

A Study on Poverty Alleviation through Entrepreneurship – A Case Study on Telangana State

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ABSTRACT

Poverty in India is a major economic and social problem, to address this problem the government of India initiated many programs since from the independence. It is known fact that even today in India millions of people are living in below poverty line, several social, economic, demographic and cultural factors are reason for poverty among these people. Poverty alleviation is continuous process implemented by the successive governments in india. The present study considered the role of entrepreneurship in poverty alleviation. This study focus on various government schemes which benefited the entrepreneurs to operate their business. The primary object of this research work is to analyze the contribution made by the MSME sector in growth of the national economy and poverty alleviation. It studies the importance of MSME's in creating the employment to semi and unskilled labour particularly in rural areas.

Keywords: Poverty, alleviation, MSME, growth, employment and entrepreneurship

I. INTRODUCTION

Poverty refers a state of condition in which people don't have sufficient money or the basic things required to live. In general poverty is a social condition where the doesn't make enough money to fulfill their basic needs. This reflects people and their families are may not have house, clean water, food, health and medical care. The term poverty can have defined under different dimensions such as social, demographic, economic and political conditions. The term poverty is further divided into four different levels i.e., Income at minimum, Below minimum income standard, Not enough income and Destitute level.

Income at minimum level is a better state compare to other three levels of poverty states discussed above, it is a state where people are in a condition to afford minimum standard of living and

able to spend some amount money for their health, food and education for their children. Below minimum income standard is a state of poverty where people running their day to day life under pressure and they are in condition that difficult to manage or overcome unexpected costs and expenditures. This situation leads to going for borrowings from private lenders or any other financial resources. The next level of poverty is not enough income, in this state people fall under the condition where they fall under short of a standard of living this leads to people are in state not having the enough money to meet regular needs like food, health and education.

II. CAUSES OF POVERTY

There are several important factors that causes poverty in a particular place, state or country. These factors mainly resulting in reducing the resources and increasing the costs of essential commodities required to the people. The below are the important factors plays a significant role in creating and increasing the poverty.

a) Unemployment and lack of jobs

Unemployment is a state in which people in country with a specific age are not been able to get employment or self – employment but they are in a position to work in current situation. The next factor lack of jobs is stage where the volume of jobs offered to the people is relatively very less compare the availability of qualified people ready for jobs.

b) Low level of skills and education

This condition states young people and adults in a specific place or country lacking in necessary skills required for job and their education qualification not able to find a job particularly to provide social security and decent pay for their work.

c) **High Cost**

High cost is factor concern with people paying more money for essential needs i.e., goods and services such as gas, electricity, water, housing and taxes. This creates poverty for certain group of people whose income levels are lower than these expenditures and these resulted in increasing the inflation in a country.

d) **Discrimination**

Discrimination is one of the root cause of poverty in India, it is observed from the centuries in our country there is discrimination against the people based on their class, ethnicity, gender, disability, cast, religion or parental status. This can be prevented by creating more employment opportunities to the people who faced the discrimination in past based on said factors.

III. OBJECTIVES OF STUDY

The objectives defined in specific research explains the nature, meaning and purpose of research carried out by the researcher, the present research work considered the following objectives to carried out the research work

1. To study the state of poverty in India
2. To identify factors contributing for poverty alleviation through entrepreneurship
3. To analyse the various schemes provided by the government to MSME sector

IV. LITERATURE REVIEW

Bhattacharyya and Dipak Kumar (2006), in their scientific research explained the importance of growth of MSME's in creating the more employment opportunities and increasing the volume of domestic production, in their writing they highlighted the importance of increasing the domestic agriculture production to provide the food security to people living in India.

Kothari C.R (2004), published an article titled 'Research Methodology and Statistical Technique' highlighted the importance of growth of MSME's in increasing the living standards of people with statistical evidences and he conducted statistical experiments based on agriculture production and growth of MSME's and concluded these two factors are most important in addressing issues connecting to poverty.

Manikkumar, P (1997) in his M. Phil dissertation highlighted the importance of agriculture growth in eradicating the poverty in rural areas, he conducted the pilot survey in state of tamilnadu and in his dissertation he highlighted the success of agriculture growth in tamilnadu and explained the role of agriculture growth in reducing

the poverty in rural tamilnadu areas. And he also suggested encouragement need to be given to MSME's in increasing the food processing units that contributed in creating employment opportunities to unskilled labour

Poverty Alleviation Through Entrepreneurship

Poverty Alleviation is the process that aims to reduce the income fluctuations and differences between poor and non-poor segments. This process primarily focuses more on reducing the large regional disparities in country in access to basic needs such as education, health, transport, water and sanitation. Poverty Alleviation is a primary program initiated by the government for eradicating the poverty in economic and humanitarian way. This includes providing social and economic welfare schemes to poor people and concentrating on developing infrastructure to create more direct and indirect employment opportunities in the country.

V. PROGRAMS INTRODUCED BY GOVERNMENT OF TELANGANA TO SUPPORT GROWTH OF MSME'S

The Government of Telangana since from the its formation giving top priority to MSME sector, the growth of the MSME sector in Telangana is comparatively higher than most of the states in India. According report given by TS-iPASS (Telangana State Industrial Project Approval and Self-Certification System) approximately 16,365 MSME units started operations between January 2015 to January 2022. The major industries are located in Hyderabad, Medchel-Malkajgiri, Ranga Reddy, Sanga Reddy and Karimnagar Districts. The establishment of these MSME units resulted in creating more employment opportunities and contributed the significant growth of the state in a shorter period. The MSME's in Telangana created the employment opportunities for semi and unskilled labour and plays an important role in poverty alleviation in state of Telangana. The below are the few programs initiated by the government of Telangana to encourage MSME sector.

I. T – IDEA (Telangana State Industrial Development and Entrepreneur Advancement)

The main purpose of initiating this program to transform state as investor friendly and encourage new investors to pull the investment for expanding and diversifying the existing business. Under this program the government provided incentives like 100% reimbursement of stamp duty on purchase land and fixed power reimbursement at

Rs. 1 per unit for first five years from the date of commencement of business.

II. T – PRIDE (Telangana State Program for Rapid Incubation of Dalit Entrepreneurs Incentive Scheme)

The objective of this Scheme is to encourage the entrepreneurs particularly belonging to Dalit i.e., SC community. Special financial incentives are offered to such entrepreneurs from both service and production sector. Tax Incentives, Subsidies and Credit facilities are provided to these socially and economically backward communities to eradicate the poverty and improve their living standards.

III. Scheme for economic development of ST entrepreneurs

This program primarily focusing on entrepreneurs belonging to ST community, under this program special financial aid provided by the both state and central government. 100% reimbursement of stamp duty is provided for purchase of land and credit facilities are provided by the government and up to 60% subsidies are given to these community entrepreneurs.

IV. WE Hub - Women Entrepreneurs Hub

This is a start-up incubator program initiated by the government of Telangana to encourage women entrepreneurs who are coming with innovative ideas and solutions particularly entities focussing on technology related fields. This scheme encouraged women to transform as an entrepreneur by providing financial aid and credit facility to increase the women empowerment.

VI. CONCLUSION

Poverty is major social and economic problem in India, the government of India and concern state governments design and implemented

many schemes but even now also poverty is existed in India is more compare to rest of countries in world, poverty alleviation is reduced since last three to four decades due to encouragement given by the successive governments to entrepreneurs particularly MSME sector. It resulted in improvement of living standards and their income levels. It is concluded from the present research the government need to focus more on strategies and policies to strengthen growth of MSME sector to reduce poverty in a fast phase and initiations are also need to provide better education, employment and health facilities to the people of country.

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