



# ROLE OF MINORITIES FINANCE CORPORATION IN PROMOTION OF ENTREPRENEURSHIP AMONG MINORITIES OF TELANGANA STATE

**Iffath Unnisa Begum<sup>1</sup>, Amtul Wahab<sup>2</sup>**

<sup>1</sup>Lecturer in Commerce, Govt City College, Nayapul, Hyderabad

<sup>2</sup>Lecturer in Commerce, Indira Priyadarshini Govt Degree College for women, Nampally Hyderabad

## INTRODUCTION

The 1991 Industrial Policy has envisaged special training programmes to support women entrepreneurs. Accordingly women entrepreneurs are receiving training through Entrepreneurship Development Programmes (EDPS) conducted by various institutions and organizations, both at central and state levels. The Small Industries Development Organization (SIDO), with its field offices all over the country, has been carrying out development programmes for women entrepreneurs and providing technical schemes for setting up of SSI units. In view of the changing outlook for the promotion of women enterprises, the SSI Board in 1991 revised the definition of women enterprises by omitting the condition of employing 50 percent women workers.

The contribution of entrepreneurship in development of an economy has been well recognized all over the world. Without entrepreneurship and growing number of entrepreneurs, an economy is certain to become sluggish in growth. Entrepreneurship dynamism forms the cornerstone of a progressive society as it is a purposeful activity that attempts to create value through recognition of business opportunity, management of risk appropriate to opportunity and through communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition. This gives a definite upsurge to the economic growth of a nation. Economic growth is an upward change where by the per capita income increases over a long period of time. If economic growth is the effect, entrepreneurship is the cause. Entrepreneurs are the one who explore opportunities, scan the environment, mobilize resources, convert ideas into viable business proposition and provide new products and services to the society by bringing together and combining various features of production. An entrepreneurial individual has a distinct concept of vision and a dream, which he/she is able to convert in to products. Such individual are driven by task, challenge and opportunity with very high achievement orientation.

The understanding of entrepreneurship owes a lot to the work of economist Joseph Schumpeter and the Austrian School of Economics. For Schumpeter an entrepreneur is a person who is willing and able to convert a new idea or innovation in to a successful innovation. Entrepreneurship forces “creative destruction” across markets and industries, simultaneously creating new products and business models. In this way, creative destruction is largely responsible for the dynamism of industries and long-run economic growth.

## CONCEPT OF ENTREPRENEURSHIP

It was only in the beginning of the 18<sup>th</sup> century that the word was used to refer to economic activities. The entrepreneur and his unique risk bearing function were first identified in the early 18<sup>th</sup> century. J.B. Say defined the entrepreneur with the function of coordination, organization and supervision. According to him an entrepreneur is the most important agent of production who provides continuing management and brings together the factors of productions. Say’s entrepreneur must have judgment, perseverance and knowledge of the world as well as that of business. He must possess the art of superintendence and administration. Though J.B. Say emphasized coordination and supervision explicitly, there are three more implicit factors which form the crux of entrepreneurship. Firstly, moral qualities for the work which includes judgment, perseverance and the knowledge about the environment within which the business is functioning. Secondly, the prospective entrepreneur should have command over sufficient capital resources. Say’s entrepreneur commonly but not necessarily, possesses either his own or borrowed capital. The third factor refers to the uncertainty of profits. To overcome this uncertainty element in business he prescribed superintendence and administration as the basic qualities for an entrepreneurship. But the author failed to relate entrepreneurship with the general economic development.



### **IMPORTANCE OF THE STUDY**

Classical economic theories explained the phenomenon of economic underdevelopment in terms of per capita income. The theoretical work is revolved around saving and investment functions. But, social scientists supplemented this theory by adding socio-economic factors to complete the discussion on economic underdevelopment. They maintained that the quality of population that brings economic development and not mere the presence of natural resources. In the recent years, economists are also placing entrepreneur at the centre while explaining the process of economic development. The availability of natural and financial resources is a necessary condition for economic development but not the sufficient. Why some regions are humming with economic activities and why some regions have total lull on economic fronts can only be explained by the presence or absence of entrepreneurship

### **STATEMENT OF THE PROBLEM**

It can be observed that religious minorities will not have equal opportunities on par with people of socially dominant religions despite their equal abilities. In this context, religious minorities deserve to be supplemented with special input packages and a helping hand from the state and its supporting organs. Religious minorities suffer a lot with multi-dimensional problems including poverty, unemployment, under nourishment, lack access to basic amenities, low representation in public and policy making bodies etc. As a result religious minorities are in the path of retrogression. Instead of depending on the government on permanent basis, it is better they choose the path of self reliance and empowerment through the means of entrepreneurship. Hence, the present study assumes considerable amount of significance and relevance.

### **REVIEW OF LITERATURE**

Varshney M.K., pointed out that the issue of low representation of women in workforce is linked to their education. He also identified certain social and financial constraints from the low ratio of women in workforce.

Buddha Priya & Khandelwal P. addressed the issue of paucity of women managers in the corporate sector. They showed that there is no systematic evidence indicating ineffectiveness of women as managers. They have suggested that it is very important to give programs and initiatives that break stereotype barriers and society should see people as capable workers on the basis of their merits and not their gender.

Colete Dumas discussed the community entrepreneurs' programme which is meant to help low income women start their own business. Evaluation results indicate that training provided to low income Women had indeed accomplished its goals to help participants launch their own business, to empower them to achieve self sufficiently through entrepreneurship and job creation.

Nila Umesh, opined that entrepreneurial development in tribal communities is a basic complex of change. She emphasized the role of holistic approach where in all cultural and social aspects of the client community are studied thoroughly and potential industrial activities, enterprises and entrepreneurs are located. The approach here envisages gradual and fuller utilization of local material and human reserves manipulating all the key elements in the total system simultaneously. Its emphasis is on examining, developing and establishing organizational and functional linkages between the four factors of entrepreneurial development which include resources, organizations, infrastructure and entrepreneur.

### **RESEARCH GAP**

Entrepreneurship development reveals that the phenomenon of entrepreneurial activities has attracted the interest and research attention of a broad range of management disciplines. Entrepreneurship is a relatively new field of research, not more than 20–25 years old. During the last decade it has gained extensive interest beyond the usual areas of management studies. (Landstrom, 2005). As in many other fields of research in social sciences, entrepreneurship research has its roots in the development of and changes in society. In many countries, especially in Europe, entrepreneurship became a vehicle to solve regional and national problems and to stimulate growth (Alain Fayolle and Paula Kyrö, 2008).

An analysis of research on entrepreneurship development in India reveals that most of the research deals with entrepreneurial activities in rural sector and its development as a tool for solving the problem of poverty. Self-employment, inventor entrepreneurs, enhancement in livelihood, nuclear economy growth and industrial revolution has encouraged the rural population to venture into entrepreneurship. The development of women entrepreneurship has been covered elaborately in most of the Indian research on entrepreneurial activities. The literature deals extensively on economic growth through entrepreneurship and support of government of India. Studies employ sophisticated statistical tools to identify the motives of entrepreneurship development, the characteristics of entrepreneurs who have undertaken entrepreneurial activities and the



characteristics of rural sector that become entrepreneurship hubs. With this milieu, this study is an attempt to study entrepreneurship development especially in PURA Scheme Villages of Thanjavur District, Tamil Nadu, India. The study aims at specifying determinants of entrepreneurs and role of institutions in supporting the entrepreneurial development.

### NEED FOR THE STUDY

The new Telangana State Industrial Policy will strive to provide a framework which will not only stabilize and make existing industries more competitive, but also attract and realize new international and national investments in the industrial sector. The focus will be on core manufacturing sectors, with the creation of employment for urban and rural youth and adding value to existing skills emphasised at all stages. It is expected that the most significant outcome of this approach will be the production of high quality goods at the most competitive price, which establishes “Made in Telangana-Made in India” as a brand with high global recognition.

### OBJECTIVES OF STUDY

1. To examine the socio-economic and demographic profile of the minorities’ entrepreneurs
2. To promote economic and developmental activities for the benefit of "Backward Sections" amongst the Minorities, preference being given to the occupational groups and women;
3. To promote self-employment and other ventures for the benefits of Minorities;
4. To assist the up-gradation of technical and entrepreneurial skills of Minorities for proper and efficient management of production units;
5. To help in furthering the Government policies and programmes for the development of Minorities.

#### 1. Hypothesis

- Economic factors are the Prime forces of entrepreneurship among religious minorities.
- The relationship between the religion of the minority entrepreneurs and their perceptions about the role of TSSMFC as promoter of entrepreneurship is assumed to be statistically independent.

It can be observed that religious minorities will not have equal opportunities on par with people of socially dominant religions despite their equal abilities. In this context, religious minorities deserve to be supplemented with special input packages and a helping hand from the state and its supporting organs. Religious minorities suffer a lot with multi-dimensional problems including poverty, unemployment, under nourishment, lack access to basic amenities, low representation in public and policy making bodies etc. As a result religious minorities are in the path of retrogression. Instead of depending on the government on permanent basis, it is better they choose the path of self reliance and empowerment through the means of entrepreneurship. Hence, the present study assumes considerable amount of significance and relevance.

#### 2. Scope of the study

The present study has confined its scope to the role of TSSMFC in promoting entrepreneurship among the religious minorities only in Hyderabad district which covers both Hyderabad and Secunderabad.

### METHODOLOGY

**Sources of data** A sample of 500 first generation entrepreneurs will select from Hyderabad district of Telangana. The study is going to adopt the method of stratified random sampling in order to get reflected the degree of heterogeneity with reference to location and nature of the activity and religion while choosing the sample units.

**Primary source** The present study needed the data on variables including religion and other socio-economic and other demographic variables on the one hand and on the other, the variables including nature of activity, size of investment, income generated employment generation and the effects of their enterprise development on their lives, their problems and expectations etc.

**Secondary source** The secondary sources of data include the reports published by the Telangana state minorities finance corporation, National minorities’ development Finance Corporation and the annual reports published by the state level bankers committee, T.S. The primary sources of the data will collect by making use of questionnaire/schedules. The study is based on both primary data & secondary data. The primary data has been collected by using a questionnaire and the secondary data has been collected from books, magazines and the internet.



### Selection of sample- Sampling unit

The study focused especially on the suitability of minorities of Telangana State, and therefore grassroots minorities constituted most of the interviewees. Convenience sampling method has been followed for collecting the response from the respondents.

### REFERENCE

1. Gupta, *Entrepreneurship Development*. Mahamaya, New Delhi, 2009.
2. Gupta, S.C., *Statistical Methods*, Sultan Chand & Sons, New Delhi, 2009.
3. Schumpeter, *The Theory of Economic Development*, Harvard University Press, Cambridge, Massachusetts, 1934.
4. Venkataratnam, *Institutional support for Entrepreneurship Development*, Institute of Public Enterprise, Hyderabad, 2012.
5. Dash, S., *Entrepreneurship and the Dynamics of Family Business in India*, GITAM Journal of Management, Vol3, No.1, 191-205, January-June 2005.
6. Ramachandran, *Corporate Entrepreneurship: How? Vikalpa*, pp. 85-95, January-March 2006.
7. Sharma, J.A., *Micro Enterprise Finance and the Role of Gender*, South Asian Journal of Management, Vol.8, No.1 & 2, 1-11, 1997-98
8. Rabindra Kumar Swain, *Socio-Economic aspects of Women Entrepreneurs in KBK Districts*, The Utkal Business Review Vol. XXIII, 184-194, 2010-2011.
9. Rajkumar, K., *Have Indian Women Achieved Empowerment - A Review*, SEDME, Vol.34, No.1, 79-84, March 2007.
10. Ramana, C.V., *Success in Small and Medium Enterprises in India - A Study of Entrepreneurial Attributes*, GITAM Journal of Management, Vol.8 No.4, 255-262, October-December 2010.
11. S. R. Mondal (2000), *Muslim Population in India: Some Demographic and Socio-Economic Features*, International Journal of Anthropology, Vol. 15, No. 1-2, Jan.
12. Seema Kazi (1999), *Muslim Women in India*, An MRG Interntional Report 98/2. Sheela Purohit, Micro Credit and Women Empowerment, rppurohit@roltanet.com
13. Singh, Kamala (1992), *Women Entrepreneurs*, Ashish Publishing House, New Delhi.
14. Swain, R. B. and Wallentin, F.Y., *Does Microfinance Empower Women? Evidence from Self Help Groups in India*. Uppsala Universitet, Dept. of Economics Working Paper 2007:24.
15. Seminar topics.web.com
16. Seminaronly.com
17. www.wikipedia.com