Community capital or popularly called “Social Capital” refers to the ability of the participant in a society to extract favours from their social structures, networks and patterns of relationships. Social capital can operate at two levels, viz, country level, for example in the degree of trust and dependency in govt. and other institutional set up; and at local or community level, such as the nature and quality of social networks within the locality. Whereas the governmental support systems are formal form of community support for promotion of entrepreneurship and generally reflects from govt. attitude for it; the local level or community level supports may be formal as well as informal. Social capital may arise from the extended families also. It is argued that social capital confers social legitimacy upon entrepreneurship; reveals information about opportunities, customers, suppliers and competitors; and facilities access to resources such as cheap labour and capital while providing psychological aid, such as helping entrepreneurs to weather emotional stress and to keep their business afloat.\(^1\) In a sense social capital might be used to compensate the deficiency in financial or human capital.

Strong ties and dense social networks may acts in both ways i.e., favourable or unfavourable on occupational choices. Sociologists term this as 'homophily’, meaning thereby- "birds of a feather to flock together." While this can facilitate trust and knowledge sharing it can also close of sources of diverse information which could benefit the entrepreneur.\(^2\) Some researchers claim that social capital promotes entry into entrepreneurship.\(^3\)

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1 Abell, P. R. Crouchley and C. Mills (2001), Social Capital and entrepreneurship in Great Britain, Enterprise and Innovation Management studies, 2(2) p. 119-44.
In fact, there is relatively little evidence that it does so. However, there exists a general agreement that membership of networks such as clubs and societies, churches, trade associations, and other formal and informal entrepreneur networks enhances entrepreneurs’ profits, growth, performance, and survival prospects.4

In a study of Gujarati motel owners in Texas, it was observed that poorer Gujarati entrepreneurs who owned unbranded motels survived significantly longer if they were located close to successful Gujarati entrepreneurs who owned branded motels.5 Locating close to either co-ethnics running unbranded motels or non-ethnics running branded motels made no significant difference to survival, suggesting a direct role for social capital.6 Similarly, the Marwari's, the natives of Marwar region of Rajasthan (India), because of their community mobilization of capital resources, intra-community business linkage, and intra-community marriage networks, their participation in entrepreneurial activities in the state of Orissa was quite high.7 Sometimes, high occupational status and relevant work experience have been linked with entrepreneurs’ propensities to sue social network ties as opposed to market methods to access start-up capital for high tech ventures in Singapore and Beijing.8

In terms of dependency on promotional institutions engaged for promotion of entrepreneurship in general and entrepreneurship among the socially disadvantaged class in particular, externality does play a role as a motivators for entrepreneurial engagement particularly in a developing economy like India. In a study conducted in the state of Orissa as to the role of promotional organization such as DIC, it was found that these organization whose objective is to create a trust-worthy environment towards widespread entrepreneurial development, failed miserably.9 Absence of motivation due to inefficient performance of Govt. Organization, negates the

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4 Honig (1996), Gomez and Santor (2001) Bosma et al. (2004)-all reported significant positive effects of these measures of social capital on performance.
9 Panda, Shiba Charan, op cit, p. 182.
instrument of confidence require for becoming an entrepreneurs for the people belonging to backward regions.

The relationship between entrepreneurship and social structure has been studied in Malaysia. Several attempts, through policy support, to raise share of bumi (the local inhabitants) in enterprise creation resulted in 21 percent of enterprise ownership. The emphasis on Black Economic Empowerment (BEE) in South Africa resulted in the creation of Broad Based (BEE Act in 2003. The Indian govt.’s initiative to form a separate Financial Corporations for SCs, STs and OBCs is an attempt in this direction. Kaivan Munshi’s study on role of social networks in finding jobs or climbing out of poverty is yet another illustration for establishing a relationship between social capital and entrepreneurship. In the non governmental sector, independent self initiatives by a group of dalit entrepreneurs leading to the formation of “Dalit Indian Chamber of Commerce (DICC)” in the year 2005 is another example of empowerment to the socially backward class through entrepreneurial efforts.

This chapter makes an attempt to examine the role and relevance of social capital and community network towards promotion of entrepreneurship from the survey entrepreneurs. A perceptual analysis of contribution of promotional institutions for the growth of entrepreneurship among the socially and economically underprivileged class in also attempted in this chapter.

In the first section, the role of State in term of support for entrepreneurial activities of this class of population is analysed. The second section discusses the nature of community networks and the entrepreneurs dependency in term of benefit derived out of it.

STATE SUPPORT FOR ENTREPRENEURIAL ORIENTATION

In this section different promotional programme under taken by the state for the socially backward communities is presented. To begin with the Rajiv Gandhi Udyami Mitra Yojana and the Public Procurement Policy for Goods Produced and Services Rendered by Micro & Small Enterprises (MSEs) are extracted and reproduced below

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**Rajiv Gandhi Udyami Mitra Yojana**

The objective of Rajiv Gandhi Udyami Mitra Yojana (RGUMY) is to provide handholding support and assistance to the potential first generation entrepreneurs, who have already successfully completed Entrepreneurship Development Training Programmeme (EDP) / Skill Development Training Programmeme (SDP)/ Entrepreneurship-cum-Skill Development Training Programmeme (ESDP) /Vocational Training Programmeme (VT), through the selected lead agencies i.e. ‘Udyami Mitras’, in the establishment and management of the new enterprise, in dealing with various procedural and legal hurdles and in completion of various formalities required for setting up and running of the enterprise.

An ‘Udyami Helpline’ (a Call Centre for MSMEs) with a toll free No. 1800-180-6763 is functioning under the Scheme which provides information, support, guidance and assistance to first generation entrepreneurs as well as other existing entrepreneurs. The Udyami Helpline provides information about various promotional schemes of the Government, procedural formalities required for setting up and running the enterprise and how to access credit from Banks etc.

**Public Procurement Policy for Goods Produced and Services Rendered by Micro & Small Enterprises (MSEs)**

In exercise of the powers conferred in section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the Government of India has notified [No. S.O.581 (E)] Public Procurement Policy for goods produced and services rendered by Micro & Small Enterprises (MSEs) Order, 2012 which is applicable for every Central Ministries/ Departments and PSUs for effective implementation. The policy mandates for achieving an overall procurement of minimum 20 per cent of total annual purchases of products produced/ services rendered by MSEs within a period of three years. With effect from 1.4.2015, overall procurement goal of
Chapter 7: Social Capital and Entrepreneurship

minimum 20% are to be made mandatory by every Central Ministry / Departments / PSU. Policy has also earmarked a sub target 4% procurement of goods & services, out of the 20% from MSEs owned by SC/ST Enterprise.

There are specialised agencies created for the purpose of promoting the interest of the specific social group as well in the country. They are (i) NATIONAL Scheduled Caste Finance and Development Corporation (NSFDC) meant for the SC group of population, (ii) National Scheduled Tribe Finance and Development Corporation (NSTFDC) meant for the ST group of population and (iii) National Backward Classes Finance & Development Corporation (NBCFDC) meant for the OBC group of population. There is, of course, the Small Industries Development Bank of India (SIDBI) which is the mother of all agencies specifically established to promote small business in India. At the state level of Delhi which happens to be the field of the present empirical study, there is the Delhi Scheduled Caste, Scheduled Tribe, Financial and Development Corporation (DSCFDC). For providing training for skill development of the entrepreneurs government of India has set up a nodal agency known as National Institute for Entrepreneurship and Small Business Development (NIESBUD) at Noida, Uttar Pradesh.

All these organisations have their own web sites where the general information concerning their objectives, achievements etc are available for public consumption. After surfing these sites, the relevant information useful for the present study are extracted and reproduced below.

**National Scheduled Caste Finance and Development Corporation (NSFDC) Incorporation**

NSFDC was setup by the Govt. of India on February 08, 1989 with the name National Scheduled Castes and Scheduled Tribes Finance and Development Corporation (NSFDC). It was incorporated as a fully owned Government Company under Section 25 (A company not for profit) of the Companies Act, 1956. It has been assigned the task for financing, facilitating and mobilizing funds for the economic empowerment of persons living below Double of the Poverty Line (DPL). It provides financial assistance for income generating schemes for the target group through state
Channelising Agencies (SCAs) which are nominated by respective State/UT Government. This is managed by a Board of Directors with representation from Central Government, State Scheduled Castes Development Corporations, Financial Institutions and non-official members representing Scheduled Castes.

**Vision and Objectives**

The vision of NSFDC is “Fighting Poverty through Entrepreneurship”. NSFDC is the apex institution for financing, facilitating and mobilizing funds from other sources and promoting the economic development activities of the persons belonging to the Scheduled Castes living below double the poverty line.

**NSFDC Operation**

1. Financing income generating schemes for the SCs through the State Channelizing Agencies (SCAs) and other recognized institutions nominated by the respective State /UT Governments.
2. Providing Micro-Credit Finance to the target group through the SCAs.
3. Providing Educational Loan to the eligible scheduled caste students for pursuing full-time professional/technical educational courses in India or abroad.
4. Providing grants for skill development programmes through the SCAs.
5. Providing advisory services to target group and SCAs.
6. Upgrading the skill levels of the SCAs.

**Performance of NSFDC**

The total number of beneficiaries under different schemes of NSFDC in 2011-12 stood at 43,772 as given in Table 7.1, the maximum number of beneficiaries are under the Mahila Samriddhi Yojana about 20,567 followed by 12,801 beneficiaries under Term Loan facilities. There are 8,126 beneficiaries under Micro Credit Finance and 1,750 beneficiaries got support from Laghu Vyavasay Yojana. There are also a few beneficiaries under Shilpi Samriddhi Yojana and educational Loan Scheme.
Table 7.1: Performance of NSFDC 2011-12

<table>
<thead>
<tr>
<th>Schemes of NSFDC</th>
<th>No. of Beneficiaries</th>
<th>Amount Disbursed (Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Term Loan</td>
<td>12801</td>
<td>11653.67</td>
</tr>
<tr>
<td>Micro Credit Finance</td>
<td>8126</td>
<td>1272.24</td>
</tr>
<tr>
<td>Mahila Samriddhi Yojana</td>
<td>20567</td>
<td>2624.39</td>
</tr>
<tr>
<td>Shilpi Samriddhi Yojana</td>
<td>307</td>
<td>63.80</td>
</tr>
<tr>
<td>Educational Loan Scheme</td>
<td>221</td>
<td>188.58</td>
</tr>
<tr>
<td>Laghu Vyavasay Yojana</td>
<td>1750</td>
<td>2474.69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>43772</td>
<td><strong>18277.37</strong></td>
</tr>
</tbody>
</table>

Source: Web site of NSFDC

NSFDC disbursed a total of Rs.18,277.37 lakh for the above mentioned schemes. The maximum amount disbursed was under term loan facilities which stood at Rs.11,653.67 lakh in 2011-12. Mahila Samriddhi Yojana was allocated Rs.2624.39 lakh while Laghu Vyavasay Yojana got Rs.2474.69 lakh.
National Scheduled Tribe Finance and Development Corporation (NSTFDC)

Objectives of NSTFDC

i. Identification of economic activities of importance to the Scheduled Tribes so as to generate employment and raise their level of income.

ii. Upgradation of skills and processes used by the Scheduled Tribes through providing both institutional and on the job training.

iii. To make the existing State/U.T Scheduled Tribes Finance and Development Corporations who are nominated as the State Channelising Agencies (SCAs) for availing assistance from NSTFDC and other developmental agencies engaged in the economic development of Scheduled Tribes more effective.

iv. To assist SCAs in project formulation implementation of NSTFDC assisted Schemes and in imparting necessary training to their staff.

v. To provide financial support for meeting the working capital requirement of the Central / State government owned agencies for undertaking procurement and marketing of minor forest produces agricultural produces and other products grown/made or collected by the Scheduled Tribes.

vi. To innovate experiment and promote rather than replicate the work of the existing agencies.
NSTFDC Schemes

Term Loan, Tribal Forest Dwellers Empowerment Scheme, Bridge Loan, Scheme For Women, Self Help Groups, Marketing Support, Micro Credit, Education Loan, Training.

Table 7.2 gives the achievements of NFTFDC in terms of providing funds to the beneficiaries during the first decade of the new millennium. It should be noted that NFTFDC provides funds for, (i) income generating schemes and (ii) marketing support. As given in the table, there has been consistent increase in the amount of total funds disbursed for these two purposes. From Rs.63.25 Crore in 2001-02, NFTFDC has provided a total amount of Rs.162.35 Crore in 2011-12, an increase by nearlyl 2.5 times in ten years time period. Figures from 2009-10 to 2011-12 in the table refer only to funds for income generating schemes and its number of beneficiaries.

Table: 7.2: Achievements of NFTFDC

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Rs.Crore)</th>
<th>No. of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>63.25</td>
<td>295813</td>
</tr>
<tr>
<td>2002-03</td>
<td>98.98</td>
<td>179015</td>
</tr>
<tr>
<td>2003-04</td>
<td>79.15</td>
<td>688725</td>
</tr>
<tr>
<td>2004-05</td>
<td>73.06</td>
<td>294094</td>
</tr>
<tr>
<td>2005-06</td>
<td>80.02</td>
<td>170167</td>
</tr>
<tr>
<td>2006-07</td>
<td>105.33</td>
<td>227474</td>
</tr>
<tr>
<td>2007-08</td>
<td>131.4</td>
<td>242636</td>
</tr>
<tr>
<td>2008-09</td>
<td>162.35</td>
<td>280216</td>
</tr>
<tr>
<td>2009-10</td>
<td>154.24</td>
<td>37439</td>
</tr>
<tr>
<td>2010-11</td>
<td>158.17</td>
<td>95632</td>
</tr>
<tr>
<td>2011-12</td>
<td>192.77</td>
<td>11289</td>
</tr>
</tbody>
</table>

The number of beneficiaries under the NFTFDC programs increased from 295813 in 2001-02 to an impressive figure of 688725 in 2003-04. After that it has fluctuated to reach 280216 in 2008-09. The lower figures of the number of beneficiaries in the table from 2009-10 onwards relate only to the income generating schemes only. (Data for the marketing support are not available for the years 2009-10 to 2011-12.)
National Backward Classes Finance & Development Corporation (NBCFDC)

NBCFDC is a Govt. of India Undertaking under the aegis of Ministry of Social Justice and Empowerment. NBCFDC was incorporated under Section 25 of the Companies Act 1956 on 13th January 1992 as a Company not for profit with an objective to promote economic and developmental activities for the benefit of Backward Classes and to assist the poorer section of these classes in skill development and self employment ventures. NBCFDC provides financial assistance through State Channelising Agencies (SCAs) nominated by the State Governments/UTs. NBCFDC also provides Micro Financing through SCAs/ Self Help Groups (SHGs). The Corporation can assist a wide range of income generating activities to assist the poorer section of these classes in skill development and self-employment ventures under following broad sectors:

1. Agriculture and Allied Activities
2. Small Business
3. Artisan and Traditional Occupation
4. Technical and Professional Trades/Courses
5. Transport and Service Sector etc.

Objectives of NBCFDC

- To promote economic and developmental activities for the benefit of Backward Classes.
- To assist, subject to such income and/or economic criteria as may be prescribed by government from time to time, individuals or groups of individuals belonging to Backward Classes by way of loans and advances for economically and financially viable schemes and projects.
- To promote self employment and other ventures for the benefit of Backward Classes.
- To grant concessional finance in selected cases for persons belonging to Backward Classes living below double the poverty line.
• To extend loans to the Backward Classes for pursuing general/professional/technical education or training at graduate and higher level.

• To assist in the upgradation of technical and entrepreneurial skills of Backward Classes for proper and efficient management of production units.

• NBCFDC Schemes

**Micro Finance Schemes**

**Objective**
In order to implement the NBCFDC scheme at grass root level and to promote & Support micro financing scheme for improvement of credit facilities for the poorer section of the beneficiary claim specially for women beneficiaries, the Corporation has adopted Micro Finacing through SCA's. SCA's further can give loan through accredited NGO's/SHG . Salient features of the Scheme are as under :

**Mahila Samridhi Yojna**

The objective of the scheme is to provide Micro Finance to women entrepreneurs belonging to the target group. The salient features of the scheme is to grant to a person a maximum loan limit of Rs.50,000. The scheme is to be implemented through SCAs in rural and urban areas by way financing the women beneficiaries directly or through Self-Help Groups (SHGs).

**Training & Development**

**Objective**
The Corporation provides financial assistance for project linked training for up gradation of technical and entrepreneur Skill of Members of backward classes through SCAs and Training Institutes. The objective of this scheme is to provide training to the target group to make them capable and self-dependent through appropriate technical training in the field of traditional & technical occupations and entrepreneurship. Financial assistance is provided in the form of grant through SCA/Institution. The trainee can obtain loan under NBCFDC general load schemes to
start his/her business after the successful completion of the training. Specialized
trainings have also been arranged by NBCFDC through accredited renowned
Institutes like NIFT, ATDC, KVIC, NID, RUDSET etc.

**Term Loan**

NBCFDC assists the beneficiaries through the SCAs. The financing pattern as given
in Table 7.3 shows that 85% of the loan comes from NBCFDC, 10% from the SCAs
and 5% from the beneficiaries them selves.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NBCFDC loan</td>
<td>85%</td>
</tr>
<tr>
<td>SCA loan</td>
<td>10%</td>
</tr>
<tr>
<td>Beneficiary’s Contribution</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table: 7.3: Pattern of Financing under NBCFDC

Source: Web site of NBCFDC

**CHART 7.5**

The rate interests under the NBCFDC financing system are very reasonable. First,
NBCFDC provides loans to the SCAs with the rate of interest for loan up to Rs.3 lakh
is 3% and above Rs.5 lakh is 5%. SCAs then extends the loans at 6% for amount up
to Rs.5 lakh and at 8% for amount of loan above Rs.5 lakh. See Table 7.4.
Chapter 7: Social Capital and Entrepreneurship

Table 7.4: Rate of Interest under NBCFDC Financing

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Rate of Interest from NBCFDC to SCA</th>
<th>Maximum Rate of Interest from SCA to Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto Rs.10,00,000/-</td>
<td>3% (upto 5.0 Lakh)</td>
<td>6% (up to Rs. 5.0 Lakh)</td>
</tr>
<tr>
<td></td>
<td>5% (Above 5.0 Lakh)</td>
<td>8% (Above Rs. 5.0 Lakh)</td>
</tr>
</tbody>
</table>

Source: Web site of NBCFDC

Performance of NBCFDC

As given in the Table 7.5 the total number of beneficiaries benefitted from the NBCFDC window were of the order of 14,64,270 in 2011-12 which increased to 16,10,240 in 2012-13.

Table 7.5: Performance of NBCFDC

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Dibursed(Crore Rs.)</th>
<th>No. of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>2065.76</td>
<td>1464270</td>
</tr>
<tr>
<td>2012-13</td>
<td>2290.97</td>
<td>1610240</td>
</tr>
</tbody>
</table>

Source: Web site of NBCFDC

The total amount of funds disbursed by NBCFDC for the different schemes described above was of the tune of Rs.2065.76 Crore in 2011-12 which increased to Rs.2290.97 Crore in 2012-13.

CHART 7.6

![Amount Disbursed(Crore Rs.) by NBCFDC](chart7_6.png)
Small Industries Development Bank of India (SIDBI)

History

Small Industries Development Bank of India (SIDBI), set up on April 2, 1990 under an Act of Indian Parliament, is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for Co-ordination of the functions of the institutions engaged in similar activities.

Provision of Charter

SIDBI was established on April 2, 1990. The Charter establishing it, The Small Industries Development Bank of India Act, 1989 envisaged SIDBI to be "the principal financial institution for the promotion, financing and development of industry in the small scale sector and to co-ordinate the functions of the institutions engaged in the promotion and financing or developing industry in the small scale sector and for matters connected therewith or incidental thereto."

Business Domain of SIDBI

The business domain of SIDBI consists of Micro, Small and Medium Enterprises (MSMEs), which contribute significantly to the national economy in terms of
production, employment and exports. MSME sector is an important pillar of Indian economy as it contributes greatly to the growth of Indian economy with a vast network of around 3 crore units, creating employment of about 7 crore, manufacturing more than 6,000 products, contributing about 45% to manufacturing output and about 40% of exports, directly and indirectly. In addition, SIDBI's assistance also flows to the service sector including transport, health care, tourism sectors etc.

**SIDBI Among Top 30 Development Banks of the World**

SIDBI retained its position in the top 30 Development Banks of the World in the ranking of The Banker, London. As per the May 2001 issue of The Banker, London, SIDBI ranked 25th both in terms of Capital and Assets.

**Mandatory Objectives**

Four basic objectives are set out in the SIDBI Charter. They are:

- Financing
- Promotion
- Development
- Co-ordination

- For orderly growth of industry in the small scale sector. The Charter has provided SIDBI considerable flexibility in adopting appropriate operational strategies to meet these objectives. The activities of SIDBI, as they have evolved over the period of time, now meet almost all the requirements of small scale industries which fall into a wide spectrum constituting modern and technologically superior units at one end and traditional units at the other

**Mission**

- "To facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system"
Vision

- To emerge as a single window for meeting the financial and developmental needs of the MSME sector to make it strong, vibrant and globally competitive, to position SIDBI Brand as the preferred and customer-friendly institution and for enhancement of shareholder wealth and highest corporate values through modern technology platform.

Performance of SIDBI

SIDBI has been consistently providing credit facilities to the small entrepreneurs ever since its inception in 1990. The amount disbursed by SIDBI in 1990-91 was Rs.1838.8 Crore which increased many fold to reach a staggering figure of Rs.41,160 Crore in 2011-12. See Table 7.6.

Table 7.6: Credit Flow from SIDBI

<table>
<thead>
<tr>
<th>Year</th>
<th>Disbursement (Rs.in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>1838.8</td>
</tr>
<tr>
<td>2008-09</td>
<td>28,297.8</td>
</tr>
<tr>
<td>2009-10</td>
<td>31,917.9</td>
</tr>
<tr>
<td>2010-11</td>
<td>38,795.9</td>
</tr>
<tr>
<td>2011-12</td>
<td>41,160.1</td>
</tr>
</tbody>
</table>


CHART 7.8
Assistance to SC/ST Entrepreneurs

The Plan Scheme of Micro, Small & Medium Enterprises Development Organisation (MSME-DO) are promotional in nature and are mainly intended to prove a wide range of services and facilities required for accelerating the growth of small scale industries in the country. The major activities, in this regard, include identification and motivation of prospective entrepreneurs, training of entrepreneurs and their workers with a view to improve their skills in the management and production, providing consultancy services in technical, managerial, economic and their aspects of managing the industries, providing facilities for tooling, common processing and testing, and assistance by giving information and intelligence in the marketing and other spheres of activities. Special efforts have also been made to induce greater motivation and encouragement to SC/ST persons for availing the benefit of these programmes in larger proportion. The steps taken, in this regard, include the following.

- Entrepreneurship Development Programmes are being organised by the SISIs exclusively for weaker sections including the persons belonging to SC/ST communities to motivate and equip them to set up small scale industrial units. They have also been given special performance in the selection of candidates for training in various programmes organised by SISIs.

- The MSME-DO provides comprehensive consultancy services in technical, managerial, economic and other disciplines. Such services are provided mostly free of cost. Wherever, charges are leviable, the SC/ST entrepreneurs are given 50% concession.

- Regular and adhoc training programmes are being organised by the Central Footwear and Training Centres for improving the skills of traditional artisans engaged in the leather Industry.

- Under the Rural Artisans Programme guidelines were issued for the organisation of promotional schemes and training programme for rural SC/ST Artisans with a view to improving techniques and tools and setting them in their respective trades to enable them to upgrade level of skills and earnings.
The Delhi Scheduled Caste, Scheduled Tribe, Financial and Development Corporation (DSCFDC)

(DSCFDC) was set up to promote self-employment opportunity for the people of SC/ST communities. Further, the work to promote self-employment opportunities to the people of OBC/Minority Communities/PH were also assigned to the Corporation. It has been declared as State Channelising Agency (SCA) for SC/ST/OBC/Minority Communities/Physically Handicapped. DSCFDC is implementing various schemes for the economic upliftment of the persons belonging to these communities in collaboration with respective Apex Corporations. This Corporation is providing loan to these socially backward class people to promote their entrepreneurial engagement. Loan up to Rupees 1 lakh per case was provided to 325 persons during 2008-09 under Composite Loan Scheme, while 245 SC/ST/OBC/Minority Communities/Physically Handicapped persons provide said loan during the year 2009-10. During 2010-11, 299 persons were provided loan. Target to provide composite loan to 470 SC/ST/OBC/Minority Communities/PH persons was fixed for the year 2011-12 and 295 persons were provided the same.

During the year 2009-10, DSCFDC has provided loan to 29 SC/ST/OBC/Minority Communities/PH persons for the purpose of light commercial vehicles while during 2010-11 an expenditure of Rupees 9.52 lakh was incurred to provide loan to 4 SC/ST/OBC/Minority Communities.

NATIONAL INSTITUTE FOR ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT (NIESBUD)

NIESBUD is an apex Institute in the area of Entrepreneurship and Small Business Development under the Ministry of Micro, Small and Medium Enterprises, Government of India. The basic objects for which the Institute has been established are: Promotion and Development of Micro, Small and Medium Enterprises including Enhancement of their Competitiveness through various activities. The Institute has conducted a total of 9,039 different Training Programmes covering 2,35,773 participants which includes 161 International training programmes with 2,524 participants from more than 125 countries till 31st January 2014.
The Institute is organizing Entrepreneurship-cum-Skill Development Programmes (ESDPs) across 17 states in the country. The beneficiaries are expected to set up their own enterprise after this training.

NIESBUD is conducting an Entrepreneurship Development Programme through class room training and E-learning module as well.

The Institute has developed a CD in which the procedure to set up an enterprise has been explained in detail. This CD was launched in February, 2013 and till date around 50,000 Engineering/Management/simple graduates have been provided training. A Hindi version of the CD has also been launched to target the people.

The Institute has developed a web based monitoring system at its own to ensure transparency and quality. Till date, the Institute has assisted 40,000 of its trainees in gaining wage employment. 5500 trainees have been assisted to set up their own enterprises. These persons underwent Entrepreneurship cum Skill Development Programmes conducted by the Institute in different parts of the country.

GOVERNMENT SUPPORT AND ENTREPRENEURIAL ORIENTATION

Entrepreneurs’ perception on role of promotional institutions for the promotion of entrepreneurship among the socially backward community is presented here.

Table 7.7: Govt. Support and Entrepreneurial Orientation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>163</td>
<td>55.44</td>
<td>55.44</td>
</tr>
<tr>
<td>Yes</td>
<td>131</td>
<td>44.56</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>294</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Source: Calculated from the Primary Data collected for this Study

Table 7.7 shows govt. support system and the level of entrepreneurship among the units under study. In a developing economy like India, where social sub-groups survive with homogeneous work behavior, promotion of under privileged sections towards entrepreneurial orientation is the domain of the State. In India since there does not exist a strong tradition of private entrepreneurship, the role of state as that of
gap-fillers in term of providing financial and promotional support, is of paramount necessity.

CHART 7.9

In our survey an interesting phenomenon could be noticed that “awareness about government support” has not acted as a contributor to the level of entrepreneurship. In other words, with coefficient of -0.63 at 10% level of significant indicates that the probability of level of entrepreneurship is declined significantly for those who have the awareness about government support relative to those who “do not have the awareness about government” support. Precisely, therefore, it can be asserted that role of state as a motivator for this class of entrepreneur has not been established positively in our study. Rather, those who do not have access to information or who lack awareness have higher entrepreneurial orientation vis-à-vis their counter part with high degree of awareness to govt. support programme for entrepreneurship development.

COMMUNITY NETWORKS AND SOURCES OF FINANCE

Table 7.8 shows the responses on entrepreneurs’ belongingness to some networks (members of a group) and their dependency on financial needs.
### Table 7.8: Community Networks and Sources of Finance

<table>
<thead>
<tr>
<th>Sources of Finance Network</th>
<th>Family Sources</th>
<th>Savings from jobs</th>
<th>Friends and Relatives</th>
<th>Inherited</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of Community Association</td>
<td>14</td>
<td>0</td>
<td>13</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td>Not a Member of any group</td>
<td>180</td>
<td>20</td>
<td>48</td>
<td>25</td>
<td>273</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>194</strong></td>
<td><strong>20</strong></td>
<td><strong>61</strong></td>
<td><strong>25</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>

Source: Calculated from the Primary Data collected for this Study

Around 9% of the respondents found to be member of some groups, whereas 91% have no such affiliation. Moreover the external dependency in terms of institutional loan is totally absent as none of the respondents have mentioned about receipt of such benefits. Around 65% of the respondents survive with support from their family to overcome financial deficiency. Similarly, around 20% depends on their friends and relatives for their financial needs. If the family, friends and relatives will be clubbed together to treat them as extended family, the dependency of entrepreneurs on financial requirements is confined to an informal network i.e., community network. This situation is indicative of existence of a homogeneous outfit, acting as a gap-filler both for financial as well as emotional deficiency. The lack of formalization of such networks precludes in deriving an assertion that social capital played vigorously a role in entrepreneurial orientation of the socially disadvantaged class as revealed from this study. The Table 7.8 on response for affiliation to groups/community, however, shows evidence for existence of some the of community networks/Associations considering the level of entrepreneurial engagement.

### Table 7.9: Community Role & Entrepreneurial Orientation

<table>
<thead>
<tr>
<th>Role of your community in supporting you</th>
<th>Freq.</th>
<th>Percent</th>
<th>Cum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>100</td>
<td>34.01</td>
<td>34.01</td>
</tr>
<tr>
<td>Yes</td>
<td>194</td>
<td>65.99</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Calculated from the Primary Data collected for this Study
Community capital (both social as well as financial) does play a role towards motivation for entrepreneurial occupation.

**Table: 7.10: Membership of Trade Associations**

<table>
<thead>
<tr>
<th>Member of any Trade Association</th>
<th>Freq.</th>
<th>Percent</th>
<th>Cum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>270</td>
<td>91.84</td>
<td>91.84</td>
</tr>
<tr>
<td>Yes</td>
<td>24</td>
<td>8.16</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>294</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Calculated from the Primary Data collected for this Study

Table 7.9 shows the role of community support and entrepreneurial orientation. Although 66% of the entrepreneurs have responded for a positive role of community towards entrepreneurial motivation, in our study, role of community is not a significant predictor of level of entrepreneurship. Therefore, it can be asserted that the existence of a community-level motivation for entrepreneurial choice was not found. This assertion is supported by the relationship of Trade Association and entrepreneurial orientation. Being a member of Trade Association, no significant benefit was accrued to the entrepreneur. So neither the positive attitude of the community nor as a member of a Trade Association, has significantly contributed
towards entrepreneurial supply among the people in this class as revealed from the study. Table 7.10 shows that 92% of the respondents are members of trade Association and 8% have no such membership. As membership of trade Association and entrepreneurial orientation are not a significant predictor of level of entrepreneurship, the role of such association as motivator for entrepreneur orientation is very negligible. This was also substantially contributed towards non-existence of community capital among the entrepreneurs of socially and economically backward class.

**Concluding Observation**

The government support system for the promotion of entrepreneurship among the socially and economically backward class has not impacted so far, thus, indicating non-dependency of this factor on the determinants of entrepreneurship. In other words governmental measurers to promote entrepreneurship among socially and economically backward class has not contributed towards entrepreneurial orientation for this class.

In case of socially and economically backward group, there exists no significant relationship in terms of supply of entrepreneurship. Further, the role of community
capital or social capital has no significant contribution to the level of entrepreneurship as revealed from our study. The existence of social capital is not found in our study particularly within the backward castes. However, the preference for partnership form of business was quite high in case of SC indicating thereby community networking is seen although not in substantial form.