

Determinants influencing the socio-economic development and sustainability of Dalits' Entrepreneurship in Dakshina Kannada District of Karnataka in India

A Structural Equation Modeling Approach of Validation

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OIDA International Journal of Sustainable Development, Ontario International Development Agency, Canada

ISSN 1923-6654 (print) ISSN 1923-6662 (online) www.oidaijdsd.com

Also available at <http://www.ssrn.com/link/OIDA-Intl-Journal-Sustainable-Dev.html>

Abstract: Entrepreneurship is a volatile concept. The concept of entrepreneurship has been a widely debated and is defined differently by different authors. It has been interpreted in various ways and in various senses. The word entrepreneurship has been derived from a French root „entrepreneur“ which means “to undertake”. Today, it is considered as the inevitable quality of the business people such as, „risk bearing“, „innovations,“ „thrill seeking“ etc. It is only in recent years that entrepreneurship and the role of entrepreneurs in the process of industrialization and economic development has been recognised in both developed and developing countries. . Dalits are the marginalised section of the society have historically been poor, deprived of basic human rights, and treated as social inferiors in India .The term „Dalit“ has different meanings for different people.. The word „Dalit“ comes from the Sanskrit root dal- and means „broken, ground-down, or oppressed“. Those previously known as Untouchables, Depressed classes, and Harijanas who are sharing 24.4% in the total population (According to 2011 census data) are today increasingly adopting the term „Dalit“ as a name for themselves. The law of the land guarantees equality to all citizens and this guarantee applies to all aspects of national life including social and economic. This provision was meant to be a tool especially for the upliftment of those sections of the population that had suffered deprivation for long periods in history owing to pernicious caste system. Employment gives economic status to Dalits and economic status paves the way of social status. Dalits constitute almost 25% of Indian population. Majority of the Dalit population in the rural sector is idle and unutilized. This is mainly due to existing social customs. In the modern technology dominated and development driven times, to fulfil the mission of, „Subka Saath-Subka Vikas“, there is an urgent need as well as wide scope for research on Dalit entrepreneurship in a developing country like India. It is necessary to reflect on the factors that have imprisoned them in the dungeon of depravity and shed light on how to push them to the mainstream of the economy with access to means of better livelihood and opportunities.This research paper is to validate the model of key dimensions or determinants developed by the researcher based on the review of literatures on the factors that measure the overall (in terms of marketing skills, socio-economic) development of Dalits' entrepreneurs and in turn the sustainability of the enterprises run by the Dalit entrepreneurs..

Keywords: Entrepreneurship, marginalized, employment, economic contribution

Introduction

Entrepreneurship is a volatile concept. The concept of entrepreneurship has been a subject of much debate and is defined differently by different authors. It has been used in various ways and in various senses. The word entrepreneurship has been derived from a French root ‘entreprendre’ which means ‘to undertake’. Today, people call it by various names such as, ‘risk bearing’, ‘innovations,’ ‘thrill seeking’ etc.

Entrepreneurship can be defined as an ability to discover, create or invent opportunities and exploit them to the benefit of the society, which in turn brings prosperity to the innovator and his organization. From the social and macro-economic perspective, it is held that the economic development of any nation is a direct function of the number of high quality innovators and entrepreneurs it supplies. This, in turn, is dependent upon the desire for new and better products that society demands and accepts. A vicious circle is there by created resulting in all-round economic development and standard of life. With liberalisation and global competition being the governing societal paradigm and with the acknowledgment that wealth creation is indeed of paramount importance, the concept of entrepreneurship is receiving closer attention than hitherto from business management scholars and societal scientists. The law of the land guarantees equality of law to all citizens and this guarantee applies to all aspects of national life including social and economic. This provision was meant to be a tool especially for the upliftment of those sections of the population that had suffered deprivation for long periods in history owing to pernicious caste system. One such section is that of Dalits.

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

Literature Review

In the multicultural, multipolar Indian society, class divide has been in existence from time immemorial. Since long, some sections of Indian society have been the victim of the vicious caste system, rigid stratification of occupation with lowly work thrust upon them. Dalits are a group of people who have been at receiving end of the system dominated by orthodoxy and skewed mindset. Dalits who form a substantial proportion of Indian population (According to 2011 census data their population is 24.4% of total population) are severely deprived of the dividends of development made to eke out a living by wage labor and measly and mean chores.

A brief review of the literature on the progress and performance of Dalit entrepreneurship in India is made here, with a view to ascertain the coverage of issues related to the research problem and identify the gaps in the area of research. The literature surveyed here includes Books on Dalit communities' socio-economic development, articles published in various Journals and periodicals

In the book 'Deprived Castes in India' published by Chugh Publication, the author, Usha Rao, opines weaker sections of our society have been neglected and left behind in the race for progress and change. The book also describes the various measures taken by the independent India in the government level to bring the Dalit community to the mainstream of national life and the deliberate and concerted efforts for the socio-economic development of deprived castes

The working paper commissioned by Shyam Babu titled 'India's liberalisation and the Dalits' made an attempt to study how Dalits perceive India's economic reform process. It reveals that improvement is concentrated only in the organized sector; the Dalits still consider the state as the guarantor of security, prefers reservation in private sector employment along with public sector for deprived community. The study argues that liberalisation should couple with social justice. The government should frame pro-Dalit policy to develop entrepreneurship among Dalits. It concludes that, without important social change, economic liberalisation will not solve the problems faced by Dalits in India.

In the compiled work on 'Entrepreneurship in Tribal Areas' by Dr I.Parthasarathi says about the economic status of the entrepreneurs, occupational mobility, reasons for business entry and problems faced by the tribal entrepreneurs of Paderu Mandal of Andrapradesh state.

The article 'Dalit Owned Micro, Small and Medium Enterprises in India' produced by Paramasivan and Mari Selvam concludes that, Dalit become an entrepreneurs are highly impossible in the country though the few are succeeded due to their origin and traditions .In the modern days, Dalit entrepreneurs struggle to coordinate the business not because of their in efficiency but because of their caste. Emergence of Dalit entrepreneurship not only helps to improve their status in the society but also it leads to overall growth of the nation.

Statement of the Problem

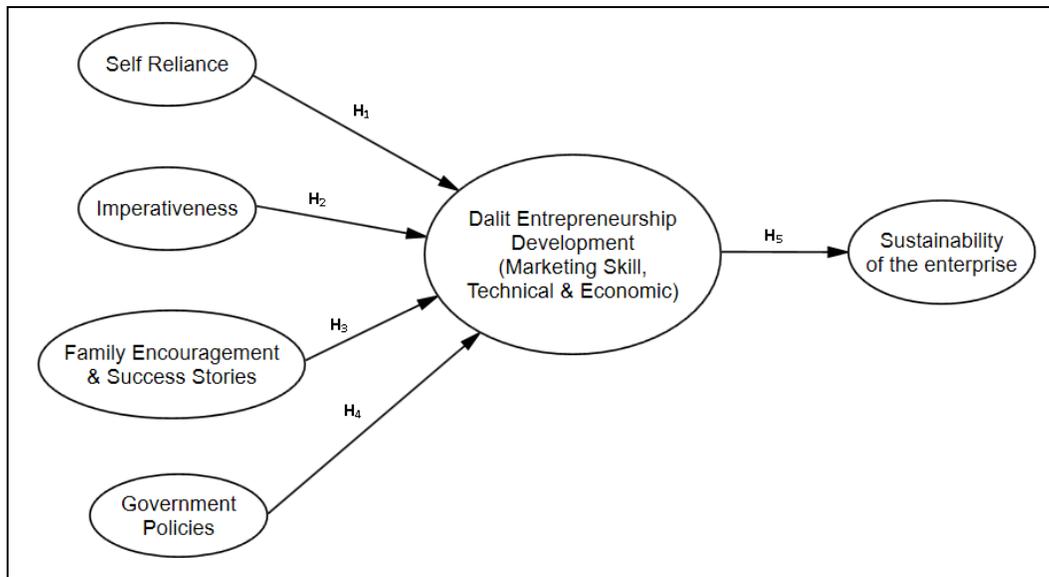
This research paper aims to validate the model of key dimensions or determinants developed by the researcher based on the review of literatures on the factors that measure the overall (in terms of marketing skills, socio-economic) development of Dalits' entrepreneurs and in turn the sustainability of the enterprises run by the Dalit entrepreneurs.

Objectives of the Study

To develop a model (the conceptual frame work depicted in Fig 1) based and second to examine the relationship (in terms of statistical significance) between the measurement dimensions and the dependent construct namely on overall socio-economic development of Dalits' entrepreneurs and sustainability of the enterprises in the form of defined hypotheses (H_1 to H_5) given below.

Research Conceptual Framework:

Fig 1: Conceptual Framework for motivational factors influencing Dalit Entrepreneurship development



Based on the above conceptual framework, the hypotheses formulated are as follows :

H_1 : *Self Reliance* has a positive impact on Dalit entrepreneurship development.

H_2 : *Imperativeness* has a positive impact on Dalit entrepreneurship development.

H_3 : *Family Encouragement & Success stories* have a positive impact on Dalit entrepreneurship development.

H_4 : *Government Policy* has a positive impact on Dalit entrepreneurship development.

H_5 : *Dalit Entrepreneurship Development (Marketing Skill, Technical & Economic)* has a positive impact on Dalit entrepreneurship development.

Research Methodology

Sources of Data

This research paper consisting of both Primary and Secondary source of information collected.

Primary Data collected through questionnaire and interviewing the Dalit entrepreneurs in Dakshina Kannada.

Secondary Data collected through various published articles, magazines, reports, etc.

Data Collection

The study was conducted in Dakshina Kannada district of Karnataka state. Apparently, a list of enterprises managed by Dalits in Dakshina Kannada district was taken from the concerned government department and a simple random approach technique was adopted. A total of 200 respondents were interviewed through a structured. In depicting the sample respondent's characteristics, descriptive statistics of frequencies and percentages were calculated. 54.5 % of the respondents belonged to SC category while rest 45.5 % respondents belonged to ST category. Further, 52.6 % of the respondents have established their manufacturing units in Rural Areas, 12.8 % establishing their units in semi urban areas and rest 34.3 % of them had setup their units in urban location. On the issue of type of units operational by the respondents, 96.8 % of the respondents have only micro manufacturing units and merely 4.2 % percent of the respondents have only small scale industries. In continuation, 59.6 % of them are into manufacturing sector while 40.4 % of the respondents have service based enterprises. Finally, on the issue of ownership, 95.5 % of them are single ownership, while 1.3 % of them have established their units on joint venture agreement and another 1.3 percent established as a private limited company.

Sample Size and Respondents

A total 200 respondents (entrepreneurs) were selected from Dakshina Kannada District of Karnataka State.

Design / Methodology / Approach

Firstly, as far as design of the model is concerned, four critical dimensions or factors namely **Self reliance, Imperativeness, Family encouragement and Success stories and Government policies** were examined and SEM model was adopted to measure the significance (statistically) of the above mentioned factors to measure the overall socio-economic development and sustainability of Dalits' entrepreneurship.

Limitations

With every study there are some limitations, as is the case in the present research. First, the generalisability of the findings; that is, this study was conducted with the data collected from the respondents belonging to one district namely Dakshina Kannada (comprising of five taluks) in Karnataka. So, it is suggested to replicate the same study in other districts of Karnataka. Second, the present study only validated a few key measures without investigating its impact on any other constructs as such. Hence, there is a need for more theoretical inputs for identifying other critically constructs influencing the overall development of Dalits' Entrepreneurship.

Analysis and Results

Estimating the Hypothesised Model

Table 1: Reliability and Item Loadings Constructs of the factors

| Constructs | Item Measure | Loading | CR * | CA ** |
|--|--|---------|-------|-------|
| Self Reliance | To continue family business (SF_1) | 0.669 | 0.768 | 0.7 |
| | To secure self employment (SF_2) | 0.877 | | |
| | To fulfill the ambition of self/parents/wife (SF_3) | 0.526 | | |
| | To become self entrepreneur (SF_4) | 0.522 | | |
| | To obtain social importance among friends & relatives (SF_5) | 0.534 | | |
| Imperativeness | Not able to find a good employment (IMP_1) | 0.692 | 0.781 | 0.7 |
| | Dissatisfaction with previous employment (IMP_2) | 0.726 | | |
| | To invest my own additional funds (IMP_3) | 0.501 | | |
| | To make use knowledge and skill set obtained in previous job (IMP_4) | 0.809 | | |
| Family Encouragement & Success Stories | Encouragement of family members (FESS_1) | 0.577 | 0.712 | 0.7 |
| | Encouragement of relative and friends (FESS_1) | 0.601 | | |
| | Family property inherited / acquired (FESS_1) | 0.557 | | |
| | Success stories of other Dalit / Non-Dalit entrepreneurs (FESS_1) | 0.731 | | |

| | | | | |
|------------------------------------|---|-------|-------|-----|
| Government Policies | Government's encouragement towards Dalit entrepreneurship in form of financial subsidies (GP_1) | 0.754 | 0.787 | 0.7 |
| | More EDP training and skill development for Dalits (GP_2) | 0.787 | | |
| Dalit Entrepreneurship Development | Start up initiatives by the Dalits are encouraged aggressively (DED_1) | 0.694 | 0.724 | 0.7 |
| | Stiff competition from Non Dalit entrepreneurs (DED_2) | 0.642 | | |
| | Adequate EDP inputs are essential for Dalit entrepreneurship (DED_3) | 0.713 | | |
| Sustainability of enterprise | Marketing & technical skills has help for better sustainability of the enterprises managed by Dalit entrepreneurs (SES_1) | 0.655 | 0.770 | 0.7 |
| | More support system from is required from the Government (SES_2) | 0.868 | | |
| | Dalit entrepreneurs have sustainable entrepreneurship in future (SES_3) | 0.644 | | |

***CR-Composite Reliability; ** CA-Cronbach Alpha.**

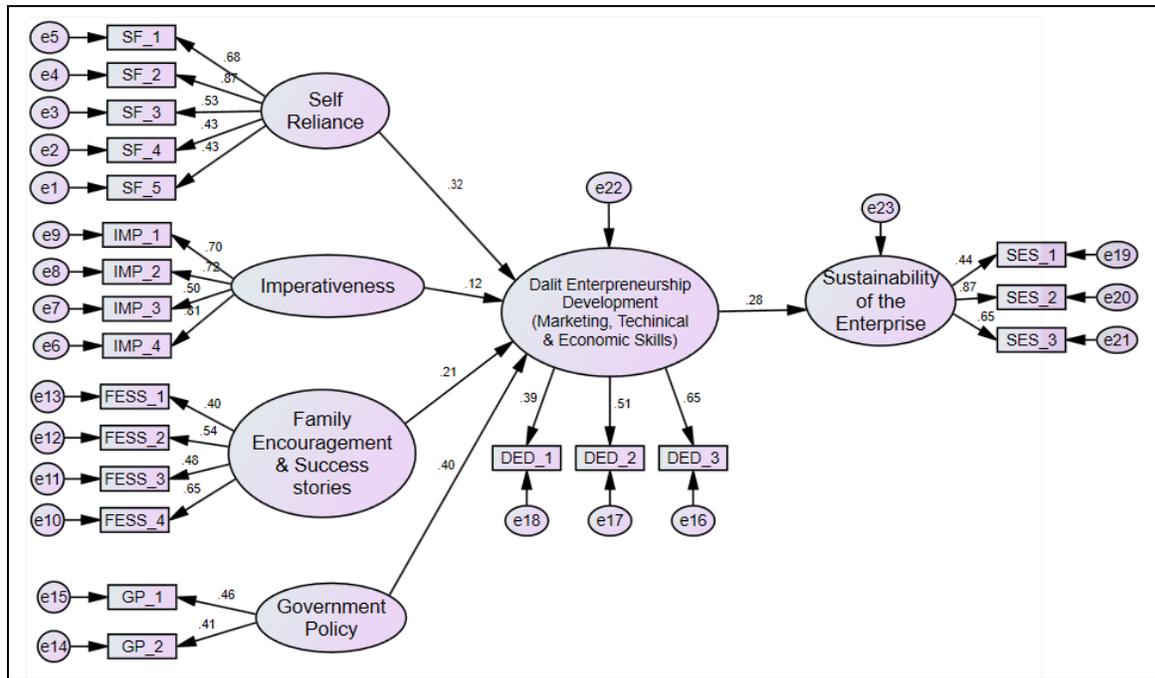
Table 1 presented the relevant items, their standardized loading (correlation coefficients), and the composite reliability and Cronbach Alpha results through *Confirmatory Factor Analysis* (CFA) technique that was adopted to validate the hypothesized measurement model consisting of four independent dimensions namely Self Reliance, Imperativeness, Family Encouragement & Success Stories, and Government Policies as shown in Figure 1. In this study, the confirmatory factor analysis was used to check the reliability and consistency of 15 items with each item was assumed to load only on its respective dimension. Accordingly, the standardized loading of items under each dimension is given in Table 1.

First, the Cronbach's alpha reliability coefficient was calculated in order to assess the psychometric properties of the questionnaire. This step was deemed necessary to see the consistency of the instrument in the settings of the present study. Cronbach's alpha value ranges from 0 to 1, with value closer to 1 indicating greater stability and consistency, however for basic research the cut-off value is 0.60 (Nunnally, 1978) [Kalthom Abdullah & Others, 2012]. The results of Cronbach's alpha are depicted in Table 1, which shows a value of 0.820, indicating an acceptable consistency and stability of the instrument. Secondly, the composite reliability was also calculated the converge validity of items under each dimensions. Accordingly, from Table-1, it is observed that majority of the items demonstrated a loading greater than 0.50, with the highest and the lowest being 0.86 and 0.52 respectively and clearly validates the convergence. Also the cronbach alpha values of each dimension are above 0.60, more than the accepted value.

SEM model of Development and Sustainability of Enterprises

After running the CFA to check the reliability and validation of the items (questions), the defined research hypotheses shown in conceptual frame work (Fig 1) was tested using SEM technique. The model along the correlation and regression loadings is shown in Fig 2.

Fig 2: SEM Model of determinants influencing Dalit Entrepreneurship development and sustainability of Dalit enterprises



Overall Goodness of Fit Model and Regression Result:

Table 2: Goodness-of-fit & Incremental Indices of SEM model

| Fit Indices | Accepted Value | Model Value |
|---|----------------|-------------|
| Absolute Fit Measures | | |
| χ^2 (Chi-square) | | 250.678 |
| df (Degrees of Freedom) | | 184 |
| Chi-square/df (χ^2/df) | < 5 | 1.362 |
| GFI (Goodness of Fit Index) | > 0.9 | 0.901 |
| RMSEA (Root Mean Square Error of Approximation) | < 0.10 | 0.043 |
| Incremental Fit Measures | | |
| AGFI (Adjusted Goodness of Fit Index) | > 0.80 | 0.876 |
| NFI (Normed Fit Index) | > 0.90 | 0.826 |
| CFI (Comparative Fit Index) | > 0.90 | 0.905 |
| IFI (Incremental Fit Index) | > 0.90 | 0.909 |
| RFI (Relative Fit Index) | > 0.90 | 0.887 |
| Parsimony Fit Measures | | |
| PCFI (Parsimony Comparative of Fit Index) | > 0.50 | 0.793 |
| PNFI (Parsimony Normed Fit Index) | > 0.50 | 0.636 |

The results of the model in Table 2 yielded acceptably high goodness-of-fit indices. This indicates that the model fits the observed data well. All the results shown in the above table are presented are below the cut-off (accepted) values, indicating a good fit of the present model.

Regression Result

Table 3: Standardized Regression weights for the dimensions of Dalit Entrepreneurship

| | | | Standard Estimate | S.E. | C.R. | P |
|---------------------------|------|--------------------------|-------------------|-------|-------|---------|
| Entrepreneurship Develop | <--- | Self Reliance | 0.312 | 0.171 | 3.213 | 0.011* |
| Entrepreneurship Develop | <--- | Imperativeness | 0.117 | 0.074 | 1.132 | 0.258 |
| Entrepreneurship Develop | <--- | Family Encouragement | 0.211 | 0.116 | 1.727 | 0.084** |
| Entrepreneurship Develop | <--- | Government Policies | 0.400 | 0.359 | 2.651 | 0.018* |
| Enterprise Sustainability | <--- | Entrepreneurship Develop | 0.285 | 0.095 | 2.233 | 0.026* |

* Significance at 5 % level. ** Significant at 10 % level.

The regression results are provided in Table 3. Accordingly, it is observed that *Self Reliance* ($\beta = 0.312$; CR=3.213, $p < 0.05$) and *Government Policies* ($\beta = 0.400$; CR=2.651, $p < 0.05$) have a significant (statistically) influence/impact on Entrepreneurship Development, thus H_1 & H_4 could be fully asserted. Nonetheless, *Family Encouragement & Success Stories* has a positive and significant ($\beta = 0.211$; CR= 1.727, $p < 0.10$) influence/impact on Entrepreneurship Development, thus, hypothesis H_3 could be partially asserted. However, *Imperativeness* has no significant (statistically) ($\beta = 0.117$; CR = 1.132, $p > 0.05$) influence/impact on Dalits' Entrepreneurship Development. Thus, hypothesis H_2 cannot be statistically asserted.

Findings

The results confirmed that the model of performance criteria is multi-dimensional; **Self reliance, Imperativeness, Family encouragement and Success stories and Government policies.**

We found significant positive interrelationships among the constructs of the proposed framework.

In this study, four factor measurement model was found to be valid and reliable to be used in determining the development of Dalit' Entrepreneurship.

Nonetheless, out of these five factors, two factors resulted in strong significance and one factor is partial significant and one factor with no statistical significance.

Discussion

The findings of the present study are interesting in a sense that it validated the questionnaire that was designed for the purpose of the research study.

Further, the results of the present study also revealed among the four dimensions measuring *imperativeness* dimension showed a non statistical significance on the overall socio-economic development of Dalits' entrepreneurship.

In other words, the inability to find a good employment was not the criteria that influenced the sample respondents themselves to venture into own business.

Similarly, other indicators dissatisfaction with previous employment, to invest my own additional funds and to make use knowledge and skill set obtained in previous job pragmatically are not the critical indicators for the sample respondents that has made to take a decision of starting their own enterprises.

Interestingly, it emerged that Family Encouragement and other success stories have partial influence on the overall development of Dalits' Entrepreneurship. Perhaps, the other dimensions such as Self Reliance and Government Policies has strongly influenced for the development of Dalits' entrepreneurship.

Based on the findings of our research, we recommend to the policy makers that there is a need for more government intervention in providing more EDP led programs to Dalit Entrepreneurs.

Policies for Dalit entrepreneurship should follow a comprehensive approach rather than be piecemeal.

The government should assist dalit entrepreneurs to participate in international, national and local trade fairs, exhibitions and conferences.

Conclusion

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

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