

# From Job Seekers to Wealth Creators: The Impact of Dalit Entrepreneurship on the Economic Development of Rajasthan

 Devendra Jarwal (FCS, Ph.D.)<sup>1</sup>\*, Anju Kahal<sup>1</sup>
<sup>1</sup>Professor, Department of Commerce, Motilal Nehru College, University of Delhi

 DOI: <https://doi.org/10.36348/sjef.2025.v09i04.001>

| Received: 22.02.2025 | Accepted: 28.03.2025 | Published: 03.04.2025

\*Corresponding author: Devendra Jarwal

Professor, Department of Commerce, Motilal Nehru College, University of Delhi

## Abstract

This study investigates the economic contributions of Dalit entrepreneurship to the development of Rajasthan, aiming to challenge stereotypes surrounding Dalit capabilities and to highlight their role in job creation and economic sustainability. Utilising a descriptive research methodology, data was collected through surveys, interviews, and government statistics, focusing on 740 Dalit enterprises. By employing Solow's Growth Model and regression analysis, the findings reveal that Dalit entrepreneurs contribute approximately 0.97% to the State's Gross Domestic Product (GDP), with an average annual contribution of ₹571,500 per entrepreneur. Despite significant challenges, including inadequate access to capital and infrastructure, the study emphasises that Dalit businesses play a crucial role in local economies by providing essential goods and services. This research underscores the importance of recognising Dalit entrepreneurship as a vehicle for social equity, economic resilience, and community upliftment. The originality of this study lies in its comprehensive analysis of Dalit entrepreneurship within the context of economic liberalisation, offering insights that can inform policy-making and support systems aimed at empowering marginalised communities.

**Keywords:** Dalit Entrepreneurship, Economic Development, Solow's Growth Model, Rajasthan, Social Equity, Contribution to GDP.

**Copyright © 2025 The Author(s):** This is an open-access article distributed under the terms of the Creative Commons Attribution **4.0 International License (CC BY-NC 4.0)** which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

## INTRODUCTION

The historical discrimination against Dalits in India, who were treated as "untouchables," has resulted in significant social and economic disparities (Mandal, 2010). The Indian Constitution recognises these injustices and provides reservations to ensure equal opportunities for Dalits and other marginalised groups (Vaughan, 2010). However, these reservations have often been criticised, with some arguing that they allow individuals to occupy positions without merit (Upadhyay, 2007). This perception necessitates focusing on the economic contributions of Dalit entrepreneurship to challenge stereotypes and highlight their capabilities.

By showcasing successful Dalit entrepreneurship, it may be proved that talent and capability exist within these communities, countering the narrative that reservations lead to unqualified individuals occupying positions. Highlighting entrepreneurial success stories can shift public perception and foster a more nuanced understanding of Dalit economic contributions (Kapur, Babu, & Prasad, 2014). Dalit entrepreneurs contribute to job creation,

which can alleviate poverty and reduce reliance on reservations for employment. Their ventures can stimulate local economies, contributing to overall economic development and sustainability.

Entrepreneurship encourages self-reliance and reduces dependence on government support, empowering Dalits to take control of their economic futures. Engaging in entrepreneurship often involves acquiring new skills, further enhancing their economic standing and opportunities. Successful Dalit businesses can lead to community investment, improving infrastructure and services in their localities. Entrepreneurs from Dalit backgrounds serve as role models for younger generations, inspiring them to pursue their ambitions despite societal challenges (Prakash, 2009).

Thus, highlighting the economic contributions of Dalit entrepreneurs is essential not only for challenging existing stereotypes but also for promoting social justice and equity. Identification of economic contributions by Dalits can reclaim their narratives and demonstrate resilience against historical injustices. By

recognising their capabilities and successes, society can work towards a more inclusive economy that values diversity and fosters equal opportunities for all. This approach not only benefits Dalits but also strengthens the overall economic fabric of the nation.

### Selection of the Subject and Sample Region

For centuries, Dalits have occupied the lowest rungs of the social and economic ladders, facing neglect and exploitation (Ram, 2009). Independent India sought to improve their situation through employment reservations, but the outcomes have been limited (Upadhyaya, 1998). However, the empowerment brought about by democratic processes and era after economic reform has led to an extraordinary development resulting in the emergence of Dalit millionaires (Guru, 2012). While this phenomenon is recognised, the extent of such small and medium Dalit entrepreneurs has not been studied and their contributions to economic development remains unclear. Are the business activities of Dalit community members classified as entrepreneurship? Overall, the impact of Dalit entrepreneurship on economic development warrants macroeconomic study.

Why focus on the State of Rajasthan as a sample area for the study? Atrocities against Dalits are deeply rooted in Indian society, where they are often marginalised. In 2011, Rajasthan reported the highest incidences of registered atrocities against Dalits in the country, with 514 cases per million population under the Scheduled Castes and Scheduled Tribes Prevention of Atrocities Act (SC/ST PoA Act) 1989. By 2014, there were 8,028 recorded incidents of atrocities against Dalits, equating to 656 cases per million population under the same Act, placing Rajasthan second only to Uttar Pradesh. Members of these communities face widespread discrimination and hostility, emphasising the need to recognise their contribution to society and the economy. According to the 2011 Census, Scheduled Castes constitute 16.6% of India's population, with 17.8% in Rajasthan, which hosts 162,610 business establishments (Jarwal & Kahal, 2020). Thus, Rajasthan serves as a pertinent case study for examining the Dalit business class.

In addition to the issues of atrocities and caste-based discrimination, there is a prevailing myth in Indian society that Scheduled Tribes and Scheduled Castes are a burden on the economy, often due to the perception that reservation policies lead to the appointment of less competent individuals (Osborne, 2001). To challenge this myth it is essential to conduct descriptive research on Dalit entrepreneurship and assess its impact on economic development.

## LITERATURE REVIEW

The roots of entrepreneurship in India can be traced back to the country's cultural and social fabric, including the caste system. Historically, the 'Vaishya'

caste was associated with business creating a socio-economic framework that limited entrepreneurial opportunities for Dalits (Jarwal & Kahal, 2022). Despite these constraints, entrepreneurship among all sections of the society has been recognised as a critical driver of economic development (Wennekers & Thurik, 1999). The caste system initially restricted Dalits from engaging in trade and commerce; however, shifts in societal structures and the introduction of liberal economic policies have gradually opened avenues for Dalit entrepreneurship (Jarwal & Kahal, 2022).

The liberalisation of the Indian economy post-1991 has provided new opportunities for Dalit entrepreneurs. Studies highlight that foreign direct investment (FDI) and the growth of ancillary industries have created a more favourable environment for Dalits to engage in entrepreneurial activities (Aiyar, 2015). (Carree & Thurik, 2012) examined the interplay between entrepreneurship and macroeconomic growth. They noted that unemployment can stimulate entrepreneurial activity, commonly referred to as the 'refugee effect'. Conversely, higher levels of entrepreneurship can also reduce unemployment, creating a complex dynamic between these two factors. They also noted that the institutional framework significantly influences entrepreneurship development and further emphasised that effective institutions can either promote or hinder entrepreneurial activities. For instance, supportive policies and infrastructure can enhance entrepreneurial capabilities, whereas bureaucratic hurdles can stifle innovation and growth. Prasad and Kamble (2012) noted that the introduction of FDI in the retail sector, although initially restrictive, has become beneficial for Dalit entrepreneurs allowing them to participate in previously inaccessible markets.

Research indicates that entrepreneurship plays a crucial role in economic development, particularly through job creation and innovation. According to the Global Entrepreneurship Monitor (GEM), entrepreneurship not only generates employment but also stimulates competition and productivity. The relationship between entrepreneurship and economic growth is complex; while opportunity entrepreneurship is linked to positive economic outcomes, necessity entrepreneurship may not contribute effectively to economic development (Bosma, Zoltan, Autio, Coduras, & Levie, 2008). Van Der Zwan *et al.*, (2016) emphasised the distinction between necessity and opportunity entrepreneurship. Necessity entrepreneurship arises from a lack of alternatives, often leading to underdevelopment. In contrast, opportunity entrepreneurship, characterised by the pursuit of perceived business opportunities, has a more significant impact on economic growth. The shift in Dalit entrepreneurship from necessity to opportunity is essential for fostering economic resilience and development (Singh & Agarwal, 2018).

Empirical studies suggest a positive correlation between entrepreneurship among Dalits and various economic indicators, including employment levels and standards of living (Chauhan, 2014). Entrepreneurship enhances employment opportunities and improves the living standards of those involved (Shane, 2007). The literature on entrepreneurship illuminates its critical role in driving economic growth and the development (Agarwal, Audretsch, & Sarkar, 2007). By fostering innovation, creating jobs, and enhancing productivity, entrepreneurship serves as a vital mechanism for economic transformation (Williams & Vorley, 2014). However, to realise its potential, particularly among marginalised communities like Dalits, comprehensive support systems, including education, access to capital, and favourable institutional frameworks are essential (Jarwal & Kahal, 2020). The evolution of entrepreneurship, especially in the context of economic liberalisation, presents both opportunities and challenges. As societies continue to navigate these complexities, the focus must remain on creating inclusive environments that empower all individuals to contribute to and benefit from economic growth (Gupta, Pouw, & Mirjam, 2015).

Despite the advancements, Dalit entrepreneurs face numerous challenges that hinder their economic contributions. Issues such as inadequate access to capital, lack of training, and societal discrimination continue to impede their progress (Jena, 2019). Research by Dash and Kaur (2012) highlights that young Dalit entrepreneurs often confront barriers such as complex bureaucratic processes and insufficient community support, which can deter their entrepreneurial aspirations. The impact of entrepreneurship among Dalits on economic development is multifaceted, shaped by historical, social, and economic contexts. While liberalisation has provided new opportunities, significant challenges remain. Addressing these challenges through targeted policy interventions and support systems is essential for maximising economic contribution. Underscoring the contributions of the Dalit entrepreneurship will also attract the attention of policy makers to solve problems faced by such entrepreneurs. Unfortunately, there is absence of literature on linking Dalit Entrepreneurship with the regional economic development. Thus, the present research focuses on assessing the long-term effects of Dalit entrepreneurship on regional economic growth and the broader implications for social equity and empowerment in India.

## RESEARCH METHODOLOGY

For this study, data was collected using both primary and secondary methods, including questionnaires and statistics from government sources and economic census reports. A descriptive research design was employed to accurately portray the participants involved. Essentially, descriptive research

focuses on detailing the characteristics of individuals participating in the study.

To assess the impact of Dalit entrepreneurship on the economic progress of Rajasthan, a survey was conducted. The survey included:

- A structured questionnaire was answered by representatives of selected Dalit enterprises, facilitated by personal visits from our research team.
- Telephonic interviews and discussions with various stakeholders from different organisations were conducted by the principal investigator.
- Visits to Yojana Bhawan (Rajasthan), the District Industries Centre, and the Chamber of Commerce
- Verification of various documents filed by the organisations with the regulating agencies.

The questionnaire was designated to measure the impact of Dalit entrepreneurship on the economic development of Rajasthan in the post-liberalisation era. Various professional documents and previous studies consulted for the development of the questions. It consisted of 40 questions, including seven dichotomous (yes/no) questions, three closed-ended questions, and the remainder designed for open-ended, descriptive responses. This structure aimed to facilitate ease of response, thereby increasing the likelihood of higher participation in the survey.

The descriptive research design enabled us to gather relevant and specific information regarding Dalit entrepreneurship and its contribution to economic growth. It also allowed us to analyse the impact of entrepreneurship on economic development among businesses operated by members of the Dalit community, irrespective of segmentation, experience, or qualifications. The target population for this study included all entrepreneurs from the Dalit community who have businesses in Rajasthan. According to the Economic Census 2013, there were 162,610 such units owned by Dalits, comprising 118,068 own-account establishments (i.e. owner-operated enterprises) and 44,542 establishments with at least one hired worker (Krishnaswamy & Shetty, 2014). Since employment generation is a key characteristic of entrepreneurship, our study focused on 44,542 establishments with at least one employee. We calculated the sample using a confidence interval of 4 and a confidence level of 95% resulting in a sample size of 592 enterprises. Anticipating a 20% non-response rate, we approached 740 Dalit entrepreneurs. Ultimately, we targeted 740 enterprises for primary data collection and 640 responded to our team, yielding an impressive response rate of approximately 87%. The high response rate is considered extremely encouraging and satisfactory for our analysis of the impact of Dalit entrepreneurship on the economic progress of Rajasthan.

### The Measure of Entrepreneurs' Contribution to the Economic Development

To evaluate the impact of Dalit entrepreneurship on the economic development of Rajasthan, we must calculate the aggregate contribution of each entrepreneur. For this purpose, we have adopted the "Solow Growth Model," adjusted using the expenditure method for GDP calculation. GDP serves as a key indicator because an increase in national income typically improves access to essential needs for the average citizen in a developing country (Osberg & Sharpe, 2005). Additionally, higher incomes lead to increased savings, which in turn enhance access to capital for entrepreneurs (Naude, 2010). This additional investment fosters greater productivity and rising incomes for those entering the emerging industrial and service sectors, ultimately driving economic growth (Lin, 2011). Furthermore, increased incomes allow governments to collect more tax revenue, which can be allocated to public welfare initiatives such as education, healthcare, and infrastructure development, leading to improvements in the living standards of not only the emerging upper and middle classes but also the poorer segments of society (Tamai, 2015).

The Solow Growth Model focuses on output as real income, assuming the absence of government and taxation (Solow, 1956). In our adjustment, we consider both the salaries and taxes paid by entrepreneurs as their invested savings. This model is thus represented as

relationship between savings and investment, which affects the long-term standard of living per capita income contributed to the State's GDP.

We define the following aggregates:

$\begin{aligned} \text{Output} &= Y_t \\ \text{Capital Dividend (Profits)} &= D_t \\ \text{Salary Paid} &= S_t \\ \text{Taxes Paid to Government} &= G_t \\ \text{Financial Interest Paid} &= F_t \\ t &= \text{Average of three years} \end{aligned}$
--

Accordingly, the aggregate can be expressed as:  

$$Y_t = D_t + S_t + G_t + F_t$$

Our survey indicates that the average contribution of Dalit entrepreneurship to the economy was ₹571,500 per annum for the year 2014. This figure was derived from our sample, showing a mean capital dividend of ₹363,508, a mean salary paid of ₹87,102, mean taxes paid of ₹75,205 (including, direct, indirect, and local taxes), and mean financial interest paid of ₹45,685. Additionally, we have adjusted this annual contribution based on the Consumer Price Index since 191. This analysis aims to examine the long-term relationship between Dalit entrepreneurship and the State's Gross Domestic Product, infrastructure development, and employment generation, utilising annual data from 1991 to 2014. The year-wise projected figures based on our study are as follows:

**Table 1: Projected Annual Contribution of Dalit Entrepreneurs**

Year	Consumer Price Index	Projected Annual Contribution of Dalit Entrepreneurs	Projected Dalit enterprises as per the 2005 census and AAGR	GSDP of Rajasthan at Current Prices (Rupees in Millions)	Projected Annual Contribution of Dalit Entrepreneurs to GSDP at Current Prices (Rupees in Million)
1991	13.07	110209	32439	250764.1	3575.1
1992	8.00	119026	32092	280454.6	3819.8
1993	8.64	129310	31749	328371.5	4105.4
1994	9.47	141555	31409	349479.1	4446.1
1995	9.69	155272	31073	437600.9	4824.8
1996	10.41	171436	30741	498099.7	5270.1
1997	6.29	182219	30412	605221.3	5541.6
1998	15.32	210135	30086	674663.3	6322.2
1999	0.47	211123	31794	771721.8	6712.5
2000	3.48	218470	33632	827197.1	7347.6
2001	5.16	229743	35576	824349.1	8173.3
2002	3.20	237094	37632	917708.8	8922.4
2003	3.72	245914	39807	885500.5	9789.2
2004	3.78	255210	42108	1116064.5	10746.4
2005	5.57	269425	44542	1277456.5	12000.7
2006	6.53	287019	46279	1422361.4	13283.0
2007	5.51	302833	48084	1710427.3	14561.5
2008	9.70	332208	49959	1948221.4	16596.8
2009	14.97	381940	51908	2309493.2	19825.7
2010	9.47	418109	53932	2658248.5	22549.5

2011	6.49	445245	56035	3383484.3	24949.5
2012	11.17	494979	58221	4141788.9	28818.0
2013	9.13	540170	60492	4701783.8	32675.7
2014	5.80	571500	62851	5176145.4	35919.2

Source: survey results

Upon examining the table, we observe a strong positive correlation between the output of Dalit entrepreneurs and the Gross State Domestic Product (GSDP) of Rajasthan. While this correlation is statistically significant, we cannot necessarily conclude that Dalit entrepreneurship has a substantial impact on

the state's economic development. This caution is due to the upward trends in aggregate numbers driven by population growth and inflationary market forces. Nevertheless, as per Table 3 our study indicates that the net average contribution of Dalit entrepreneurs to the state's GDP is approximately 0.97 percent.

**Table 2: Comparison of per capita income of Rajasthan with projected annual contribution of Dalit entrepreneurs**

Year	Projected Annual Contribution of Dalit Entrepreneur	Per Capita Income in the State of Rajasthan at current prices in rupees
2005	269425	18565
2006	287019	20275
2007	302833	24055
2008	332208	26882
2009	381940	31279
2010	418109	35254
2011	445245	44644
2012	494979	52735
2013	540170	59097
2014	571500	65098

Source: survey results

When we compare the projected annual contribution of Dalit entrepreneurs to the per capita income in the State of Rajasthan at current prices, we observe a strong positive correlation. The average

contribution per entrepreneur is ten times the per capita income of Rajasthan, indicating that while the overall contribution may be modest, it still has a significant impact on the state's economic progress.

**Table 3: Ratio of Dalit Entrepreneurs' Contribution to the GSDP**

Year	GSDP of Rajasthan at Current Prices (Rupees in Millions) (Y)	Projected Annual Contribution of Dalit Entrepreneurs to GSDP (Rupees in Millions) (X)	Ratio of Dalit Entrepreneurs' Contribution to the GSDP
1991	250764.1	3575.1	1.43
1992	280454.6	3819.8	1.36
1993	328371.5	4105.4	1.25
1994	349479.1	4446.1	1.27
1995	437600.9	4824.8	1.10
1996	498099.7	5270.1	1.06
1997	605221.3	5541.6	0.92
1998	674663.3	6322.2	0.94
1999	771721.8	6712.5	0.87
2000	827197.1	7347.6	0.89
2001	824349.1	8173.3	0.99
2002	917708.8	8922.4	0.97
2003	885500.5	9789.2	1.11
2004	1116064.5	10746.4	0.96
2005	1277456.5	12000.7	0.94
2006	1422361.4	13283.0	0.93
2007	1710427.3	14561.5	0.85
2008	1948221.4	16596.8	0.85
2009	2309493.2	19825.7	0.86
2010	2658248.5	22549.5	0.85
2011	3383484.3	24949.5	0.74



2012	4141788.9	28818.0	0.70
2013	4701783.8	32675.7	0.69
2014	5176145.4	35919.2	0.69
			Average= 0.97

Source: survey results

In the post-liberalisation era, the net average contribution of Dalit entrepreneur is approximately 0.97 percent of the state's GSDP; however, this figure shows a declining trend.

### Regression Analysis

We conducted regression analysis to evaluate the significance of the impact of Dalit entrepreneurship on the economic development of Rajasthan. In this analysis, the projected annual contribution of Dalit entrepreneurs is represented as the independent variable (X), while the Gross State Domestic Product (GSDP) of Rajasthan at current prices is the dependent variable (Y).

The relationship can be expressed mathematically as:

$$E(Y/x) = \beta_0 + \beta_{1x}$$

Where:

- $E(Y/x)$  denotes the expected value of Y given X,
- $\beta_0$  (the intercept) represents the value of Y when X is zero,

- $\beta_{1x}$  (the slope) indicates how much Y changes for a one-unit change in X.

For our linear regression, the null hypothesis is  $H_0 = 0$  (indicating no relationship), while the alternative hypothesis is  $H_1 \neq 0$ . If the null hypothesis holds true, it suggests that changes in X do not affect Y, implying that Dalit entrepreneurship has no impact on the economic development of Rajasthan. Conversely, if the alternative hypothesis is true, it indicates that variation in X result in changes in Y.

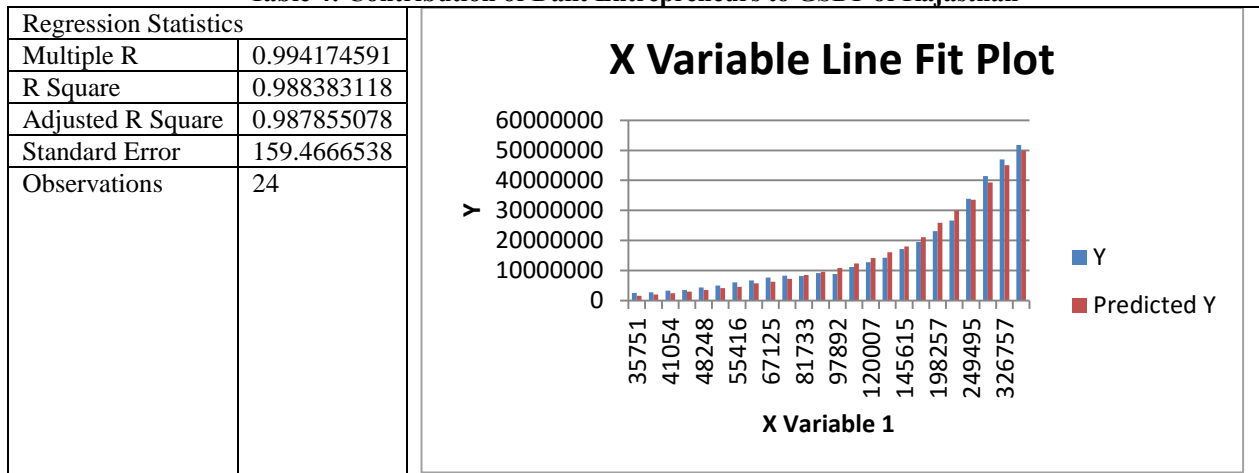
### Statistical Hypothesis

To analyse the impact of Dalit entrepreneurship on the economic development of Rajasthan in the post-liberalised era, we formulated the following hypotheses:

- Null Hypothesis  $\rho$  (rho) = 0
- Alternative Hypothesis  $\rho$  (rho)  $\neq$  0

The regression analysis yielded the following statistics:

Table 4: Contribution of Dalit Entrepreneurs to GSDP of Rajasthan



Calculation: Microsoft Excel tool

The above figures represent the "Goodness of Fit" measure:

- Multiple R: The correlation coefficient (0.99) indicates a strong positive relationship between X and Y.
- R Square: The coefficient of determination (0.98) means that 98% of the variation in Y can be explained by X.

- Standard Error: This measures the accuracy of the regression coefficients.

### Analysis of Variance (ANOVA)

We also performed an Analysis of Variance (ANOVA) to assess the variability within the regression model, which forms the basis for significance testing.

**Table 5: Analysis of the Variance for the significance of Dalit entrepreneurship**

ANNOVA	Degree of Freedom (df)	Sum of Square (SS)	Mean Square (MS) = SS/df	F SSM/SSE	Significance F (p-value)
Regression Model	1	47599037.42	47599037 (SSM)	1871.796	0.00
Residual or Error (n-2)	22	559451.5007	25429.61 (SSE)		
Total (n-1)	23	48158488.92			

**Calculation:** Microsoft Excel tool

In the above table, the “F” column tests the hypothesis that  $\rho$  ( $\rho$ )  $\neq 0$  against the null hypothesis  $\rho$  ( $\rho$ ) = 0. A large ratio of the model mean square (SSM) to the error mean square (SSE) indicates evidence against the null hypothesis. The p-value for the F-test statistic is less than 0.001, providing strong

evidence that the impact of Dalit entrepreneurship on the economic development of Rajasthan is significant.

#### **Linear Model of Dalit Entrepreneurship to GSDP of Rajasthan**

The basic regression output is summarised in the table below:

**Table 6: Regression results for Dalit entrepreneurship**

Model	Coefficients	Standard Error	t Stat	P - Value	Lower 95%	Upper 95%
Intercept	-369.345518	55.25745549	-6.68662	0.00	-484.082466	-254.8885698
Dalits' Contribution	149.1886108	3.448311305	43.26425	0.00	142.037251	156.3399707

**Calculation:** Microsoft Excel tool

From the table above, the line of best fit can be expressed as:

$$y = -369.345518 + 149.1886108x$$

Since the p-value is less than the significance level of  $\alpha = 0.05$ , we reject the null hypothesis, indicating that there is a significant linear relationship between X and Y. This suggests that Dalit entrepreneurship positively influences the economic development of Rajasthan.

## **DISCUSSION**

The impact of Dalit entrepreneurship on the economic development of Rajasthan is significant, reflecting both the challenges and opportunities these entrepreneurs face. Our survey revealed that among Dalit entrepreneurs approximately 92% of respondents acknowledged their dual role: while they aim to generate profit, they also contribute meaningfully to society by providing essential goods and services. This acknowledgment underscores an important aspect of Dalit entrepreneurship: it is not merely a means to economic gain but also a vehicle for social contribution and community upliftment. Dalit entrepreneurs have become integral to the economic landscape of Rajasthan, catering to a diverse array of needs. They provide everything from fresh vegetables and prepared foods to construction materials, ready-made garments, handicrafts, consumer electronics, and automobile repairs. Furthermore, they offer various services, including education, healthcare, hospitality, and beauty treatments. This wide-ranging availability of products and services highlights the vital role Dalit entrepreneurs play in enhancing local economies and improving the quality of life for many residents.

The responses from the survey reflect a strong commitment among Dalit entrepreneurs to serve their communities. A common sentiment expressed was the desire to improve people's lives through their businesses. Entrepreneurs articulated a clear understanding of their purpose, with many emphasising the importance of communicating their societal contributions. They believe that business can be a powerful tool for societal betterment, especially in addressing local challenges. Despite this positive outlook, the survey also revealed a concerning level of unawareness regarding the broader concept of economic development among Dalit entrepreneurs. Approximately 21% of respondents could not define what economic development meant, suggesting a knowledge gap that could hinder their ability to leverage opportunities effectively. Traditional measures of development, such as GDP per capita, may not resonate with these entrepreneurs, who are more likely to focus on local job creation, sustainable rural development, and urban renewal. Urban entrepreneurs, in particular, are inclined to view economic development as a catalyst for improved living standards, while their rural counterparts often display a more conservative approach, hampered by inadequate resources and institutional support.

The socio-economic landscape of Rajasthan is evolving, transitioning from a primarily agrarian economy to one that is increasingly industrialised. This shift has been accompanied by the emergence of an urban middle class, particularly in tier II and tier III cities, where lifestyle changes and consumption patterns are fostering local market growth. However, the rising cost of real estate poses a significant barrier for new businesses, making it challenging for Dalit

entrepreneurs to establish retail outlets. Moreover, technological advancements and globalisation have influenced demand patterns, creating new opportunities, particularly in service sectors. Yet, the benefits of these changes are not evenly distributed. While some Dalit entrepreneurs are successfully tapping into these trends, many still struggle with competition from larger corporations that possess superior resources, technology, and marketing capabilities. This competition can stifle the growth of small Dalit enterprises, pushing them further into the margins of the economy. The survey results indicate that the net average contribution of Dalit entrepreneurs to Rajasthan's GDP is approximately 0.97%, a figure that has been on a declining trend in the post-liberalisation era. This decline raises important questions about the sustainability of Dalit entrepreneurship in the face of increasing competition and systemic barriers.

In terms of infrastructure, many entrepreneurs expressed concerns about inadequate facilities, including unreliable power supply, poor transportation, and insufficient access to water. These deficiencies can significantly increase the costs of doing business and impede the overall economic development of the region. Dalit entrepreneurs, especially those operating small units, often find it challenging to invest in their infrastructure, forcing them to rely on irregular public services. Financial access remains a critical barrier for Dalit entrepreneurs. Many depend on informal sources of finance, such as personal savings, loans from family members, and moneylenders. The lack of access to institutional financing from banks and other financial institutions limits their ability to scale their businesses, invest in new technologies, or expand their operations. This financial vulnerability is compounded by the prevailing caste dynamics, which can restrict opportunities for Dalits in more lucrative sectors like retail and manufacturing.

Despite these challenges, it is noteworthy that around 35% of the total establishments owned by Dalit entrepreneurs employ individuals from other castes, including Scheduled Tribes and Other Backward Classes. This demonstrates a commitment to inclusivity and social cohesion, contributing positively to the broader community. However, the types of businesses engaged in by Dalit entrepreneurs often reflect their socio-economic status, with many still confined to service-oriented activities that require less capital investment.

## CONCLUSION

Although statistics indicate that Dalit entrepreneurship contributes 0.97 percent of Rajasthan's GDP and it is on decreasing trend, it is important to note that the annual contribution from Dalit entrepreneurs is increasing in absolute terms. However, this growth is not keeping pace with the overall GDP growth. Furthermore, when we compare the projected

annual contribution of Dalit entrepreneurs to the per capita income in Rajasthan at current prices, we observe a strong positive correlation. The average contribution per entrepreneur is ten times the state's per capita income, highlighting that while the overall contribution may be modest, it still has a significant impact on the economic progress of Rajasthan. In conclusion, Dalit entrepreneurship plays a vital role in the economic development of Rajasthan, offering essential goods and services while contributing to social betterment. However, the challenges faced by these entrepreneurs, including a lack of awareness about economic development, inadequate infrastructure, limited financial access, and fierce competition from larger enterprises, pose significant obstacles to their growth and sustainability. To harness the full potential of Dalit entrepreneurship, targeted policy interventions are necessary. These should focus on improving access to financing, enhancing infrastructure, and providing educational resources to empower Dalit entrepreneurs. Additionally, fostering an inclusive economic environment that recognizes the contributions of marginalised communities is essential for promoting balanced regional development (Samans, Blanke, Corrigan, & Drzeniek, 2015).

Encouraging collaboration between government, private sector, and community organisations can lead to innovative solutions that address the unique challenges faced by Dalit entrepreneurs. By investing in their growth and facilitating their integration into the broader economy, the Government can not only uplift Dalit communities but also drive sustainable economic development for the nation as a whole. Through such efforts, Dalit entrepreneurs can emerge as key players in reshaping the economic landscape of any region, ultimately contributing to a more equitable and prosperous society.

## Limitations of the Study

This study was concluded in 2017, and since then, many changes have occurred, particularly with India adopting a new GDP base year of 2022-23, updating from the previous base year of 2011-12. Therefore, for future studies, it is essential to consider the latest data to provide more current overview of Dalit economic contributions.

## Acknowledgements

We extend our heartfelt thanks to all the entrepreneurs and stakeholders who participated in the survey regarding Dalit entrepreneurship and economic development of the State of Rajasthan. We are thankful to our research associates Mr. Pratap Nair and Mr. Manish Chauhan for conducting survey. We also wish to express our sincere gratitude to the anonymous reviewers of this article for their valuable insights and comments. Additionally, we are grateful to the Indian Council of Social Science Research for funding our research project titled "Impact Assessment of Dalit



Entrepreneurship in Economic Development of Rajasthan in Post Liberalised Era.”

### Disclosure of Potential Conflicts of Interest

The authors declared no potential conflicts of interest with respect to the research, authorship and/or publication of this article.

**Funding:** This study is funded by the Indian Council of Social Science Research

## REFERENCES

- Agarwal, R., Audretsch, D., & Sarkar, M. B. (2007). The process of creative construction: knowledge spillovers, entrepreneurship, and economic growth. *Strategic Entrepreneurship Journal*, 1(3-4), 263--286.
- Bosma, N., Zoltan, A., Autio, E., Coduras, A., & Levie, J. (2008). *Global Entrepreneurship Monitor*. London: Global Entrepreneurship Research Association.
- Carree, M. A., & Thurik, A. R. (2012). The impact of entrepreneurship on economic growth. In J. A. Zoltan, & D. B. Audretsch, *Handbook of entrepreneurship research* (pp. 437-471). Berlin: Springer.
- Chauhan, V. Z. (2014). Fostering Dalit entrepreneurship through social change and economic liberalisation. *International Research Journal of Commerce, Arts and Science*, 5(2), 573-581.
- Dash, M., & Kaur, K. (2012). Youth entrepreneurship as a way of boosting Indian economic competitiveness: A study of Orissa. *International Review of Management and Marketing*, 2(1), 10-21.
- Gupta, J., Pouw, R. N., & Mirjam, R. R.-T. (2015). Towards an elaborated theory of inclusive development. *The European Journal of Development Research*, 27, 541-559.
- Guru, G. (2012). Rise of the 'Dalit Millionaire': A Low Intensity Spectacle. *Economic and Political Weekly*, 47(50), 41-49.
- Iyer, S. S. (2015). *Assault on the Indian Caste System: How Economic Liberalisation Spawned Low Caste Dalit Millionaires*. Washington: CATO Institute.
- Jarwal, D., & Kahal, A. (2020). Entrepreneurial Development Among Dalits: A Mixture of State Interventions and Personal Capabilities. *IUP Journal of Entrepreneurship Development*, 17(3), 38-54.
- Jarwal, D., & Kahal, A. (2022). Impact of Liberalisation on Dalit Entrepreneurship. *Journal of Social Inclusion Studies*, 8(2), 143--161.
- Jena, R. (2019). Growth and problems of Dalit entrepreneurship in India. *Orissa Economic Journal*, 51(1-2), 127--140.
- Kapur, D., Babu, D., & Prasad, C. B. (2014). *Defying the odds: The rise of Dalit entrepreneurs*. Random House India.
- Krishnaswamy, R., & Shetty, S. L. (2014). Sixth Economic Census 2013. *Economic and Political Weekly*, 49(38), 79.
- Lin, J. Y. (2011). New structural economics: A framework for rethinking development. *The World Bank Research Observer*, 26(2), 193--221.
- Mandal, B. C. (2010). Caste discrimination, deprivation and the socio-economic development of Dalits. *Voice of Dalit*, 3(2), 149-166.
- Naude, W. (2010). Entrepreneurship, developing countries, and development economics: new approaches and insights. *Small business economics*, 34, 1-12.
- Osberg, L., & Sharpe, A. (2005). How should we measure the “economic” aspects of well-being? *Review of Income and Wealth*, 51(2), 311--336.
- Osborne, E. (2001). Culture, development, and government: Reservations in India. *Economic Development and Cultural Change*, 49(3), 659--685.
- Prakash, A. (2009). Dalit entrepreneurs in middle India. In B. Harris, & J. Heyer, *The Comparative Political Economy of Development: Africa and South Asia* (pp. 317--342). Routledge.
- Prasad, & Kamble. (2012, December 5). To Empower Dalits, Do Away with India's Antiquated Retail Trading System. *The Times of India*, p. 4.
- Ram, N. (2009). *Beyond Ambedkar: Essays on Dalits in India*. New Delhi: Har Anand Publications.
- Samans, R., Blanke, J., Corrigan, G., & Drzeniek, M. (2015). *The inclusive growth and development report 2015* (Vol. 13). Geneva: Geneva: World Economic Forum.
- Shane, S. A. (2007). *Economic development through entrepreneurship: Government, university and business linkages*. Cheltenham: Edward Elgar Publishing.
- Singh, N., & Agarwal, S. (2018). Entrepreneurship: A study on different socio-economic challenges faced by Dalit enterprises. *Journal of Emerging Technologies and Innovative Research*, 5(5), 694-701.
- Solow, R. M. (1956). A contribution to the theory of economic growth. *The Quarterly Journal of Economics*, 70(1), 65-94.
- Tamai, T. (2015). Redistributive taxation, wealth distribution, and economic growth. *Journal of Economics*, 115, 133--152.
- Upadhyaya, C. (2007). Employment, exclusion, and merit in the Indian IT industry. *Economic and Political Weekly*, 42(20), 1863--1868.
- Upadhyaya, K. K. (1998). The political economy of reservations in public jobs in India: Implications for efficiency in public administration and equity in

society. *International Journal of Social Economics*, 25(6), 1049-1063.

- Van der Zwan, P., Thurik, R., Verheul, I., & Hessels, J. (2016). Factors influencing the entrepreneurial engagement of opportunity and necessity entrepreneurs. *Eurasian Business Review*, 6, 273--295.
- Waughray, A. (2010). Caste discrimination and minority rights: The case of India's Dalits.

*International Journal on Minority and Group Rights*, 17(2), 327-353.

- Wennekers, S., & Thurik, R. (1999). Linking entrepreneurship and economic growth. *Small business economics*, 13, 27-56.
- Williams, N., & Vorley, T. (2014). Economic resilience and entrepreneurship: lessons from the Sheffield City Region. *Entrepreneurship & Regional Development*, 26(3), 257--281.