls / Boys Hostels for STs
- Ashram Schools in TSP Area
- Vocational Training Centres in Tribal Areas
- Strengthening Education among Scheduled Tribe Girls in Low Literacy District
- SarvaShikshaAbhiyan
- District Education Support Agency (DESA)
- Tribal Cooperative Marketing Development Federation of India Limited
- Coaching for Scheduled Tribes
- Grant-In-Aid to Voluntary Organizations Working for Welfare of Scheduled Tribes

- Post-Matric Scholarship for Scheduled Tribes Students
- Merit of ST Students
- Girls' Hostels for Scheduled Tribes
- Boys' Hostel for Scheduled Tribes
- Rajiv Gandhi National Fellowship Scheme (RGNF)
- Establishment of Ashram School in Tribal Sub-Plan Area
- Vocational Training in Tribal Areas
- National Overseas Scholarship Scheme for Scheduled Tribes
- NGO: Scheme of Development of Particularly Vulnerable Tribal Groups (PTGs)
- NGO:Scheme of Grant in Aid to Voluntary Organizations working for welfare of STs
- SG : Eklavya Model Residential Schools (EMRS)
- SG:Grants under Article 275 (1) of the Constitution of India
- SG:Special Central Assistance to Tribal Sub Plan(SCA to TSP)
- EDU : Establishment of Ashram Schools in Tribal Sub-Plan Areas
- EDU - PRE-MATRIC SCHOLARSHIP (Class IX and X)
- EDU:Centrally Sponsored Scheme of Hostels for ST boys and ST Girls
- EDU:Post Matric Scholarship (PMS) for ST students
- EDU:Rajiv Gandhi National Fellowship for ST Students
- EDU: National Overseas Scholarships for Scheduled Tribe Students
- EDU:Vocational Training Centres in Tribal Areas
- EDU:Upgradation of Merit of ST Students
- EDU:Top Class Education for ST Students
- Improving Development Programs in Tribal Areas

Additionally:

- Equity support to NSTFDC/STFDC
- DBT Scheme for Post Matric Scholarship, TOP Class Education, Rajiv Gandhi National Fellowship
- R-M : Research Training: Operational Guidelines for the scheme"Grants-in-Aid to TRIs"
- R-M : Scheme of Centres of Excellence. M&J: Guidelines for the Scheme "Institutional Support for Development and Marketing of Tribal Product"
- NGO : Vocational Training Centres in Tribal Areas
- NGO: Schemes of Strengthening education among Scheduled Tribes Girls in a low literacy Districts

CHALLENGES OF TRIBAL ENTREPRENEURSHIP:

The following are different challenges faced by the scheduled tribes before going to start their enterprise.

Financial Challenges:

Finance is life blood of enterprise. Most of the Tribal are not knowing about how can rise the finance by government sources. If somebody knows, then they are facing complexities of rules & regulation of borrowing of fund. The Tribal entrepreneurs are very poor in financing but having good risk taking ability. They totally depended upon government funding or outside investor. If any how they start any enterprise by arranging startup fund then they facing problem of working capital. There is no any arrangement for working capital for Tribal entrepreneur. If any how they arrange working capital by private medium, their enterprise will be acquired by private lender.

Frequent Policy Changes:

Continuous change in the policy by change in the government is not easy to understand by less educated Tribal entrepreneur. There is no any suitable media to directly communicate them about changes and existing style of policy changes. It is centralized to only rich Tribal entrepreneur means out of reach to poor Tribal entrepreneur there is no any discrimination on economic basis. Therefore policy is not focusing

poor Tribal entrepreneur which are needy instead of rich Tribal entrepreneur.

Lack of Technical Knowhow:

The Tribal entrepreneur is away from technical education. They possess the own skill for produce the product but they don't know which technology will use in their enterprise. Their indigenous style of production is very costly. They produce Alcohol and Medicine by traditional method. Low motivation level The Tribal entrepreneur has very low motivation because of less educational training. They have good skill for running enterprise but they are not courageous for their enterprise development and taking risk. Most of them don't know monetary value of their traditional skill.

Marketing of Product:

The Tribal entrepreneur produces the goods but they don't know the basic concepts of marketing and not using the modern techniques of marketing for selling. They sell their product in neighbor market. They totally unlinked with online marketing. They are not using any promotional, advertising and barding technique for their product. The language problem is also hinder the sale of product because most of Tribal entrepreneur communicating with customer by local dialects they don't know English and notefficient in Hindi. The sale of the product of Tribal entrepreneur is totally

depending upon middlemen who pocket more money than entrepreneur.

Lack of Infrastructure:

The availability of infrastructure for Tribal entrepreneur is very poor. The Tribal entrepreneurs are always facing the challenges of infrastructure. Anyhow it has improve to some extent but not satisfactory. Until the internet facilities for Tribal entrepreneur is not available so by ofine transaction it is impossible to increase market share and market coverage. The transport facilities in Tribal region are not fast and connected to railway except some extent so their distribution is not fast.

Developing the Vision and Business idea:

The development of vision and new business idea from existing way of business is denitely a challenges to Tribal entrepreneur. Most of theTribal entrepreneurs are comfortable with presentstyle of doing business activity. They are not envisioning and forecasting the future because they are not able to does this. They are not ahead of his time so that their relevance is poor in the market. They are unable to think that how can bring the solution of other people's problems

Dealing with competition:

The Tribal entrepreneurs using traditional method of production and they are also financially weak so the dealing with mainstream entrepreneur is not easy task for them. By using

traditional method of production make more cost so price of product is high as compare to substitute product. They don't know pricing technique and other competition dealing method.

OTHER CHALLENGES:

The Tribal entrepreneur facing so many other challenges which are following

- Capacity utilization.
- Overestimating success.
- Traditional organization structure.
- Lack of support and update skills
- Instability stress
- Negative mindset
- Assembling business team
- Finding right business location
- Fear of taxes.
- Inadequate stock or inventory
- Consistent with industrial change and trends
- Maintaining ecological balance
- Obsolescence of indigenous technology
- Assembling of raw material

OPPORTUNITIES OF TRIBAL ENTREPRENEURSHIP:

There are many more opportunities designed by the Govt. to uplift the status of scheduled tribes.

The following are some of the opportunities to enter into entrepreneurship:

Agriculture:

Agriculture is the main base of livelihood of Tribal. Maximum of Tribal are engage in the agriculture but they do not know about the Agri-entrepreneurship. Therefore major opportunities are of Agri-entrepreneurship in tribal area.

Herbal Product:

The major availability of raw material of herbal products assures the cheapest production of the product. Tribal of this area are also expert in produce such type of product. So there are a bright opportunities to establish herbal manufacturing units. The herbal product comprises Amla, Isabgol, Senna, Ashwagandha, Alo-vera, has strong demand which account for 75% of raw material used in manufacturing of Ayurvedic product.

Tourism Business:

So many temple and other public gathering places are situated in the Tribal area. There is a high need to develop them the as tourist spot. Now days the tourism business occupies highest place in total service sector of the world. The tourism business in India is growing significantly. The tourism industry has a good contribution in employment generation. It is accounted for 8.7% of total employment by generating 37.315 million jobs. India gate ranked 52 out 141 countries by travel & tourism competitiveness report2023.

Handicraft Product:

The handicraft sector playing vital role in employment generation and export in Indian economy it is fragmented in 7 million of regional artisans and approximately 67,000 exporters are engage to promote domestic and global market. The government of India set up Export promotion Council for Handicraft under the control of Ministry of Textiles Government of India. Art of producing the craft products is the genetic capability of Tribal and these are found only in Tribal area. Hence, there is a greater possibility to sell these tribal arts to get better prices.

Forest Product Business:

The unorganized miner forest product market in India, witness the less utilization of such type of resources. There is an opportunity to explore them in an organized form.

Other Opportunities:

Beside above explained some other opportunities of Tribal entrepreneurship is following.

- Participation in Make in India program.
- Participation in startup India program
- Free entry into world trade.
- Dairy business
- Mineral mining. Horticulture.
- Beverage & Alcohols
- Warehousing,
- Cold storages,

- Packaging units
- Education sector
- Encouragement of innovation and inventions
- Update policy and program for Tribal development
- Social and cultural development
- Benefit of specialization in indigenous production
- R & D center for Tribal production.
- Fixed power cost reimbursement @ Rs.1.50 per unit for 5 years from the date of commencement of commercial production.
- Seed capital assistance to First Generation Entrepreneurs @25% of the Machinery cost, which will be deducted from the eligible investment subsidy.
- 35% investment subsidy on fixed capital Investment by SC & ST Entrepreneurs and additional 10% investment subsidy for SC Women & ST Women Entrepreneurs, with a maximum limit per unit is Rs.75 lakhs (i.e. 35% for SC & ST Entrepreneurs and 45% for SC Women and ST Women entrepreneurs). Additional 5% investment subsidy for units set up in Scheduled Areas by ST entrepreneurs with a maximum limit per unit is Rs.75 lakhs.

GUIDELINES TO SET UP TRIBAL ENTREPRENEURSHIP:

Tribal Entrepreneurs are those which established as sole Proprietor or invariably having 100% share in Partnership/Private Limited Companies. Scheduled Caste and Scheduled Tribe entrepreneurs can also set up industries covered in the separate list as specified in the Guidelines.

- 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 100% reimbursement of Stamp duty for Lease of Land/Shed/Buildings and also mortgages and hypothecations.
- 50% rebate in land cost limited to Rs.20 lakhs in Industrial Estates/Industrial Parks 25% Land conversion charges for the industrial use limited to 10 lakhs.
- Reimbursement of 100% net VAT/CST/SGST to Micro and Small Enterprises for a period of 5 years from the date of commencement of commercial production.
- Reimbursement of 75% net VAT/CST/SGST to medium enterprises for a period of 7 years from the date of commencement of commercial production or up to realization of

100% fixed capital investment, whichever is earlier.

- Reimbursement of 50% VAT/CST/SGST to large enterprises for a period of 7 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- Interest subsidy on the term loan taken on the fixed capital investment in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of commencement of commercial production. This benefit is also applicable to the Service Sector units set-up under this policy.
- 50% Reimbursement of cost involved in skill upgradation and training local manpower limited to Rs.5,000 per person.
- 100% subsidy on the expenses incurred for quality certification/ patent registration limited to Rs.3 lakhs for micro and small enterprises.
- Incentives under Swachh Andhra will be applicable for SC/ST entrepreneurs.
- For enterprises set up by SC/ST entrepreneurs, infrastructure like roads, power and water will be provided at doorstep of the

industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1 crore, subject to:

- a. The location should be beyond 10 Kms from the existing Industrial Estates/IDAs having vacant land/shed for allotment.
- b. Cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry. 50% of the cost of infrastructure is raised to 75% in respect of units set up by ST entrepreneurs in Scheduled areas.

50% of the budget will be allocated to manufacturing activities and 50% for service sector activities. However, in service sector high end vehicles (except taxies, lorries, tippers, water tanker etc. meant for self-employment) will not be allowed under the scheme.

CONCLUSION:

The Tribal entrepreneurs facing several challenges to survive or being exist in the market of competitions. They have not infrastructural facilities to liquid their business idea or expand existing enterprise. They are facing financial challenges to initiate or circulate their production process. The Tribal entrepreneurs have traditional skill and expertise that should be update

by new innovative technique of production. They continuously are facing marketing & management challenge. Tribal entrepreneurs have to train internet marketing and internet promotional technique of their enterprise because internet is currently has been chief and worldwide source of marketing and promotion. So there is need to create the right environment for success of Tribal entrepreneurs. The government should insure that Tribal entrepreneur have access to update entrepreneurial skills. A separate Tribal chamber of commerce should be established by government or Tribal entrepreneurs in the country.

REFERENCES:

1. Prof. Karunessaxena & Dr. KartikDev "Problem & Prospect of marketing of Rural Product: an empirical Study of tribal region Of Rajasthan India" Oxford Business & Economics Conference program ISBN: 987-0-9742114-1-9.
2. Prof. Vinayagammoorthy "Problem & Prospects of rural retail marketing in India" ISSN:2347-4793.
3. www.rural.nic.in
4. www.archive.india.gov.in
5. <https://en.wikipedia.org/wiki/Herbal>
6. www.tribes.com