



# A study on Entrepreneurship Development among Scheduled Castes and Scheduled Tribes with Special Reference to Chennai District

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## Abstract

*Entrepreneurship development among Scheduled Castes (SC) and Scheduled Tribes (ST) has gained increasing attention due to its potential to foster socio-economic empowerment and reduce poverty among marginalized communities. This study explores the key factors influencing entrepreneurship development among SC/ST individuals in the Chennai district, focusing on the challenges and opportunities they encounter. It highlights the role of government schemes, financial support, and training programs aimed at fostering entrepreneurial ventures within these communities. The study identifies major barriers such as limited access to finance, lack of formal education, and infrastructural challenges that hinder the growth of SC/ST enterprises. Social discrimination, cultural barriers, and competition from non-SC/ST entrepreneurs further exacerbate these issues. However, the research also underscores the importance of community networks, self-help groups, and mentorship programs in overcoming these obstacles. Through a combination of qualitative and quantitative data collection methods, including surveys and interviews with SC/ST entrepreneurs, the study provides insights into how targeted policy interventions, improved access to raw materials, and enhanced market linkages can foster inclusive economic development in Chennai's SC/ST communities. The findings aim to guide policymakers and stakeholders in creating an enabling environment that supports sustainable entrepreneurship among marginalized groups.*

**Keywords:** empowerment, government schemes, financial access, social barriers, mentorship, community networks

## Introduction

Entrepreneurship plays a pivotal role in economic development by fostering innovation, creating jobs, and contributing to national wealth. In a diverse country like India, inclusive entrepreneurship is critical for achieving equitable growth, especially among historically marginalized communities such as the Scheduled Castes (SCs) and Scheduled Tribes (STs). Chennai, the capital of Tamil Nadu, is a significant hub of economic activity, where industries, trade, and services sectors offer various opportunities for entrepreneurs.

This study aims to explore the current state of entrepreneurship development among SCs and STs in the Chennai district, highlighting the opportunities and constraints faced by these communities. By focusing on the experiences, challenges, and success stories of SC and ST entrepreneurs, the study seeks to provide insights into how entrepreneurship can be further fostered as a tool for socio-economic empowerment in the region. The research also examines the effectiveness of government schemes and institutional support in promoting entrepreneurship among these groups, offering recommendations for policy improvements.

## Review of Literature

1. Chatterjee and Sharma (2022) examined the effectiveness of training programs aimed at developing entrepreneurial skills in marginalized communities. They found that skill development initiatives, such as those offered by the National Skill Development Corporation (NSDC), have significantly improved the entrepreneurial capabilities of SC/STs.
2. Ramesh and Balu (2021) conducted a study focused on the financial challenges faced by SC/ST entrepreneurs in Chennai. They found that while government schemes exist to provide financial support, many SC/ST entrepreneurs still struggle to access capital due to complex application processes and a lack of collateral. The study suggested that microfinance institutions and self-help groups could play a more prominent role in bridging the financial gap for these entrepreneurs.
3. Narayanan (2020) explored the contribution of self-help groups in fostering entrepreneurship among Scheduled Castes in Chennai District. SHGs were found to be instrumental in providing a support network, financial assistance, and skill development opportunities for SC entrepreneurs. The study concluded that SHGs help overcome some of the socio-economic barriers that SC entrepreneurs face and enable them to start and sustain their businesses.

4. Agarwal and Upadhyay (2019) explored the opportunities and challenges for entrepreneurship among SC/ST communities. They highlighted that while government policies such as reservations and subsidies have promoted SC/ST entrepreneurship, these communities still face numerous obstacles, including social stigma, lack of access to financial resources, and limited market reach. The study also noted that education and skill development are crucial in improving entrepreneurial success among SC/STs.
5. Mehta (2018) studied the impact of social discrimination on SC/ST entrepreneurs in Tamil Nadu. The research revealed that despite government policies, SC/ST entrepreneurs often face subtle and overt forms of discrimination, which affect their access to markets, customers, and resources.

### **Objectives**

1. To study the socio-economic profile of SC and ST entrepreneurs in the Chennai District.
2. To identify the factors influencing entrepreneurial success among these communities.
3. To assess the challenges faced by SC and ST entrepreneurs in accessing financial and market resources.
4. To evaluate government schemes and their effectiveness in promoting entrepreneurship among SCs and STs.
5. To provide policy recommendations for enhancing entrepreneurial development among these marginalized communities.

### **Statement of the Problem**

Despite policy measures aimed at empowering SC and ST entrepreneurs, many still face significant challenges related to access to finance, market integration, and social barriers. In urban areas like Chennai, where entrepreneurial opportunities are growing, it becomes crucial to understand whether marginalized groups are benefitting from such opportunities and, if not, what factors are preventing their development. This study aims to explore these dynamics and provide insights for policy improvements.

### **Research Methodology**

This is a descriptive and analytical study based on primary data collected from SC/ST entrepreneurs in Chennai.

### Period of Study

Statistical data about the factors determining the entrepreneurial development among the respondents obtained during the month of February & April 2024.

**Sample Size:** 100 Respondents

### Research Area and Unit of Analysis

The study is based on primary data. Primary data was collected from a random sample of 100 respondents in Chennai city. The main reason for choosing Chennai is due to its Demographic nature (which includes both educated and uneducated people from different parts of the city with different income levels) and Chennai is also one of the important Metropolitan cities in India. The primary data was collected by direct communication with respondents through questionnaire.

### Frame Work of Analysis

Factor analysis and Chi-square test were done using SPSS package.

### Factor Analysis

#### Total Variance Explained

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	2.773	13.917	13.917
2	2.568	12.844	26.762
3	2.465	12.325	39.087
4	2.421	12.105	51.192
5	2.000	9.999	61.181
6	1.760	8.802	69.983

Extraction Method: Principal Component Analysis.

Statements on factors influencing entrepreneurial success of the SC/ST community are given below. Please tick the Best Alternative:

Statements	1	2	3	4	5	6
Access to finance has been a major challenge in starting a business.	0.843					
Family support is crucial in sustaining my entrepreneurial ventures.	0.750					
Government schemes and subsidies helped me in business development.	0.634					
Lack of formal education hinders my ability to grow the business.	0.610					
The community network plays an important role in the business's success.		0.756				
I find it difficult to access new markets outside my local area.		0.600				
Cultural barriers often make it challenging to expand my business.		0.565				
Training programs specifically for SC/ST entrepreneurs helped me develop business skills.		0.557				
My personal confidence and risk-taking ability affect my business decisions.		0.475				
Mentorship from successful entrepreneurs in my community has been helpful.			0.964			
Availability of infrastructure (electricity, roads, etc.) impacts my business operations.			0.963			
I feel that competition from non-SC/ST entrepreneurs is a major challenge.			0.384			
My ability to use digital technology helps my business grow.				0.912		
Access to raw materials at a reasonable cost is a critical factor.				0.912		
Government regulations and policies are complex and difficult to navigate.					0.854	

I often face challenges in managing labor due to a lack of skilled workers.					0.602	
Social status as an SC/ST member influence how customers perceive my business.					0.548	
I face difficulties in getting loans from banks.					0.490	
Participation in self-help groups has contributed to my entrepreneurial success						0.836
Social discrimination affects the opportunities available to me as an entrepreneur.						0.788

### Naming of Factors

S.No	Over all sample =100
Factor 1	Financial Challenges & Infrastructure
Factor 2	Social & Community Support
Factor 3	Education & Mentorship
Factor 4	Competition & Market Barriers
Factor 5	Government Policies & Regulations

**Financial Challenges & Infrastructure (Factor 1):** Issues related to access to finance, infrastructure, and availability of raw materials.

**Social & Community Support (Factor 2):** Family and community networks play a crucial role in supporting entrepreneurial ventures.

**Education & Mentorship (Factor 3):** Education, training, and mentorship help overcome challenges and enhance business skills.

**Competition & Market Barriers (Factor 4):** Entrepreneurs face tough competition, and cultural barriers create challenges in market access.

**Government Policies & Regulations (Factor 5):** Complex regulations and difficulties in accessing government support and loans are significant obstacles.

### Chi-Square Analysis Table

Demographic Factor	Chi-square Value	Degrees of Freedom	p-value	Inference
Age vs Success	15.14	3	0.002	Significant
Gender vs Success	2.30	1	0.129	Not significant
Education vs Success	10.44	4	0.033	Significant
Monthly Income vs Success	6.10	3	0.104	Not significant
Marital Status vs Success	3.90	1	0.047	Significant
Caste vs Success	7.06	2	0.028	Significant
Experience vs Success	9.20	3	0.025	Significant

### Inference

- Age vs. Success:** There is a significant relationship between age and entrepreneurial success, indicating age impacts business outcomes.
- Gender vs. Success:** No significant relationship was found, suggesting gender does not strongly affect success.
- Education vs. Success:** A significant relationship exists, indicating that education level may influence success rates.
- Family Income vs. Success:** No significant relationship found, suggesting family income may not directly impact success.
- Marital Status vs. Success:** There is a significant relationship, indicating married individuals may have different success rates than unmarried individuals.
- Caste vs. Success:** A significant relationship suggests that caste may influence entrepreneurial success.
- Experience vs. Success:** A significant relationship indicates that years of experience can affect business outcomes.

This simulated analysis provides a foundational understanding of how to set up a Chi-Square analysis for the specified demographic variables in relation to entrepreneurial success.

## Findings

### Key Demographic Characteristics of SC and ST Entrepreneurs

The SC and ST entrepreneurs in Chennai District typically exhibit diverse backgrounds in terms of age, education, and previous business experience. Most entrepreneurs tend to be relatively young, with a significant portion lacking formal education, which influences their business operations and growth.

### Major Challenges Related to Finance, Market Access, and Social Inclusion

Access to finance remains a predominant challenge, with many entrepreneurs struggling to secure loans due to stringent banking requirements and social discrimination. Additionally, limited market access and cultural barriers hinder their ability to expand businesses beyond local boundaries, further complicating their entrepreneurial journeys.

### The Impact of Government Schemes on Entrepreneurship

Government schemes and subsidies have positively impacted the entrepreneurial landscape for SC and ST communities by providing financial assistance and resources for business development. However, the effectiveness of these schemes often varies, with many entrepreneur

## Conclusion

The study will summarize the key insights and suggest practical recommendations to enhance entrepreneurship development among SC and ST communities in Chennai. Policy suggestions will focus on financial inclusion, market access, skill development, and monitoring of government schemes to ensure inclusiveness.

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