

Seminar on
Economic Empowerment of OBCs: A Long Way to Go

Speaker

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Abstract

The National Backward Classes Finance and Development Corporation (NBCFDC) under the aegis of Ministry of Social Justice and Empowerment was established with the objective of economic development of OBCs in the country by way of supporting income generating activities and training of skills. The NBCFDC provides loans to the member of OBC community to start a business enterprise whose income is either below poverty line or less than double the poverty line (as per income levels in both rural and urban areas). A study was entrusted to a) inspect and evaluate the status of asset creation of beneficiaries of NBCFDC loans(in Maharashtra), b) to find out whether they have crossed the poverty line/double the poverty line and taking loans and c) to find out whether the beneficiaries have used the loan amount for the intended purpose. The study was conducted in 10 districts of Maharashtra with the help of questionnaire. Majority of the beneficiaries were better off sections amongst the OBCs and VJNTs. It was found that 69.1 per cent have created assets out of their business. Also the family income of the beneficiaries has increased on an average by 1.5 times after availing loan. It was found that 48 per cent were found to have come above the poverty line. Approximately 9 per cent of beneficiaries have diverted the loan amount for other business enterprises. There is certainly a positive change in their economic position but though there is a positive impact on economic position but the marginal mobility does not ensure empowerment of OBCs. The needy amongst the OBCs and VJNTs (i.e. sub-castes and lower classes) do not figure out significantly as beneficiaries of the loan schemes. As per the perceptions of the beneficiaries their businesses have moderate scope. There is lack of training and marketing skills. This is important for sustained economic benefits. Moreover the recovery rate is low which indicates that the enterprises are not profit making. In general, for the economic empowerment of OBCs, the marginal mobility should transform into profits on sustained basis...therefore for their economic empowerment there is still “a long way to go”...