

**‘Role of Entrepreneurs towards Income and Employment Generation  
in Kohima, Wokha and Mokokchung Districts of Nagaland’**

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*Submitted to*

**NAGALAND UNIVERSITY**

*in Partial Fulfillment of the Requirement for the Degree of*

**DOCTOR OF PHILOSOPHY IN ECONOMICS**

*by*

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## **ABBREVATIONS**

<b>AFSEZ</b>	<b>Agro and Food Processing Special Economic Zone</b>
<b>BADP</b>	<b>Border Area Development Programme</b>
<b>CV</b>	<b>Coefficient of Variation</b>
<b>CTS</b>	<b>Craftsmen Trainings Scheme</b>
<b>DICs</b>	<b>Districts Industrial Centers</b>
<b>EDPs</b>	<b>Entrepreneurship Development Programs</b>
<b>ESDP</b>	<b>Entrepreneurship Skill Development Programme</b>
<b>GSDP</b>	<b>Gross State Domestic Product</b>
<b>IEF</b>	<b>Indian Entrepreneurs Foundation</b>
<b>IIDC</b>	<b>Integrated Industrial Development Centre</b>
<b>KMO</b>	<b>Kaiser-Meyer-Olkin</b>
<b>KVIB</b>	<b>Khadi and Village Industries Board</b>
<b>NGOs</b>	<b>Non- Governmental Organisations</b>
<b>NHHDC</b>	<b>Nagaland Handloom and Handicraft Development Corporation Ltd.</b>
<b>NIDC</b>	<b>Nagaland Industrial Development Corporation Ltd.</b>
<b>NIRMSC</b>	<b>Nagaland Industrial Raw Materials &amp; Supply Corporation Ltd.</b>
<b>NHL</b>	<b>Nagaland Hotels Ltd.</b>
<b>NKVIB</b>	<b>Nagaland Khadi and Village Industries Board</b>
<b>NTTC</b>	<b>Nagaland Tool Room &amp; Training Centre</b>
<b>PCA</b>	<b>Principal Component Analysis</b>
<b>PMEGP</b>	<b>Prime Minister's Employment Generation Programme</b>
<b>SD</b>	<b>Standard Deviation</b>
<b>SDI</b>	<b>Skill Development Initiatives</b>
<b>WDEA</b>	<b>Wokha District Entrepreneurs Association</b>
<b>MEC</b>	<b>Mokokchung Entrepreneurs Consortium</b>



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## **Declaration**


I, Mr. Roland K. Kikon bearing Ph.D. registration No. 708/2016, hereby declare that the subject matter of the thesis **“Role of Entrepreneurs towards Income and Employment Generation in Nagaland: A Case Study of Kohima, Wokha and Mokokchung districts”** is the record of an authentic work done by me, and that the contents of this thesis did not form basis of the award of any previous degree to me or to anybody else to the best of my knowledge, and that the thesis has not been submitted by me for any research degree in any other university.

The thesis is submitted to Nagaland University in partial fulfillment for the degree of Doctor of Philosophy in Economics.

  
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## **CERTIFICATE**

The thesis entitled **“Role of Entrepreneurs towards Income and Employment Generation in Nagaland: A Case Study of Kohima, Wokha and Mokokchung districts”** submitted by Mr. Roland K. Kikon, research scholar, Department of Economics, Nagaland University: Hqrs: Lumami, embodies the results of investigation carried by him under my supervision and that it is an original and authentic work of his.

The thesis is fit for submission for the degree of Doctor of Philosophy in Economics.

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**List of Figures****Page No**

Fig. II.1	Types of enterprises (Flow-chart)	29
Fig. II.2	Types of enterprises	30
Fig. II.3	Gender and types of enterprises	31
Fig. II.4	Age of the entrepreneurs	32
Fig. II.5	Age of the entrepreneurs- District wise	33
Fig. II.6	Number of dependents	36
Fig. II.7	Age of the enterprises	38
Fig. II.8	Earlier occupation	41
Fig. II.9	Earlier occupation and Age	43
Fig. II.10	Earlier occupation and Type of enterprises	44
Fig. II.11	Attainment of training	46
Fig. II.12	District-wise number of entrepreneurs trained	47
Fig. II.13	Level of education	50
Fig. II.14	Nature of start-up	53
Fig. II.15	Organisational setup	55
Fig. II.16	Source of startup capital	58
Fig. II.17	Entrepreneurs' involvement in other business	65
Fig. II.18	Other business and types of enterprises	66
Fig. III.1	Rural Industrial Programme (12 Months)	70
Fig. III.2	Rural Industrial Programme (9 Months)	71
Fig. III.3	Short - Term Training (3 months to 6 months)	73
Fig. III.4	Training outside of state	74
Fig. III.5	Entrepreneurs availing PMEGP	78
Fig. III.7	Technical assistance given to various organisations	80
Fig. III.8	Types of Training under NTTC	81
Fig. III.9	Multidisciplinary Training Courses	92
Fig. III.10	Apprenticeship Training Programme	103
Fig. IV.1	Average Mean score of Internal factors and External factors	128
Fig. IV.2	Average Mean score of Internal factors and External factors-Wokha District	132
Fig. IV.3	Average Mean score of Internal factors and External factors-Kohima District	133
Fig. IV.4	Average Mean score of Internal factors and External factors-Mokokchung District	134

**List of Tables****Page No**

Table 2.1	Types of Enterprises	30
Table 2.2	Gender and types of enterprises	31
Table 2.3	Types of enterprises- District wise	32
Table 2.4	Age of the Entrepreneurs	32
Table 2.5	Age of the Entrepreneurs- District wise	33
Table 2.6	Age of the Entrepreneurs and type of enterprises	35
Table 2.7	Number of dependents	36
Table 2.8	Number of dependents – District wise	37
Table 2.9	Age of the enterprise	38
Table 2.10	Age of the enterprise- District wise	40
Table 2.11	Entrepreneurs' Earlier Occupation	41
Table 2.12	Earlier Occupation- District wise	42
Table 2.13	Earlier occupation and Age	43
Table 2.14	Earlier occupation and Type of Enterprises	45
Table 2.15	Training	46
Table 2.16	District-wise number of entrepreneurs trained	47
Table 2.17	Attainment of training and Types of enterprises	49
Table 2.18	Attainment of training and Education	49
Table 2.19	Level of education	50
Table 2.20	Level of Education - District wise	51
Table 2.21	Level of education and type of enterprises	52
Table 2.22	Level of education and Earlier occupation	52
Table 2.23	Entrepreneurs' nature of start-up	53
Table 2.24	District-wise distribution of entrepreneurs by nature of start-up	54
Table 2.25	Entrepreneurs' nature of start-up and types of enterprises	55
Table 2.26	Organizational setup	56
Table 2.27	District-wise distribution of entrepreneurs organizational setup	57
Table 2.28	Entrepreneurs' organizational setup and types of enterprises	57
Table 2.29	Entrepreneurs' start-up capital	58
Table 2.30	District-wise distribution of Entrepreneurs' start-up capital	60
Table 2.31	Source of start-up capital and types of enterprise	61
Table 2.32	Source of start-up capital and Age	64
Table 2.33	Entrepreneurs' involvement in other business	65
Table 2.34	Other business and types of enterprises	67
Table 2.35	Entrepreneurs' Marital status	68
Table 2.36	Entrepreneurs' Marital status and types of enterprises	68
Table 3.1	Rural Industrial Programme ( <i>12 Months</i> )	71
Table 3.2	Rural Industrial Programme ( <i>9 Months</i> )	72

# CONTENTS

<b>CHAPTER I</b>	<b>Introduction</b>	<b>1 -27</b>
I.	Entrepreneur and entrepreneurship	1-2
I.1	Entrepreneurs' Motivation	3-6
I.2	Entrepreneurship and Economic Growth	7-8
I.3	Literature Review	8-17
I.4	Statement of the problem	18-19
I.5	Area of the study	19-20
I.6	Objectives	21
I.7	Hypothesis	21
I.8	Research Methodology	21-27
<b>CHAPTER II</b>	<b>Profile of the Entrepreneurs</b>	<b>28-67</b>
II.1	Types of Enterprises	29-31
II.2	Age of the Entrepreneurs	32-35
II.3	Number of Dependents	36-37
II.4	Age of the enterprise	37-39
II.5	Entrepreneurs' Earlier Occupation	40-44
II.6	Attainment of training	45-48
II.7	Level of education	49-51
II.8	Nature of start-up	52-54
II.9	Organizational setup	55-56
II.10	Start-up capital	57-67
<b>CHAPTER III</b>	<b>Entrepreneurship Development in Nagaland</b>	<b>68-119</b>
III	Entrepreneurship Development Agencies in Nagaland and their activities	68
III.1	Department of Industry and Commerce	69-76
III.2	Nagaland Tool Room & Training Centre (NTTC), Dimapur.	77-83
III.3	Nagaland Handloom and Handicraft Development Corporation Ltd. (NHHDC)	83-87
III.4.	Nagaland Khadi and Village Industries Board (NKVIB)	88-91
III.5.	Nagaland Industrial Development Corporation Ltd. (NIDC)	92-94



III.6. Nagaland Industrial Raw Materials & Supply Corporation Ltd.(NIRMSC)	95-96
III.7. Nagaland Hotels Ltd. (NHL)	97
III.8. Department of Employment, Skill Development and Entrepreneurship	98-105
III.9. NGOs and Entrepreneurship Development in Nagaland	106
III.9.1 YouthNet Kohima	107-113
III.9.2 Wokha District Entrepreneurs Association (WDEA)	114-116
III.9.3 Mokokchung Entrepreneurs Consortium (MEC)	117-119

#### **CHAPTER IV Motivational factors of the entrepreneurs** 120-157

IV.1 Internal Factors	120-121
IV.1.1 Factor analysis of the internal factors	121-123
IV.1.2 Impact of internal factors on entrepreneurs' motivation	123-124
IV.2 External Factors	124-125
IV.2.1 Factor loading of external factors	125-127
IV.2.2 Impact of external factors on entrepreneurs' motivation	127-128
IV.3 District wise analysis of motivational factor of the entrepreneurs	129-137
IV.4 Age and motivational factors of the Entrepreneurs	138-141
IV.5 Education and motivational factors of the Entrepreneurs	142-145
IV.6 Income and motivational factors of the Entrepreneurs	146-149
IV.7 Earlier occupation and motivational factors of the Entrepreneurs	150-153
IV.8 Types of enterprises and motivational factors of the Entrepreneurs	154-157

#### **CHAPTER V Economic analysis of the Enterprises** 158-213

V.1 Start-up cost	158-164
V.2 Expenditure	165-184
V.3 Cobb-Douglas Production Function and Covariance	185-187
V.4 Entrepreneurs contribution towards Income	188-190
V.4.1 District-Wise distribution of Income	191-195
V.4.2 Distribution of Income: Enterprise-wise	196-200
V.5 Entrepreneur's contribution to employment	201-203
V.5.1 District-Wise distribution of Employment	204-207
V.5.2 Enterprise-Wise Employment	208-213

<b>CHAPTER – VI</b>	<b>Conclusion and Summary</b>	<b>214-230</b>
VI.1	Entrepreneurs' Socio-Economic profile	214-219
VI.2	Entrepreneurs' Motivational Factors	219-221
VI.3	Economic analysis of the Enterprises	222-227
VI.4	Suggestions	228-230

# **CHAPTER I**

## **Introduction**

Entrepreneurship has lately been attracting the attention and interest of policy makers, planners, social-scientists, economists, industrialists, administrators and researchers as entrepreneurship plays an important role in the economic development of any economy, be it capitalists, socialist or mixed. Entrepreneurship is the process through which resources of an economy can be efficiently channelized to attain fuller utilization of the resources. Entrepreneurship consists in the creation of a previously unperceived opportunity for profit and the alertness to that previously untapped opportunity, and then the taking of action to achieve the opportunity<sup>1</sup>. The level of development of an economy is directly related to the level of development of entrepreneurship in the economy. Audretsch (2003, p. 5) states that “Entrepreneurship has become the engine of economic and social development throughout the world.”

### **I. Entrepreneur and entrepreneurship**

The term ‘entrepreneur’ appeared in the French language much before the emergence of the concept of entrepreneurial function. In French language, it originally meant to designate “an organizer of musical or other entertainments”. In the early 16<sup>th</sup> century, men engaged in military expeditions were referred to as entrepreneurs. After the 17<sup>th</sup> century the term entrepreneurship was used by the French government to mean contractors of bridge,

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<sup>1</sup>Bula, H. (2012): ‘Evolution and Theories of Entrepreneurship: *A Critical Review on the Kenyan Perspective.*’ *International Journal of Business and Commerce* Vol. 1, No.11. Available at (online): [www.ijbcnet.com](http://www.ijbcnet.com)

harbor and fortification. The term was later used to mean architects<sup>2</sup>. The first person to use the term ‘entrepreneur’ in economic activity was Richard Cantillon (1759). He defines entrepreneur as, *“A person who pays certain price for a product to resell it at an uncertain price thereby making decision about obtaining and using resources while assuming the risk of enterprise”*<sup>3</sup>

The term ‘entrepreneur’ have been evolving ever since, encompassing a vast array of scope. In developed economies entrepreneur are mostly considered those who innovates and invents and introduces something new into the economic system. Schumpeter (1934) has defined, *“entrepreneur in an advanced economy as an individual who introduce something new in the economy—a method of production not yet tested by experience in the branch of manufacturing, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like”*<sup>4</sup>. In underdeveloped economies entrepreneurs are normally not ‘innovators’ but are only ‘imitators’ who would imitates the organization, technology and products of the innovators from the developed regions.<sup>5</sup> The term entrepreneur is gradually more referred to those individuals who are determined, self-confident, innovative and sales oriented personality, having good knowledge of the trends and with the ability to create reality out of their vision (Colombo Plan Staff College 1998)<sup>6</sup>.

Various definitions have emerged in an attempt to explain entrepreneurship. According to Sathiabama (2010), entrepreneurship is a dynamic process of creating wealth

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<sup>2</sup> Prasian and Singh E.(2007): *Small scale industries and Entrepreneurship*’ New Delhi, Akansha Publishing House. P-2

<sup>3</sup> Swetha, T. and Rao, Venugopal (2013): Entrepreneurship In India: *International Journal of Social Science & Interdisciplinary Research*, Vol. 2 (7)\_chapter-1

<sup>4</sup> Joseph Schumpeter, “Change and the Entrepreneur,” in *Essays of I.A. Schumpeter*, ed. Richard V. Clemence (Reading, MA: Addison- Wesley, 1951), p.225.

<sup>5</sup> Prasian and Singh E.(2007): *Small scale industries and Entrepreneurship*, New Delhi, Akansha Publishing House p.7

<sup>6</sup> Kumar, S and Gupta, K (2013) Social Entrepreneurship: A conceptual framework, *International Journal of Management and social Sciences Research (IJMSSR)*, Vol. 2, No. 8.



by individuals or groups of individuals. Rwigema and Venter (2004:6) defines entrepreneurship as the process of conceptualising, organising, launching and through innovation, nurturing a business opportunity into a potentially high growth venture in a complex and unstable environment.<sup>7</sup> According to A.H Cole, “Entrepreneurship is the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production, or distribution of economic goods and services”<sup>8</sup>. Entrepreneurship is “a process by which individuals—either on their own or within organizations— pursues opportunities” (Stevenson and Jarillo, 1990: 23)<sup>9</sup>. Entrepreneurial behaviour is seen as behaviour that manages to combine innovation, risk-taking and proactiveness (Miller, 1983). In general, entrepreneurship is the process of assuming the risk of owning an enterprise with an aim to make profit by means of innovation or imitation.

### **I.1 Entrepreneurs’ Motivation**

The term, “*Motivation*” is derived from the Latin word ‘*movere*’ meaning “*to move*”. It means to move from present situation to better situation. Motivation is the willingness to engage in certain activities to achieve desired objectives. Normally, motivation acts as driving force for the entrepreneurs in the pursuit of their goal or higher satisfaction in life. Motivation plays an important role in determining the level of achievement in an endeavour. It is the driving force that pushes a person into a directed path or course of action. The role of motivation is to extend and strengthen the aspiration in a person to work efficiently and proficiently (Weiner, 1992).

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<sup>7</sup> Fatoki, O. and Chindoga, L. (2011): An Investigation into the Obstacles to Youth Entrepreneurship in South Africa. *International Business Research* Vol. 4, No. 2

<sup>8</sup> Sarala, K. “An overview of innovation and prospect of entrepreneurship development towards economic development.” Available at: <http://books.google.co.in/books>.

<sup>9</sup> Cuervo, Álvaro et. al: Entrepreneurship: Concepts, Theory and Perspective. Introduction. Available at: <http://www.uv.es/bcjauveg/docs/LibroCuervoRoigIntroduction.pdf>.

### **I.1.1 Motivational Factors: Internal and External**

In the study of entrepreneurship, one recurring area of interest is what motivates individuals to become entrepreneurs. Why do people take financial risks, leave the safe environment of a job to pursue an uncertain future, and make the personal sacrifices required to start and grow a business? Kuratko, Hornsby and Nafziger (1997) argued that to understand the entrepreneurial process one needs to identify the motivation behind entrepreneurs' decisions<sup>10</sup>. Studies conducted on motivational factors confirms the importance of the role of motivational factors in determining the nature and types of enterprises entrepreneurs would choose to take up. The results revealed that there are linkage between motivation factors and entrepreneurship as well as some ties between entrepreneurship, motivator factors and the antecedents, especially concerning gender, age and family background<sup>11</sup>. Motivation levels of employees has a direct influence on the individual output and further more on the level of output of a team of employees (Roja & Avamvereeikul, 2000; Butler, 1999)<sup>12</sup>

There can be varieties of factors that motivate a person to start an enterprise. These factors are normally divided into personal or internal and environmental or external factors. Motivational factors can be either internal or external to the entrepreneur (Kuratko et al., 1997; Robichaud et. al, 2001)<sup>13</sup>. Personal or internal factors are those factors that are more intrinsic in nature. It includes factors that motivate entrepreneurs from within viz. desire to

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<sup>10</sup> Zimmerman, A. and Chu, Hung(2013) : Motivation, Success, and Problems of Entrepreneurs in Venezuela Available at: [http://www.na-businesspress.com/JMPP/ZimmermanMA\\_Web14\\_2\\_.pdf](http://www.na-businesspress.com/JMPP/ZimmermanMA_Web14_2_.pdf)

<sup>11</sup> Choukir, J and Hentati, M. Baccour (2013): Entrepreneurship Motivation: Tunisian Case. Available at: (<http://www.scirp.org/journal/ajibm>)

<sup>12</sup> MWaita, S. and Namusonge, G. (2013): Entrepreneurial Motivation As A Factor Affecting Small and Medium Enterprises Performance in the coffee subsector in Kenya; A Case Study of Tropical Farm Management Kenya Limited. Available at: <http://dx.doi.org/10.6007/IJARBSS/v3-i12/416>

<sup>13</sup> Zimmerman, A. and Chu, Hung(2013) : Motivation, Success, and Problems of Entrepreneurs in Venezuela [http://www.na-businesspress.com/JMPP/ZimmermanMA\\_Web14\\_2\\_.pdf](http://www.na-businesspress.com/JMPP/ZimmermanMA_Web14_2_.pdf)

earn income, self-dependent, desire to be different, spirit of competitiveness, etc. In a study by Yalcin and Kapu (2008) revealed that desire for more income and scarcity of job opportunities were the key motivating factors<sup>14</sup>.

Man is mostly influenced by his environment and his attitudes. Environment and attitudes are products of cultural and psychological factors besides economic and sociological factors. They influence the man and provide a source of inspiration to make a successful living in the society. Environment and attitudes are two inseparable entities and they influence each other. But the attitudes of the people exert more influence on the environment. Though man is responsible for molding the environment in which he is placed, he always finds it difficult to break the inherent barriers of development, thereby becoming the prisoner of the environment in which he is the creator. But the attitudes of man are not static rather they are ever changing. Man, in his attempt to improve his lot, constantly endeavours to conceive new ideas and better ideas and indulges in experiment on them. This process leads to a change in the attitude which further changes the environment. Again the center of change is man and his changing ideas and outlook. The economists, sociologists and psychologists are concerned with the attitudes of man (Gangadhara Rao N, 1986). The individual's decision to enterprise can also be affected by many external or environmental factors viz social recognition, financial supports, government policies, availability of power supply, condition of transportation, technology, political, socio-cultural factors etc. Growth and success of enterprise largely depends on these factors. Motivational factors may differ from person to person, size to size, region to region etc.

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<sup>14</sup> Munyoro, G. (2016) : 'The Motives of Zimbabwean Entrepreneurs: A Case Study of Harare' available at: <https://www.researchgate.net/publication/303703022>

P.N.Mishra<sup>15</sup> in his study regarding Indian entrepreneurs, found that the factors motivating them to promote their companies could be divided into two major category viz internal factors and external factors.

<b>Motivational Factors</b>	
<b>Internal Factors</b>	<b>External Factors</b>
<ul style="list-style-type: none"> <li>➤ Educational Qualifications</li> <li>➤ Occupational Experience</li> <li>➤ Desire to work independently</li> <li>➤ Desire to branch out from present occupation</li> <li>➤ Family background</li> <li>➤ To earn profits and to possesses wealth</li> <li>➤ To engage family members along with himself</li> <li>➤ To possess social prestige</li> </ul>	<ul style="list-style-type: none"> <li>➤ Assistance from Govt.</li> <li>➤ Assistance from financial Institutions</li> <li>➤ Availability of technology/ raw-materials</li> <li>➤ Demand of a particular product</li> <li>➤ Wanted to utilize excess money</li> <li>➤ Financial help from non-government sources</li> </ul>

With minimal industrialization and high rate of unemployment, especially among the youth in Nagaland, entrepreneurship as a means of livelihood may be an option although rather challenging. Thus, this research tries to answer the question of what motivates the entrepreneurs towards entrepreneurship. For this purpose, the motivational factors were divided into internal factors and external factors. Internal factors consisted of factors viz. self employed or independence, desire to earn income, to be their own boss, desire to do something different, having the right skill, being unemployed, competitive nature, contribution to society, and no other option or compulsion. While external factors consisted of factors viz encouragement from family, scarce job, better transportation, high demand,

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<sup>15</sup> Anon,(n.d.) Available at (online):  
[http://shodhganga.inflibnet.ac.in/bitstream/10603/76876/8/08\\_chapter%203.pdf](http://shodhganga.inflibnet.ac.in/bitstream/10603/76876/8/08_chapter%203.pdf) [Accessed 27 Oct. 2018].



better location, market accessibility, encouraged by friends, social recognition, family business, dissatisfaction of job.

## **I.2 Entrepreneurship and Economic Growth**

Entrepreneurship in general plays an important role in the growth and development of an economy and helps the unemployed to be gainfully employed in the production process. Entrepreneurship is an important economic activity that is involved in the process of transforming raw materials into final products. It performs an essential role in employment generation, wealth creation, poverty alleviation; it is therefore considered to be the engine of growth and development especially in developing economies. Entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people (Adejumo, 2000). Studies have established its positive relationship with stimulation of economic growth; employment generation; and empowerment of the disadvantaged segment of the population, which include women and poor (Oluremi and Gbenga, 2011). Based on its central role in economic development, respective governments, NGOs, community based organizations and other stake holders should promote its development in order to reap its full benefit. With ever growing population in Nagaland and the inability of the government to provide gainfully employment to the educated unemployed, many individuals have either voluntarily or out of compulsion have started to venture out into business and entrepreneurship whereby apart from being self-employed they are able to created job opportunities for many others. Thus, this research will try to answer certain questions pertaining to entrepreneurship such as; what motivates the entrepreneurs? What are the common obstacles faced by the entrepreneurs in establishing and maintaining their enterprises? What are the roles of entrepreneurs in income and employment

generation? And what are the contributions made by the government and various institutions towards developing entrepreneurship?

### **I.3 Literature Review**

#### **I.3.1. Entrepreneurship and economic growth**

Adenutsi, (2009) argues that entrepreneurship is the catalyst for economic growth and development through job creation, income empowerment and poverty reduction in an economy. He suggests that in order to create high-income generating job opportunities and reduce poverty through entrepreneurship, there is a need for the government to intervene with the appropriate policy measures and programmes to enhance the impact of entrepreneurship on the economic growth.

Abdullahi, (2008) also argued that entrepreneurship stands as a vehicle to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. However, the acceptance of entrepreneurship as a central development force by itself will not lead to economic development and the advancement of private enterprises until an enabling environment necessary for entrepreneurship to be rewarding is created within communities. The existence of such an environment largely depends on public policies promoting entrepreneurship and the effectiveness of such policies in turn depends on a conceptual framework about entrepreneurship.

Ayozie, et al (1999:23) emphasized on the role entrepreneurs and small and medium enterprise sector, in accelerating industrial development which open up better opportunities for employment generation and wider dispersal of industrial ownership.

Gillis, (1996), and Burnett, (2000) asserted that entrepreneurship is a necessary ingredient for stimulating growth and in order to achieve successful economic development, a country must experience both economic growth and fundamental changes in the structure of its economy. Despite their typically unappreciated role, entrepreneurs orchestrate these transformations and create new channels for economic activity and employment. Thus, all countries that wish to pursue continued development must encourage entrepreneurship. Given the importance of entrepreneurship to economic growth and development, it is incumbent upon governments to increase the supply of entrepreneurs. However this can only be done when policy makers understand the factors that affect the supply of entrepreneurs.

Government of Nagaland, Directorate of Evaluation, (2007) made an evaluative study on employment opportunities foregone by nagas and employment of non-nagas in the unorganized sector in Nagaland and showed that the entrepreneurial activities was highest contributor to the total earnings of the non-naga, which has been forgone by nagas. It was also found that the average annual earnings were much higher than that of many employed nagas.

Hamid et al. (2011) made a study on the impact of entrepreneurship development on the employment generation in Jacobabad-Sindh-Pakistan where he found that unemployment problem in the study area was very high and though there are many potential entrepreneurs yet, owing to many reasons, entrepreneurship is less opted. It was suggested that there should be more infrastructural and technical assistance provided by the government. Balance development of public and private enterprise should be done.

Ogbo (2012) found that SMEs plays an important role in the growth and development of the economy. SMEs were found to suffer from various problems relating to attitude and habits of SMEs, lack of stability in the governance and frequent policy alterations.

Ogundele and Ashamu (2008) argued that Entrepreneurship activities are very fundamental to any meaningful development of an economy. However, the benefit and relevance of entrepreneur to accelerated economic growth cannot be achieved in isolation without the existence of the right opportunities that serve as the wheel of its development. They contended that private organizations, public institutions and the entire society should provide necessary foundational structures for the existence of opportunities which the entrepreneurs can utilize/exploit to serve the society.

Sorokhaibam and Thamei (2012) tried to establish a relationship between entrepreneurship development and employment in Assam, Manipur and Meghalaya. Entrepreneurship development has had a positive impact on employment generation yet not sufficiently developed. Comparative analysis shows that Assam has highest number of enterprise while Manipur has the lowest number of enterprise.

R. Ali and A. Morteza (2014) studied the relationship between entrepreneurship as an intellectual capital and economic growth in sixty selected countries in the period of 2004 to 2012. Global Entrepreneurship Monitor (GEM) and the World Bank data were used for this study. The results reveals that there is a positive and significant effect of entrepreneurship on economic growth.



### **I.3.2. Entrepreneurship and Challenges**

Baba, (2013) analysed the challenges of entrepreneurship development in Nigeria and suggested providing the appropriate financial support coupled with improvement in the necessary infrastructure in tackling the challenges.

Fatoki, and Chindoga, L. (2011) made a study to investigate the obstacles to youth entrepreneurial intention. It was found that youths perceive lack of capital, lack of skill, lack of support, lack of market opportunities and risk as some of the main problems. Recommendations to reduce the obstacles to youth entrepreneurship are suggested.

Mubaiwa, (2013) investigated the challenges faced by Zimbabwean youth entrepreneurs in Kampala, Uganda. The objectives of the research were to study the factors that motivate youth entrepreneurship, to identify the challenges faced by youth entrepreneurs in starting and running small businesses, to recognize the contribution of the Youth Development Funds and to study the financial and entrepreneurial support services required to promote youth entrepreneurship. Findings of the study showed that youth required a customized microfinance product offering for youth in business as a possible solution, as well as other ongoing enterprise support initiatives in the form of business and technical training, workspace, market linkages and a youth-friendly business operating environment.

Okezie I. et al. (2013) examined the nature and the extent to which entrepreneurship in Nigeria has been developed so far, and outlines the initiative by government. It was found that the main challenges and prospects for the development of entrepreneurship were overbearing bureaucracies, corruption, inadequate and poor infrastructures. The paper concludes that Nigeria's entrepreneurs have a long way to go before they can effectively drive changes in the economy and recommends that Government (policy makers) should

genuinely recognize the essence of entrepreneurship to economic development by providing the enabling environment for private sector led investment for economic development and also provide adequate infra-structural facilities (water, electricity, road network, communications etc.).

Prasain, and Singh, (2007) made a case study of entrepreneurs in East and West Districts of Imphal, Manipur and found out that self-dependence as the main reason for choosing entrepreneur and most of the entrepreneurs depended on family's asset as a start-up capital. Poor infrastructure in the form of inadequate power supply, transportation and marketing facilities are the major problems. The authors suggested for providing education and entrepreneurial training to enhance their productivity, constant power supply, proper implementation of schemes and programmes, improvement in the banking facilities and law and order can enhance entrepreneurship.

Swierczek and Ha (2003) made a study of Vietnamese small business owners found that challenges and achievements were more significant motivators than necessity and security.

Danish A. (2012) found that in spite of significant challenges, both societal and institutional, female participation in Saudi Arabia in the small and medium sized enterprises have seen an upward trend. The research suggests that provision of resources, training and mentoring, and eliminating some of the administrative procedures demanding male representation in the establishment and financing female entrepreneurship for improving the environment of female entrepreneurship.

Meenakshi and Mahapatra S. (2015) conducted a survey on 100 women entrepreneurs in Sonapat and Rohtak, Haryana with the objective to ascertain the constraints faced by women.

It found that some of the common constraints faced by women entrepreneurs were in terms of financial, marketing, social, domestic and production.

Bajpai, G. C. (2014) identified that financial problem, family issues, lack of education were some of the major challenges African women faces as an entrepreneur. It was suggested that the local bodies as well as the other organizations both national and international has a key role to play in trying to improve the situation of the entrepreneurs in Africa.

Kanchana, R.S et al. (2013) found that new entrepreneurs lack skills; personal motivation and definite goal were some of the internal problems while finding the right location and skilled employees some of the key external factors.

S. Jayadatta (2017) made a study with an aim to focus on the major problems faced by entrepreneurs. It was suggested that there should be provision of loans at concessional rate of interest, proper marketing facilities, proper supply chain for raw materials and proper trainings facilities to upgrade the entrepreneurial skills.

Patel, B. and Chavda, K (2013) made an attempt to find out the problems and challenges in rural entrepreneurship. It was found also that the majority of the problems faced by rural entrepreneurs relate to infrastructure. It was suggested that a better marketing facility, upgradation of knowledge and skill, better electricity, water supply, and transport facilities will have a positive impact on entrepreneurship in the rural areas.

Panda, S. and Dash, S (2014) in their study reveals that developing countries face resource constraints for creation of favourable policy environment for entrepreneur. It was also found that financial constraints and constraints arising due to business, economic and political environment are some of the major constraints faced by the entrepreneurs.

### **I.3.3. Entrepreneurship and motivations**

Raman, et al. (2008) examined the motivational factors that make women to choose entrepreneurship. It was found that among the motivational categories formed, work core like the urge to explore inner talents and the desire to do something creative plays an important part in influencing women's decision.

Stefanovic, et al. (2010) analyzed the motives of entrepreneurs starting their own business and to determine factors that affect the success of SMEs. It was found that there was a lack of motive concerned with sustainable development of enterprise in a long run. On the other hand, there is a variety of different success factors affecting entrepreneurs, which primarily depend on the current situation in the local environment.

Stefanovic, et al. (2013) in a study with the objective to understand the entrepreneurs' features, motives and problems faced by the entrepreneurs, found that greater business achievement, independence, intrinsic factor and job security were the common motivational factors.

Zimmerman, M and Chu, H. (2013) examined motivations of entrepreneurs in Venezuela and found that the desires of the entrepreneurs to be recognized as an owner of an enterprise and to contribute to their personal income were found to be important motivational factors for the entrepreneurs.

Alfoqahaa, S. (2018) in his paper examined the motivations behind the success of Small and Medium enterprises (SMEs) in Palestine and found that brand reputation, desire to give better customer services and reliable delivery had a strong influence on success of the small and medium entrepreneurs.



Zannierah S. Sharifah et al. (2013) found that factors influencing young entrepreneurs are monetary and non-monetary reward, work expertise, personal background, zeal for work, networking family encouragement and team work.

P. R. Kalyani and Kumar M. D (2011) analyzed what motivates women entrepreneurs to take up small scale enterprises. The study reveals that the major factors which motivate women entrepreneurs are closely related to entrepreneurial factors. It was identified that entrepreneurial education is very vital to influence the entrepreneurs.

Staniewski, M and Awruk, K. (2019) found that there was no significant motivational difference in terms of gender. In terms of age, younger entrepreneurs face more barrier than the older entrepreneurs. The study suggests for proper financial assistance at the initial stage.

Yitshaki, R and Kropp, F (2015) in their study explored the motivations and opportunity recognition patterns of 30 Israeli social entrepreneurs (SEs). They identified two types of motivational factors- pull factors and the push factors. It was found that entrepreneurs were motivated more by pull factors than push factors.

Rathna, C. et al. (2016) found that the economic independence is a more compelling motivational factor encouraging the women entrepreneurs than other factors such as social status, enhancing family business etc. Rotated component matrix was used to factorise the motivational factors.

Nhemachena, C and Murimbika, M. (2018) identified four factors such as extrinsic, intrinsic, income security and financial independence. Regression analysis showed that extrinsic and intrinsic motivations are important for the determination of growth of the enterprises.

#### **I.3.4. Entrepreneurship and programmes**

Gbenga, (2011) in his study found that most of the programmes considered were dysfunctional either due to change in government or lack of adequate resources, both human and material, for their operations. It was recommended that timely auditing of all the policy programmes be made to avoid duplication and clashes in spheres of operation and necessary entrepreneurial education and programmes be given to entrepreneurs.

Jamir, (2014) in his study found that entrepreneurs in Mokokchung lack basic training and development programmes to improve their entrepreneurial skill. Conducive environment was found to be the most influential factor.

Mainoma and Aruwa (2008) concluded that the role of quality entrepreneurship education and training in identifying and nurturing entrepreneurial potential among youth is becoming apparent to students, policy makers, and educators. The recent introduction of entrepreneurial education for all undergraduates in Nigerian universities by the Nigerian Universities Commission provides further evidence of the need for youth and family economic empowerment and self-employment as a viable career option.

Mishra, (2013) analyzed on the role of the government in development entrepreneurs and it was found that government accords the highest preference to development of MSME by framing and implementing suitable policies and promotional schemes like policies and promotional schemes, providing incentives for quality upgradation, concession on excise duty and provides technical supportive services.

Oghojafor, et al. (2009) studied on the mandatory entrepreneurship course for undergraduate youths in the Nigeria's tertiary institutions and found that entrepreneurship education have a positive relation between entrepreneurial skill and capacity building. It was

recommended that conducive environment be provided by the government in the form of quality infrastructural facilities and start-up financial support.

Thangasamy (2013) made a case study of the situation of entrepreneurship and the role of the Entrepreneurship Development Programs (EDPs) and the study revealed that there was an increase in the average monthly income of the sample respondents before becoming entrepreneurs and after becoming entrepreneurs and could contribute to the development of their family. It was suggested that a post-monitoring activities of the trained entrepreneurs and the provision of various Govt. schemes to encourage the entrepreneurs to foster entrepreneurship development in the research area.

Jayalakshmi, S. et al. (2016) studied on the impact of EDPs on the growth of entrepreneurship in India. The result showed that the government initiative through EDPs enhances the ability of the entrepreneurs in terms of skill and opportunity.

Kumar, H. (2018) suggested for an adequate and timely credit and technical assistance to small entrepreneurs by the financial institution is felt important. A proper selection procedure for the procurement of the entrepreneurial programmes was also found important. As the success of the entrepreneurial programmes depends on better training facility it was also suggested that the government must provide enhanced training facilities.

Tende, S. (2014) found that there is a need for proper linkages between the institutional development and the entrepreneurial endeavor and to create an environment for the development of new ventures.

Shetty, S. (2018) found that one of the major obstacles for the entrepreneurs is the unavailability of adequate finance. While on the part of the financial institutions one of the major hurdles to giving out entrepreneurial loans is the situation of bad loans.

#### **I.4 Statement of the problem**

Entrepreneurship evidently plays a very important role in the economic development of an economy. Entrepreneurship is an important input influencing the economic development of the economy especially in terms of output, income and employment generation<sup>16</sup>. Nagaland as an economy has remained economically backward mainly because it has not fully realized the benefits of its resources both human and physical owing to reasons which are manifold. This economic backwardness adds more to the constantly rising pressure of unemployment in the economy. The Live Register of Employment Exchange recorded 68,874 unemployed, as on 31<sup>st</sup> of Dec. 2012. As the economic growth in the state creeps slowly and the prospect of gainful employment of the unemployed lot in the government sector gets scarcer year after year, many have made entrepreneurship as the last resort to earn their livelihood in Nagaland, voluntarily or involuntarily. However, entrepreneurship being a new experiment there are multiple challenges personally, financially, technically and socially. Nevertheless, the entrepreneurial spirit is very much present among many of the young population in Nagaland. Thus, a favourable attitude of the society towards entrepreneurship and a widespread support for entrepreneurs is needed to motivate new ventures in the economy. Infact economic factors such as availability of financial support, technical assistance, physical facilities and information may be equally important. Certain infrastructural elements include the existence of universities and research and development programmes, a well-educated and technically skilled labour force and modern transport and communication facilities that provide easy access to suppliers and

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<sup>16</sup> Prasian and Singh E.(2007): '*Small scale industries and Entrepreneurship*' New Delhi, Akansha Publishing House. P-8

customers makes substantial impact on the entrepreneurial environment (Gartner, 1985). As such, an in-depth study on the initiative of the various institutions, like the government, NGOs and various financial institutions in the development of entrepreneurship, factors that motivate the entrepreneurs and their contribution to income and employment is pertinent.

## **I.5 Area of the study**

The State of Nagaland was formally inaugurated on December 1st, 1963, as the 16th State of the Indian Union. Nagaland is bordered by the state of Assam to the west, Arunachal Pradesh and Assam to the north, Myanmar to the east, and Manipur to the south<sup>17</sup>. It is located at 98 and 96 degrees east longitude and 26.6 and 27.4 degrees latitude north. Kohima is the capital of Nagaland and Dimapur is the largest city. It covers an area of 16,579 square kilometers (6,401 sq mi) with a population of 1,980,602 per the 2011 Census of India, making it one of the smallest states of India. The Gross State Domestic Product (GSDP) of Nagaland was about ₹12,065 crore (US\$1.8 billion) in 2011-12. Agriculture is the main occupation of Nagaland with about 70 percent of the total population engaged in agriculture.<sup>18</sup> It is inhabited by 16 major tribes viz- Angami, Ao, Chakhesang, Chang, Kachari, Khiamniungan, Konyak, Kuki, Lotha, Phom, Pochury, Reingma, Sangtam, Sumi, Yimchunger, and Zeme-Liangmai (Zeliang). The state of Nagaland has 11 administrative districts viz- Dimapur, Kohima, Kiphire, Longleng, Mokokchung, Mon, Noklak, Peren, Phek, Tuensang, Wokha and Zunheboto. Out of these, three districts

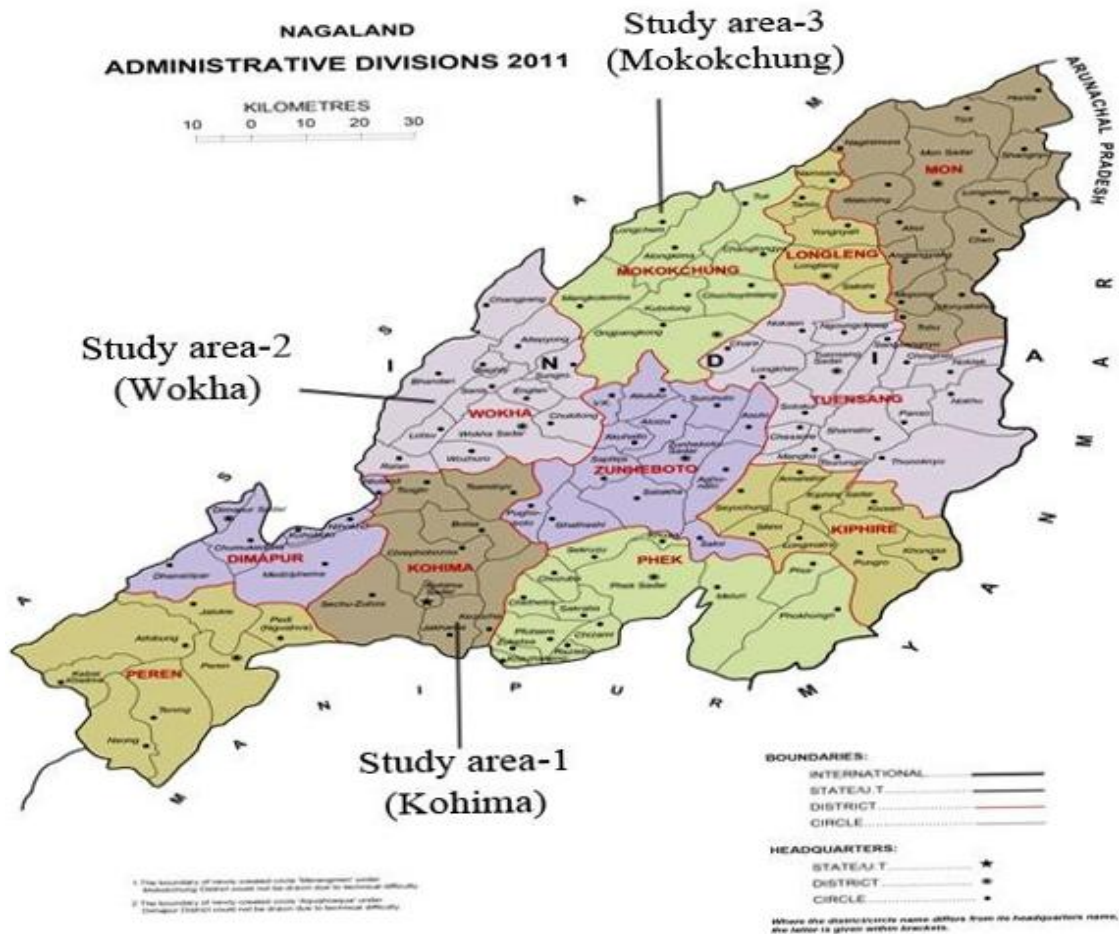
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<sup>17</sup> Government of Nagaland: *About Nagaland*. Available at (online): [www.nagaland.gov.in/portal/portal/StatePortal/AboutNagaland/NagalandInfo](http://www.nagaland.gov.in/portal/portal/StatePortal/AboutNagaland/NagalandInfo)

<sup>18</sup> En.wikipedia.org. (2018). *Nagaland*. [online] Available at: <https://en.wikipedia.org/wiki/Nagaland#Economy> (Accessed 2 Aug. 2018).

were selected for the study viz- Kohima, Wokha and Mokokchung and data were collected from these three districts between 2015-16.

**Fig: I.1 Map of Nagaland**



## **I.6 Objectives**

- i. To study the initiatives of the State Government and NGOs in promoting entrepreneurship.
- ii. To examine the internal and external motivational factors influencing the entrepreneurs.
- iii. To analysis the determinants of output and their returns to scale.
- iv. To assess the entrepreneurs' contribution towards income and employment generation

## **I.7 Hypothesis**

- i. Entrepreneurs are motivated more by internal factors.
- ii. Enterprises operates under decreasing returns to scale
- iii. Entrepreneurs have a positive impact on income and employment generation.

## **I.8 Research Methodology**

### **1.8.1. Sources of data**

The study is based on both primary and secondary sources of data. Data is collected from the three districts viz- Kohima, Wokha and Mokokchung using a structured questionnaire and also through indept personal interviews with the respondents. Secondary data is collected from both published and unpublished sources like books, journals, government reports both national and state, statistical handbooks (various issues) and various other reliable sources.

### **1.8.2. Sample Design**

The primary data was collected through a random sampling method. A total of 200 respondents were given questionnaire in the three districts. Out of which 63 entrepreneurs were from Kohima, 71 entrepreneurs were from Wokha and 68 entrepreneurs were from Mokokchung districts were randomly selected. In terms of types of enterprises-

### **1.8.3. Data Analysis**

Various statistical methods were used for analyzing the data collected and for drawing relevant inferences in the study which are given as below:

#### **1.8.3.1. Mean**

Mean is the average value of the total set of observations. It is obtained by dividing the sum of the values of observations by the total number of observations.

It is expressed as:

$$\bar{X} = \frac{\sum_{i=1}^n X_i}{n}$$

where,

$\Sigma x$  = Sum of the values of observation.

$n$  = Number of observations.



### 1.8.3.2. Standard Deviation

Standard Deviation is the square root of the average of the squared deviations from the arithmetic mean of a set of observations. Standard Deviation measures the degree of dispersion. The smaller the value of Standard Deviation the greater is the degree of uniformity of the observation. Standard deviation is denoted by the Greek letter  $\sigma$  (read as *sigma*)<sup>19</sup>. It is mathematically expressed as :

$$\sigma = \sqrt{\frac{1}{N} \sum_{i=1}^N (x_i - \bar{x})^2}.$$

where,

$\bar{X}$  = Mean

N = Number of observations

i = 1, 2, 3.....n

### 1.8.3.3. Coefficient of Variation

Coefficient of Variation (CV) is a relative measure of dispersion. Covariance determines the strength of the correlation between two or more sets of random variables<sup>20</sup>.

The greater the value of CV, the larger is the variation between the numbers of observation.

It is expressed by the formula:

$$CV = \frac{\sigma}{\bar{x}} \times 100$$

Where,

$\sigma$  = Standard deviation

$\bar{X}$  = Mean

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<sup>19</sup> Monga, G. S (2008), *Mathematics and Statistics for Economics*, New Delhi, Vikas Publishing House PVT Ltd.

<sup>20</sup> Mathworld,wolfram (2019), *Covariance*. Available at (online) [www.mathworld.wolfram.com/Covariance.html](http://www.mathworld.wolfram.com/Covariance.html)

#### 1.8.4.4. Correlation

Correlation analysis is a statistical tool to study the strength of a relationship between two or more variables. It analysis the co-variation between different variables. It is the method used in measuring the degree of the relationship between the two or more variables. The measure of correlation is called correlation coefficient and it measures the direction and degree of correlation between the variables<sup>21</sup>. The coefficient of correlation is given as:

$$r = \frac{N\sum dxdy - (\sum dx)(\sum dy)}{\sqrt{N\sum dx^2 - (\sum dx)^2} \sqrt{N\sum dy^2 - (\sum dy)^2}}$$

#### 1.8.4.5. Regression

Regression analysis is the determination of a statistical relationship between two or more variables. It is used for estimating or predicting unknown values of one variable from a given values of another variable. The variable whose value is estimated or predicted is called dependent variable (y) and the variable which influences the values of the unknown variable is termed as independent variable (x) or predictor. The regression equation of y and x is normally expressed as:

$$Y = a + bx$$

Where,

Y = the dependent variable and

x = the independent variable,

a = (y intercept) a constant and

b = (slope) the regression coefficient.

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<sup>21</sup> Chitale, R (eds) (2008), *Statistical and Quantitative Methods*, Pune, Nirali Prakashan.

The regression coefficient is given as:

$$b_{yx} = \frac{N\sum YX - (\sum Y)(\sum X)}{N\sum X^2 - (\sum X)^2}$$

#### 1.8.4.6. Regression Equation

Regression Equation is use to study the relationship between income and input factors. The equation is given as:

$$Y = f(b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + b_7 X_7)$$

Where,	Y	=	Gross monthly Income ( <i>Dependent variable</i> )
	X <sub>1</sub> ,	=	Raw Material,
	X <sub>2</sub>	=	Wage,
	X <sub>3</sub>	=	Rent,
	X <sub>4</sub>	=	Electricity,
	X <sub>5</sub>	=	Water Supply,
	X <sub>6</sub>	=	Machinery,
	X <sub>7</sub>	=	Miscellaneous ( <i>Independent variables</i> )
	b <sub>0</sub>	=	Intercept/Constant
	(b <sub>1</sub> , b <sub>2</sub> ...b <sub>n</sub> )	=	Coefficient of the variables/factors

#### 1.8.4.7. Cobb-Douglas Production function

Cobb-Production function is linear homogeneous production function of degree one which takes into account two factors of production – labour (L) and capital (K). Assuming A, <sup>B</sup><sub>1</sub> and <sup>B</sup><sub>2</sub> as the positive parameters, the Cobb Douglas Production can be expressed as:

$$Q(L,K) = AL^{\beta_1} K^{\beta_2}$$

Where ,	Q	=	Total monthly income
	A	=	Total factor productivity which is constant.
	L	=	Labour input

$K$  = Capital input  
 $\beta_1$  = Output elasticity of labour  
 $\beta_2$  = Output elasticity of capital

We know that,

if  $\beta_1 + \beta_2 = 1$ , it is constant return to scale,  
 if  $\beta_1 + \beta_2 < 1$ , it is decreasing return to scale and  
 if  $\beta_1 + \beta_2 > 1$ , it is increasing return to scale.

#### **1.8.4.8. F-test**

$F$ -test is a statistical tool in which the test statistic has an  $F$ -distribution under the null hypothesis. It is used to compare statistical models that have been fitted to a data set, in order to identify the model that best fits the population from which the data were sampled.

For two variables  $F$ -test is given by the formula

$$F = (\beta_1 + \beta_2 - 1)^2 \div (CVL + CVK + 2 * CVLK)$$

Where,  $CVL$  = Covariance of labour

$CVK$  = Covariance of capital

$CVLK$  = Covariance of labour and capital.

#### **1.9.4.9. Likert Scale**

Likert scale is an ordinal measure of preference or opinion using certain degree of scales. It is used to analyse the strength of responses to various factors. Likert Five point scale was used to examine the motivational factors. The scales are categorized as '*Strongly Agreed*' for 5 points, '*Agreed*' for 4 points, '*Undecided*' for 3 points, '*Disagree*' for 2 points and '*Strongly disagree*' for 1 point.

#### 1.9.4.10. Kaiser-Meyer-Olkin (KMO) Test

The Kaiser-Meyer-Olkin (KMO) Test is a statistical tool that measure of how suited a data is for Factor Analysis. The test measures sampling adequacy for each variable in the model and for the complete model. The statistic is a measure of the proportion of variance among variables that might be common variance<sup>22</sup>. The criterion can take values between zero and one. Values closer to 1.0 generally indicate that a factor analysis may be suitable with the data. Kaiser, Meyer and Olkin consider a value below 0.5 for a Factor Analysis to be unreliable<sup>23</sup>.

The *Kaiser-Meyer-Olkin criterion* is calculated as:

$$KMO = \frac{\sum_{j \neq k} \sum r_{jk}^2}{\sum_{j \neq k} \sum r_{jk}^2 + \sum_{j \neq k} \sum p_{jk}^2}$$

Where,

$r = [r_{jk}]$  is the correlation matrix and

$p = [p_{jk}]$  is the partial covariance matrix.

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<sup>22</sup> Statistics How To.(2018), *Kaiser-Meyer-Olkin(KMO) Test for Sampling Adequacy*. Available at (online): [http://ststisticshowto.com/ Kaiser-Meyer-Olkin/](http://ststisticshowto.com/Kaiser-Meyer-Olkin/) (accessed 2 Aug. 2018)

<sup>23</sup> Ibm.com. (2019). *IBM Knowledge Center*. Available at (online): [www.ibm.com/support/knowledgecenter/en/SSLVMB\\_sub/spss/tutorials/fac\\_telco\\_kmo\\_01.html](http://www.ibm.com/support/knowledgecenter/en/SSLVMB_sub/spss/tutorials/fac_telco_kmo_01.html) (Accessed 24 Mar. 2019)

## CHAPTER – II

### Profile of the Entrepreneurs

In the study of entrepreneurship information on socio-economic profile is vital as it throws light on different aspects of the entrepreneur. Generally entrepreneurs are risk-takers and this risk-taking attitude of the entrepreneurs are largely dependent of different socio-economic factors such as gender, age, educational level, marital status, earlier occupation, source of start-up capital etc. Katzin (1964) found that social status of the entrepreneur is an essential factor motivating the entrepreneurs<sup>24</sup>. Entrepreneurs are an integral part of the society; therefore social factors such as family background, earlier occupations etc play a vital role in determining the entrepreneurial attitudes of the entrepreneurs. Economic factors such as income of the family and sources of funds determine the financial support for the entrepreneurs. Family's financial resource directly influences the entrepreneurs (Raijman, 2001). Also demographic factor, personal traits and culture affect indirectly the attitude and intention to become an entrepreneur (Shapero & Sokol, 1982)<sup>25</sup>. Hence,, this chapter deals with the profile of the entrepreneurs to understand the social and economic background of the entrepreneurs. Factors such as gender, age, education qualification, number of dependents, age of the enterprise, earlier occupation, trainings, organizational setup, and nature of start-up and sources of start-up capital are being considered for the study.

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<sup>24</sup> Lokhande, A. (2015), 'A study of socio-economic Background of entrepreneurs from semi-urban centers in Maharastra', *Professional center for business research*, Vol. 2.

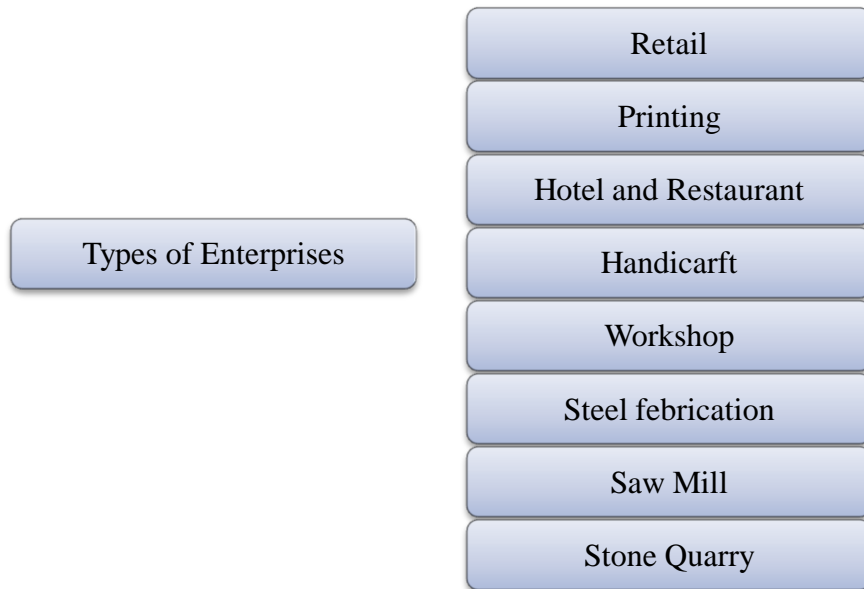
<sup>25</sup> Nandamuri, P. and Gowthami, Ch (2015), 'The Impact of Household Income on Being a Potential Entrepreneur' , *SCMS Journal of Indian Management*, Vol. 10, Issue 3.

## II.1 Types of Enterprises

The study of type of enterprise is vital for the purpose of understanding the nature of enterprises existing in the economy. It will throw light on the degree of concentration of the different types of enterprises in the study areas. It will be essential in analyzing the impact of enterprises on income and employment generation in the study areas.

For the purpose of the study, the enterprises are broadly divided into service and manufacturing sectors. Under the service sector, it has retail, hotel and restaurants, workshop and garage, printing and xeroxing. While under manufacturing sector, handicrafts and carpentry, steel fabrication and saw mill and stone quarry.

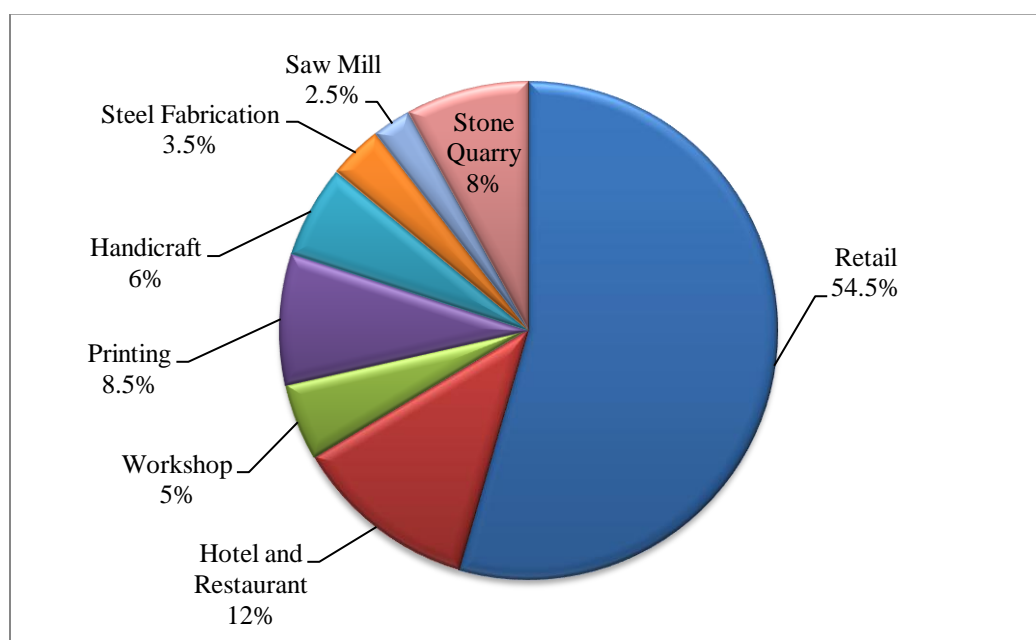
**Fig: II.1 Types of Enterprises (Flow-chart)**



**Table: 2.1      Types of Enterprises**

Types of enterprises	No. of enterprises
Retail	109 (54.5)
Hotel and Restaurant	24(12)
Workshop	10(5)
Printing	17(8.5)
Handicraft	12(6)
Steel Fabrication	7(3.5)
Saw Mill	5(2.5)
Stone Quarry	16(8)
Total	200(100)

**Fig: II.2      Types of Enterprises**



In the table above, it can be seen that majority of the enterprises falls under retail enterprises with 54.5 percent, hotel and restaurant sector with 12 percent, printing with 8.5 percent, stone quarry with 8 percent, handicraft with 6 percent, workshop with 5 percent, steel fabrication with 3.5 percent, and saw mill with 2.5 percent. From the above it is clear that retail enterprises are dominant in Nagaland.



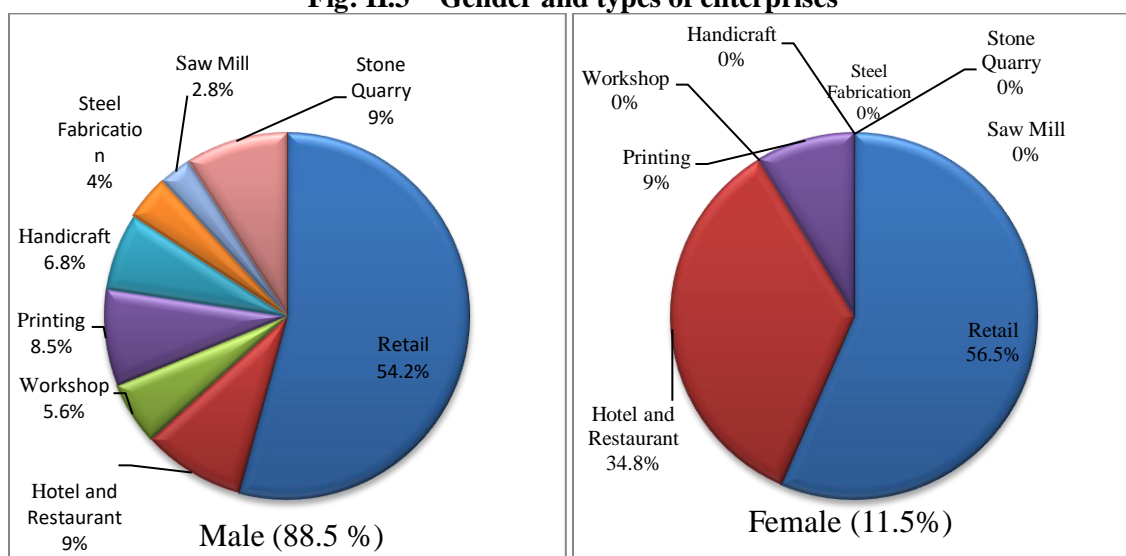
**Table 2.2 Gender and types of enterprises**

Types of enterprises	Male	Female
Retail	96 (54.2)	13 (56.5)
Hotel and Restaurant	16 (9)	8 (34.8)
Workshop	10 (5.6)	0 (0)
Printing	15 (8.5)	2 (8.7)
Handicraft	12 (6.8)	0 (0)
Steel Fabrication	7 (4)	0 (0)
Saw Mill	5(2.8)	0(0)
Stone Quarry	16 (9)	0 (0)
Total	177 (100)	23 (100)

Source: field survey 2015-16.

Note: figure in parenthesis indicates percentage.

**Fig: IL3 Gender and types of enterprises**



In the table above, it can be seen 88.5 percent is found to be male and 11.5 percent as female entrepreneurs. Majority falls under retail sector consisting of 96(54.2 percent) male and 13(56.5 percent) female entrepreneurs. Followed by hotel and restaurant sector with 16 (9.1percent) male and 8(34.8 percent) female. Stone quarry with 21(11.9 percent) male. The least being saw mill consisting of 5(2.8percent) male. Handicraft, steel fabrication, handicraft, stone quarry and saw mill are found to have been opted only by male entrepreneurs. Hence,, majority are male entrepreneurs in Nagaland.

**Table 2.3 Types of enterprises- District wise**

Types of Enterprises	Wokha	Kohima	Mokokchung
Retail	38(53.5)	41(62.1)	30(47.6)
Hotel and Restaurant	8(11.3)	9(13.6)	7(11.1)
Workshop	1(1.4)	3(4.5)	6(9.5)
Printing	8(11.3)	5(7.6)	4(6.35)
Handicraft	6(8.5)	3(4.5)	3(4.8)
Steel Fabrication	2(2.8)	2(3.0)	3(4.8)
Saw Mill	2(2.8)	1(1.5)	2(3.2)
Stone Quarry	6(8.5)	2(3.0)	8(12.7)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage.*

From the table above, we see that majority of the units fall under retail sector with 53.5 percent in Wokha, 62.1 percent in Kohima and 47.6 percent in Mokokchung followed by those that are in the category of hotel and restaurant with 11.3 percent in Wokha, 13.6 percent in Kohima and 11.1 percent in Mokokchung. While the least comes under saw mill with 2.8 percent in Wokha, Saw Mill with 1.5 percent in Kohima and 3.2 percent in Mokokchung. Comparatively, retail recorded the highest percentage in all the three districts.

## **II. 2 Age of the Entrepreneurs**

Age of the entrepreneur is an important information needed in the study of entrepreneurship. In this study the age of the entrepreneurs is classified into six (6) categories viz, 20 and below, 21-26, 27-32, 33-38, 39-44 and 45 above.

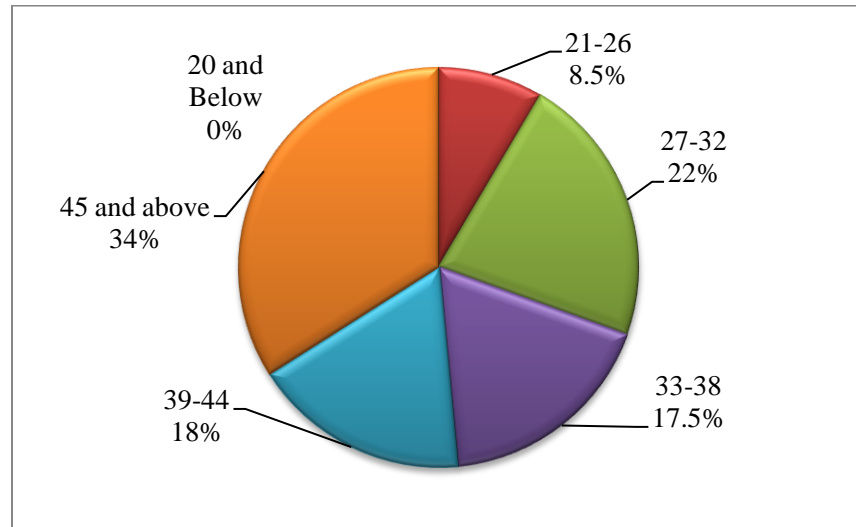
**Table 2.4 Age of the Entrepreneurs**

Age of Entrepreneurs	No of entrepreneurs
20 and below	0(0)
21-26	17 (8.5)
27-32	44(22)
33-38	36(18)
39-44	35(17.5)
45 and above	68(34)
Total	200(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

**Fig: II.4      Age of the Entrepreneurs**



It can be seen from the above table that 8.5 percent falls between the age group of 21-26 which is the least among the different age groups. The age group between 27-32 is recorded 22 percent, 18 percent are under the category of 33-38, those between 39-44 records 17.5 percent and the age group between 45 and above records the highest with 34 percent of the total number of the entrepreneurs.

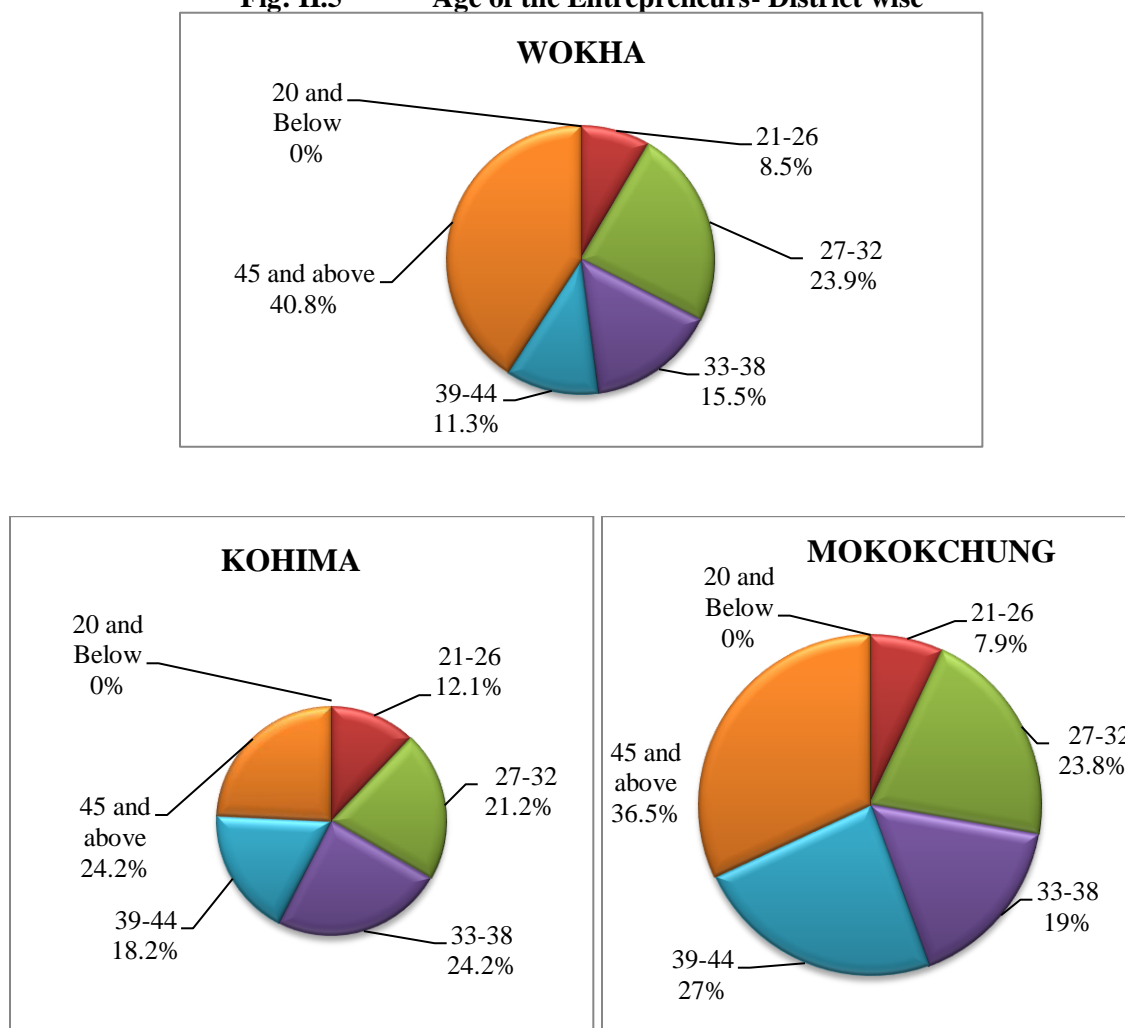
**Table 2.5      Age of the Entrepreneurs- District wise**

Age of Entrepreneurs	Wokha	Kohima	Mokokchung
20 and Below	0(0)	0(0)	0(0)
21-26	6(8.5)	8(12.1)	5(7.9)
27-32	17(23.9)	14(21.2)	15(23.8)
33-38	11(15.5)	16(24.2)	12(19)
39-44	8(11.3)	12(18.2)	17(27)
45 and above	29(40.8)	16(24.2)	23(36.5)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage.*

**Fig: II.5 Age of the Entrepreneurs- District wise**



Comparatively, it can be seen that majority belong to the age group of 45 and above with 40.8 percent in Wokha, 24.2 percent in Kohima and 36.5 percent in Mokokchung. While the lowest percentage falls under the age group of 21-26 with 8.5 percent in Wokha, 12.1 percent in Kohima and 7.9 percent in Mokokchung.

The average age of the entrepreneurs is found to be 35.5 years, which falls in the age group of 33-38 years in the above given table.

**Table 2.6 Age of the Entrepreneurs and type of enterprises**

Age of Entrepreneurs	Retail	Hotel and Restaurant	Workshop	Printing	Handicraft	Steel Fabrication	Saw mill	Stone quarry
20 and Below	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
21-26	11(10.1)	0(0)	0(0)	3(17.6)	3(25.0)	0(0)	0(0)	0(0)
27-32	25(22.9)	5(20.8)	3(30)	6(35.3)	0(0)	3(42.9)	1(20)	1(6.3)
33-38	18(16.5)	6(25.0)	2(20)	5(29.4)	0(0)	1(14.3)	2(40)	2(12.5)
39-44	17(15.6)	4(16.7)	1(10)	3(17.6)	4(33.3)	2(28.6)	0(0)	4(25)
45 and Above	38(34.9)	9(37.5)	4(40)	0(0)	5(41.7)	1(14.3)	2(40)	9(56.3)
Total	109(100)	24(100)	10(100)	17(100)	12(100.)	7(100)	5 (100)	21 (100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage.*

Table 2.5, shows that majority of the entrepreneurs fall under retail sector with 54.5 percent. Under retail, majority is under the category of 45 and above with 34.9 percent, followed by 22.9 percent under the category of 27-32 and the least falls under the category of 10.1 percent. Under Hotel and restaurant, majority falls under the category of 45 and above with 37.5 percent, followed by 25 percent under the category of 33-38 and the least falls under the category of 39-40 with 16.7 percent. Under workshop, majority falls under the category of 45 and above with 40 percent, followed by 30 percent under the category of 27-32 and the least falls under the category of 39-44 with 10 percent. Under printing, majority falls under the category of 27-32 with 35.3 percent, followed by 29.4 percent under the category of 33-38 and the least falls under the category of 21-26 and 39-44 with 17.6 percent. Under handicraft, majority falls under the category of 45 and above with 41.7 percent, followed by 33.3 percent under the category of 39-44 and the least falls under the category of 21-26 with 25 percent. Under steel fabrication, majority falls under the category of 27-34 with 42.9 percent, followed by 28.6 percent under the category of 39-44 and the least falls under the category of 33-38 and 45 and above with 14.3 percent. Under saw mill, majority falls under the category of 33-38 and 45 and above with 40 percent, followed by 27-32 with 20 percent. Under stone quarry, majority falls under the category of 45 and above with 56.3

percent, followed by 39-44 with 25 percent and the least fall under the category of 27-32 with 6.3 percent.

### II.3 Number of Dependents

Here number of dependent as a factor refers to the number of person depending on the entrepreneurs for sustenance such as children, siblings etc. Number of dependent as a factor is important because it is inversely related to the income of the entrepreneurs. So the more the number of dependent the lesser is the net income of the entrepreneurs and vice-versa. The study on the number of dependent also throw light on the size and types of family system of the entrepreneurs whether there exist small family or large family, nuclear or joint family in the society.

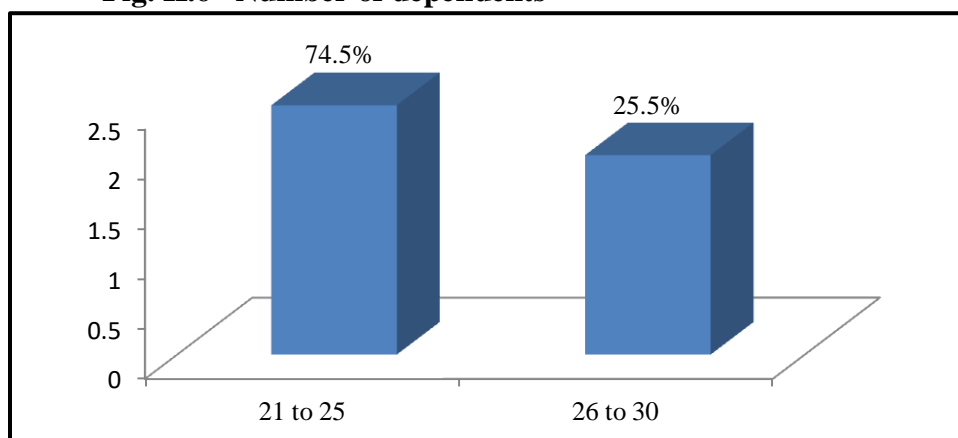
**Table 2.7 Number of dependents**

No. of Dependent	No. of entrepreneurs
1-3	112(75.1)
4-6	34(22.8)
7 and above	3(2.1)
Total	149(100)
With Dependent	149(74.5)
Without dependent	51(25.5)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage.*

**Fig. II.6 Number of dependents**



As it is seen from Table 2.4, 75.1 percent of the respondents have children/dependents between 1-3, 22.8 percent had between 4-6 number of dependents while only 2.1 percent had 7 above number of dependents. The overall percentage of the respondent having dependents is 74.5 percent. Also it can be derived that about 25.5 percent of the entrepreneurs are either unmarried or have no children. The data above shows that majority had a small size of family.

**Table 2.8 Number of dependents – District wise**

No. of Dependent	Wokha	Kohima	Mokokchung
1-3	33(63.4)	39(79.6)	40 (83.3)
4-6	18(34.6)	9(18.4)	7(14.6)
7 and above	1(2)	1(2)	1(2.1)
Total	52(100)	49(100)	48(100)
Without dependent (%age to overall total)	19(26.8)	17(25.8)	15(22.7)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage.*

The table above shows that, in all three districts majority falls under the category of 1-3 number of dependent with 63.4 percent in Wokha, 79.6 percent in Kohima and 83.3 percent in Mokokchung. While those between 4-6 number of dependent was 34.6 percent in Wokha, 18.4 percent in Kohima and 14.6 percent in Mokokchung. That under the category of 7 and above are found to be as 2 percent in Wokha, 2 percent in Kohima and 2.1 percent in Mokokchung district. Form here it is clear that majority of the entrepreneurs in all the three districts have a small family as those without dependents are 26.8 percent in Wokha, 25.8 percent in Kohima and 22.7 percent in Mokokchung.

#### **II.4 Age of the enterprise**

Age of the enterprise refers to the years of existence of the enterprises. It is felt important to study the age of the enterprise as it throws light on the growth of the enterprises

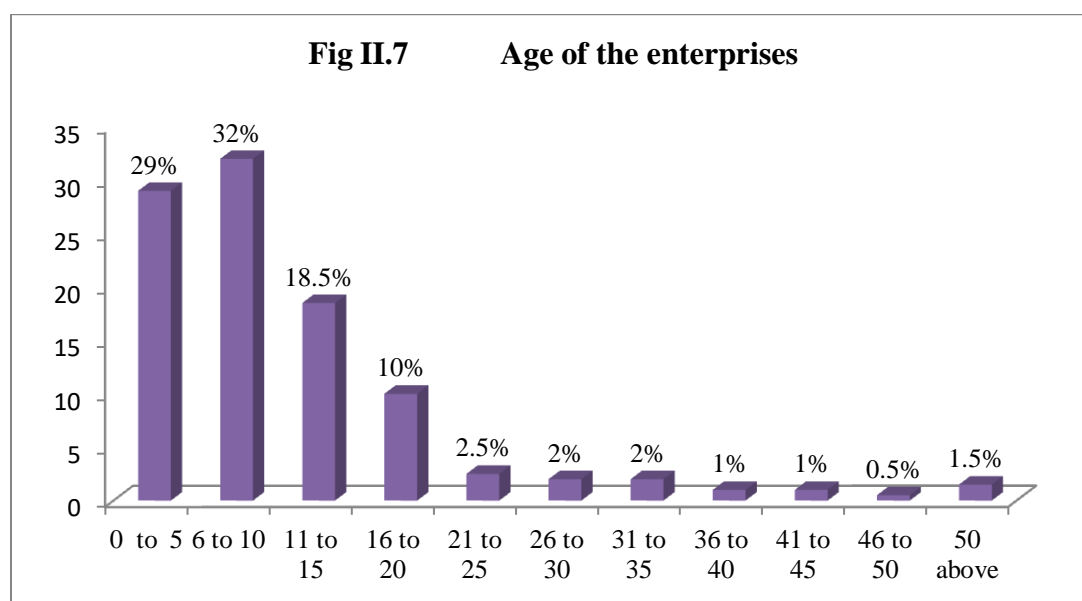
over the years and also their contribution to economy in terms of income and employment generation.

**Table 2.9 Age of the enterprise**

Age of the enterprise	Units	Age of the enterprise	Units
0 to 5	58(29)	31 to 35	4(2)
6 to 10	64(32)	36 to 40	2(1)
11 to 15	37(18.5)	41 to 45	2(1)
16 to 20	20(10)	46 to 50	1(0.5)
21 to 25	5(2.5)	50 above	3(1.5)
26 to 30	4(2)	Total	200(100)

Source: field survey 2015-16.

Note: figure in parenthesis indicates percentage.



It is seen from the above that, majority of the enterprises have been in existence for 6-10 years (32 percent) followed by those between 0-5 years (29 percent). 18.5 percent are under the category of 11-15 years, 10 percent falls under 16 to 20 years. 2.5 percent under 21 to 25 years, 2 percent under 26 to 30 and 31 to 35 years each. 1 percent each between 36 to 40 and 41 to 45 years. The least falls under the category of 46 to 50 years with 0.5 percent while those under 50 above were about 1.5 percent.



**Table 2.10 Age of the enterprise- District wise**

Age of the enterprise	Wokha	Kohima	Mokokchung
0 to 5	24(33.8)	18(27.3)	16(25.4)
6 to 10	27(38)	20(30.3)	17(27)
11 to 15	9(12.7)	16(24.2)	12(19)
16 to 20	4(5.6)	5(7.6)	11(17.5)
21 to 25	2(2.8)	0(0)	3(4.8)
26 to 30	0(0)	2(3)	2(3.2)
31 to 35	3(4.2)	1(1.5)	0(0)
36 to 40	0(0)	2(3)	0(0)
41 to 45	0(0)	1(1.5)	1(1.6)
46 to 50	1(1.4)	0(0)	0(0)
50 above	1(1.4)	1(1.5)	1(1.6)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

Comparatively, in the three districts the spread of the data is quite uniform. In the above table it is found that in Wokha majority belonged to the category of 6 - 10 years with 38 percent followed by 33.8 percent under 0-5 years. Those under 46-50 and 50 above was about 1.4 percent each. Under Kohima, majority of the units falls under 6-10 years with 30.3 percent followed by 27.3 percent while those under 31-35, 41-45 and 50 above are 1.5 percent. Under Mokokchung, majority falls under 6-10 years with 27 percent followed by those under 0-5 years with 25.4 percent and 11-15 with 19 percent while those under 41-45 and 50 above are 1.6 percent each.

The data above makes it clear that as the age of the enterprise increases from 20 and above the percentage of respondent gets fewer, this indicates that there are very fewer enterprises which have been in existence for more than two decades.

## II.5 Entrepreneurs' Earlier Occupation

Earlier occupation of the entrepreneur provides an understanding of the occupational background of the entrepreneur prior to starting their enterprises. Normally, backgrounds of the entrepreneurs have an influence on the choice of the enterprise made by an entrepreneur. In this study earlier occupation is categorized into the following categories given in the table below.

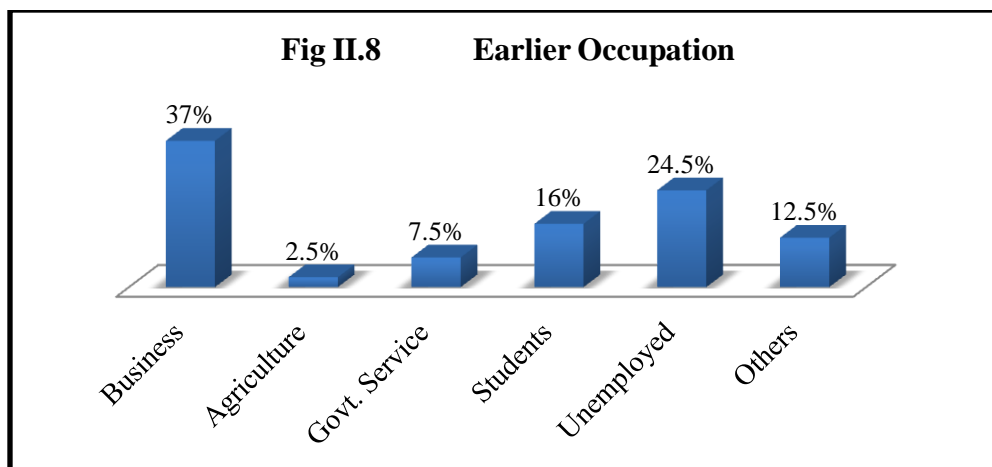
**Table 2.11 Entrepreneurs' Earlier Occupation**

Earlier Occupation	No. of Entrepreneurs
Business	74(37)
Agriculture	5(2.5)
Govt. Service	15(7.5)
Students	32(16)
Unemployed	49(24.5)
Others	25(12.5)
Total	200(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

The table above shows that majority have had business as their earlier occupation with 37 percent falling under the category of business followed by those who are unemployed with 24.5 percent. 16 percent are found to be students before they chose to start an enterprise. 7.5 percent are into government service while the least are those who had agriculture background with 2.5 percent.



**Table 2.12 Earlier Occupation- District wise**

Earlier occupation	Wokha	Kohima	Mokokchung
Business	27(38)	23(34.9)	24(38.1)
Agriculture	2(2.8)	2(3)	1(1.6)
Govt. Service	6(8.5)	6(9)	3(4.8)
Students	12(16.9)	16(24.3)	4(6.4)
Unemployed	16(22.5)	12(18.2)	21(33.3)
Others	8(11.3)	7(10.6)	10(15.8)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage.*

It is seen from the table above that in all the three districts majority has recorded to have had some business experience. 38 percent in Wokha, 34.9 percent in Kohima and 38.1 percent in Mokokchung are found to have had business experience which is the highest comparatively to other occupations. Percentage of entrepreneurs in agriculture was seen to be the least in all the three districts with 2.8 percent in Wokha, 3 percent in Kohima and 1.6 percent in Mokokchung. 8.5 percent in Wokha, 9 percent in Kohima and 4.8 percent in Mokokchung are under the category of government service. 16.9 percent in Wokha, 24.3 percent in Kohima and 6.4 percent in Mokokchung falls under the category of students. Many of the entrepreneurs in all the three districts are unemployed prior to their decision to start an enterprise with 22.5 percent in Wokha, 18.2 percent in Kohima and 33.3 percent in

Mokokchung. Lastly, others as an occupation which includes manual works, private sector, NGOs accounts for 11.3 percent in Wokha, 10.6 percent in Kohima and 15.8 percent in Mokokchung.

Thus, it can be summarized from the above that majority had some business experience before they started the enterprises which they are presently engaged in.

**Table 2.13 Earlier occupation and Age**

Earlier Occupation	21- 26	27-32	33-38	39-44	45 and above
Business	2(11.8)	12(27.2)	13(37.1)	15(42.9)	32(47.1)
Agriculture	0(0)	0(0)	0(0)	1(2.9)	4(5.9)
Govt. Sector	0(0)	4(9.1)	1(2.8)	1(2.9)	9(13.2)
Unemployed	10(58.8)	11(25)	7(19.4)	1(2.9)	3(4.4)
Students	5(29.4)	13(29.6)	8(22.2)	13(37.1)	10(14.7)
Others*	0(0)	4(9.1)	7(19.4)	4(11.4)	10(14.7)
<i>Total</i>	17(100)	44(100)	36(100)	35(100)	68(100)

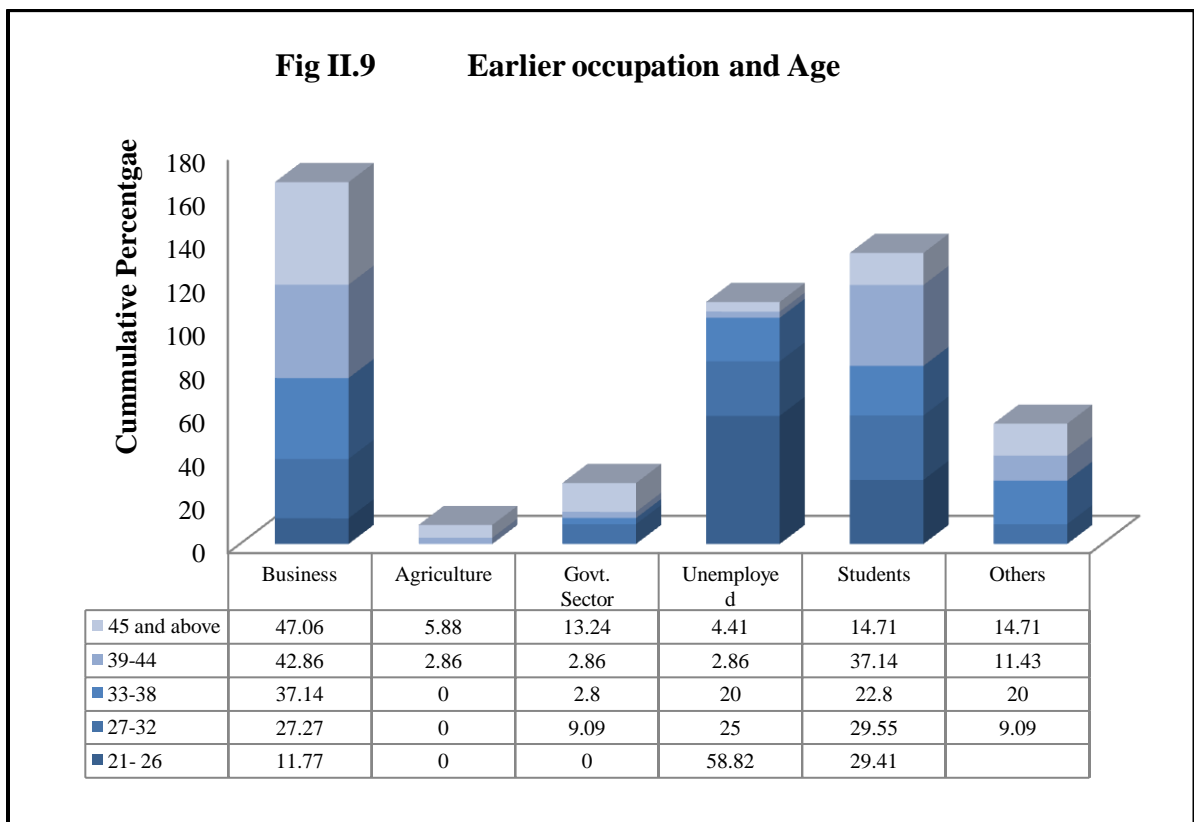
*Source: field survey 2015-16. Note: figure in parenthesis indicates percentage*

*\*Others Includes Manual Works, Private Sector, NGOs (VDB Sec. Etc)*

*\*Below 20 is Nil.*

It is an attempt to understand the relationship between occupational background and age of the entrepreneurs. In the table above, comparatively entrepreneurs between 21-26 years of age are mostly found to be unemployed before they started to enterprise consisting of 58.82 percent while very less had business experience (11.77 percent). For those between the age group of 27-32 years, majority are students prior to becoming an entrepreneur (32.5 percent) and also a good number had some business experience (27.27). The least belonged to the category of others with 9.09 percent. Between the age group of 33-38 years, majority had some business background with 37.14 percent followed by those who started fresh as students with 22.8 percent. The least are those who belonged to the category of government sector experience with only 2.1 percent. Also in the age group of 39-44, majority are found to

have business background with 42.86 followed by those are students with 37.14 percent, while the least are those that belonged to the categories of agriculture, govt. sector and unemployed 2.86 percent each. Finally, majority of those who belonged to the category of 45 and above years had some business experience with 47.06 percent. 14.71 percent belonged to the categories students and others. The least are those who are unemployed with 4.41 percent.



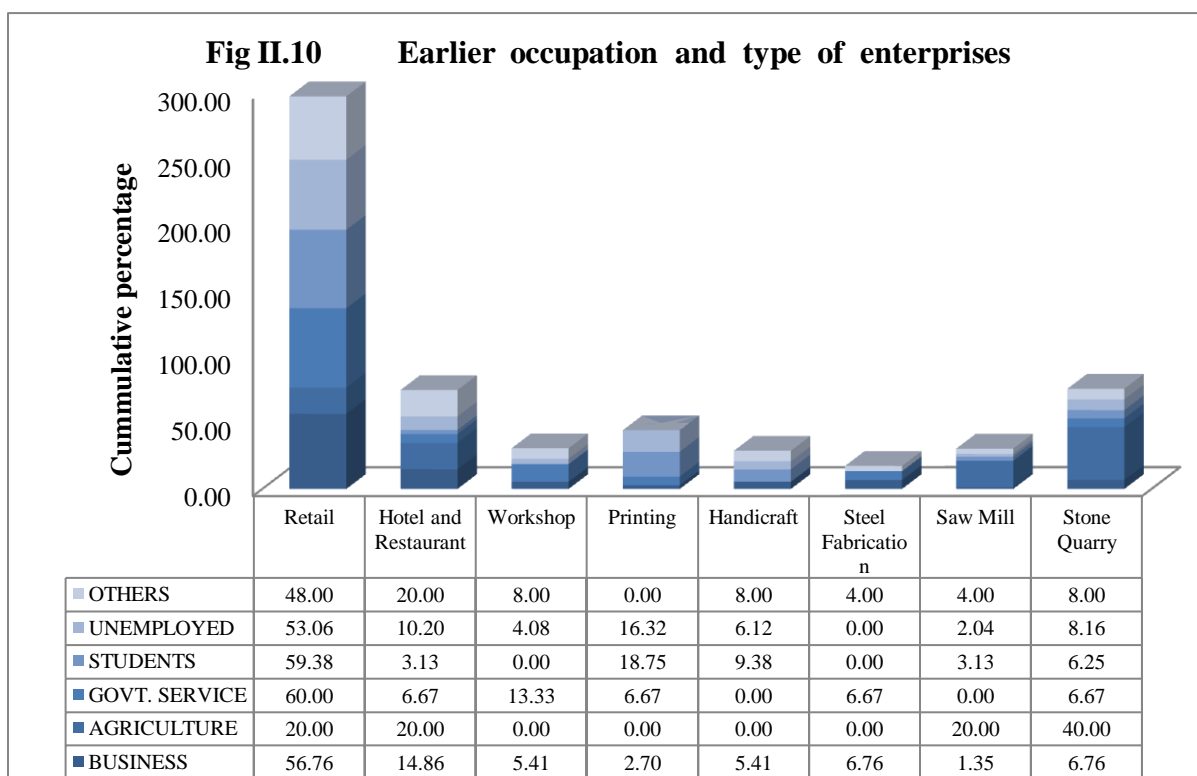
It is also clear from the above table that majority of the entrepreneurs are 45 and above and had some business experiences. It is also found that there was a good percentage of younger generation who are between the age group of 27-32 (22 percent).

**Table 2.14 Earlier occupation and Type of Enterprises**

Earlier Occupation	Business	Agriculture	Govt. Sector	Unemployed	Students	Others
Retail	42(56.76)	1(20)	9(60)	26(53.06)	19(59.38)	12(48)
Hotel	11(14.86)	1(20)	1(6.67)	5(10.20)	1(3.13)	5(20)
Workshop	4(5.41)	0(0)	2(13.33)	2(4.08)	0(0)	2(8)
Printing	2(2.70)	0(0)	1(6.67)	8(16.32)	6(18.75)	0(0)
Handicraft	4(5.41)	0(0)	0(0)	3(6.12)	3(9.38)	2(8)
Steel Fabrication	5(6.76)	0(0)	1(6.67)	0(0)	0(0)	1(4)
Saw Mill	1(1.35)	1(20)	0(0)	1(2.04)	1(3.13)	1(4)
Stone Quarry	5(6.76)	2(40)	1(6.67)	4(8.16)	2(6.25)	2(8)
Total	77(100)	5(100)	15(100)	49(100)	32(100)	25(100)

Source: field survey 2015-16.

Note: figure in parenthesis indicates percentage



In the table above we see that those under the business category, majority are seen to have taken up retail enterprise with 56.76 percent followed by hotel and restaurants 14.86 percent. The least being printing with 2.70 percent. Majority of those who had agricultural background opted for stone quarry with 40 percent followed by retail, hotel and restaurant and saw mill with 20 percent each. Those with experiences in the government sector has the

highest percentage of concentration in retail with 60 percent followed by printing sector with 13.33 percent while hotel and restaurants, workshop, steel fabrication and stone quarry/sawmill with 6.67 percent each. Under the category of students, majority is retail enterprise with 59.38 percent, followed by printing 18.75 percent. The least being hotel and restaurant with 3.13 percent. Under the category of unemployed, majority are found to have taken up retail sector with 53.06 percent. There are only 2.04 percent under saw mill. Under the category of others, 48 percent falls under retail, 20 percent under hotel and restaurant while the least under saw mill and steel fabrication with 4 percent each.

## II.6 Attainment of training.

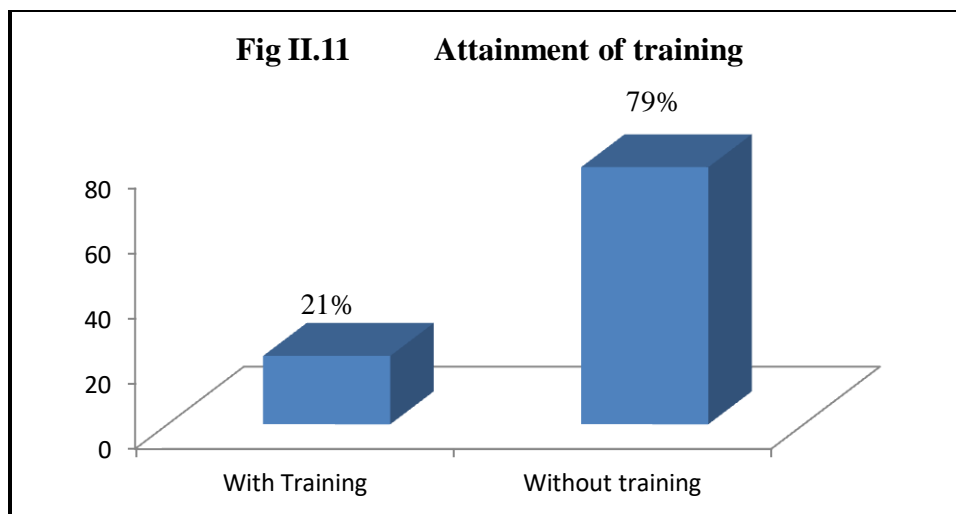
Entrepreneurship demands for various sets of skills and Hence, training programmes plays an important role in the upgradation of the entrepreneurial skill of the entrepreneurs. Training can enable the entrepreneurs to be more productive and add more to their confidence. Information on attainment of training helps one to distinguish between those who start their enterprises professionally and those for the bare survival. Entrepreneurship training may be sponsored by various agencies viz government, NGOs, families or relatives etc.

**Table 2.15 Attainment of training**

Training	No. of entrepreneurs
Govt.	17(40.5)
NGO	0(0)
Family	3(7.1)
Individual	22(52.4)
Total	42(100)
With Training	42 (21)
Without training	158(79)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*



In the above table, we see that the overall percentage of those who underwent training is found to be 21 percent, which is just about 1/4<sup>th</sup> (one-fourth) of the sample size. The data above shows that majority underwent training all by themselves as the percentage corresponding to individual is 52.4 percent. 40.5 percent are benefited by the sponsorship of the government through Entrepreneurship Development Programmes (EDPs). Another 7.1 percent underwent training being sponsored by their families. It is clear from this data that majority of the entrepreneurs did not attain training as the percentage of those without training is found to be 79 percent.

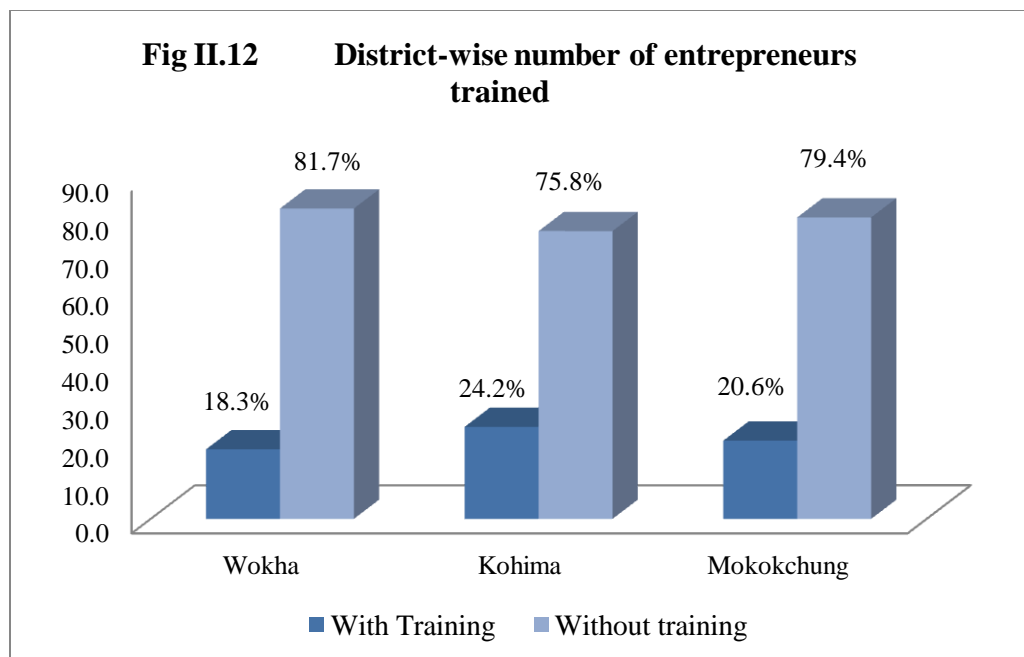
**Table 2.16 District-wise number of entrepreneurs trained**

Training	Wokha	Kohima	Mokokchung
Govt.	5(38.5)	7(43.8)	6(46.2)
NGO	0(0)	0(0)	0(0)
Family	1(7.7)	1(6.3)	1(7.7)
Individual	7(53.8)	8(50)	3(46.2)
Total	13(100)	16(100)	10(100)
With Training	13(18.3)	16(24.2)	10(15.9)
Without training	58(81.7)	50(75.8)	50(79.4)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*





Comparatively, in Wokha out of the total 71 entrepreneurs, 13 (18.3 percent) entrepreneurs underwent training programmes out of which 38.5 percent are sponsored by Government, 7.7 percent by family and 53.8 percent took training individually. In Kohima, 24.2 percent of the entrepreneur underwent training where majority underwent training by self/individually (50 percent), 43.8 percent sponsored by government and 6.3 percent by family. In Mokokchung, 20.6 percent underwent training where 53.8 percent underwent training by self/individually, 38.5 percent are sponsored by government and 7.7 percent by family. On the other hand, it is also found that 81.7 percent in Wokha, 75.8 percent in Kohima and 79.4 percent in Mokokchung did not attain any training. It is clear from this table that majority of the entrepreneurs in all the three districts did not undergo any training to start their enterprise.

**Table 2.17 Attainment of training and Types of enterprises**

Training Attained	Retail	Hotel And Restaurant	Workshop	Printing	Handicraft	Steel Fabrication	Saw mill	Stone Quarry
Govt.	10(37.0)	3(50)	1(100)	1(25)	2(66.7)	0(0)	0(0)	1(100)
NGOs	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
Family	2(7.4)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
Individual	15(55.6)	3(50)	0(0)	3(75)	1(33.3)	0(0)	0(0)	0(0)
Others	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
<i>Total</i>	27(100)	6(100)	1(100)	4(100)	3(100)	0(0)	0(0)	1(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

In the above table, it is seen that majority of the entrepreneurs who underwent training are under retail with a total 27 entrepreneurs which is about 64.3 percent of the overall total out of which 55.6 percent took training individually, 37.0 percent sponsored by government and 7.4 percent by family. Under hotel and restaurant, 50 percent are sponsored by government and another 50 percent underwent training individually. 75 percent under took training individually while 25 percent are sponsored by government under printing. Under handicraft 66.7 percent are sponsored by government while 33.3 percent took training individually. Under Workshop and Stone quarry very less underwent training. Only 1(one) entrepreneur each in these sector are found to have undergone training which was sponsored each by the government.

**Table 2.18 Attainment of training and Education**

Trainings Attained	10 and below	Higher-secondary	Graduate	Post Graduate	Others
Govt.	3(42.9)	1(33.3)	11(42.3)	2(40)	1(100)
NGO	0(0)	0(0)	0(0)	0(0)	0(0)
Family	0(0)	1(33.3)	1(3.85)	0(0)	0(0)
Individual	4(57.1)	1(33.3)	14(53.85)	3(60)	0(0)
<i>Total</i>	7(100)	3(100)	26(100)	5(100)	1(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

From the above table, it is clear that majority of those who underwent training are those with graduate degree (61.9 percent). Under that, those who took up training individually are the majority with 53.85 percent. This was followed by those sponsored by government with 42.3 percent. The least are those who are sponsored by family with 3.85 percent. Under 10 and below, majority underwent training individually with 57.1 percent, followed by sponsorship from government with 42.9 percent. Those with higher-secondary degree, 33.3 percent each underwent training through government sponsorship, family and also individually. Under post graduate category 60 percent underwent training individually while the 40 percent are sponsored by the government. Those with other degree were the least which was sponsored by government.

## II.7 Level of education

Level of education is another important factor considered to understand the background of the entrepreneurs. Level of education is classified into the various categories viz. 10 and below, higher-secondary, graduates, post-grad and others which is for those that have other professional degrees.

**Table 2.19 Level of education**

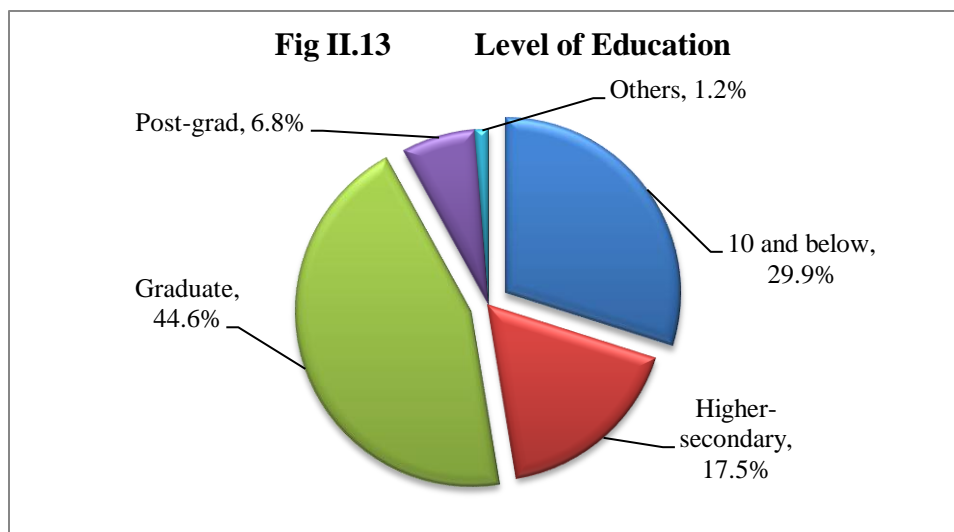
Level of Education	No. of entrepreneurs
10 and below	64(29.9)
Higher-secondary	36(17.5)
Graduate	82(44.6)
Post-grad	16(6.8)
Others	2(1.2)
Total	200(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

It is seen that in the overall percentage majority of the entrepreneurs have graduation degree with 44.6 percent followed by those who are found to be 10 and below with 29.9

percent. 17.5 percent had higher-secondary degree, 6.8 percent with post-graduate degree and the least being those with other degree with only 1.2 percent of the entrepreneurs.



**Table 2.20      Level of Education -      District wise**

Level of Education	Wokha	Kohima	Mokokchung
10 and below	24(33.8)	16(24.2)	24(38.1)
Higher-secondary	15(21.1)	12(18.2)	9(14.3)
Graduate	24(33.8)	33(50)	25(39.9)
Post-grad	8(11.3)	4(6.1)	4(6.3)
Others	0(0)	1(1.5)	1(1.6)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

The table above shows that in all the three districts majority had graduation degree. 33.8 percent in Wokha, 50 percent in Kohima and 39.9 percent in Mokokchung. It shows that majority of the entrepreneurs in the study are well educated. This was followed by those who had education qualification of 10 and below with 33.8 percent in Wokha, 24.2 percent in Kohima and 38.1 percent in Mokokchung. The least are those in the category of others. 1.5 percent in Kohima and 1.6 percent in Mokokchung.

**Table 2.21 Level of education and type of enterprises**

Level of education	Retail	Hotel and Restaurant	Workshop	Printing	Handicraft	Steel Fabrication	Saw Mill	Stone Quarry
10 and below	38(34.86)	7(29.17)	4(40)	0(0)	2(16.67)	4(57.14)	2(40)	7(43.8)
Higher secondary	18(16.51)	4(16.67)	1(10)	2(11.76)	4(33.33)	1(14.29)	1(20)	5(31.2)
Grad	40(36.70)	11(45.83)	5(50)	15(88.24)	5(41.67)	2(28.57)	0(0)	4(25)
Post-grad	13(11.93)	1(4.17)	0(0)	0(0)	0(0)	0(0)	2(40)	0(0)
Others	0(0)	1(4.17)	0(0)	0(0)	1(8.33)	0(0)	0(0)	0(0)
total	109(100)	24(100)	10(100)	17(100)	12(100)	7(100)	5(100)	16(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

From the above table, we see that majority under the retail enterprise are graduates (36.70 percent). Followed, by those who are 10 and below with 34.86 percent. Post-graduate are about 11.93 percent. Under Hotel and restaurant sector, most entrepreneurs had graduate degree with 45.83 percent and the least are those under the category of others and post-graduates with 4.17 percent. Also under workshop mostly are graduate with 50 percent while the least are those with higher-secondary degree with 40 percent. Under printing 88.24 percent are found to have graduate degree which is the highest. Under handicraft 41.67 percent are graduates which is the majority. However, in steel fabrication majority are 10 and below with 57.14 percent followed by 28.57 percent of graduates. Under stone quarry and saw mill majority are 10 and below, followed by those with higher secondary degree with 28.57 percent and only 19.05 and 9.52 percent came under the category of graduates and post graduates.

**Table 2.22 Level of education and Earlier occupation**

Level of education	Business	Agriculture	Govt. sector	Students	Unemployed	Others
10 and below	31(41.89)	4(80)	4(26.67)	2(6.25)	15(30.61)	8(32)
Higher secondary	16(21.62)	1(20)	2(13.33)	4(12.50)	9(18.37)	4(16)
Graduates	23(31.08)	0(0)	7(46.67)	19(59.38)	25(51.02)	8(32)
Post-graduates	4(5.41)	0(0)	2(13.33)	7(21.88)	0(0)	3(12)
Others	0(0)	0(0)	0(0)	0(0)	0(0)	2(8)
Total	74(100)	5(100)	15(100)	32(100)	49(100)	25(100)

*Source: field survey 2015-16. Note: figure in parenthesis indicates percentage*

In the above table, we see that under the business and agriculture category majority falls under the 10 and below category with 41.89 percent and 80 percent respectively. Under the category of govt. sector 46.67 percent are found to be graduates, 26.67 percent are 10 and below, 13.33 percent each falls under higher secondary and post-graduates. Under students category, majority are graduates with 59.38 percent, followed by 21.88 percent while only 6.25 percent are 10 and below. Those under unemployed category, majority are graduates with 51.02 percent followed by 10 and below with 30.61 percent and those with higher secondary are only 18.37 percent. In the category of others, 32 percent each falls under the category of 10 and below and graduates.

## **II.8 Nature of start-up**

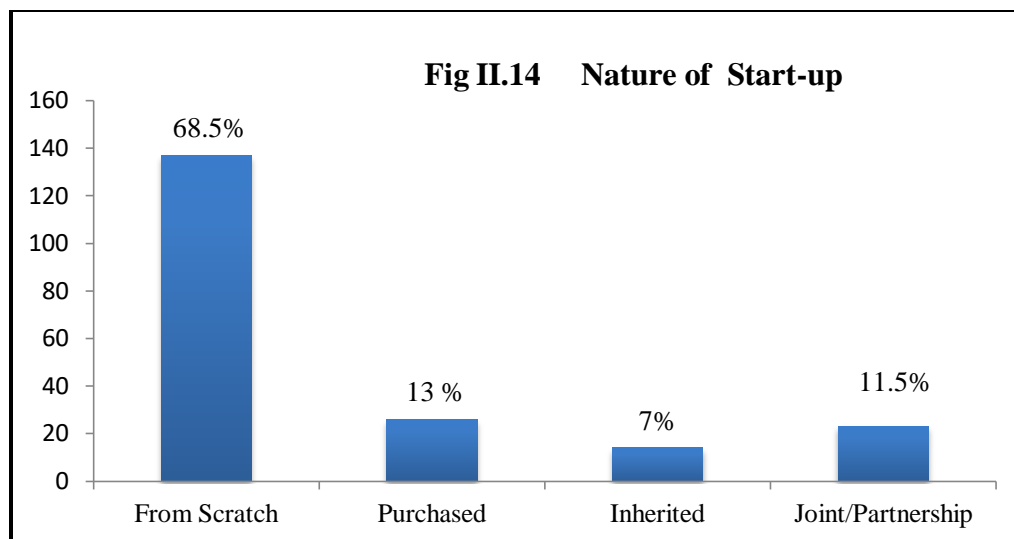
Nature of start-up refers to the ways by which an entrepreneur starts their enterprises. The nature of start-up may differ from enterprise to enterprise as some are built by the individual from the scratch; some are purchased from others; some inherited or started as joint venture. Hence, the nature of start-up is classified in this study into four categories which are mentioned in the table below.

**Table 2.23 Entrepreneurs' nature of start-up**

Nature of start-up	No. of enterprise
From Scratch	137(70.1)
Purchased	26(11.9)
Inherited	14(6.8)
Joint/Partnership	23(11.3)
Total	200(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*



In the table above, the overall percentage shows that majority of the entrepreneurs started their enterprises from the scratch (70.1 percent) followed by those who purchased from others (11.9 percent). 11.3 percent started as a Joint/partnership enterprise and the least are those that are inherited (6.8 percent).

**Table 2.24 District-wise distribution of entrepreneurs by nature of start-up**

Nature of start-up	Wokha	Kohima	Mokokchung
From Scratch	48(67.6)	41(62.1)	48(76.2)
Purchased	11(15.5)	10(15.2)	5(7.9)
Inherited	6(8.5)	5(7.6)	3(4.8)
Joint/Partnership	6(8.5)	10(15.2)	7(11.1)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

From table above we see that, majority started their enterprise form the scratch with 67.6 percent in Wokha, 62.1 percent in Kohima and 76.2 percent in Mokokchung. The least are those who inherited their parental enterprise- 8.5 percent in Wokha, 7.6 percent in Kohima and 4.8 percent in Mokokchung. It is clear from the above that majority of the entrepreneurs started their enterprise from the scratch.

**Table 2.25      Entrepreneurs' nature of start-up and types of enterprises**

Earlier Occupation	From Scratch	Purchased	Inherited	Joint/Partnership
Retail	71(51.8)	13(50)	11(78.4)	14(60.9)
Hotel and Restaurant	13(9.5)	3(11.5)	1(7.2)	4(17.4)
Workshop	8(5.8)	0(0)	0(0)	2(8.7)
Printing	10(7.3)	6(23.2)	0(0)	1(4.3)
Handicraft	8(5.8)	1(3.8)	1(7.2)	2(8.7)
Steel Fabrication	7(5.1)	0(0)	0(0)	0(0)
Saw Mill	4(2.9)	0(0)	1(7.2)	0(0)
Stone Quarry	13(9.5)	3(11.5)	0(0)	0(0)
Total	134(100)	26(100)	14(100)	23(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

From the above table, we see that majority of those who started form the scratch chose retail enterprise (51.8 percent). This is followed by those under stone quarry, and hotel and restaurant with 9.5 percent each. The least being saw mill with 2.9 percent. Under the category of purchased 50 percent of the enterprise falls under retail enterprise, followed by printing with 23.08 percent. Handicraft recorded the least with only 3.85 percent. Majority of those who inherited falls under retail enterprise with 78.4 percent, while 7.2 percent each for those under hotel and restaurant, handicraft and sawmill. Under joint/partnership, majority opted retail with 60.9 percent. This is followed by hotel and restaurant with 17.4 and the least with 4.3 percent under printing.



## II.9 Organizational setup

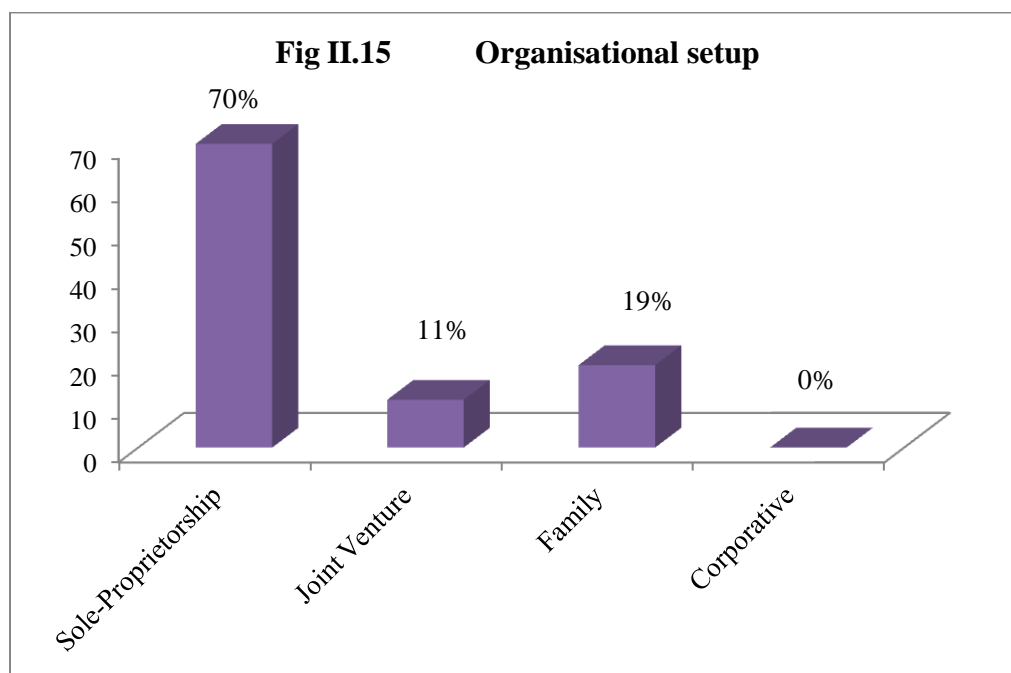
Enterprises differs from each other by way of their organizational structure as such in this study the enterprises are divided into four categories viz sole-proprietorship, joint venture, family and corporative.

**Table 2.26 Organizational setup**

Organizational setup	No. of enterprise
Sole-Proprietorship	140(70)
Joint Venture	22(11)
Family	38(19)
Corporative	0(0)
Total	200(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*



In the table above, majority of the enterprises are found to be under sole-proprietorship with 70 percent which is followed by those that are under the category of family enterprise with 19 percent while those that are under the category of joint venture with 11 percent. There are none under that category of corporative.

**Table 2.27 District-wise distribution of entrepreneurs organizational setup**

Organizational setup	Wokha	Kohima	Mokokchung
Sole-Proprietorship	46(64.8)	50(75.8)	44(69.8)
Joint Venture	5(7.0)	7(10.6)	10(15.9)
Family	20(28.2)	9(13.6)	9(14.3)
Corporative	0(0)	0(0)	0(0)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

District-wise shows that 64.8 percent in Wokha, 75.8 percent in Kohima and 69.8 percent in Mokokchung falls under sole-proprietorship, 28.2 percent in Wokha, 13.6 percent in Kohima and 14.3 percent in Mokokchung falls under the category of family enterprise and the least were those under the category of joint venture with 7 percent in Wokha, 10.6 percent in Kohima and 15.9 percent in Mokokchung. It is clear that majority of the entrepreneurs had sole proprietorship over their enterprises.

**Table 2.28 Entrepreneurs' organizational setup and types of enterprises**

Organizational setup	Sole-Proprietorship	Joint Venture	Family	Corporative
Retail	73(52.1)	18(81.9)	18(47.4)	0(0)
Hotel/ Restaurant	11(7.9)	1(4.5)	12(31.6)	0(0)
Workshop	7(5)	2(9.1)	1(2.6)	0(0)
Printing	15(10.7)	0(0)	2(5.3)	0(0)
Handicraft	10(7.1)	1(4.5)	1(2.6)	0(0)
Steel Fabrication	6(4.3)	0(0)	1(2.6)	0(0)
Saw Mill	3(2.2)	0(0)	2(5.3)	0(0)
Stone Quarry	15(10.7)	0(0)	1(2.6)	0(0)
Total	140(100)	22(100)	38(100)	0(0)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

The table above shows that majority of those under the category of sole-proprietorship falls under retail enterprise with 52.1 percent, which is followed by stone quarry with 12.9 percent and printing with 10.7 percent. The least being saw mill with 2.2 percent. Under the category of joint venture, retail enterprise had the majority with 81.9 percent followed by workshop with 9.1 percent while the least being handicraft and hotel and

restaurant each with 4.5 percent. Majority of those under the category of family chose retail enterprise with 47.4 percent, followed by those under hotel and restaurant with 31.6 percent. The least falls under the category of workshop, handicraft, steel fabrication and stone quarry with 2.6 percent each.

It is seen from the above that majority of the enterprises falls under retail enterprises and majority of the entrepreneurs comes under sole-proprietorship.

## II.10 Start-up capital

Capital is an important factor that enables entrepreneurs to start their enterprises. Entrepreneurs rely on various sources of start-up capital which ranges from personal saving to financial assistance from the government and other financial institutions. In this study the following sources of start-up capital are found to be vital for the entrepreneurs viz personal savings, parents' assistance, loans from banks, loans from private individuals/organizations and government assistance.

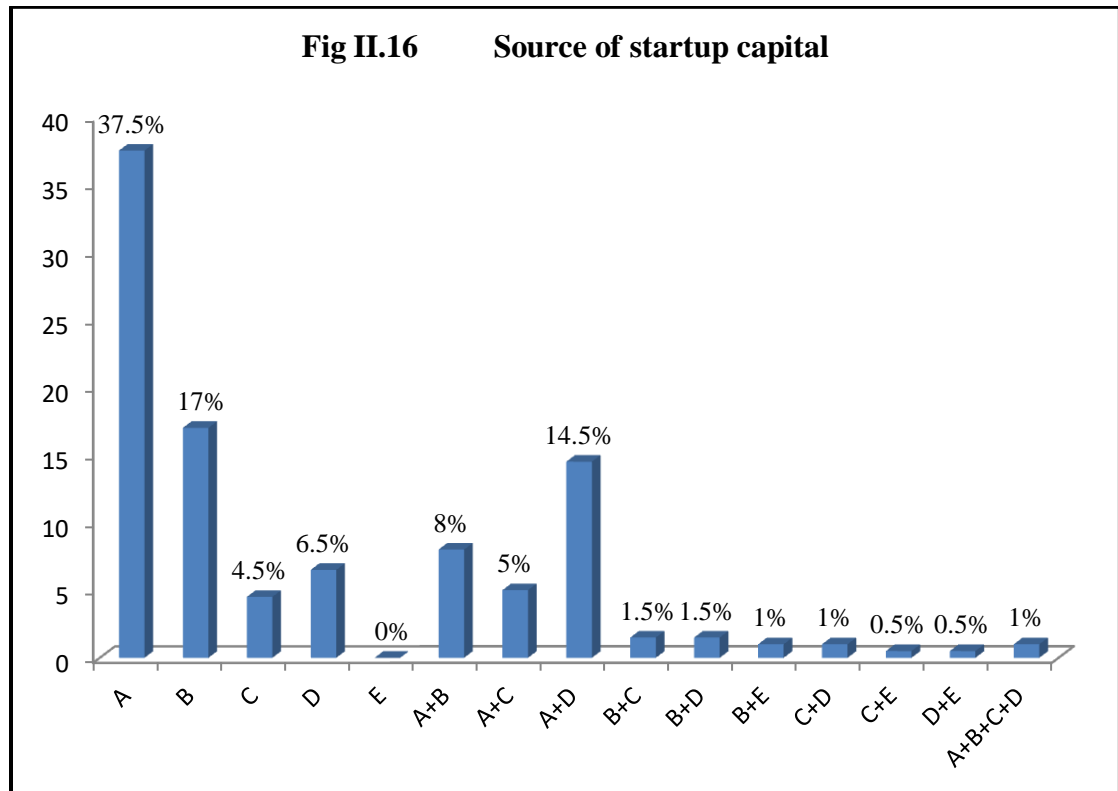
**Table 2.29 Entrepreneurs' start-up capital**

Source of startup	No. of enterprise
A	75(37.5)
B	34(17)
C	9(4.5)
D	13(6.5)
E	0(0)
A+B	16(8)
A+C	10(5)
A+D	29(14.5)
B+C	3(1.5)
B+D	3(1.5)
B+E	2(1)
C+D	2(1)
C+E	1(0.5)
D+E	1(0.5)
A+B+C+D	2(1)
<b>TOTAL</b>	<b>200(100)</b>

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

In the above table 2.11 the start-up capital given in the first column are as,  
A = Personal savings  
B = Parents' assistance  
C = Loans from banks  
D = Loans from private individuals/organizations and  
E = Govt. assistance.



It can be seen from above that personal saving (A) was found to be the most important source of start-up capital for the entrepreneurs (37.5 percent) followed by parents' assistance (B) (17 percent). 14.5 percent of the entrepreneurs relied on personal savings and loans from private individuals/organisations (A+D). Among the least was the combination of loans from banks and government assistants (C+D) and loans from private individuals/organizations and government (D+E) with 0.5 percent each.

**Table 2.30 District-wise distribution of Entrepreneurs' start-up capital**

Source of startup	Wokha	Kohima	Mokokchung
A	31(43.7)	20(30.3)	24(38.1)
B	12(16.9)	12(18.2)	10(15.9)
C	2(2.8)	2(3)	5(7.9)
D	2(2.8)	6(9.1)	5(7.9)
E	0(0)	0(0)	0(0)
A+B	7(9.9)	7(10.6)	2(3.2)
A+C	4(5.6)	3(4.5)	3(4.8)
A+D	10(14.1)	10(15.2)	9(14.3)
B+C	0(0)	1(1.5)	2(3.2)
B+D	1(1.4)	1(1.5)	1(1.6)
B+E	1(1.4)	0(0)	1(1.6)
C+D	0(0)	2(3)	0(0)
C+E	0(0)	1(1.5)	0(0)
D+E	1(1.4)	0(0)	0(0)
A+B+C+D	0(0)	1(1.5)	1(1.6)
TOTAL	71(100)	66(100)	63(100)

Source: field survey 2015-16.

Note: figure in parenthesis indicates percentage

Personal savings (A) is an important source of fund for the entrepreneurs in all the three districts. In Wokha, it is found that 43.7 percent relied on personal savings (A) as a source of start-up capital, while in Kohima it was 30.3 percent and in Mokokchung it was found to be 38.1 percent. Financial assistance from the parents was seen to be another important source of startup capital for the entrepreneurs. It was found that 16.9 percent in Wokha, 18.2 percent in Kohima and 15.9 percent in Mokokchung relied on parents' assistance (B) to start their enterprises.

It is also seen from the above table that some relied on more than one source of startup capital 14.1 percent in Wokha, 15.2 percent in Kohima and 14.3 percent in Mokokchung used personal savings and loans from private individuals/ organization (A+D) to startup their enterprise. 9.9 percent in Wokha, 10.6 percent in Kohima and 3.2 percent in Mokokchung also opted for personal savings and parents' assistance (A+B) to start their enterprise. Those that opted both personal savings and loans from banks (A+C) were found to be 5.6 percent in

Wokha, 4.5 percent in Kohima and 4.8 percent in Mokokchung. 1.5 percent in Kohima and 1.6 percent in Mokokchung relied on more than two source of startup capital.

**Table 2.31 Source of start-up capital and types of enterprise**

Source of startup	Retail	Hotel and Restaurant	Workshop	Printing	Handicraft	Steel-Fab	Saw Mill	Stone quarry
A	33(30.3)	11(45.8)	8(80)	6(35.3)	6(50)	5(71.4)	1(20)	5(31.3)
B	20(18.3)	3(12.5)	0(0)	7(41.2)	2(16.7)	0(0)	0(0)	2(12.5)
C	4(3.7)	2(8.3)	2(20)	0(0)	0(0)	1(14.3)	0(0)	0(0)
D	11(10.1)	2(8.3)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
E	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
A+B	10(9.2)	2(8.3)	0(0)	1(5.9)	1(8.3)	1(14.3)	0(0)	1(6.3)
A+C	8(7.3)	1(4.2)	0(0)	0(0)	0(0)	0(0)	0(0)	1(6.3)
A+D	17(15.6)	1(4.2)	0(0)	1(5.9)	3(25)	0(0)	2(40)	5(31.3)
B+C	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	1(20)	2(12.5)
B+D	0(0)	1(4.2)	0(0)	2(11.8)	0(0)	0(0)	0(0)	0(0)
B+E	1(0.9)	0(0)	0(0)	0(0)	0(0)	0(0)	1(20)	0(0)
C+D	2(1.8)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
C+E	1(0.9)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
D+E	1(0.9)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
A+B+C+D	1(0.9)	1(4.2)	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
<b>TOTAL</b>	109(100)	24(100)	10(100)	17(100)	12(100)	7(100)	5(100)	16(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

It the above Table 2.13 we try to study startup capital in relation the type of enterprises.

## 1. Retail

The above table shows that majority in the retail sector relied on personal savings (A) to start up their business with 30.3 percent. This is followed by parents' assistance (B) with 18.3 percent. 15.6 percent relied on both personal saving and loans from private individuals (A+D). 10.1 percent under retail started their enterprise by taking loans from private individuals/organisation (D). Personal saving and parents' assistance (A+B) are used by 9.2 percent of the entrepreneurs. While 7.3 percent relied on personal savings and loans from banks (A+C). 3.7 percent relied on loans from bank (C).

## **2. Hotel and restaurant**

Form the above given table, majority under this category relied on their own personal savings (A) as a source of startup capital (45.8 percent) followed by those that relied on parents' assistance (B) with 12.5 percent. 8.3 percent each availed loans from banks and loans from individuals/organizations (C+D). There are only few who had used two source of start-up capital- 8.3 percent opted both personal savings and parental assistance (A+B), 4.2 percent opted for personal savings and loans from banks (A+C), another 4.2 percent personal savings and loans from private individuals/organisations (A+D), parents' assistance and loans from private individuals/organisations (B+D) with 4.2 percent and another 4.2 percent relied on more than two source of startup capital.

## **3. Workshop**

Personal savings (A) was the most common source of startup capital with 80 percent opting for it. Another 20 percent had used loans from banks (C) to start up their own enterprises.

## **4. Printing**

Under this category, the highest percentage of respondent has relied on parents assistance (B) with 41.2 percent, followed by those who relied on personal savings (A) as their startup capital (35.3 percent). (11.8 percent) opted for parents' assistance and loans from private individuals/organizations (B+D) while 5.9 percent opted for personal savings and parents' assistance (A+B) and another 5.9 percent relied on parents' assistance and loans from private individuals/organizations (B+D).

## **5. Handicraft**

From the above table it can be seen that personal saving is the most important source of startup capital for the entrepreneurs under handicraft as 50 percent of the entrepreneurs used personal savings (A) to start their enterprises. 16.7 percent by relied on parents' assistance (B). 25 percent relied on both personal savings and loans from private individuals/organisations (A+D) while on the other hand 8.3 percent relied on personal savings and parents' assistance (A+B) as a source of startup capital.

## **6. Steel fabrication**

71.4 percent under steel fabrication relied on personal savings (A) as a source of startup capital for their enterprises. 14.3 percent depended on loans from banks (C) while another 14.3 percent opted both personal savings and parents' assistance (A+B).

## **7. Saw Mill**

Majority opted for personal savings and loans from private individuals/organisations (A+D) with 40 percent followed by those who relied on personal savings (A), both parents' assistance and loans from banks (B+C) and those who relied on both parental assistance and government assistance (B+E) with 20 percent each.

## **8. Stone quarry and sawmill**

In this category, 31.3 percent relied on personal savings while another 31.3 percent on loans from private individuals/organisations (A+D) followed by those who relied on personal savings (A) with 12.5 percent and the combination of both parents' assistance and loans from banks (B+C) with 12.5 percent. While the least opted the combinations of personal savings and parents' assistance (A+B) and personal savings and loans from banks (A+C) with 6.3 percent each.



**Table 2.32 Source of start-up capital and Age**

Start-up capital	21-26	27-32	33-38	39-44	45 above
A	4(23.5)	13(29.5)	13(36.1)	12(34.3)	33(48.5)
B	7(41.2)	18(40.9)	5(13.9)	1(2.9)	3(4.4)
C	0(0)	3(6.8)	2(5.6)	2(5.7)	2(2.9)
D	1(5.9)	5(11.4)	3(8.3)	1(2.9)	3(4.4)
A+B	2(11.8)	3(6.8)	3(8.3)	4(11.4)	4(5.9)
A+C	0(0)	0(0)	2(5.6)	3(8.6)	5(7.4)
A+D	2(11.8)	0(0)	5(13.9)	6(17.1)	16(23.5)
B+C	0(0)	1(2.3)	0(13.9)	2(5.7)	0(0)
B+D	1(5.9)	1(2.3)	0(0)	1(2.9)	0(0)
B+E	0(0)	0(0)	1(2.8)	0(0)	1(1.5)
C+D	0(0)	0(0)	0(0)	1(2.9)	1(1.5)
C+E	0(0)	0(0)	0(0)	1(2.9)	0(0)
D+E	0(0)	0(0)	1(2.8)	0(0)	0(0)
A+B+C+D	0(0)	0(0)	1(2.8)	1(2.9)	0(0)
Total	17(100)	44(100)	36(100)	35(100)	68(100)

*Source: field survey 2015-16. Note: figure in parenthesis indicates percentage*

Table 2.31 present the data the various sources of start-up capital in relation to entrepreneur's age for the three districts.

### **1. Age group between 21-26:**

It is seen from the above table that, majority of those between 21-26 age group relied on parents' assistance (B) to start their enterprise (41.2 percent) followed by personal savings (A) with 23.5 percent. 5.9 percent relied on loans from individuals/organisation (D). 11.8 percent relied on personal savings and parents' assistance (A+B). While another 11.8 percent used the combination of personal savings and loans from individuals/organisation (A+B) while 5.9 percent relied the combination of both parents assistance and loans from individuals/organisation (B+D).

### **2. Age group between 27-32:**

It was found that, majority sought for parents' assistance (B) with 40.9 percent followed by those who relied on personal saving (A) with 29.5 percent, loans from private individuals/ organization (D) with 11.4 percent, loans from banks (C) with 6.8 percent.

Another 6.8 percent relied on the combination of personal savings and parents' assistance (A+B) while very few opted for the combination of parents' assistance and bank loans (B+C) and parents' assistance and loans from private individuals/ organization (B+D) with 2.3 percent.

### **3. Age group between 33-38:**

Personal saving (A) with 36.1 percent was found to be the most common source of startup capital followed by those who opted for parents' assistance (B) with 13.9 percent; another 13.9 percent relied on the combination of both personal savings and loans from private individuals/organisation (A+D). The least opted for the combinations of parents' assistance and government assistance (B+E) with 2.8 percent and private individuals/ organization (D) with 2.8 percent. Also another 2.8 percent relied on more than three source of start-up capital.

### **4. Age group between 39-44:**

The majority under this category relied on their personal savings (A) as the source of start-up capitals with 34.3 percent. It is followed by those who combined both personal savings and loans from private individuals/organisation (A+D) with 17.1 percent. 11.4 percent relied on personal savings and parents' assistance (A+B). While the combination of parental assistance and loans from private individual/organizations (B+D), loans from banks and loans from private individuals/organizations (C+D) and loans from banks and government assistance (C+E) are opted by 2.9 percent of the entrepreneurs. Also another 2.9 percent of the entrepreneurs relied on more than three sources of start-up capital.

## 5. Age group of 45 and above:

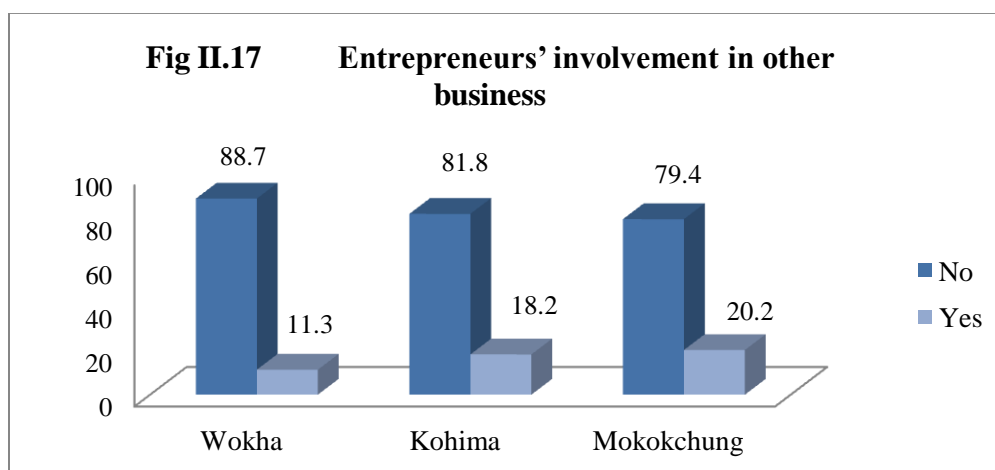
Under the category of personal saving (A) there are 48.5 percent. It is followed by those who relied on both personal savings and loans from private individuals/organizations (A+D) with 23.5 percent. 7.4 percent relied on personal savings and loans from banks (A+C) to start their enterprises while 5.9 percent relied on the combination of both personal savings and parents' assistance (A+B) to start their enterprises. Least being the combinations of parents' assistance and government assistance (B+E) and loans from banks and loans from private individuals/organizations (C+D) with 1.5 percent.

**Table 2.33 Entrepreneurs' involvement in other business**

Other business	Wokha	Kohima	Mokokchung
No	63(88.7)	54(81.8)	50(79.4)
Yes	8(11.3)	12(18.2)	13(20.2)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*



From the above table, we see that majority had no other business involvement in all the three districts. In Wokha 11.3 percent of the entrepreneurs are found to have other business involvement. In Kohima 18.2 percent while in Mokokchung

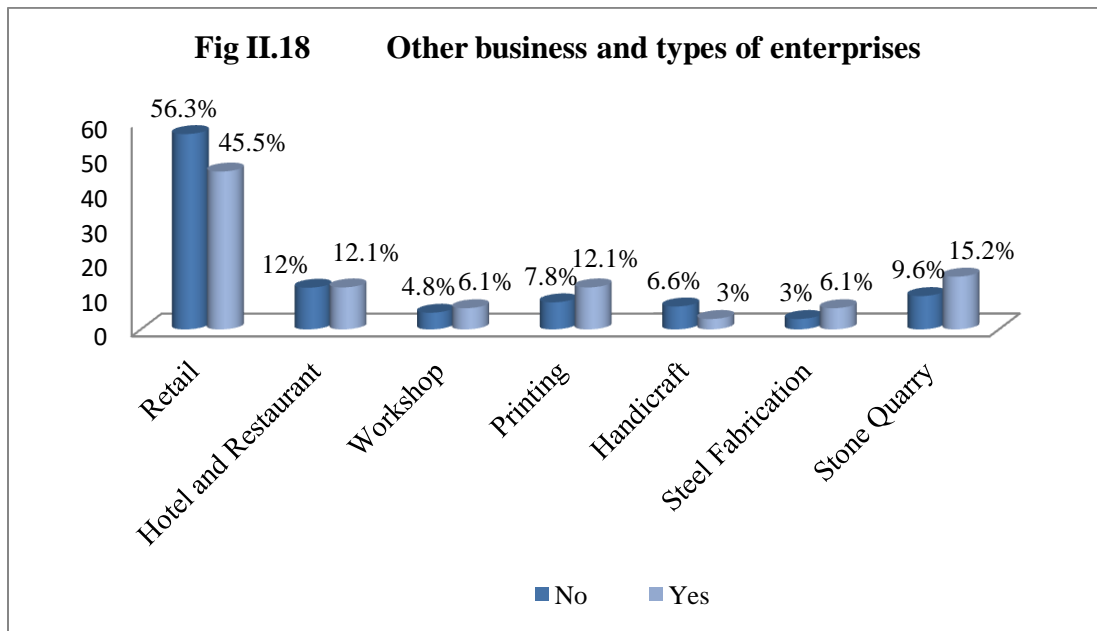
20.2 are found to have an involvement in other business. Comparatively Kohima had more entrepreneurs involving in other business.

**Table 2.34 Other business and types of enterprises**

Types of Enterprises	No	Yes
Retail	94(56.3)	15(45.5)
Hotel and Restaurant	20(12)	4(12.1)
Workshop	8(4.8)	2(6.1)
Printing	13(7.8)	4(12.1)
Handicraft	11(6.6)	1(3)
Steel Fabrication	5(3)	2(6.1)
Stone Quarry	16(9.6)	5(15.2)
Total	167(100)	33(100)

Source: field survey 2015-16.

Note: figure in parenthesis indicates percentage



The table above shows that, majority of those who had other business involvement are under retail enterprise with 45.5 percent followed by stone quarry with 15.2 percent. 12.1 percent each for printing and hotel and restaurant, workshop and steel fabrication with 6.1 percent. While only 3 percent of the entrepreneurs under handicraft had involved in other business.

**Table 2.35 Entrepreneurs' Marital status**

Marital status	Wokha	Kohima	Mokokchung
Married	50(70.4)	47(71.2)	55(87.3)
Unmarried	21(29.6)	19(28.8)	8(12.7)
Total	71(100)	66(100)	63(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

In the above table, majority of the entrepreneurs are found to be married in all the three districts. In Wokha 70.4 percent are found to be married while in Kohima 71.2 percent are found to be married while in Mokokchung 87.3 percent are found to be married.

**Table 2.36 Entrepreneurs' Marital status and types of enterprises**

Types and no. of Enterprises	Married	Unmarried
Retail	78(51.3)	31(64.6)
Hotel and Restaurant	21(13.8)	3(6.3)
Workshop	9(5.9)	1(2.1)
Printing	10(6.6)	7(14.6)
Handicraft	10(6.6)	2(4.2)
Steel Fabrication	5(3.3)	2(4.2)
Stone Quarry	19(12.5)	2(4.2)
Total	152(100)	48(100)

*Source: field survey 2015-16.*

*Note: figure in parenthesis indicates percentage*

From the table above we see that, under retail enterprise 51.3 percent are found to be married and 64.6 percent are unmarried. Hotel and restaurant with 13.8 percent married and 6.3 percent, under stone quarry with 12.5 percent are married and 4.2 are unmarried, handicraft with 6.6 married and 4.2 unmarried, printing with 6.6 percent married and 14.6 unmarried, Workshop with 5.9 percent married and 2.1 percent unmarried and steel fabrication with 3.3 percent married and 4.2 percent unmarried.

## **CHAPTER – III**

### **Entrepreneurship Development in Nagaland**

With the growing strain of unemployment in the state there is an urgent need for promotion and development of entrepreneurship to give opportunity to earn decent livelihood to those who are looking for job, of whom majority are youths. The effort of the government to develop entrepreneurship has mainly been through EDPs, training programmes and financial assistance. The role of entrepreneurship development has been bestowed upon the subsidiary branches of the Government of Nagaland viz. Department of Industry and Commerce, Department of Employment, Skill Development and Entrepreneurship and KVICs. Through these institutions the Government of Nagaland has been trying its best to implement schemes and programmes to promote entrepreneurship in Nagaland.

#### **III. Major Entrepreneurship Development Agencies in Nagaland and their Activities**

The State Government with the intention of promoting and developing entrepreneurship and industries in the state, have established various related department or institutions to meet the needs and demands of the entrepreneurs with regard to creation and maintenance of the enterprises. The institutions in accordance with the requirements, uses various means such as training programmes, financial assistance and provision of physical infrastructure to development entrepreneurship. The institutions and their various roles towards entrepreneurship development are summarized below.

### **III.1 Department of Industry and Commerce**

The Department of Industries & Commerce has been established with an aim to promote industrialization in the state through various industrial and commercial activities including hospitality and business service sector in the state. The department has so far created the following infrastructures in order to facilitate entrepreneurship development and industrial growth in the State:

- i. Industrial Growth Centre (IGC) at Ganeshnagar, Dimapur.
- ii. Export Promotion Industrial Park which is now being up graded to Product Specific Special Economic Zone (SEZ).
- iii. Nagaland Tool Room & Training Centre (NTTC) Dimapur aimed with Human Resource Deployment in the Industrial Sector.
- iv. Industrial Infrastructure Development Centre (IIDEVELOPMENT COMMISSIONER ) at Kiruphema.
- v. 4 (Four) Infrastructure Development (ID/ Industrial Estate) at Mokokchung, Mon, Peren & Dimapur proposed during current plan period.

The following are the various programmes adopted by Department of Industry and Commerce for the promotion of the entrepreneurs:

#### **III.1.1 Training Programmes**

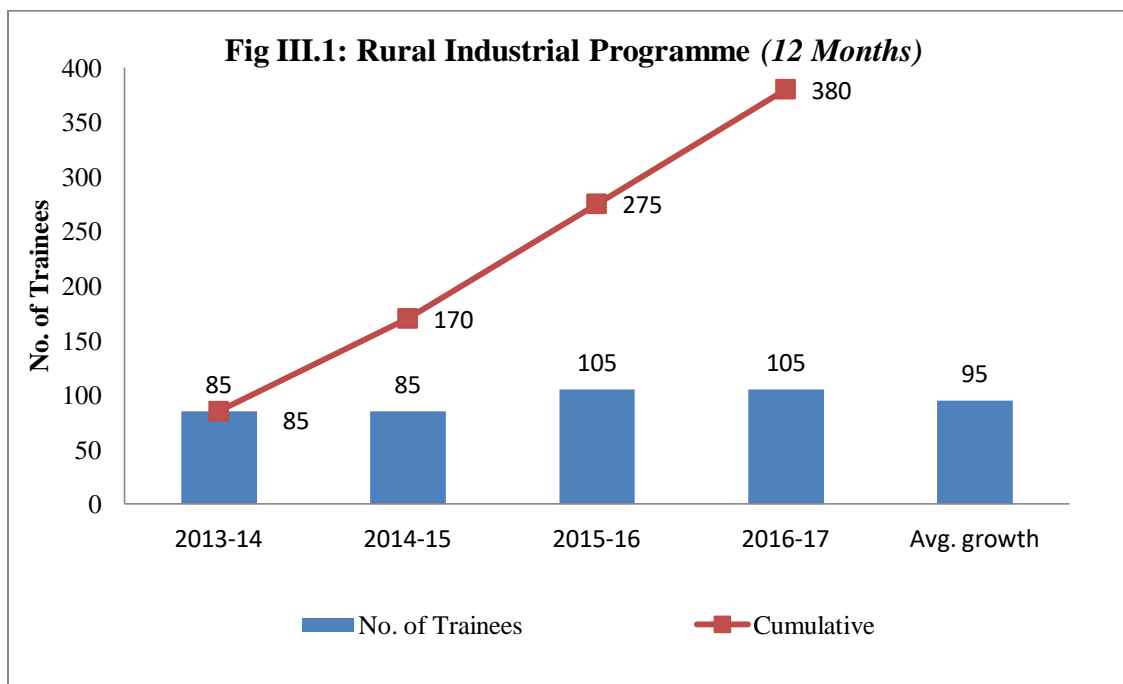
The department conducts various skill based trainings of different time duration which are classified as - Long-Term and Short-Term programmes. Long term training programme are those trainings that ranges from 9 months to 12 months while short term ranges between 3 months to 6 months. The following are the long term programmes.

**Table 3.1 Rural Industrial Programme (12 Months)**

Type of Training	Districts	No. of Trainees				
		2013-14	2014-15	2015-16	2016-17	Avg. growth
Weaving	Dimapur	15 (17.6)	15 (17.6)	15 (14.3)	15 (14.3)	15
Weaving	Mokokchung	15 (17.6)	15 (17.6)	15 (14.3)	15 (14.3)	15
Weaving & Handicraft	Tuensang	25 (29.4)	25 (29.4)	25 (23.8)	25 (23.8)	25
Weaving & Handicraft	Mon	20 (23.5)	20 (23.5)	20 (19)	20 (19)	20
Handicraft	Zunheboto	0 (0)	0 (0)	10 (9.5)	10 (9.5)	5
Weaving	Longleng	0 (0)	0 (0)	10 (9.5)	10 (9.5)	5
Weaving & Handicraft	Aghunato	10 (11.8)	10 (11.8)	10 (9.5)	10 (9.5)	10
Total		85 (100)	85 (100)	105 (100)	105 (100)	95
Cumulative		85	170	275	380	

Sources: Annual report of Department of Industry and Commerce.

Note: Figures in parenthesis represents percentage



The table above shows that under the Rural Industrial Programmes (12 months) the number of trainees is seen to have increased from 85 trainees in 2013-14 and 2014-15 to 105 trainees to in 2015-16 and 2016-17. The trainings were given in seven districts of Nagaland viz. Dimapur, Mokokchung, Tuensang, Mon, Zunheboto, Longleng and Aghunato. It is seen that Mon and Tuensang district had the most number of trainees with the highest percentage



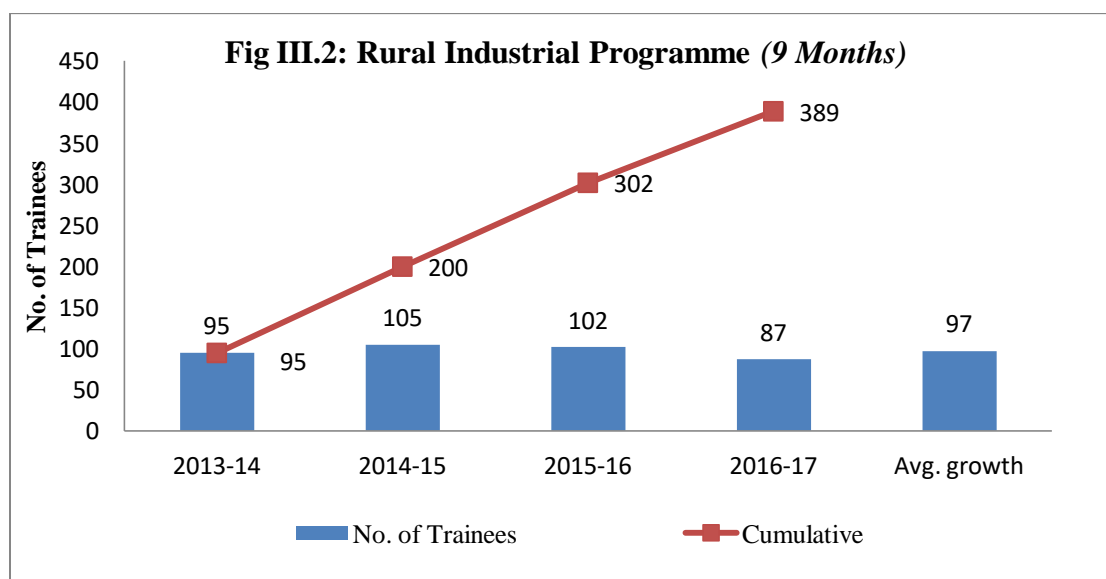
in all the years. Weaving and Handicraft is seen to have been given more emphasizes. The CAGR from 2013-14 to 2016-17 is found to be 64.74 percent.

**Table 3.2 Rural Industrial Programme (9 Months)**

Types of Training	Districts	No. of Trainees				
		2013-14	2014-15	2015-16	2016-17	Avg. growth
Electronic	Dimapur	0 (0)	10 (9.5)	10(9.8)	10 (11.5)	8
Automobile	Dimapur	15 (15.8)	15 (14.3)	15(14.7)	15 (17.2)	15
Sheet Metal	Dimapur	15 (15.8)	15 (14.3)	15(14.7)	0 (0)	11
Welding	Wokha	0 (0)	0 (0)	12(11.8)	12 (13.8)	6
	Dimapur	15 (15.8)	15 (14.3)	0 (0)	0 (0)	8
Stenography	Kohima	20 (21.1)	20 (19.0)	20(19.6)	20 (23)	20
Cutting & Tailoring	Peren	0 (0)	0 (0)	10(9.8)	10 (11.5)	5
Cutting & Tailoring	Kiphire	0 (0)	0 (0)	10(9.8)	10 (11.5)	5
Cutting & Tailoring	Chozuba	0 (0)	0 (0)	10(9.8)	10 (11.5)	5
Cutting & Tailoring	Tseminyu	10 (10.5)	10 (9.5)	0 (0)	0 (0)	5
Cutting & Tailoring	Pughoboto	10 (10.5)	10 (9.5)	0 (0)	0 (0)	5
Cutting & Tailoring	Bhandari	10 (10.5)	10 (9.5)	0 (0)	0 (0)	5
<i>Total</i>		95 (100)	105 (100)	102 (100)	87 (100)	97
<i>Cumulative</i>		95	200	302	389	

Sources: Annual report of Department of Industry and Commerce.

Note: Figures in parenthesis represents percentage



The table above shows the various types of trainings given under the Rural Industrial Programmes (9 months) viz. electronic, automobile, sheet metal, welding, stenography and

cutting & tailoring. The highest number of trainees produced was in the year 2014-15 with 105 numbers of trainees, which is followed by 102 in 2015-16, 95 in 2013-14 and 87 in 2016-17. In all the years, the type of training that received the highest percentage of training was stenography followed by automobile, sheet metal and welding. The CAGR from 2013-14 to 2016-17 is found to be 59.98 percent.

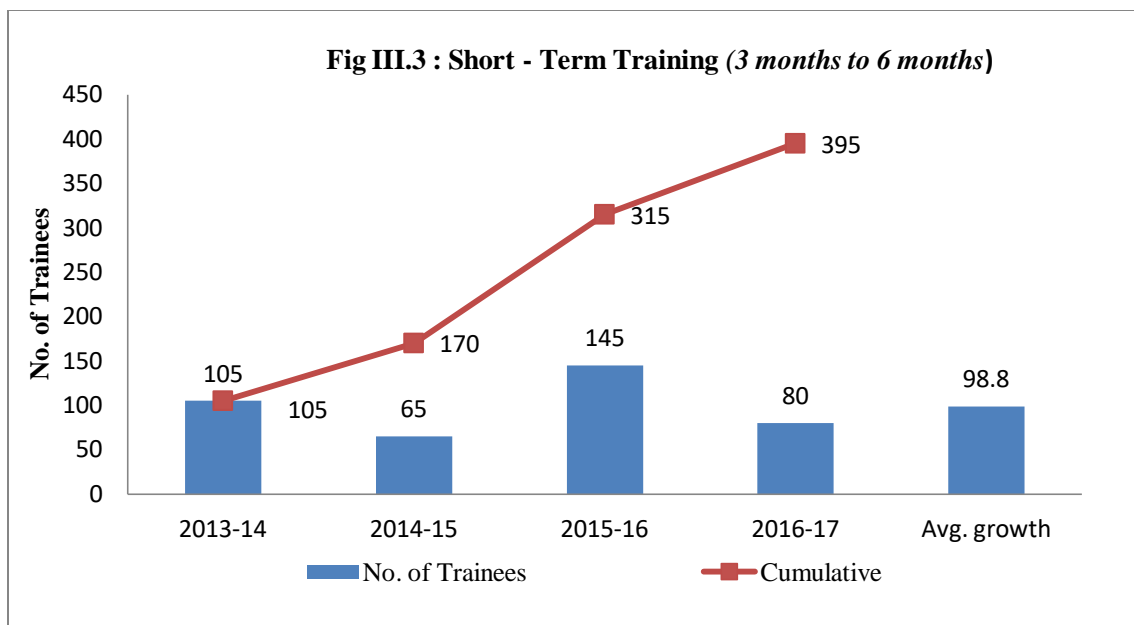
**Table 3.3 Short - Term Training (3 months to 6 months)**

Types of Training	Districts	No. of Trainees				
		2013-14	2014-15	2015-16	2016-17	Avg.growth
Cutting & Tailoring	Mokokchung	0 (0)	20(30.8)	20(13.8)	20(25)	15
Cutting & Tailoring	Kohima	0(0)	0(0)	20(13.8)	20(25)	10
Hair, Skin & Beauty Care	Dimapur	0(0)	25(38.4)	25(17.2)	40(50)	22.5
Cutting & Tailoring	Mokokchung	15(14.3)	0(0)	0 (0)	0 (0)	3.8
Beauty & Hairstyling	Dimapur	15(14.3)	0(0)	0(0)	0(0)	3.8
Basket Making	Dimapur	20 (19)	20(30.8)	0(0)	0(0)	10
Computer Fundamentals	Kohima	40(38)	0(0)	0(0)	0(0)	10
Cutting & Tailoring	Kohima	15(14.3)	0(0)	0(0)	0(0)	3.8
Hair, Skin & Beauty Care (DONER)		0(0)	0 (0)	80(55.2)	0(0)	20
Total		105(100)	65(100)	145(100)	80(100)	98.8
Cumulative		105	170	315	395	

*Sources: Annual report of Department of Industry and Commerce.*

*Note: Figures in parenthesis represents percentage*

The short-term training programmes ranges from 3 months to 6 months period. The various types of trainings offered are viz cutting & tailoring, hair, skin & beauty care, beauty and hairstyling, basket making and computer fundamentals. In 2013-14 the total number of trainees was 105. Out of which the maximum number of training was focused on computer fundamentals with about 38 percent which was followed by basket making with 19 percent. In 2014-15 a total of 65 trainees was produced in cutting



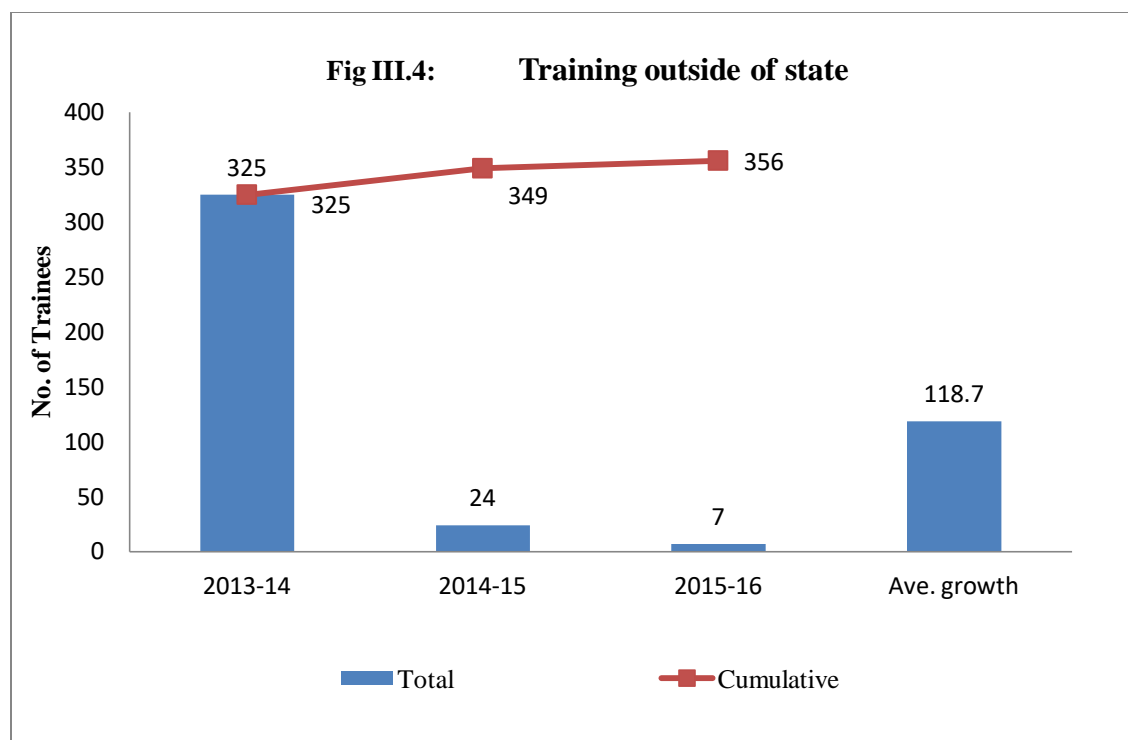
and tailoring, hair, skin and beauty care and basket making constituting 30.8 percent each. In 2015-16, majority of the trainees took up hair, skin and beauty care training under the sponsorship of DONER which was about 55.2 percent of the 145 trainees. While in 2016-17 about 80 trainees under took training in cutting and tailoring and hair, hair, skin and beauty care. The CAGR from 2013-14 to 2016-17 is found to be 59.98 percent.

**Table 3.4 Training outside of state**

Types of Training	No. of Trainees			
	2013-14	2014-15	2015-16	Avg. growth
Indian Institute of Handloom and textiles technology, Guwahati	15(4.6)	5(20.8)	7(100)	9
Advance Training in Fine cane and Bamboo Technology, Agartala	15(4.6)	0(0)	0(0)	5
National Institute of Fashion Technology	20(6.2)	19(79.2)	0(0)	13
Hairstyling and beauty care, Kolkata	40(12.3)	0(0)	0(0)	13.3
Banana Fiber and Extraction, NEITCO, Guwahati	15(4.6)	0(0)	0(0)	5
Industrial Exposure Tour for Entrepreneur/Educated youths, NEITCO, Guwahati	220(67.7)	0(0)	0(0)	73.3
Total	325(100)	24(100)	7(100)	118.7
Cumulative	325	349	356	

Sources: Annual report of Department of Industry and Commerce.

Note: Figures in parenthesis represents percentage



The department also provided training outside of the state which is mentioned in the table above. Majority of the activities were seen to have been conducted in the year 2013-14. In 2013-14, around 220 entrepreneur and educated youths (67.7 percent) underwent an Industrial Exposure Tour out of the state, 40 trainees (12.3 percent) underwent a training at National Institute of Fashion Technology of Kolkata, 15 trainees (4.6 percent) each to Indian Institute of Handloom and textiles technology, Guwahati, Advance Training in Fine cane and Bamboo Technology, Agartala. In 2014-15, 19 trainees (79.2 percent) were sent to National Institute of Fashion Technology of Kolkata and 5(20.8 percent) to Indian Institute of Handloom and textiles technology. In 2015-16 with only 7 trainees were send to Indian Institute of Handloom and textiles technology, Guwahati. The CAGR from 2013-14 to 2015-16 is found to be 4.66 percent.

### III.1.2 Year of Entrepreneurship

One of most important accomplishment of the department is the implementation of the '*Year of Entrepreneurship 2010*'. As per the approval of the cabinet directives, the following number of entrepreneurs were selected under the year of entrepreneurship 2010 programmes and were promotes through various institutions as mentioned in the table below.

**Table 3.5 Entrepreneurs financed through the Year of Entrepreneurship**

Promoting Institutions	Number of Entrepreneurs
Industries (PMEGP)	342 (44.6)
NHHDC	85 (11.1)
NIDC	49 (6.4)
Directly Financed by Banks	168 (21.9)
Other Allied Departments	122 (15.9)
Total	766 (100)

Sources: *Annual report of Department of Industry and Commerce*

*Note: Figures in parenthesis represent percentage*

The table above shows that majority of the finance to the entrepreneurs were provided by Districts Industries Center through PMEPG scheme (44.6 percent). While 21.9 percent was directly funded by banks. Other Allied Department constitutes about 15.9 percent, NHHDC funded about 11.1 percent and NIDC funded about 6.4 percent.

### III.1.3 Prime Minister's Employment Generation Programme (PMEGP), DICs

Prime Minister's Employment Generation Programme (PMEGP) is a centrally sponsored scheme administered by the Ministry of Micro, Small and Medium Enterprise (MoMSME). The Scheme is implemented by Khadi and Village Industries Commission (KVIC) as the Nodal Agency at the National Level. At the State level, the Scheme is implemented through the state KVIC, State Khadi and Village Industries Board (KVIBs), District Industries Centers (DICs) and banks as per the guidelines of the programme.

**Table 3.6 Allocation of PMEGP to DICs**

Year	Units allotted under DICs	Employment generation
2013-14	329	2632
2014-15	606	-
2015-16	330	2640
2016-17	400	3200

**Sources:** Annual report of Department of Industry and Commerce

*Note: Figures in parenthesis represent percentage*

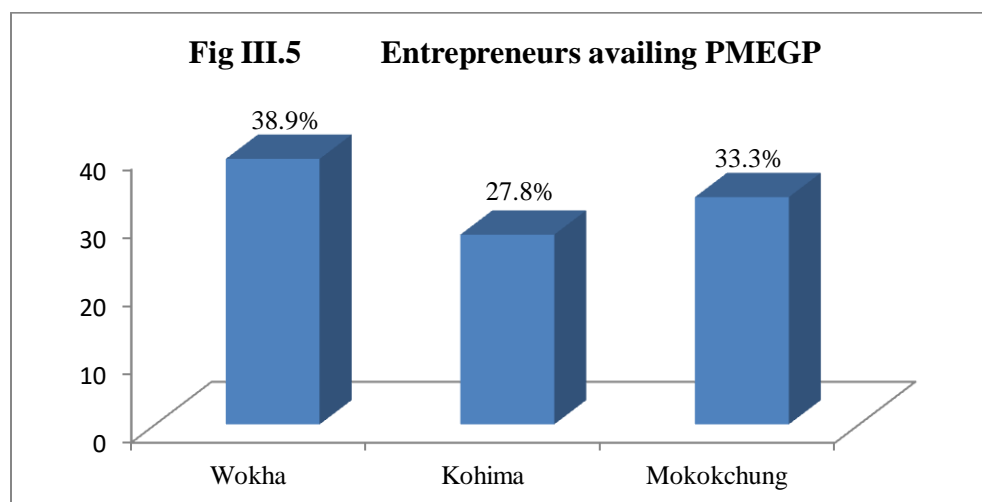
The table above shows the allocation of units to District Industrial Centers for assistance through the PMEGP programme. In 2013-14, around 329 units were allocated for assistance through PMEGP and through it generated 2632 number of employment. In 2014-15, the allocation increased to about 606 units, while in 2015-16, 330 units were allocated for assistance and generated employment of about 2640. Further, in 2016-17 it was found to about 400 units generating employment of about 3200.

**Table 3.7 Entrepreneurs availing PMEGP**

Districts	Entrepreneurs availing PMEGP	Percentage to total enterprises
Wokha	7 (38.9)	9.9
Kohima	5 (27.8)	7.6
Mokokchung	6 (33.3)	9.5
Total	18 (100)	9.0

**Source:** field survey (2015-16)

*Note: Figures in parenthesis represent percentage*



The table above shows that very few of those who were availing assistance from the government in the form of PMEGP. It is found that in Wokha districts only about 9.9 percent avails for PMEGP. In Kohima it is found to be 7.6 percent while in Mokokchung about 9.5 percent of the total entrepreneurs in the study, availed for PMEGP.

### **III.2 Nagaland Tool Room & Training Centre (NTTC), Dimapur**

Nagaland Tool-Room & Training Centre, Dimapur was established on 9<sup>th</sup> of August 2006 under the Directorate of industries & Commerce, Kohima. The center has been set up with the aim to cater to the need of providing technical skill to the youths of Nagaland. NTTC offers various types of programmes and courses which are summarized as below:

The following are the activities undertaken by NTTC,

#### **III.2.1 Entrepreneurship Skill Development Programme (ESDP):**

For the purpose of promoting entrepreneurship among the youths the Br. MSME-DI, Dimapur with the help form Ministry of Micro, Small and Medium Enterprises (MSME), Government of India sponsors youths to undergo 6 week Entrepreneurship Skill Development Programme (ESDP) at NTTC, Dimapur Viz; ESDP on Conventional Lathe, ESDP on Milling, ESDP on CAD/CAM (AutoCAD), ESDP on CNC milling and ESDP on Carpentry

**Table 3.8 Sponsored for ESDP at NTTC**

Year	Total	Sponsoring Agency
2013-14	104	MSME
2014-15	150	MSME
2015-16	23	MSME
2016-17	-	-

Sources: *Annual report of Department of Industry and Commerce*

Note: *Figures in parenthesis represent percentage*

In the table above it can be seen that in 2013-14 the total number of person sponsored under MSME was 104. It increased to 150 in 2014-15. In 2015-16 it was found to be only 23 persons.

### III.2.2 Diploma in Tool and Die Making:

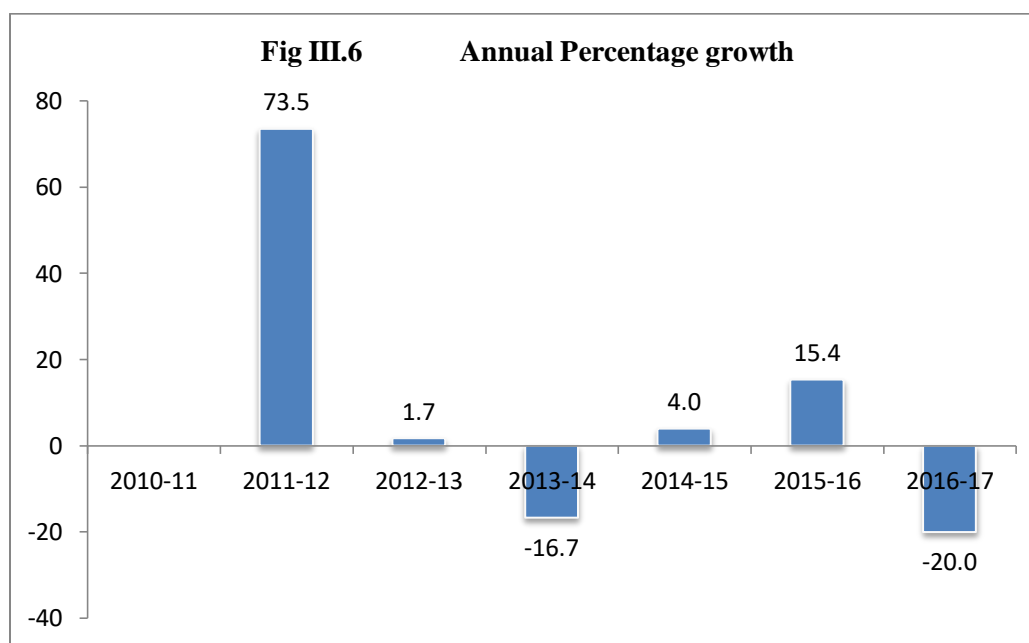
The NTTC, Dimapur in collaboration with the government of Nagaland created Diploma in Tool and Die Making with an aim to provide hands-on training to youths.

**Table 3.9 Enrollment ratio to Diploma in Tool and Die Making**

Year	Male	Female	Total	Annual percentage growth
2010-11	31(91.2)	3(8.8)	34	-
2011-12	56(94.9)	3(5.1)	59	73.5
2012-13	58(96.7)	2(3.3)	60	1.7
2013-14	50(100)	0(0)	50	-16.7
2014-15	52(100)	0(0)	52	4.0
2015-16	57(95)	3(5)	60	15.4
2016-17	46(95.8)	2(4.2)	48	-20.0

Sources: Annual report of Department of Industry and Commerce

Note: Figures in parenthesis represent percentage





In 2010-11 the total of 34 where 91.2 percent were male and 8.8 percent were female took up diploma in Tool and Die Making was about. 59 trainees in 2011-12, out of which 94.9 percent were male and 5.1 percent were female. In 2012-13, it increased to 60 trainees, out of which 96.7 percent were male and 3.3 percent were female. In 2013-14, there were 50 trainees while in 2014-15, 52 trainees constituting of only male undertook the training. In 2015-16, the ratio was 95 percent male and 5 percent female for a total of 60 persons. Further in 2016-17 there were about 48 persons where 95.8 percent were male and 4.2 percent were female. It is also seen that the annual percentage growth in the number of enrollment for the year 2011-12 was highest with 73.5 percent followed by 2015-16 with 15.4 percent while a negative growth in 2016 with -20.0 percent.

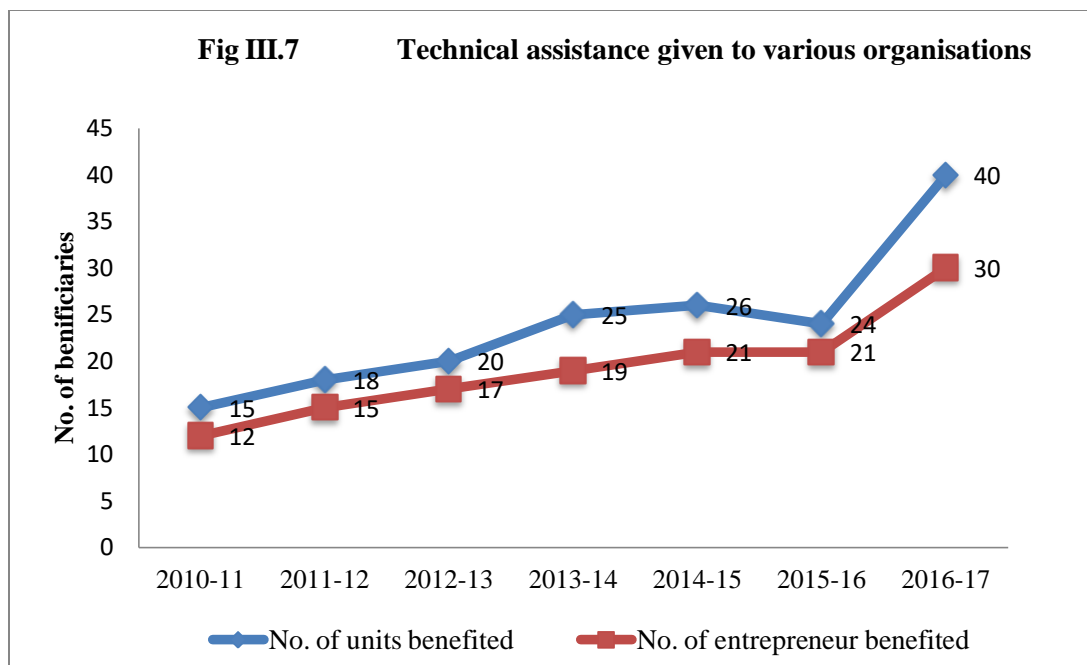
**Table 3.10 Technical assistance given to various organisations**

Year	No. of units benefited	No. of entrepreneur benefited
2010-11	15 (8.9)	12 (8.9)
2011-12	18 (10.7)	15 (11.1)
2012-13	20 (11.9)	17 (12.6)
2013-14	25 (14.9)	19 (14.9)
2014-15	26 (15.5)	21 (15.6)
2015-16	24 (14.3)	21 (15.6)
2016-17	40 (23.8)	30 (22.2)
Total	168 (100)	135 (100)

Sources: *Annual report of Department of Industry and Commerce*

*Note: Figures in parenthesis represent percentage*

The table above shows the technical assistants provided to various units and entrepreneurs by the NTTC. It is seen that the numbers of the beneficiaries which are business units and entrepreneurs have been increasing over the years. In 2010-11 the beneficiary were 15 units and 12 entrepreneurs which further increased to 18 units and 15 entrepreneurs in 2011-12.



In 2012-13 it was 20 units and 17 entrepreneurs. 25 units and 19 entrepreneurs in 2013-14, 26 units and 21 entrepreneur in 2014-15, 24 units and 21 entrepreneurs in 2015-16 received assistants. Finally in 2016-17, the units increased to 40 and the number of entrepreneurs increased to 30.

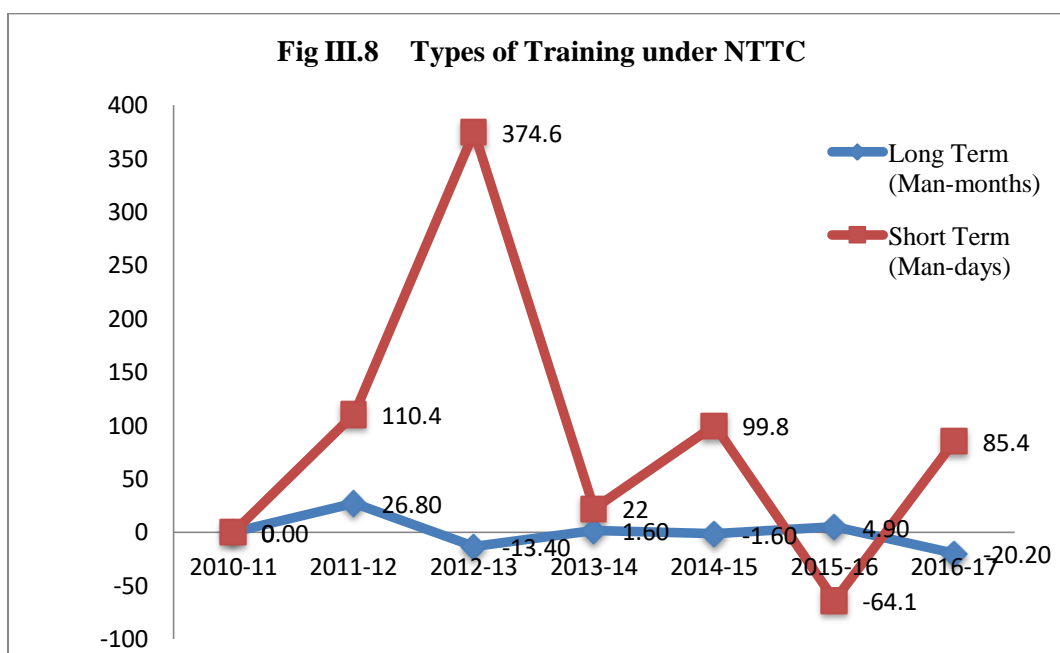
**Table 3.11 Types of Training under NTTC**

Year	Long Term (Man-months)	Annual Percentage growth	Short Term (Man-days)	Annual Percentage growth
2010-11	1344	-	675	-
2011-12	1704	26.8	1420	110.4
2012-13	1476	-13.4	6740	374.6
2013-14	1500	1.6	8220	22
2014-15	1476	-1.6	16420	99.8
2015-16	1548	4.9	5900	-64.1
2016-17	1236	-20.2	10940	85.4

Sources: *Annual report of Department of Industry and Commerce*

NTTC trainings are classified into long term and short term. Under the long term category the centre provided the maximum training in the year 2011-12, i.e. 1704 man

months. Followed by 1548 in 2015-16, while in 2013-14 it was 1500. Under the short term category the training is measure in terms of man-days. The maximum training was provided in 2014-15 with about 16420 man-days. In 2016-17 it was 10940, while in 2013-14 it was about 8220 man-days. The least was 675 in 2010-11



### III.2.3. Courses Conducted by National Tool Room and Training Centre (NTTC):

- i. Diploma in Tool and Die Making
- ii. Computer aided Drafting (Auto CAD)
- iii. CAD/CAM and Tool Design
- iv. Advanced Machining Course
- v. Multi-Skill Development Course
- vi. Certificate in Tool Technology
- vii. Welding Fabrication
- viii. Electrician
- ix. Sheet metal fabrication
- x. Graphic Design
- xi. Video Editing

The following are the recent development on skill development programmes under NTTC:

#### **III.2.4 Border Area Development Programme (BADP) Under Dept. Of DUDA**

The Department of Underdeveloped Areas (DUDA) has sponsored 30 candidates for in house welding fabrication training (6 months) under Border Area Development Programmes At Nagaland Tool Room & Training Centre, Dimapur from 1st of June to 30 November 2016.

#### **III.2.5 NTTC 10 Anniversary Sponsorship Training**

On account of its 10 Anniversary, NTTC has offered 3 months free residential training on machinist course to unemployed youths. Altogether 38 youth have been trained in different Sectors viz; (i) Welding Fabrication - 8 candidates (ii) Conventional Machining - 21 candidates (iii) CNC operations - 9 candidates. The training was conducted from 1<sup>st</sup> Sept. to 30<sup>th</sup> Nov. 2016. On completion of training, 25 trainees were placed in different Manufacturing Industries in Pune, Maharashtra and 5 trainees were placed in Fabrication units in Dimapur.

#### **III.2.6 Advance Machining Course (KPA, Zunheboto)**

Advanced Machining Course was conducted for 29 students of final year Diploma in Mechanical Engineering from Khelhoshe Polytechnic Atoizu, Zunheboto at Nagaland Tool Room & Training Centre, Dimapur during 05 Jan. 2016 to 18 Jan. 2016.

#### **III.2.7 Cane, Bamboo & Wood Based Cluster Development Training under NERTPS**

The department of Industries & Commerce, Kohima have sponsored 250 artisans to undergo skill upgradation training on Cane, Bamboo & Wood Based Cluster Development Training under NERTPS during 2016-17.

### **III.2.8 Community College Scheme under AICTE:**

NTTC has been approved to start of 3 (three) Vocational Diploma courses viz; (i) Automobile (ii) Manufacturing (iii) Electrical Equipment Maintenance, through Community College Scheme under AICTE, Ministry of HRD, Govt. of India. The course will be a stretch of 1000 hours duration each with curriculums designed by National Skill Qualification Framework (NSQF). The enrollment of students has been as: under Manufacturing (50 students) and Automobile (50 students) courses during 2016-17.

### **III.2.9 Personality development Programmes:**

NTTC has conducted various seminars and workshop with a purpose of developing personality. About 150 students participated in a Seminar on “Character a tool to build solutions for society” -Initiatives of Change. On 15<sup>th</sup> November 2016, Dimapur, a workshop on “Mind education” for the trainees of NTTC. Workshop on “Eco friendly societal benefits of Plasmas Technology”. A workshop on “Eco-friendly societal benefits of Plasmas Technology” was organized by Nagaland Science & Technology Council, Govt. of Nagaland, Kohima on 13<sup>th</sup> October, 2016 at NTTC, Dimapur

### **III.3 Nagaland Handloom and Handicraft Development Corporation Ltd. (NHHDC)**

The Nagaland Handloom & Handicrafts Development Corporation Ltd. was set up in the year 1979 as Government of Nagaland undertaking with the main objective of promoting and developing vibrant traditional handloom & handicrafts products which are indigenous and unique to the state of Nagaland. The corporation also has a production center at its Head Office Complex at Half Nagarjan, Dimapur, where it produces both Handloom & Handicrafts products to be sold through its emporium. The Corporation also distributes raw materials to the registered group of Artisans/Weavers to enhance production of fixed rate basis. Further,

procurement of finished goods from the registered members are being carried out for sales through its own outlets i.e., Emporiums, organises various exhibitions, fairs and crafts within and outside the state to provide a platform to artisans and weavers for the promotion of their products and also to educate them about the intricacies of marketing world. The corporation has also been implementing several other welfare activities being sponsored by the Govt. of India for the welfare of the artisans and weavers with a view to improve their socio-economic conditions.

### **III.3.1 Entrepreneurship Promotion Activities**

The corporation conducts various promotional activities ranging from districts to national level programmes which are being summarized as follows:

#### **i. Activities for the Year 2013-14**

- a. National Level Handloom Expo:** During the current financial year, the Office of the Development Commissioner (Handloom), Ministry of Textiles, Govt. of India, New Delhi had sanctioned 1 (one) National Handloom Expo at Dimapur from 4<sup>th</sup> to 18<sup>th</sup> December 2013. Around 160 artisans were benefited through the exposure programme.
- b. Special Handloom Expo:** The corporation organized 1 (one) Special Handloom Expo at Jalukie town from 18<sup>th</sup> September 2013 to 1<sup>st</sup> October 2013 which was sponsored by Development Commissioner (Handloom), Govt. of India, Ministry of Textiles, New Delhi and about 90 artisans were benefited through the programme.
- c. District Level Events:** The corporation organized 7 (seven) different events namely Chega Gadi festival at Jalukie Town, Tokhu Emong festival at Bhandari Town, Ahuna festival at Satakha Town, Amongmong festival at Kiphire town, Tsohum festival at

Dimapur town, Hega festival at Peren town and Sekrenyi festival at Kohima town. Through the programme about 630 beneficiaries were benefited.

**d. Entrepreneurship loans:** The corporation released loans to Entrepreneurs selected under '*Year of Entrepreneurship*' by the State Government<sup>26</sup>.

**ii. Activities for the Year 2014-15**

**a. District Level Events:** The corporation organized 6 (six) District level events sponsored by the Development Commissioner (Handloom), Govt. of India, Ministry of Textiles, New Delhi. Around 240 artisans and weavers were benefited through the events

**b. National Level Handloom Expo:** The corporation organized 1 (one) National Level Handloom Expo at Dimapur from 1st of December – 17th December 2014 sponsored by the Development Commissioner (Handloom), Govt. of India, Ministry of Textiles, New Delhi and about 80 artisans and weavers from within and outside were benefited through the event.

**c. Special Handloom Expo:** The corporation organized 1 (one) Special Handloom Expo at Diphu, Karbi-Anglong, Assam from 22<sup>nd</sup> October 2014 to 04<sup>th</sup> November 2014. Around 70 artisans and weavers from within and outside the state were benefited through the event.

**d. National Level Handloom Expo:** The corporation organized 1 (one) National Level Handloom Expo at Dimapur from 10th– 24th of February, 2015 sponsored by the Development Commissioner (Handloom), Govt. of India, Ministry of Textiles, New Delhi and through this, 100 artisans and weavers from within and outside took part and marketed their finish products.

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<sup>26</sup> Department of Industries and Commerce (2015), *Annual Report(2013-14)*, ,Kohima, N.V Press

- e. Craft Bazaar:** The corporation organized 3 (three) Craft Bazaar at Golaghat (Assam), Dimapur (Nagaland) and Mokokchung (Nagaland) sponsored by the Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi where more than 300 artisans were benefited.
- f. Gandhi Shilp Bazaar:** The corporation organized 1 (one) Gandhi Shilp Bazaar at Dimapur during the month of March 2015 at the sponsorship of Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi where more than 150 artisans were benefited.
- g. Handicraft Technical Training:** The corporation organized 3(three) Handicraft Technical Training at Diezephe, Dimapur for three months at the sponsorship of Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi. Altogether 60 artisans were provided training though this training programme.
- h. Design and Technical Development Workshop:** The corporation organized 3 (three) months Design and Technical Development Workshop which were sponsored by Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi. Altogether 60 artisans were provided training at Dimapur in Bamboo and Wood Craving trade and at Tsurmen, Mokokchung in Cane and Bamboo. About 60 artisans were provided training.
- i. Integrated Design Development Project:** The corporation organized 1 (one) Integrated Design Development Project at Mangkolemba, Mokokchung for 5 (five) months which was being sponsored by Office of the Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi. Altogether 40 artisans were provided training.



**j. Seminar and Workshop:** The corporation organized 1 (one) Seminar and Workshop on promotion of Handicrafts Sector at Dimapur for 2 (two) days. The programme was sponsored by Office of the Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi<sup>27</sup>.

**iii. Activities for the Year 2015-16**

**a. Craft:** The Corporation has organized 1(one) Craft at Golaghat (Assam) w.e.f 22<sup>nd</sup> July 2015 to 31<sup>st</sup> July 2015 being sponsored by the office of the Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi.

**b. Gandhi Shilp:** The Corporation has organized 1(one) Gandhi Shilp Bazaar at Urban Haat, Dimapur w.e.f 1<sup>st</sup> December 2015 to 16<sup>th</sup> December 2015 being sponsored by Development Commissioner(Handicrafts), Ministry of Textiles, Govt. of India, New Delhi.

**c. National Level Handloom Expo:** The Corporation has also organized 1(one)National Level Handloom Expo at Naga Shopping Arcade, Dimapur w.e.f 11<sup>th</sup> November 2015 to 24<sup>th</sup> November 2015 being sponsored by the office of the Development Commissioner (Handicrafts), Ministry of Textiles, Govt. of India, New Delhi.

**d. National Level Handloom Expo:** National Level Handloom Expo 2016 at Dwarka, New Delhi from 6<sup>th</sup> to 20<sup>th</sup> January 2016 was organised by Development Commissioner (Handloom), Ministry of Textiles, Govt. of India<sup>28</sup>.

**iv. Activities for the Year 2016-17**

**a. National Handloom Expo:** The Corporation has organized one National Handloom Expo at Sivasagar, Assam w.e.f. 2<sup>nd</sup> December 2016 to 15<sup>th</sup> December 2016. Altogether 160 beneficiaries were benefitted through participation in the said event. Another National

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<sup>27</sup> Department of Industries and Commerce (2015), *Annual Report (2014-15)*, Kohima, N.V. Press

<sup>28</sup> Department of Industries and Commerce (2017), *Annual Report (2015-16)*, Kohima, N.V press

Handloom Expo was organized at Kohima from 2<sup>nd</sup> March 2017 to 15<sup>th</sup> March 2017 which were both sanctioned by the Office of the Development Commission (Handloom), Ministry of Textiles, Govt. of India, New Delhi has sanctioned 2 (two) number of National Handloom Expo.

**b. Craft:** The Office of the Development Commissioner for Handicrafts, Ministry of Textiles, Govt. of India has sanctioned 2 (two) number of Craft Bazaar and 1 (one) Gandhi Shilp Bazaar. One Craft Bazaar has been organized at Urban Haat, Imapur w.e.f. 29<sup>th</sup> February 2016 to 9<sup>th</sup> March 2016 and another at Imkongmeren Sports Complex, Mokokchung w.e.f. 15<sup>th</sup> March to 24<sup>th</sup> March 2016. Gandhi Shilp Bazaar was organized at Urban Haat, Dimapur w.e.f. 29<sup>th</sup> April to 7<sup>th</sup> May 2016. Altogether 300 craftsmen were benefitted through participation in the said event.

#### **III.4 Nagaland Khadi and Village Industries Board (NKVIB)**

Nagaland Khadi and Village Industries Board (NKVIB) was established by the State Government under the Nagaland Legislative Assembly Act (No. 5 of 1978) as a statutory body and was made functional from January 1979. The main task of Nagaland Khadi and Village Industries Board is to execute the Khadi and Village Industries programmes in the rural areas in accordance with the KVIC pattern of assistance framed against each scheme<sup>29</sup>.

Nagaland Khadi and Village Industries Board (NKVIB) have the following objective:

- i. To generate employment opportunities in rural areas especially in the non-farming sector.
- ii. To produce marketable goods or to provide service for which there is effective demand.
- iii. To promote development of rural economy and to improve the standard of living.

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<sup>29</sup> Department of Industries & Commerce (2017). *Nagaland Khadi & Village Industries Board (NKVIB)*, Available at [online]: <http://industry.nagaland.gov.in/nagaland-khadi-village-industries-board-nkvib/> [Accessed 11 Jun. 2018].

- iv. To encourage sustainable rural economy.
- v. To promote self-employment at the rural level by providing training facilities to the rural artisans.
- vi. To improve the skills of existing artisans and to transfer improved technology to the rural people.
- vii. To promote industrialisation of rural area<sup>30</sup>.

#### **III.4.1 Entrepreneurship Schemes under Khadi and Village Industries Broad (KVIB)**

- i. Prime Minister's Employment Generation Programme (PMEGP): This is provided to individual, society, institution, unemployed youth etc.
- ii. Scheme of fund for Regeneration of Traditional Industries (SFURTI): Any traditional industry working in a cluster consists of more than 250 workers is eligible for the scheme.
- iii. Production, Design, Intervention & Packaging (PRODIP): For promoting the research and development.
- iv. Rural Industries Service Centre (RISC): Any traditional industry running more than 3 years and extending servicing facilities to other units can avail the scheme.
- v. Rural Industries Consultancy Cell (RICS): The RICS cell provides guidelines and promotes the preparation of project profile under any scheme within the purview of KVIB implementation programme<sup>31</sup>.

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<sup>30</sup> Department of Industries & Commerce (2017), *Nagaland Khadi & Village Industries Board (NKVIB) – Department of Industries & Commerce : Nagaland*. Available at (online): <http://industry.nagaland.gov.in/nagaland-khadi-village-industries-board-nkvib/> (Accessed 11 Jun. 2018).

Nagaland Khadi and Village Industries Board (NKVIB) has the following programmes:

- i. Training programme:
- ii. Exhibition
- iii. Awareness Camp
- iv. People Education Programme
- v. Publicity & Information.
- vi. Skilled Development<sup>32</sup>

#### III.4.2. Prime Minister Employment Generation Programme (PMEGP)

PMEGP is one of the most instrumental programmes under NKVIC and it has been playing important role in the promotion of entrepreneurship and thereby generates employment in the state.

**Table 3.12 Entrepreneurship Development Programmes (EDP)**

Years	Target	Achieved	Undergoing
2016-2017	1001	336(36.6)	665
2015-2016	240	NA	NA
2014-2015	200	200(100)	-
2013-2014	200	200(100)	-

Sources: *Annual report of Department of Industry and Commerce*

The table above shows the mandatory Entrepreneurship Development Programme (EDPs) given to the PMEGP beneficiary. The data shows that the number of trainees under EDPs have increased over the years. In 2013-14 and 2014-15 about 200 youths were successfully trained. The board increased the target to 1001 candidates in 2016-17, out of which 336 have received training while 665 were still undergoing the training.

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<sup>32</sup> Department of Industries & Commerce (2017). *Nagaland Khadi & Village Industries Board (NKVIB)*, Available at (online): <http://industry.nagaland.gov.in/nagaland-khadi-village-industries-board-nkvib/> (Accessed 11 Jun. 2018).

**Table 3.13 Entrepreneurship Awareness Programmes**

Years	Target	Achieved
2016-2017	1500	1109 (73.9)
2015-2016	1000	NA
2014-2015	1000	1000 (100)
2013-2014	1000	1000 (100)

Sources: *Annual report of Department of Industry and Commerce*

The table above shows the entrepreneurship awareness programme conducted by NKVIB. The data shows that in 2013-14 and 2014-15 about 1000 candidates were reached out with the entrepreneurship awareness programme. The targeted candidates has increased to 1500 from 1000 in 2016-17 out of which 1109 candidates were reach which is about 73.9 percent.

### III.4.3 Multi Disciplinary Training Courses – KVIC

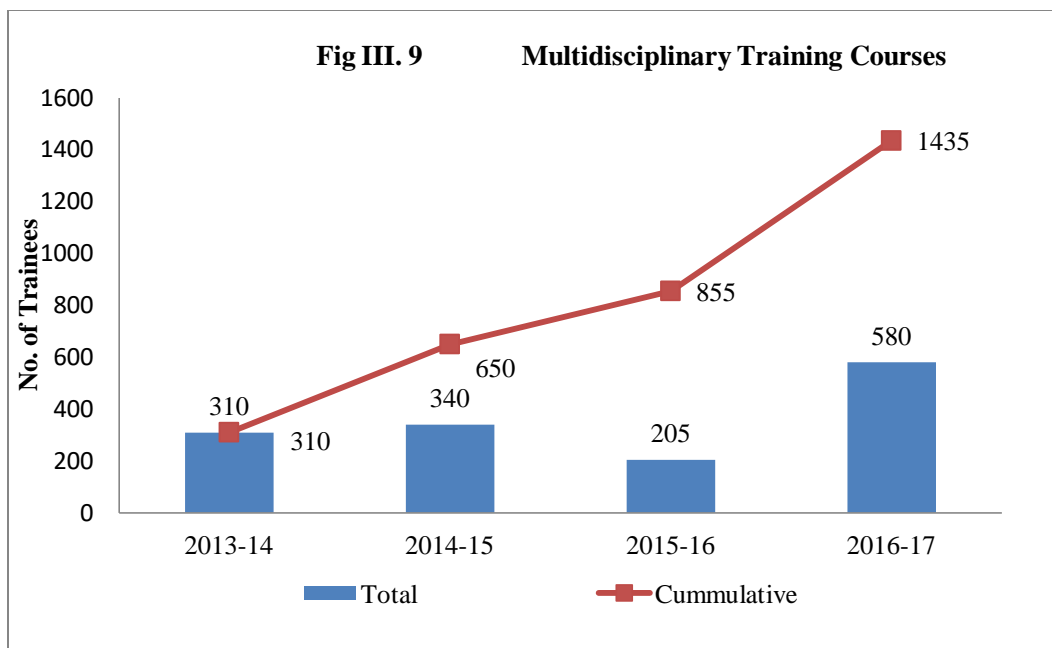
KVIC also provides various other industrial training courses for the promotion of skill through the Multi Disciplinary Training Center at Nagarjan, Dimapur which are summarized as:

**Table 3.14 Multi-disciplinary Training Courses**

Types of Training	No. of Trainees				
	2013-14	2014-15	2015-16	2016-17	Ave. growth
Knitting	30 (9.7)	60 (17.6)	30 (14.6)	60 (10.3)	45
Weaving	30 (9.7)	30 (8.8)	20 (9.8)	60 (10.3)	35
Tailoring /Embroidery	30 (9.7)	30 (8.8)	30 (14.6)	30 (5.2)	30
Lime(chalk making)	40 (12.9)	40 (11.8)	20 (9.8)	100 (17.2)	50
Soap Making	20 (6.5)	20 (5.9)	20 (9.8)	100 (17.2)	40
Leather	20 (6.5)	20 (5.9)	20 (9.8)	70 (12.1)	32.5
Carpentry/wood carving	40 (12.9)	40 (11.8)	25 (12.2)	60 (10.3)	41.3
Bee keeping	60 (19.4)	60 (17.6)	40 (19.5)	100 (17.2)	65
Skill Development	40 (12.9)	40 (11.8)	NA	NA	20
Total	310 (100)	340 (100)	205 (100)	580 (100)	358.8
Cumulatives	310	650	855	1435	

Sources: *Annual report of Department of Industry and Commerce*

Note: Figures in parenthesis represents percentage



The data reveals that the number of trainees have increased over the years from 310 in 2013-14 to 580 in 2016-17. In 2013-14, Bee-keeping had the highest number of trainees with 60 (19.4 percent) candidates followed by Skill development with 40 (12.9 percent) candidates. Under Soap making and Leather there were 20(6.5 percent) each. In 2014-15, Knitting and Bee-Keeping training produced the maximum trainees with 60 (17.6 percent) each. In 2015-16, the overall total fell to 205 candidates. The trade with highest percentage was Bee-Keeping with 40( 19.5 percent). Further in 2016-17, much emphasis was given on Lime (chalk Making) and Soap Making with 100(17.2 percent) each.

### **III.5. Nagaland Industrial Development Corporation Ltd. (NIDC)**

The Nagaland Industrial Development Corporation Limited (NIDC) is a public sector undertaking created under the Companies Act, 1956 on March 26, 1970 with the objective of promoting, developing and assisting industries in the state.

The following are the major activities under Nagaland Industrial Development Corporation Ltd. (NIDC):

### **III.5.1 Sugar Mill Project**

NIDC started the Sugar Mill Project in 1973-74 and its auxiliary Distillery Project in 1974-75 at Dimapur; these projects of NIDC were subsequently handed over to Nagaland Sugar Mills Company Limited.

### **III.5.2 NSTFDC and NMDFC Schemes**

With an aim to promote and give financial assistance to the tribal population to start their industries, NDIC started assistance under the Refinance Scheme of the Industrial Development Bank of India (IDBI) in 1978 and later through National Scheduled Castes and Scheduled Tribes Finance and Development Corporation (NSTFDC) from 1992-93 and National Minorities Development and Finance Corporation (NMDFC) in 1997-98.

### **III.5.3 Agro and Food Processing Special Economic Zone (AFSEZ) at Ganeshnagar**

NIDC with the objective of promoting exports and develop regional infrastructure, Nagaland Industrial Development Corporation Limited (NIDC) has identified Dimapur as the location for the Special Economic Zone (SEZ). NDIC has been approved by the Ministry of Commerce for Agro & Food Processing Special Economic Zone (AFSEZ) at Ganeshnagar. It is the first and only Special Economic Zone (SEZ) in North East India and one of the few exclusive Agro Food Products SEZ in India. The Agro & Food Processing SEZ is driven with the purpose of create a compliment of industrial, business and social infrastructure by providing modern technology. The project is curved out with an estimated project cost of Rs. 35.00 crore. The Agro & Food Processing Special Economic Zone (AFSEZ) builds on the

motives of take advantage of on the bountiful agro-horticulture resources of the North East Region and address the problems of post harvest wastage and provide a boost to the horticulture and agriculture activities of the North East States with ready outlet for their produces<sup>33</sup>.

#### **III.5.4 Industrial Estates**

NIDC has two Industrial Estates at Dimapur, which was taken over by the State Government in 1976. The Industrial Estates has an area of about 40 acres and has 25 Standard Factory Sheds, which leased out to industrial units at concessional rates. It is established with the purpose to support and encourage industrial activity. These sheds have been very instrumental in facilitating industrial prospect and the demands for such sheds are on the rise. However, there are various types of ailments that the NIDC need to look into for the smooth functioning of the estates such as financial constraint and inadequate infrastructural facilities. Therefore, provision of better infrastructure in the form of better energy supply, road connectivity and better provision of telecommunication facilities and postal services are needed for the growth of the estates<sup>34</sup>.

#### **III.5.5 Integrated Industrial Development Centre (IIDC)**

Another important development agency is the Integrated Industrial Development Centre (IIDC) at Kiruphema, Kohima district. It has been implemented by the corporation where common facility centers have been constructed along with developed plots. NIDC receives assistance from State Government and other Financial Institutions like the IDBI, SIDBI,

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<sup>33</sup> Department of Industries & Commerce (2017). *Nagaland Khadi & Village Industries Board (NKVIB)*, Available at [online]: <http://industry.nagaland.gov.in/nagaland-khadi-village-industries-board-nkvib/> (Accessed 11 Jun. 2018).

<sup>34</sup> Department of Industries & Commerce (2017). *Nagaland Khadi & Village Industries Board, Dimapur (NKVIB)*, Available at [online]: <http://industry.nagaland.gov.in/nagaland-khadi-village-industries-board-nkvib/> (Accessed 11 Jun. 2018).



NSFDC and NMD&FC for funding its proposed programs. The main object of the center is to help promote and strengthen small, tiny and village enterprises with an aim to create employment opportunities and to promote stronger linkages between agriculture and industry providing common service facilities and technological backup services in the selected centers<sup>35</sup>.

### **III.6. Nagaland Industrial Raw Materials & Supply Corporation Ltd. (NIRMSC)**

One of the nodal government agency designed to promote the entrepreneurship and industries in the state is Nagaland Industrial Raw Materials & Supply Corporation (NIRMSC) Ltd., Dimapur, which was established in March, 1973 and which has now been fully owned by the State Government under Industries & Commerce Department since January, 1978.

NIRMSC has the following objectives:

- i. To be an agent to help procure and supply industrial raw materials to the SSI Units and other consumers of the State.
- ii. The corporation is also authorized to carry on business and to act as commission agent in any capacity.

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<sup>35</sup> Department of Industries & Commerce (2018). *Nagaland Industrial Development Corporation Ltd. (NIDC), Dimapur* Available at [online]: <http://industry.nagaland.gov.in/nagaland-khadi-village-industries-board-nkvib/> [Accessed 11 Jun. 2018].

The following are the major activities undertaken by NIRMSC

**i. Past activities:**

- a. NIRMSC dealt with procurement of scarce raw materials such as Iron and Steel, Paraffin Wax, Rubber, Caustic Soda and Plastic raw materials to the SSI units in the State Government.
- b. Supplied hardwood timber to Defense Ordnance Factories, Indian Railways, Coal India Ltd. and bamboo to Hindustan paper Corporation Ltd. Till 1995<sup>36</sup>.
- c. NIRMSC Ltd. took up Consignment Agency Yard of Steel Authority of India Ltd. (SAIL) at Dimapur as the second SAIL C.A Yard in the Northeast India next to Guwahati. It was made to be operational from 1<sup>st</sup> July 2005 on a contractual purpose for three years which was further renewed from 1<sup>st</sup> August 2009. At present, there is no business activities being undertaken by the Corporation after the functioning of Consignment Agency Yard were stopped due to SAIL's changed policy.

**ii. Present Activity:**

**a. Trading of Local Coal:**

NIRMSC Ltd. is in search of other business avenues for generating sustainable income for the corporation. Keeping in mind the highly rated coal of Nagaland which is in great demand for its quality and abundance, NIRMSC Ltd. has been initiating ventures for procuring and supplying local coal outside the state. However, social problems such as the existence of middlemen have been hampering the prospect of earning the desired share of profit for local dealers. NIRMSC with its experience acts as facilitators between the buyers and sellers with minimum service charge that would assist the local entrepreneurs in marketing their products

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<sup>36</sup> Department of Industries and Commerce (2017): *Annual Administrative Report ((2015-16)*. Kohima: .N.V Press

and encourage consistency in trading and of the more, rid unhealthy competition from non-local middlemen<sup>37</sup>.

### **III.7 Nagaland Hotels Ltd. (NHL) (A Subsidiary of NIDC)**

The Nagaland Hotels Limited was set up as Subsidiary Unit of NIDC on 17<sup>th</sup> March 1982 with an objective of developing and extend hospitality infrastructure in the state. Nagaland Hotels limited with the financial and technical assistance from NIDC has set up two hotels of three star category in the state: Hotel Saramati, Dimapur on 9<sup>th</sup> March 1987 and Hotel Japfu, Kohima on 14<sup>th</sup> November 1988 respectively.

During the period between April 2015 to January 2016, the inflow of guest in Hotel Saramati, Dimapur was about 3750 (3706 domestic and 44 international) and the inflow of guest in Hotel Japfu, Kohima was about 5223 (5196 Domestic and 27 international). Occupancy rate was 65.65 percent in Hotel Japfu and 36.04 percent in Hotel Saramati. The objective of NHL is to provide facility for management and development of hospitality sector in the state and to realize quality service. It also aims to work in partnership with state Government, Public Sector Enterprises, Private Entrepreneurs or any authority or agency to extend the development of hospitality, hospitality infrastructure, facilities and services etc<sup>38</sup>.

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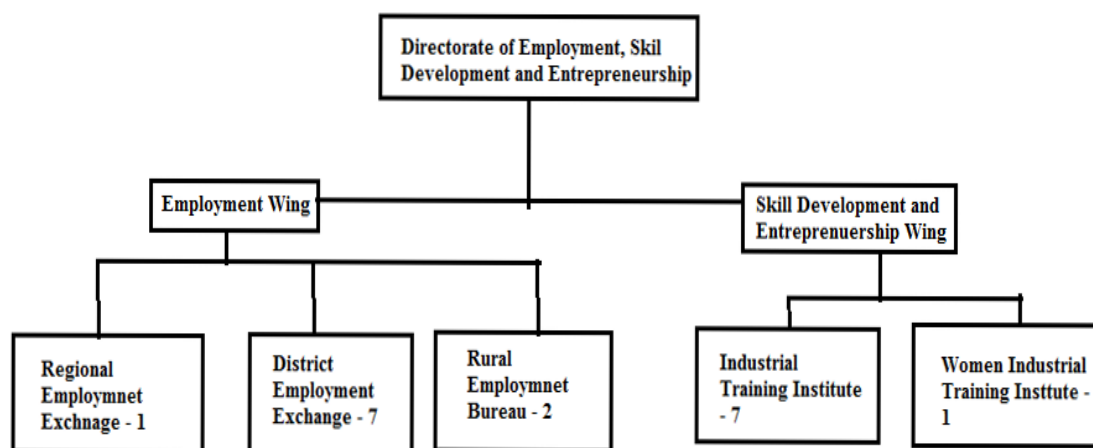
<sup>37</sup> Department of Industries and Commerce (2016). *Nagaland Industrial Raw Materials & Supply Corporation Ltd., Dimapur*. Available at (online): <http://industry.nagaland.gov.in/nagaland-industrial-raw-materials-supply-corporation-ltd-dimapur/> (Accessed 10 Jun. 2019).

<sup>38</sup> Department of Industries and Commerce (2016). *Nagaland Hotels Ltd. (NHL) (A subsidiary of NIDC), Dimapur*. Available at (online): <http://industry.nagaland.gov.in/nagaland-industrial-raw-materials-supply-corporation-ltd-dimapur/> (Accessed 10 Jun. 2019).

### III.8 Department of Employment, Skill Development and Entrepreneurship

The Department of Employment, Skill Development and Entrepreneurship has been established with an aim to develop skill among the youths in the State in order to enhance employability and the ability to enterprise. The department comes under the Directorate of Employment, Skill Development and Entrepreneurship Department.

#### The structure of the Department



The following are the major activities undertaken by the Department:

**III.8.1 Craftsmen Trainings Scheme (CTS):** The Directorate General of Training (DGT) (erstwhile DGE&T, Ministry of Labour and Employment) in the Ministry of Skill Development and Entrepreneurship, Government of India created the Craftsmen Training Scheme (CTS) in 1950 by establishing about 50 Industrial Training Institutes (ITIs) with an aim to foster skills in various vocational trades to fulfill the demand for skilled manpower requirements for technology and industrial growth of the country<sup>39</sup>. Since the inception, the

<sup>39</sup> Dget.nic.in. (2018), *Overview: Directorate General of Training (DGT)*. Available at [online]: <http://dget.nic.in/content/innerpage/overview-cts.php> (Accessed 11 Jun. 2018).

Industrial Training Institutes (ITIs) have been given the responsibility of carrying out the Craftsmen Training Schemes (CTS). There are about 8 (eight) Industrial Training Institutes in the state, out of which 4 (four) ITIs were established under Prime Minister's Package "Establishment of Industrial Training Institutes in the North Eastern Region and Sikkim" (CSS) during the 10<sup>th</sup> Five Year Plan and from 2008-09 onwards it was taken over by the State Government. The institutes impart training in 21 trades (14 in engineering and 7 Non-engineering) in the 8 (eight) Government ITIs.

**Broad Objectives of Craftsmen Training Scheme:**

- i. To produce skilled workers in different trades of Industries
- ii. To improve the quality and quantity of industrial production by systematic training of workers
- iii. To tackle unemployment problem among the educated youth by preparing them for suitable industrial employment<sup>40</sup>.

**Table 3.15 List of Industrial Training Institutes (ITIs) in Nagaland**

<i>Sl. no</i>	<i>Name ITIs</i>
1	ITI Kohima
2	Women ITI Dimapur
3	ITI Mon
4	ITI Wokha
5	ITI Mokokchung
6	ITI Tuensang
7	ITI Phek
8	ITI Zunheboto

*Source: Annual Administrative Report, Dept. Of Employment, Skill Development and Entrepreneurship (2015-16)*

<sup>40</sup> Department of Employment, Skill Development and Entrepreneurship (2017): *Annual Administrative Report (2015-16)*. Kohima, N.V. Press.

There are 8(eight) ITIs in Nagaland which are found in the following districts viz. Kohima, Dimapur, Mon, Wokha, Mokokchung, Tuensang, Phek and Zunheboto. These 8 (eight) ITIs imparts the following list of trades with different training durations.

**Table 3.16 Lists of Trades under Industrial Training institutes (ITIs) in Nagaland**

Sl.No.	Trades	Duration	Minimum Qualification
1	Knitting	1 year	Class 8 <sup>th</sup>
2	Cutting and Sewing	1 year	Class 8 <sup>th</sup>
3	Carpentry	1 year	Class 8 <sup>th</sup>
4	Plumber	1 year	Class 8 <sup>th</sup>
5	Welding	1 year	Class 8 <sup>th</sup>
6	Hair and Skin Care	1 year	Class 10 <sup>th</sup>
7	Stenography	1 year	Class 10 <sup>th</sup>
8	Secretarial Practice	1 year	Class 10 <sup>th</sup>
9	COPA	1 year	Class 10 <sup>th</sup>
10	Diesel Mechanic	1 year	Class 10 <sup>th</sup>
11	Dress Making	1 year	Class 10 <sup>th</sup>
12	IT and ESM	2 years	Class 10 <sup>th</sup>
13	Electrician	2 years	Class 10 <sup>th</sup>
14	Electronics Mechanic	2 years	Class 10 <sup>th</sup>
15	Radio and TV	2 years	Class 10 <sup>th</sup>
16	Draughtsman Civil	2 years	Class 10 <sup>th</sup>
17	Surveyor	2 years	Class 10 <sup>th</sup>
18	Machinist	2 years	Class 10 <sup>th</sup>
19	Turner	2 years	Class 10 <sup>th</sup>
20	Fitter	2 years	Class 10 <sup>th</sup>
21	Motor Mechanic	2 years	Class 10 <sup>th</sup>

*Source: Annual Administrative Report, Dept. of Employment, Skill Development and Entrepreneurship.*

The above table shows, the different types of programmes offered by the ITIs for the enhancement of skills among the youths of Nagaland. So far, the ITIs provide 21 trades for different year duration. The minimum education qualification required to avail the schemes is class-VIII pass which was revised from Class – IX till 20113-2014 and the minimum age is 14 years. The training periods ranges from 1 to 2 years under Industrial Training Institute (ITIs).

### III.8.2 Training Programmes

#### i. One Year Duration

Under the one year duration the trades included are knitting, cutting and sewing, carpentry, plumber, welding, hair and skin care, stenography, secretarial practice, copa, diesel mechanic and dress making.

#### ii. Two Years Duration

Two year duration course consists of IT and ESM, electrician, electronics mechanic, radio and TV, draughtsman civil, surveyor, machinist, turner, fitter and motor mechanic.

**Table 3.17 Training programme (One year)**

Types of Programmes	2012-13	2013-14	2014-15	2015-16
Carpentry	122 (25.7)	NA	137 (25.4)	148 (25.7)
Cutting and Sewing	62 (13.1)	NA	60 (11.1)	104 (18.1)
COPA	71 (15)	NA	100 (18.6)	82 (14.3)
Dress Making	0 (0)	NA	0 (0)	8 (1.4)
Diesel Mechanic	9 (1.9)	NA	10 (1.9)	18 (3.1)
Hair and Skin Care	31 (6.5)	NA	26 (4.8)	17 (13)
Knitting	80 (16.9)	NA	84 (15.6)	93 (16.2)
Plumber	28 (5.9)	NA	31 (5.8)	33 (5.7)
Secretarial Practice	10 (2.1)	NA	23 (4.3)	21 (3.7)
Stenography	9 (1.9)	NA	15 (2.8)	20 (3.5)
Welding	0 (0)	NA	10 (1.9)	12 (2.1)
Surveyor	0 (0)	NA	0 (0)	19 (3.3)
Automobile	21 (4.4)	NA	17 (3.2)	0 (0)
Apparel	31 (6.5)	NA	26 (4.8)	0 (0)
Total	474 (100)	NA	539 (100)	575 (100)

*Source: Annual Administrative Report, Dept. of Employment, Skill Development and Entrepreneurship. Note: figure in parenthesis represents percentage.*

In the above table we see that the total number of trainees have increased over the year from 474 in 2012-13 to 575 in 2015-16. In the year 2012-13, much emphasis was given to carpentry as it has the highest percentage of trainees with 25.7 percent of the total trainees. This is followed by knitting with 16.9 percent, cutting and sewing had 13.1 percent. The least

being stenography and diesel mechanic with 1.9 percent each. In 2014-15, carpentry produced about 137 (25.4 percent) followed by COPA with 18.6 percent while the least was Diesel mechanic and Welding with 1.9 percent each. For 2015-16, the trades with the highest percentage of trainees were carpentry with 148 (25.7 percent) trainees while the least was dress making with 8(1.4 percent) trainees.

**Table 3.18 Training programme (Two year)**

Types of Programmes	2012-13	2013-14	2014-15	2015-16
Draughtsman Civil	50(24.8)	NA	67(22.3)	73(24.4)
Electrician	75(37.1)	NA	100(33.2)	111(37.1)
Electronics Mechanic	7(3.5)	NA	13(4.3)	13(4.3)
Fitter	0 (0)	NA	7(2.3)	12(4)
Machinist	6(3)	NA	11(3.7)	9(3)
Motor Mechanic	30(14.9)	NA	61(20.3)	57(19.1)
Radio and TV	6(3)	NA	4(1.3)	0(0)
Surveyor	22(10.9)	NA	24(8)	0(0)
Turner	0(0)	NA	0(0)	0(0)
Wireman	0(0)	NA	14(4.7)	0(0)
IT and ESM	6(3)	NA	0(0)	24(8)
Total	202(100)	NA	301(100)	299(100)

*Source: Annual Administrative Report, Dept. of Employment, Skill Development and Entrepreneurship, Nagaland. Note: figure in parenthesis represents percentage.*

In the table shown above, we see that in 2012-13, the highest percentage of trainees were produced from the electrician trade with 75(37.1 percent) trainees. This is followed by draughtsman civil with 50(24.8 percent) trainees. Motor mechanic was about 30(14.9 percent) trainees. In 2014-15, also the electrician trade produced the highest trainees followed by draughtsman with 67(22.3 percent) trainees. Further in 2015-16, the highest percentage was attained by electrician with 111(37.1 percent) trainees.



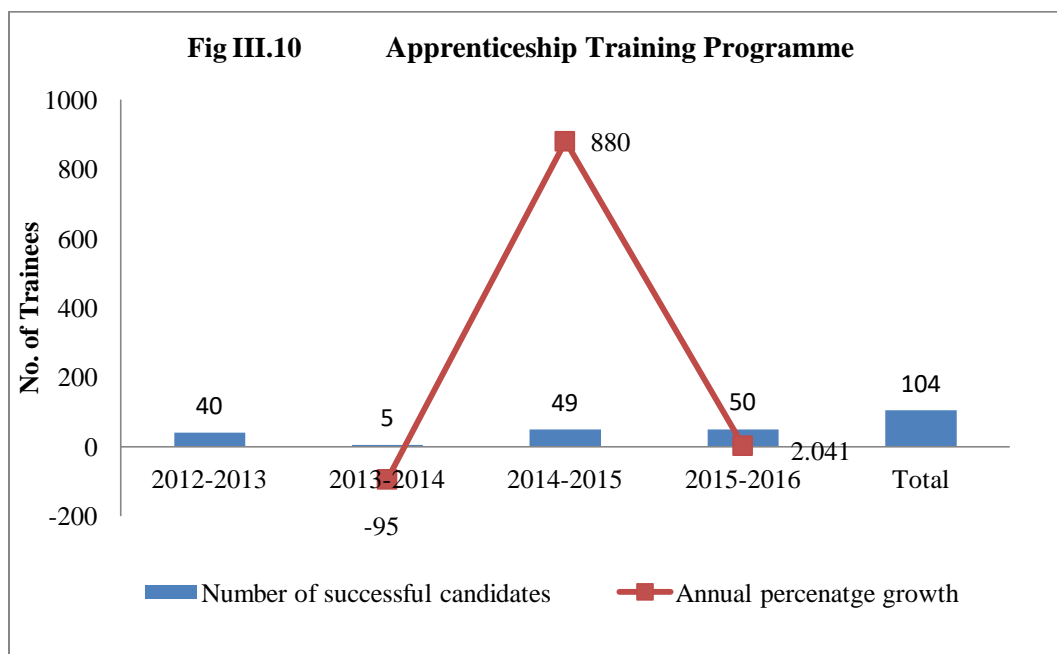
### III.8.3 Apprenticeship Training Programme

The department sponsors the ITI graduates through Apprenticeship Training Programme to further the skilling process of the trainees keeping in mind the importance of the practical aspects. Stipend is provided to the trainees on 50-50 basis between the Employers and the Department as per the Apprenticeship Act 1961.

**Table 3.19 Apprenticeship Training Programme**

Years	Number of successful candidates	Annual percentage growth
2012-2013	40 (38.5)	-
2013-2014	5 (4.8)	-95
2014-2015	49 (74.1)	880
2015-2016	50 (48.1)	2.04
Total	104 (100)	

Sources: *Annual Administrative Report, Dept. of Employment, Skill Development and Entrepreneurship*. Note: figure in parenthesis represents percentage.



The table above presents the data of candidates who have undergone the apprenticeship training programme. Out of the total 104 candidates, the highest number of trainees produced was in 2015-16 with 50 (48.1 percent) trainees. The least was in 2013-14 with only 5(4.8 percent) trainees. In 2014-15 it was 49 (74.1 percent) trainees and in 2012-13

40(38.5 percent) trainees successfully undertook the training. From the table above we see that 2014-15 registered the highest annual percentage growth in the number of successful candidates.

### III.8.4 Skill Development Initiatives (SDI) Schemes

Skill Development Initiatives (SDI) Scheme is a Public Private Partnership initiative between government and industry which was proposed with an aim to promote vocational training to school drop-outs, existing workers, ITI graduates etc., to meet the growing demands for specific skill by improving their employability. In order to effectively implement this scheme, Nagaland Skill Development Initiatives Society was formed and registered<sup>41</sup>.

**Table 3.20 Skill Development Initiatives (SDI) Schemes**

Years	No. of Vocational Training Providers (VTPs)	Trained	Placed	Undergoing trainings
2015-2016	122	13244	2766	396
2014-2015	65	10195	1530	1536
2013-2014	-	-	2368	
2012-2013	17	1548	-	120
2011-2012	-	-	-	-

Source: *Annual Administrative Report, Dept. of Employment, Skill Development and Entrepreneurship.*

In the table above we see that the number of trainees under the Skill development Initiatives schemes is increasing year by year. The highest percentage was attained in the year 2015-16 where, the number of vocational training provider was 122 which have increased over the year. The number of trainees trained was about 13244, while those that found placement was about 2766 and 396 candidates was found to be undergoing training under the scheme.

<sup>41</sup> Department of Employment, Skill Development and Entrepreneurship (2017): *Annual Administrative Report ((2015-16))*. Kohima: N.V Press.

**Table 3.21 All India Trade Test (AITT)**

Number of Trainees Completed <i>All India Trade Test (AITT)</i>	
Years	Completed Till Date
2015-16	7121
2014-15	6666
2013-14	-
2012-13	5871

*Source: Annual Administrative Report, Dept. of Employment, Skill Development and Entrepreneurship (2015-16)*

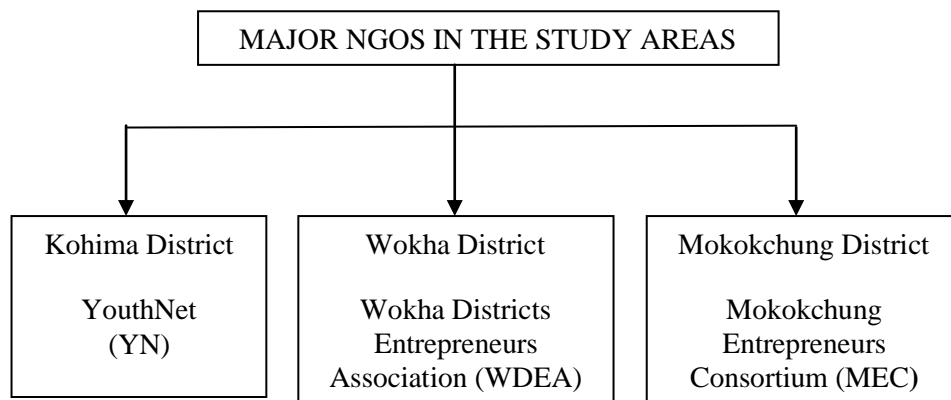
The table above shows the number of trainees that has completed and those that are undergoing the All India Trade Test (AITT) through ITIs. As per the report those that have completed the AITT till 2012-13 was about 5871. In 2014-15, the number of those who completed the test was 6666 which has increased to 7121 in 2015-2016.

### III.9 NGOs and Entrepreneurship Development in Nagaland

With the twin problems of poverty and unemployment persisting in the country, major part of entrepreneurship development is also vested upon the Non-Governmental Organisations (NGOs). India is a home to numerous NGOs working with the intend to promote decent livelihood and employment through self-employment and entrepreneurship. Hence the role of these NGOs is found necessary to be studied for the development of entrepreneurship.

There is a good number of NGOs both large and small operating in Nagaland which are directly and indirectly promoting entrepreneurs. However, only those that are prominent and influential were chosen from the study area for this research. These NGOs may differ in setup and strategies however they have the common objective of promoting the local entrepreneurs in their respective areas.

#### Major NGOs and their roles in Entrepreneurship Development in Nagaland



### **III.9.1 YouthNet Kohima**

YouthNet is one of the pioneers of the non-governmental organizations (NGOs) established with an aim to help youth acquire knowledge, develop life skills and form attitudes to enable them to become self directing, positive, productive, responsible and contributing members of society through active participation and involvement. YouthNet is registered under the Registration of Societies Act 1895. It was launched on the 1st of February 2006 by a group of young Naga professionals. The main objective was to create a platform for young people to address relevant issues affecting them. YouthNet is one of the most vibrant and dynamic NGOs working towards promotion of entrepreneurs and entrepreneurship in the state.

Some of the major programmes and project designed for entrepreneurship development are:

#### **III.9.1.1 Impact 5000 by 18**

‘Impact 5000 by 18’ was launched in 2013 in collaboration with the Department of Youth Resources and Sports, Government of Nagaland with an aim to address the need of a healthier and stronger private sector. It was designed to positively impact 5000 young people involved in the private sector by the year 2018. The campaign was focused into promoting and creating conducive environment for a progressive private sector and thereby augment the socio-economic prosperity of the young generation and the state. This campaign was implemented through the YouthNet Centre for Entrepreneurship and Employment. The campaign was so designed to impart business skills, employability and developed entrepreneurial mindsets to youths.

The campaign had the following objectives:

- i. To impart business skills and knowledge to the younger generation.
- ii. To enhance skills of those who are employed in the private sectors.
- iii. To create awareness and develop entrepreneurial mindset among the youths.
- iv. To give opportunities to young people to becoming key job creators in the economy, creators of value and an effective human resources.
- v. To impact 5000 youths occupied in the private sector by the year 2018.

### **III.9.1.2 The Entrepreneur**

‘The Entrepreneur’, is one of the most important programs of the ‘Impact 5000 by 18’ campaign. Keeping in mind the challenges new entrepreneurs faces to attain the take off stage, YouthNet came up with an innovative programme called ‘The Entrepreneur- an entrepreneurial competition to help provide the needed skill-up to boost their efficiency. Of late there has been manifold increase in the number of enthusiastic young entrepreneurs in the state, however most of them lack in professionalism or experience as such this programme tries to provide the local entrepreneurs with the most fundamental business skills such as book-keeping, resource management, business planning, leadership skills etc. The program also aims at appreciating the contribution of the entrepreneurs in the form of economic and social value through their ventures.

Through this programme a total of 20 top emerging starts ups across the state are selected. The mode of selection is through a thorough analysis of the entrepreneurs profile and business plans by a team of experts. In some cases, some entrepreneurs are handpicked

during the district wise entrepreneurship program. The selected top 20 participants undergo a journey of rigorous training for about a month. The activities include a workshop with a combination of class-room lectures, case study discussions, group activities and individual project development. This is done with an aim to help the entrepreneurs to identify the key individual strength and also build a network amongst the entrepreneurs. Another important activity is the ‘business growth plan’ contest. The winner gets handsome prize money.

### **III.9.1.3 Dial Nagaland**

Finding skilled workforce being crucial, YouthNet tries to promote and empower local skilled workers through a programme called ‘Dial Nagaland’ which was launched on July 21, 2015 in collaboration with the Department of Labour and Employment. Dial Nagaland is designed with an aim to help bridge the gap between skilled workers and potential employers. Dial Nagaland maintains a directory of local skilled workers of various kinds such as plumbers, carpenters, electricians, masons, painters, etc. which are made accessible to public through a common call-number. The customer or client is then connected to the desired skilled labour for the needful proceedings. The programme is a brainchild of Impact 5000 by 18.

Dial Nagaland focus on the areas such as:

- i. To make skilled labour and their services accessible to customers or clients.
- ii. To help provide a market for the services to the skilled labour.
- iii. To foster professionalism to the skilled labour by way of training and promotion.

There are about 80 workers registered to ‘Dial Nagaland’ with diverse skill sets rendering to the needed of the employers or customers.

#### **III.9.1.4 Pork Chop**

Pork chop is another innovative entrepreneurial venture of the YouthNet. With the growing concern over the cost of importing pork meat from other states and the ever increasing demand for local pork meat, YouthNet found it imperative to build an economy for the local pork meat producer in the state and thus, the Pork Chop enterprise was launched in November of 2014 in partnership with a local entrepreneur.

The main objectives of the undertaking were:

- i. To build a market for local pork meat in the economy.
- ii. To generate employment for the educated unemployed youths in the state.
- iii. To encourage inclusive growth by promoting the local pork producers/entrepreneurs

The Pork Chop currently employs about 11 people. The Pork Chop has encouraged more than 10 local pork shops open across Dimapur and Kohima.

#### **III.9.1.5 YouthNet and IEF ‘Master Class’**

YouthNet in collaboration with ‘Indian Entrepreneurs Foundation’ (IEF) started the ‘Master Class’ programme. The aim is to bring together some of the experienced educated emerging entrepreneurs and to address the needs of urban entrepreneurs to enable their enterprises to attain new heights and impact positively impact the economy and society as a whole. It also intended to build a higher value chain between rural enterprises and the urban enterprises and thereby creating ample employment opportunities for the youths. The programme stretches for a two years period of time where the entrepreneurs register and come together and share ideas, evaluate business growth and discuss the prospect of future growth. So far there are 16 entrepreneurs registered in the master class.



#### **III.9.1.6 Ntuma Raja Mircha Project**

Taking advantage of ever growing popular Raja Mircha (King Chilli), YouthNet in partnership with Zatarra Pvt. Ltd, a local packaging and marketing company (Amonar Tea) and Ntuma Young Farmers Association from Ntuma Village, Peren District, started the Ntuma Raja Mircha Project to promote the famers of the famous raja mircha in Ntuma village of Peren District.

The motive is to establish market linkages in the agriculture sector to enhance creation of demand for local raja mircha. This project intends to provide a sustainable livelihood opportunity for the farmers around the village in Peren District. Through the programme, infrastructure in the form of electricity has been provided to about 30 families in the locality and the produced are being shipped both inside and outside the state. YouthNet has tied with Indian Council of Agriculture Research (ICAR) for the purpose of skill-development training.

#### **III.9.1.7 Skill-Developments**

For the purpose of developing skill, the organisation undertakes the following programmes:

##### **i. Carpentry programme**

YouthNet has tied up with *Zynorique* Initiatives which is a leading architecture firms in Nagaland and conducts series of workshops with an aim to train existing craftsmen on modern techniques of woodcrafts. Participants are given in-hand training by professionals and experts of Zynorique. The object of the programme is to enhance the carpentry skills amongst the youths and thereby equipped them with employable skill.

## **ii. Bamboo basket-weaving Programme**

YouthNet along with NBDA (Nagaland Bamboo Development Agency) started a programme to train individuals in the art of bamboo basket weaving in the rural areas of Peren district to create market for bamboo products. This programme was taken up with a motive to provide an alternative source of income for people in the rural areas.

### **III.9.1.8 District wise Entrepreneurship workshop**

YouthNet also conducts district-wise workshop for the local business people in all the districts of Nagaland. The objectives of this program are to encourage and uplift the local entrepreneurs and also support them financially. Through this the YouthNet team conducted workshops to enhance entrepreneurial skill of the local entrepreneurs.

### **III.9.1.9 First-Cut Entrepreneurial competition**

Another important venture under “IMPACT 5000 by 18” campaign is the ‘First Cut’, an inter collegiate entrepreneurial competition which is organized in collaboration with the Department of Youth Resources and Sports, Government of Nagaland. The programme is designed with an aim to inculcate entrepreneurial mindset amongst the college students.

#### **Objectives**

- i. To inculcate entrepreneurial mindset amongst the college students.
- ii. To generate among the college students the responsibility of being self-dependent
- iii. To help the college students learn business skills.
- iv. To create a healthy competition among the college students.

Through this process the participants are trained on areas of building business model, marketing, business communication skills and team work. The competitions entail an exposure trip to city for the winners. Through this the youths are given an opportunity to experience corporate life such as Deloitte and Aries Agro, and interact with fellow students and professional of business school such as the Indian School of Business. The purpose being to enable the youths with the knowledge of corporate world, professionalism and expose them to the opportunities of private sector.

### **III.9.2 Wokha District Entrepreneurs Association (WDEA)**

Wokha Districts Entrepreneurs Association (WDEA) is a non-profit and non-political organisation set up under the aegis of Wokha District chamber of commerce and industries which was established on the 15<sup>th</sup> of June 2014 with 17 likeminded entrepreneurs.

The main objectives of WDEA:

- i. To uplift, protect and avail the rights and benefits of the local entrepreneurs of the district,
- ii. To encouraging the upcoming youth to fully concentrate on self-earning and self-employment and self-support
- iii. To protect local entrepreneurs from all sorts of donation, intimidation and thread
- iv. To avail the benefits of various grants-in-aid schemes of both private and government.

#### **III.9.2.1 Major activities under WDEA**

##### **i. Activities for the Year 2014-15**

WDEA under Entrepreneurship Development Cell (EDC) organized two seminars at Wokha Town and Englan Village in collaboration with the District Industries Centre and Administration. The participants were young entrepreneurial enthusiast.

On 18<sup>th</sup> of July 2014, after thorough deliberation with regard to the selection of PMEGP beneficiaries, WDEA had submitted a memorandum to the Govt. of Nagaland to stream line the proceedings and to get the quota system ridden and to give recommendation only to the genuine aspiring local entrepreneurs.

On the 9<sup>th</sup> of August 2014, the Association in order to protect the right of the local entrepreneurs apprised the ACAUT Wokha on the matters of charging fees for PMEGP forms and selling of readymade project at a very high cost.

On the 15<sup>th</sup> of August 2014, WDEA participated in the Independence Day Celebration, by opening a multi-stall to showcase and promote local products and food items. On the 20<sup>th</sup> of August 2014, the association sent a memorandum to the SBI Wokha for its poor banking facilities. The association also sent memorandum to the Wokha Town Council (WTC) to check the issue relating to ILP and IBIs.

**ii. Activities for the Year 2015-16**

On 15<sup>th</sup> November 2015, WDEA provided financial assistance for the protection and preservation of Amur Falcon to various local area club and SHGs in Doyang. The association also sent directive to all the shops to extent the working hours to 5 pm in the evening.

**iii. Activities for the Year 2016-17**

On 7<sup>th</sup> of May 2016 the association apprised parliamentary secretary, Labour and Employment and Skill Development, Nagaland and submitted a proposal on the need and urgency in having skill development training and awareness programme for the youth of Wokha Town.

On 18<sup>th</sup> May, WDEA along with Nagaland State Co-operative Bank Ltd. conducted financial literacy workshop of entrepreneurs. The association constituted an award of recognition for entrepreneurs. Three entrepreneurs were awarded for their dedication, innovation and contribution to society.

#### **iv. Activities for the Year 2017-18**

On the 19<sup>th</sup> of April 2017, the association in collaboration with SEBI conducted a Workshop on Financial Education at Hornbill Hotel for entrepreneurs. Covering area on financial planning and budgeting, banking and loan products, complaint procedure for deficiency in banking service, life insurance products, mis-selling of life insurance policies by banks and insurance companies, post offices saving schemes, mutual funds, equity, new pension policies, precaution on *ponzi* (fraudulent) schemes, chit funds, complaint procedures for investors grievances etc.

On the 05<sup>th</sup> of May 2017, the association undertook exposure trip to Mokokchung and held consultative meeting with Mokokchung Chamber of Commerce & Industries (MCCI) on May 6. With the sole aim of building cohesive relationship of trust, knowledge, guidance, encouragement and business possibilities for both the districts. There was an exchange of experiences and ideas ranging from banks loans, financial issues face by the local entrepreneurs to 'IBIs' issues within the two districts.

On the 07<sup>th</sup> of November 2017, WDEA participated in the Tokhvu Emong celebration, by opening a stall to showcase and promote local products and food items.

### **III.9.3 Mokokchung Entrepreneurs Consortium (MEC)**

Mokokchung Entrepreneurs Consortium (MEC) is a non-governmental organisation established by likeminded first generation entrepreneurs of Mokokchung in December 2011. The Consortium has members from an array of enterprises operating across Mokokchung district. The broad objectives of the consortium are:

- i. To further the knowledge and spirit of entrepreneurship
- ii. To enhance entrepreneurial skills through various means
- iii. To create a network to enable better environment for business.

The consortium has been established with the intention to build a sustainable economy by promoting local entrepreneurs in the district specially the young entrepreneurs by means of both technical and financial assistance. Another important focus is also to reduce youth unemployment in the district by supporting unemployed towards self employment and thereby transforming them into effective contributor to the economy.

#### **III.9.3.1 Major activities of the consortium**

##### **i. Activities for the Year 2012-13**

In 2012, MEC organized a trade fair as part of the Tribal Fest cum Youth Expo in association with the Government of Nagaland on August 1 and 2, which is considered to be the most successful “trade fair” ever held in Mokokchung. As part of the same event, MEC organized a Workshop on Entrepreneurship in collaboration with YouthNet. MEC also organized the first ever inter school entrepreneurship competition.

On May 7 2013, MEC launched its Micro Finance Initiative (MEC-MFI) to extend micro loans to local entrepreneurs. Through the MEC-MFI, MEC has till date extended

micro loan to 94 local young entrepreneurs in Mokokchung accruing to a cumulative loan amount of Rs.1.12 crore.

**ii. Activities for the Year 2013-14**

In 2014, MEC through the Business Association of Nagas came into contact with the Christian Business Mentors Council (CBMC) India. MEC organized a seminar and a workshop in Mokokchung in association with the CBMC India. As part of its continued effort to promote entrepreneurship in Mokokchung, a three member delegation of MEC went out on a self-sponsored exposure trip to South India to learn about their best business practices.

CBMC India also initiated a “field trip” and “industrial visit” program exclusively for MEC wherein the MEC members visited Kodaikanal in Tamil Nadu, Thekkady and Kottayam in Kerala and Madurai in Tamil Nadu.

**iii. Activities for the Year 2014-15**

MEC organized a two-day workshop on Practical Finance Management in association with the Christian Business Mentors Council India, at Clark Theological College on May 16 and 17, 2014. About 70 participants were benefited through the workshop. The participants included entrepreneurs, church workers, teachers, homemakers and students who were taught on essentials of finance management like bookkeeping, budgeting, savings and investment. They were also taught on various aspects of finance management based on Biblical values.

**iv. Activities for the Year 2016-17**

The Mokokchung Entrepreneurs Consortium launched a new scheme, *La Catalyst* on July 25 2017, a micro finance initiative exclusively for women entrepreneurs in Mokokchung Town, at Hotel Whispering Winds with the support of Youth Net. *La Catalyst* was launched



to encourage women entrepreneurs in the town by giving microloans at minimal interest rates. La Catalyst loan scheme was given to twenty women entrepreneurs from Mokokchung town.

## CHAPTER – IV

### Motivational factors of the entrepreneurs

It is intended in this chapter to understand the factors that motivates a person to become an entrepreneur. Entrepreneurs may derive motivation both internal or externally, hence the motivational factors have been divided into internal and external factors. A five point Likert Scale have been used to analyse the motivational factors.

#### IV.1 Internal Factors

Internal factors are those factors that motivate the entrepreneurs from within. For the purpose of the study 15 (fifteen) motivational factors were being identified as internal motivational factors which are mentioned in the table below.

**Table 4.1 Internal Factors**

<b>Internal Motivational Factors</b>	<b>Mean</b>	<b>SD</b>	<b>Rank</b>
Self Employment	4.55	0.518	1 <sup>st</sup>
To Earn Income/money	4.43	0.496	2 <sup>nd</sup>
Managing one-self	4.14	0.723	3 <sup>rd</sup>
Risk taking attitude	4.10	0.645	4 <sup>th</sup>
To be an entrepreneur	4.04	0.715	5 <sup>th</sup>
Possession of skill	3.89	0.901	6 <sup>th</sup>
Willingness to innovate.	3.84	0.899	7 <sup>th</sup>
Contribute to society	3.80	0.874	8 <sup>th</sup>
Competitive nature	3.65	0.734	9 <sup>th</sup>
Unemployment	3.24	1.495	10 <sup>th</sup>
Social recognition	3.05	1.018	11 <sup>th</sup>
No other means to earn livelihood	2.91	1.294	12 <sup>th</sup>
Use of idle assets/wealth	2.60	0.925	13 <sup>th</sup>
Family business	2.52	0.997	14 <sup>th</sup>
Dissatisfied with previous job	2.42	0.958	15 <sup>th</sup>
<i>Average of the Mean Value: 3.55</i>			

The table shows the factors motivating the entrepreneurs internally. It is found that the factor self employment is ranked 1<sup>st</sup> (first) with 4.55 mean value, followed by to earn

income/money with 4.43 is ranked 2nd (second) and managing oneself as 3<sup>rd</sup> (third) with 4.14 mean value. The other moderately high ranked factors are risk taking attitude with 4.10 as 4<sup>th</sup> (forth) rank, to be an entrepreneur with 4.04 mean score as the rank 5<sup>th</sup> (fifth) rank. While use of idle assets/wealth, family business responsibilities and dissatisfied with previous job are among the lower ranked factors.

#### **IV.1.1 Factor analysis of the internal factors.**

Factor analysis is a statistical tool that measures the impact of a few un-observed variables called factors on a large number of observed variables. It is used as a data reduction method<sup>42</sup>. It is used in statistical analysis to reduce large number of data into fewer factors which are found to be correlated.

**Table 4.2 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.650
Bartlett's Test of Sphericity	Approx. Chi-Square	649.379
	d.f	105
	Sig.	.000

Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.650 which indicates that factor analysis is useful for the present data. Bartlett's Test of Sphericity result shows that Chi-square is 649.379 which is significant at 0.000. The resultant values of KMO test and B Bartlett's test indicates that the factor analysis result is reliable for the study.

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<sup>42</sup> Reserachoptimus.com (2018). *What is Factor Analysis?* Available at (online): [www.researchoptimus.com/article/factor-analysis.php](http://www.researchoptimus.com/article/factor-analysis.php). (Accessed 16 Aug. 2018)

**Table 4.3 Factor Loading of Internal Factors**

<b>Internal Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>	<b>F4</b>	<b>F5</b>
Self Employment	0.045	0.280	-0.152	<b>0.610</b>	0.271
To Earn Income/money	<b>0.485</b>	0.096	-0.397	0.055	0.428
Managing one-self	<b>0.590</b>	0.157	0.012	0.163	-0.316
Risk taking attitude	<b>0.721</b>	-0.170	-0.110	-0.010	-0.219
To be an entrepreneur	<b>0.718</b>	0.118	-0.338	-0.039	-0.189
Possession of skill	0.296	0.158	-0.258	<b>0.646</b>	-0.089
Willingness to innovate.	<b>0.773</b>	0.078	0.128	-0.122	0.049
Contribute to society	0.400	-0.263	-0.163	-0.375	<b>0.541</b>
Competitive nature	-0.360	0.255	0.198	<b>0.296</b>	0.155
Unemployment	0.137	<b>0.649</b>	-0.083	-0.254	-0.297
Social recognition	-0.090	<b>0.757</b>	0.012	-0.171	0.303
No other means to earn livelihood	0.314	<b>0.503</b>	0.465	-0.246	0.079
Use of idle assets/wealth	<b>0.524</b>	-0.162	0.250	0.144	0.400
Family business	<b>0.641</b>	-0.168	0.377	0.030	-0.136
Dissatisfied with previous job	0.164	-0.065	<b>0.742</b>	0.281	0.055
<i>Eigen-value</i>	<i>3.433</i>	<i>1.627</i>	<i>1.435</i>	<i>1.319</i>	<i>1.135</i>
<i>Variability (%)</i>	<i>22.89</i>	<i>10.85</i>	<i>9.57</i>	<i>8.80</i>	<i>7.57</i>
<i>Cumulative %</i>	<i>22.89</i>	<i>33.73</i>	<i>43.30</i>	<i>52.09</i>	<i>59.66</i>
Rotation Method: <i>Varimax with Kaiser Normalization.</i>					

The table above shows the result of the factors loaded through Principal Component Analysis (PCA). The factors are categorized as F1, F2, F3, F4 and F5 and it is seen that the five components explains 59.66 percent of the variations of the data set.

The first factor (F1) loaded heavily on seven factors explaining 22.89 percent of variance. It consists if the following factors:

- i. To earn income/money (0.485)
- ii. Managing one-self (0.590)
- iii. Risk taking attitude (0.721)
- iv. To be an entrepreneur (0.718)
- v. Willingness to innovate (0.773)
- vi. Use of idle assets/wealth (0.524) and

- vii. Family business (0.641).

The second Factor (F2) loaded heavily on three factors and explains 10.85 percent of the variance which are as follows:

- i. Unemployment' (0.649)
- ii. Social recognition' (0.757)
- iii. No other means of livelihood (0.503).

The third Factor (F3) loaded heavily one factor and it explains 9.57 percent of the variance which is as follows:

- i. On dissatisfied with previous job (0.742).

The forth Factor (F4) loaded heavily on three important factors which accounts for 8.80 percent of variance.

- i. Self employment (0.610)
- ii. Possession of skill (0.646)
- iii. Competitive nature (0.296).

The fifth factor (F5) have loaded heavily the factor which is given below

- i. On contribute to society (0.742).

#### **IV.1.2. Impact of internal factors on entrepreneurs' motivation**

The table below explains the impact of the internal factors on entrepreneurs' motivation basing on the factors derived from Factor Analysis and the corresponding number of respondents to each factor. Factor loading resulted to six important factors which are mentioned as below

**Table 4.4 Impact of internal factors on entrepreneurs' motivation**

<i>Factor</i>	<b>No. of respondent</b>
<i>F1</i>	58 (29)
<i>F2</i>	30 (15)
<i>F3</i>	38 (19)
<i>F4</i>	31 (15.5)
<i>F5</i>	25 (12.5)
<i>F6</i>	18 (9.0)
<i>Total</i>	200 (100)

From the table above it is seen that the first factor (F1) has more impact on the entrepreneurs as 29 percent of the entrepreneurs are found to have been motivated by this factor. This is followed by the third component (F3) with 19 percent of the entrepreneurs. 15.5 percent of the entrepreneurs are motivated by the forth component (F4). 15 percent by the second factor (F2), 12.5 percent by the fifth factor while 9 percent by the sixth factor (F6).

## **IV.2 External Factors**

External factors refer to the environment around the entrepreneurs, be it human, physical or financial that motivates the entrepreneurs. In this study 12 (twelve) external motivational factors were identified which are as mentioned in the table below.

**Table 4.5 External Factors**

<b>External Factors</b>	<b>Mean</b>	<b>SD</b>	<b>Ranks</b>
Family/relatives Encouragement	3.58	1.044	1 <sup>st</sup>
Market Accessibility	3.45	0.944	2 <sup>nd</sup>
Fewness of this business in the area	3.39	1.142	3 <sup>rd</sup>
Conducive business environment	3.38	1.011	4 <sup>th</sup>
Scarcity of Job	3.33	1.09	5 <sup>th</sup>
Location advantage	3.27	1.107	6 <sup>th</sup>
Accessibility to transportation	3.24	1.495	7 <sup>th</sup>
High demand for this business/product	3.19	1.213	8 <sup>th</sup>
Better power supply	3.08	1.029	9 <sup>th</sup>
Easy access to banks and others finances	2.98	1.123	10 <sup>th</sup>
Influence of migration to the city/town.	2.91	1.159	11 <sup>th</sup>
Friends influence	2.86	1.089	12 <sup>th</sup>
<i>Average Mean Score = 3.23</i>			

In the above table the external factors motivating the entrepreneurs have been presented. It can be seen that family/relatives encouragement is the most important external factor motivating the entrepreneurs as it is ranked 1<sup>st</sup> (first) with 3.58 as mean value. It is clear from this that encouragement from family is important for boosting the morale of the entrepreneurs. Market accessibility is also found to be another important factor as it is ranked 2<sup>nd</sup> (second) with 3.45 as mean value. Fewness of this business in the area with 3.39 mean score is ranked 3<sup>rd</sup> (third) while conducive business environment with 3.38 mean score is ranked 4<sup>th</sup> (forth). Scarcity of Job with 3.33 mean score is ranked 5<sup>th</sup> (fifth). It is found that easy access to banks and others finances/loans is among the lower ranked factors. It may be due to the inefficient of the financial institutions.

#### **IV.2.1. Factor loading of external factors**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.860 which indicates that factor analysis is useful for the present data.

**Table 4.6 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.860
Bartlett's Test of Sphericity	Approx. Chi-Square	858.215
	d.f	66
	Sig.	0.000

Bartlett's Test of Sphericity result shows that Chi-square is 858.215 which is significant at 0.000. The resultant values of KMO test and B Bartlett's test indicates that the factor analysis result is reliable for the study.

**Table 4.7 Factor loading of external factors**

<b>External Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Easy access to finance from banks and others	<b>0.506</b>	-0.633	-0.121
Family/relatives Encouragement	<b>0.706</b>	0.072	-0.177
High demand for this business/product	<b>0.761</b>	-0.332	0.085
Market Accessibility	<b>0.646</b>	0.102	0.229
Fewness of this business in the area	<b>0.671</b>	-0.384	-0.054
Scarcity of Jobs	0.465	<b>0.518</b>	0.081
Location advantage	0.426	0.163	<b>0.768</b>
Better power supply	<b>0.622</b>	0.385	-0.287
Friends influence	<b>0.687</b>	0.065	-0.381
Influence of migration to the city/town	<b>0.622</b>	-0.144	0.22
Accessibility to transportation	<b>0.741</b>	-0.1	0.094
Conducive business environment	<b>0.699</b>	0.406	-0.174
<i>Eigen value</i>	<i>4.884</i>	<i>1.317</i>	<i>1.019</i>
<i>Variability (%)</i>	<i>40.7</i>	<i>10.98</i>	<i>8.49</i>
<i>Cumulative %</i>	<i>40.7</i>	<i>51.68</i>	<i>60.17</i>
Rotation Method: <i>Varimax with Kaiser Normalization.</i>			

The table below shows the factor loading of external factors by using Varimax rotation. It derived three principal components which are categorized as F1, F2, and F3. It is seen that the three components explains 60.171 percent of variations of the data set.

The first factor (f1) loaded heavily on ten factors and explains 40.70 percent of variance which are given as

- i. Easy access to finance from banks and others (0.506)
- ii. Family/relatives Encouragement (0.706)
- iii. High demand for this business/product (0.761)
- iv. Market Accessibility (0.646)
- v. Fewness of this business in the area (0.671)
- vi. Better power supply (0.622)
- vii. Friends influence (0.687)
- viii. Influence of migration to the city/town (0.622)



- ix. Accessibility to transportation (0.741)
- x. Conducive business environment (0.669).

The second Factor (F2) loaded heavily on one factor with 10.98 percent of the variance which is as follows:

- i. Scarcity of Jobs (0.518).

The third Factor (F3) has loaded heavily on one factor explaining about 8.49 percent of variance which is as follows:

- i. Location advantage (0.768).

#### **IV.2.2 Impact of external factors on entrepreneurs' motivation**

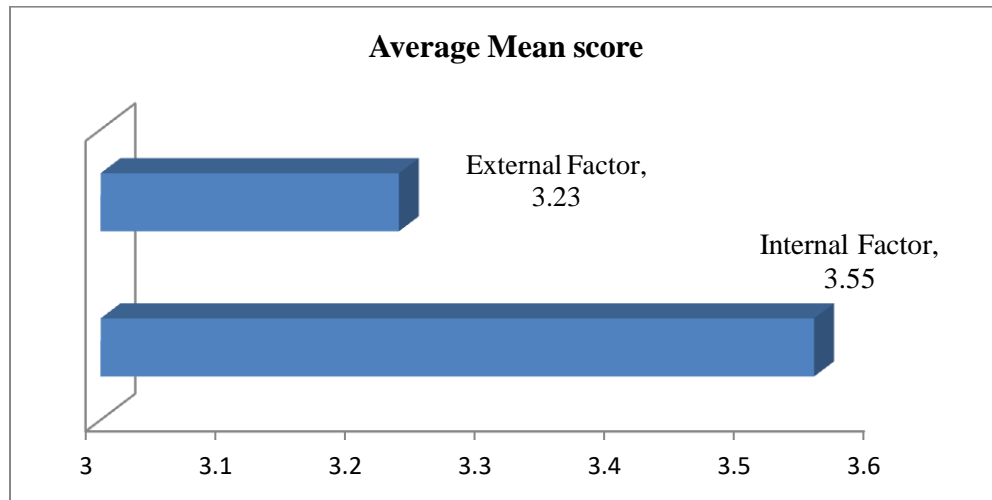
To analyse the impact of the external factors on entrepreneurs' motivation three important factors has been derived through Factor Analysis and the corresponding number of respondents to each factor which are mentioned in the table below.

**Table 4.8 Impact of external factors on entrepreneurs' motivation**

Factors	No. of Respondent
F1	84 (42)
F2	56 (28)
F3	60 (30)
Total	200 (100)

The table above shows that majority of the entrepreneurs are motivated by the first component (F) with 42 percent of the entrepreneurs fall under this category. This is followed by the third component (F3) with 30 percent of the entrepreneurs while 28 percent of the entrepreneurs are motivated by the second component (F2).

**Fig: IV.1**      **Average mean score of internal factors and external factors.**



The above figure shows the average mean score of internal and external factors.

The average mean score of *internal factors* is 3.55 while average mean score of the *external factors* is 3.23.

**Table 4.9**    **F-test of Internal and external factors**

Factors	Mean	Variance	N	d.f	f	F-Crit.	p-value
Internal	3.55	0.50	15	14	9.80	2.74	0.000
External	3.22	0.05	12	11			

*F-test* reveals that there is a significant difference between internal and external factor as  $f = 9.80$  ( $f > F$ ) which is significant at 0.000 level. This confirms that entrepreneurs are influenced more by internal factors than external factors.

### IV.3 District wise analysis of motivational factors of the entrepreneurs

District wise analysis on motivational factors is carried out to understand if there the any significant difference in the factors motivating the entrepreneurs between the three districts viz- Wokha, Kohima and Mokokchung. The table below presents the district wise means score of the factors derived by using Likert scale.

**Table 4.10 District wise internal factor of the entrepreneurs**

<b>Internal factors</b>	<b>Wokha</b>	<b>Kohima</b>	<b>Mokokchung</b>
Self Employed/ independence	4.58	4.53	4.56
Desire to Earn Income/money	4.42	4.50	4.37
Managing one-self	4.20	4.11	4.11
Desire to be an entrepreneur	4.07	4.12	3.92
Competitive nature	3.68	3.73	3.56
Risk taking attitude	4.08	4.12	4.11
Willingness to innovate.	3.83	3.83	3.86
Possession of skill	3.86	4.03	3.78
Unemployment	3.34	3.27	3.10
Dissatisfied with my previous job	2.45	2.42	2.38
No alternative means to earn livelihood	2.92	2.89	2.90
Use of idle assets/wealth	2.49	2.62	2.68
Social recognition	3.08	3.06	3.02
Contribute to society	3.92	3.86	3.60
Family business responsibility	2.48	2.47	2.62
<i>Average</i>	<i>3.56</i>	<i>3.57</i>	<i>3.50</i>

It is found that the factor self employment is the most important internal factor motivating the entrepreneurs in all the three districts- Wokha (4.58), Kohima (4.53) and Mokokchung (4.56). Also the desire to earn income/money is another important internal factor for all the three districts- Wokha (4.42), Kohima (4.50) and Mokokchung (4.37). Some of the other factors with higher mean values are managing oneself – Wokha (4.20), Kohima (4.11) and Mokokchung (4.11), desire to be an entrepreneur – Wokha (4.07), Kohima (4.12) and Mokokchung (3.92) and risk taking attitude- Wokha (4.08), Kohima (4.12) and

Mokokchung (4.11). While those factors with lesser mean score are; dissatisfied with my previous job- Wokha (2.45), Kohima (2.42) and Mokokchung (2.38); Family business responsibility- Wokha (2.48), Kohima (2.47) and Mokokchung (2.62); Use of idle assets/wealth- Wokha (2.49), Kohima (2.62) and Mokokchung (2.68), and No alternative means to earn livelihood- Wokha (2.92), Kohima (2.89) and Mokokchung (2.90). The average mean values are found to be- Wokha (3.56), Kohima (3.57) and Mokokchung (3.50). It is seen from the above table that self employment and desire to earn income are the most important factors motivating the entrepreneurs internally.

**Table 4.11 ANOVA result of district and internal factors**

Source of Variation	SS	df	MS	f	<i>p</i> -value	F crit
Between groups	13.650	14	0.975	128.147	2.75	2.484
Within groups	0.035	1	0.0347	4.560	0.05	4.600

The above ANOVA table shows that there is no significant difference between districts and internal factors as  $p\text{-value} > 0.05$ . This reveals that there is no statistical significant difference between the districts in terms of internal factors. It is also found that there is a statistically significant difference within each districts in terms of internal factors as  $p\text{-value}$  is less than 0.05. It also reveals that internal factors motivating the entrepreneurs remain generic between the districts but within districts there are variations.

**Table 4.12 District wise external factor of the entrepreneurs**

<b>External factors</b>	<b>Wokha</b>	<b>Kohima</b>	<b>Mokokchung</b>
Easy access to banks and others finances/loans	3.14	2.82	2.98
Family/relatives Encouragement	3.68	3.65	3.40
High demand for this business/product	3.21	3.23	3.13
Market Accessibility	3.41	3.52	3.43
Fewness of this business in the area	3.54	3.33	3.29
Scarcity of job	3.24	3.59	3.17
Location advantage	3.27	3.62	3.00
Better power supply	3.07	2.98	3.19
Friends influence	3.01	2.45	3.11
Influence of migration to the city/town me	2.97	2.89	2.84
Accessibility to transportation	3.37	3.24	3.21
Conducive business environment	3.38	3.48	3.30
<i>Average</i>	<i>3.27</i>	<i>3.23</i>	<i>3.17</i>

In the above table we see the external factors motivating the entrepreneurs with respect to district. It is found that the factor encouragement from family/relatives is the most important external factor motivating the entrepreneurs for both Wokha (3.68) and Kohima (3.65) while market accessibility for Mokokchung (3.43). Followed by fewness of this business in the area for Wokha (3.54), location advantage for Kohima (3.62) and family/relatives encouragement for Mokokchung (3.40). Some of the other factors with higher mean values are conducive business environment- Wokha (3.38) , Kohima (3.48) and Mokokchung (3.30), high demand for this business/product- Wokha (3.21) , Kohima (3.23) and Mokokchung (3.13), fewness of this business in the area- - Wokha (3.54) , Kohima (3.33) and Mokokchung (3.29). On the other hand, the less motivating factors are found to be, influence of migration to the city/town me- Wokha (2.97) , Kohima (2.89) and Mokokchung (2.84), better power supply- Wokha (3.07) , Kohima (2.98) and Mokokchung (3.19) and easy access to banks and others finances/loans- Wokha (3.14) , Kohima (2.82) and Mokokchung (2.98). The average mean values are found to be- Wokha (3.27), Kohima (3.23) and Mokokchung (3.17). It is seen from the above table that encouragement from the family ,

location advantage and accessibility to transportation are important external factors motivating the entrepreneurs.

**Table 4.13 ANOVA result of district and external factors**

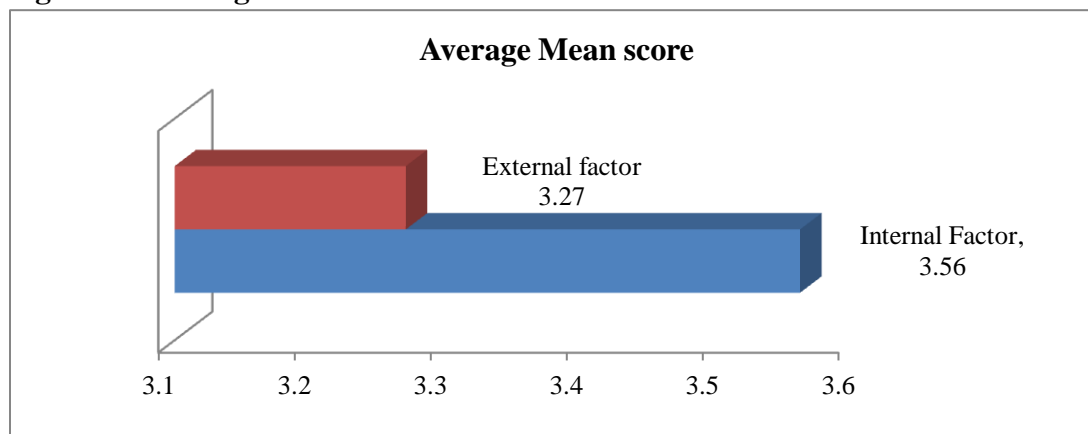
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p-value</i>	<i>F crit</i>
Between groups	1.124	10	0.112	2.092	0.130	2.978
Within groups	0.040	1	0.039	0.742	0.409	4.965

The above ANOVA table shows that there is no significant difference between districts and external factors as  $p\text{-value} > 0.05$ . This reveals that there is no statistically significant difference in the factors motivating the entrepreneurs internally in all the districts. It is also found that there is no statistically significant difference in the external factors influencing the entrepreneurs within each district as the  $p\text{-value} > 0.05$ . This reveals that external factors motivating the entrepreneurs remain generic between districts and within districts else well.

#### IV.3.1 District wise Mean score and f-test of the motivational factors

The figure below shows the average mean score difference between internal and external factors for Wokha District. The average mean score of internal factors is 3.56 while average mean score of the external factors is 3.27 for Wokha District.

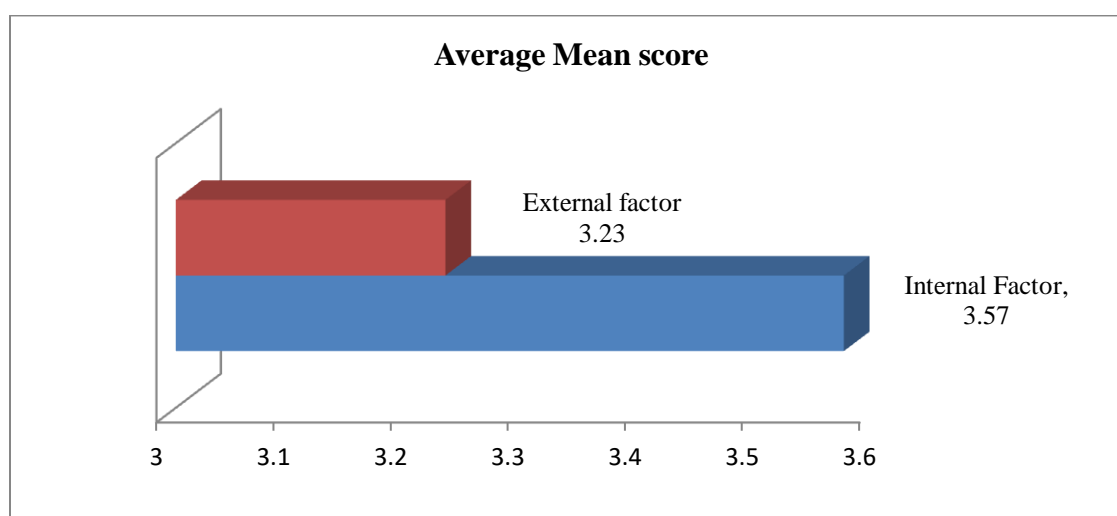
**Fig IV.2 Average mean score of Internal factors and External factors- Wokha District**



**Table: 4.14 F-test of Internal and external factors- Wokha District**

Factors	Mean	Variance	N	df	f	F Crit.	p-value.
Internal	3.56	0.52	15	14	11.37	2.74	0.000
External	3.27	0.05	12	11			

*F-test* also reveals that there is a significant difference between internal and external factor as  $f = 11.37$  ( $f > F$ ) which is significant at 0.000 level. This confirms that entrepreneurs are motivated more by internal factors than external factors in Wokha district.

**Fig: IV.3 Average Mean score of internal factors and External factors- Kohima District**

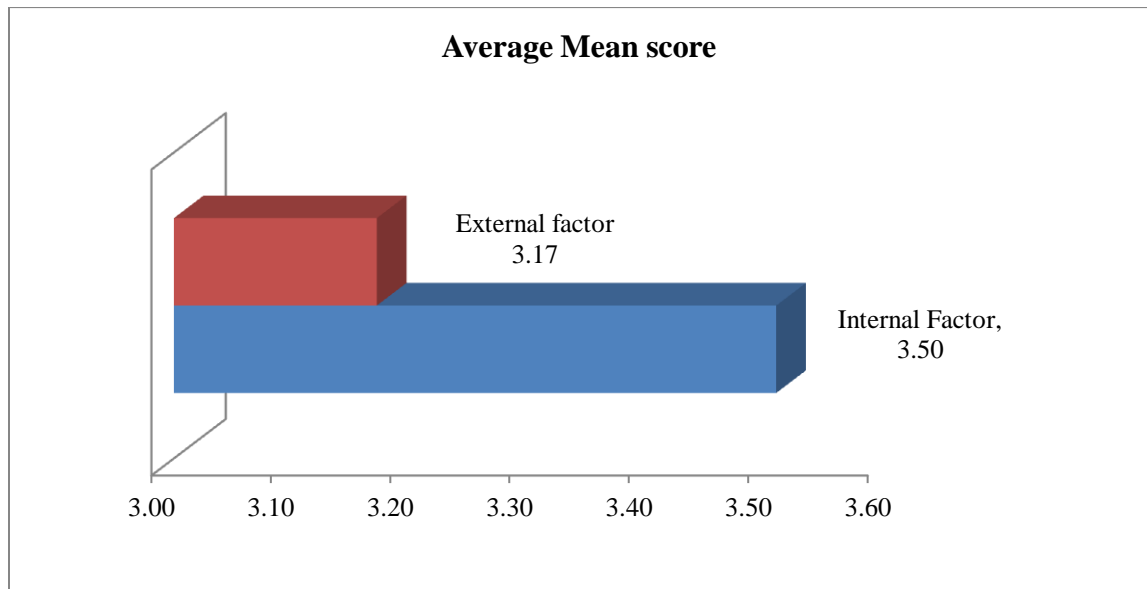
The above figure shows the average mean difference between internal and external factors for Kohima District. The average mean score of internal factors is 3.57 while the average mean score of the external factors is 3.23 for Kohima District.

**Table: 4.15 F-test of Internal and external factors- Kohima District**

Factors	Mean	Variance	N	df	f	F Crit.	p-value
Internal	3.57	0.52	15	14	3.66	2.74	0.01
External	3.23	0.14	12	11			

*F-test* also reveals that there is a significant difference between internal and external factor as  $f = 3.66$  ( $f > F$ ) which is significant at 0.01 level. This confirms that entrepreneurs are motivated more by internal factors than external factors in Kohima district.

**Fig: IV.4 Average Mean score of internal factors and External factors- Mokokchung District**



The above figure shows the average mean difference between internal and external factors for Mokokchung District. The average mean score of internal factors is 3.50 while average mean score of the external factors is 3.17 for Mokokchung District.

**Table 4.16 F-test of Internal and external factors- Mokokchung District**

<i>Factors</i>	Mean	Variance	N	df	f	F crit.	<i>p</i> -value
<i>Internal</i>	3.50	0.46	15	14	15.28	2.74	0.000
<i>External</i>	3.17	0.03	12	11			

*F*-test also reveals that there is a significant difference between internal and external factor as  $f = 15.28$  ( $f > F$ ) which is significant at 0.000 level. This confirms that entrepreneurs are motivated more by internal factors than external factors in Mokokchung district.

Thus the above test result shows that there is a significant difference between internal factors and external factors. Also it explains that there is a significant relationship between internal factors and entrepreneurial motivation.



**Table 4.17 Districts and Internal Factors of the Entrepreneurs**

<b>Internal Factors</b>	<b>F1</b>	<b>F2</b>
Self Employed/ independence	-0.553	<b>0.833</b>
Desire to Earn Income/money	0.136	<b>0.991</b>
Managing one-self	0.607	<b>0.795</b>
Desire to be an entrepreneur	<b>0.912</b>	-0.411
Competitive nature	<b>0.891</b>	-0.455
Risk taking attitude	<b>-0.418</b>	-0.908
Willingness to innovate.	-0.995	<b>0.096</b>
Possession of skill	<b>0.619</b>	-0.786
Unemployment	0.996	0.085
Dissatisfied with my previous job	0.979	0.206
No alternative means to earn livelihood	0.174	<b>0.985</b>
Use of idle assets/wealth	-0.854	<b>-0.520</b>
Social recognition	<b>0.985</b>	0.172
Contribute to society	<b>1.000</b>	-0.022
Family business responsibility	-0.973	<b>0.230</b>
<i>Eigen value</i>	<i>9.49</i>	<i>5.51</i>
<i>Variability (%)</i>	<i>63.28</i>	<i>36.72</i>
<i>Cumulative %</i>	<i>63.28</i>	<i>100.00</i>
Rotation Method: <i>Varimax with Kaiser Normalization.</i>		

In the above table we see the factor loading results of internal factors with respect to district. There are two principal components extracted basing on Kaiser's Criterion of Eigen-value greater than unities which are categorized as F1and F2. These factors explain 100 percent of the variation of the data.

The Principal Component Analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are Desire to be an entrepreneur (0.912), Competitive nature (0.891), Possession of skill (0.619), Social recognition (0.985) and Contribute to society (1.000). The first factor explains about 63.28 percent of variance in the data.

The second Factor (F2) is loaded heavily on the factor self employed/ independence (0.833), desire to earn income/money (0.991), managing one-self (0.795), no alternative means to earn livelihood (0.985), family business responsibility (0.230) and willingness to innovate (0.096). It explains 36.72 percent of the variation.

**Table 4.18 Factor Score of districts and Internal factors**

District	F1	F2
Wokha	<b>2.811</b>	2.536
Kohima	<b>1.478</b>	-3.122
Mokokchung	-4.289	<b>0.586</b>

The table above shows the factor score of the internal factors of the three districts.

The data reveals that those in Wokha and Kohima category have been motivated more by the first factor (F1) while those in Mokokchung by the first factor (F2).

**Table 4.19 Districts and External Factors of the Entrepreneurs**

External Factors	F1	F2
Easy access to finance from banks and others	-0.555	<b>0.832</b>
Family/relatives Encouragement	<b>0.795</b>	0.606
High demand for this business/product	<b>0.912</b>	0.410
Market Accessibility	<b>0.794</b>	-0.608
Fewness of this business in the area	0.132	<b>0.991</b>
Scarcity of Jobs	<b>0.946</b>	-0.324
Location advantage	<b>1.000</b>	-0.031
Better power supply	-0.990	<b>-0.144</b>
Friends influence	-0.943	<b>0.332</b>
Influence of migration to the city/town	0.356	<b>0.934</b>
Accessibility to transportation	0.168	<b>0.986</b>
Conducive business environment	<b>0.999</b>	-0.033
<i>Eigen value</i>	<i>7.34</i>	<i>4.66</i>
<i>Variability (%)</i>	<i>61.14</i>	<i>38.86</i>
<i>Cumulative %</i>	<i>61.14</i>	<i>100.00</i>

The table above shows the factor loading results of external factors with respect to district. PCA have extracted two principal components basing on Kaiser's Criterion of Eigen-value greater than unity which are categorized as F1 and F2. These two factors explain a total of 100.00 percent of the variation of the data.

Principal component analysis (PCA) of the first Factor (F1) has loaded more on factors which are family/relatives encouragement (0.795), high demand for this business/product (0.912), market accessibility (0.794), scarcity of jobs (0.946), location advantage (1.000) and conducive business environment (0.999). The first factor explains 61.14 percent of variance in the data.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded the following factors which are easy access to finance from banks and others (0.832), fewness of this business in the area (0.991), influence of migration to the city/town (0.991), accessibility to transportation (0.986), influence of migration to the city/town (0.934) and better power supply (-0.144). This factor explains 38.86 percent of the variation.

**Table 4.20 Factor Score of Districts and external factors**

District	F1	F2
Wokha	-0.185	<b>3.050</b>
Kohima	<b>3.406</b>	-1.397
Mokokchung	-3.221	<b>-1.653</b>

The table above shows the factor score of the internal factors of the three districts. The data reveals that those in Wokha and Mokokchung category have been motivated more by the second factor (F2) while those in Kohima by the first factor (F1).

#### IV.4 Age and motivational factors of the Entrepreneurs

To analyse motivational factors in terms of age groups, Principal Component Analysis has been used to derive the factor loading score of both the internal factor and external which are presented in following tables below.

**Table 4.21 Factor Loading of Age and Internal Factors of the Entrepreneurs**

<b>Internal Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Self Employed/ independence	<b>0.983</b>	0.154	0.092
Desire to Earn Income/money	-0.087	<b>0.602</b>	0.555
Managing one-self	0.089	<b>0.979</b>	0.040
Desire to be an entrepreneur	-0.780	<b>-0.168</b>	-0.538
Competitive nature	-0.734	<b>0.595</b>	0.053
Risk taking attitude	<b>0.722</b>	0.509	0.455
Willingness to innovate.	<b>0.704</b>	0.500	-0.389
Possession of skill	-0.812	<b>0.370</b>	-0.443
Unemployment	<b>0.973</b>	0.098	-0.207
Dissatisfied with my previous job	-0.638	<b>0.615</b>	-0.221
No alternative means to earn livelihood	-0.271	0.486	<b>0.826</b>
Use of idle assets/wealth	<b>0.911</b>	-0.240	-0.274
Social recognition	-0.031	<b>0.965</b>	-0.191
Contribute to society	0.134	<b>0.973</b>	-0.133
Family business responsibility	0.437	<b>0.565</b>	-0.675
<i>Eigenvalue</i>	6.274	5.255	2.524
<i>Variability (%)</i>	41.83	35.03	16.83
<i>Cumulative %</i>	41.83	76.86	93.69
Rotation Method: <i>Varimax with Kaiser Normalization.</i>			

The table above shows the Factor loading results of internal factors with respect to age. The three principal components have been retained based on Kaiser's Criterion of Eigen-value greater than unity viz. F1, F2 and F3. The three factors explain 93.69 percent of the variation of the data.

The Principal Component Analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are self employed/ independence (0.983), risk taking attitude (0.722),

willingness to innovate (0.704), unemployment (0.973) and use of idle assets/wealth' (0.911).

The first component explains for 41.83 percent of variance.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded heavily on desire to earn income/money (0.602), managing one-self (0.979), desire to be an entrepreneur (-0.168), competitive nature (0.595), possession of skill (0.370), dissatisfied with my previous job (0.615), social recognition (0.965), contribute to society (0.973) and family business responsibility (0.565).

The Principal Component Analysis (PCA) of the third component (F3) is loaded heavily on no alternative means to earn livelihood (0.826).

**Table 4.22 Factor Score of Age and Internal Factors of the Entrepreneurs**

Age	F1	F2	F3	CCS
21-26	<b>4.757</b>	1.029	0.669	2.493
27-32	-2.072	<b>1.486</b>	0.286	-0.259
33-38	-0.865	<b>2.025</b>	-2.366	-0.030
39-44	<b>0.101</b>	-4.344	-0.952	-1.754
45 and above	-1.921	-0.195	<b>2.364</b>	-0.450

The table above shows that those between 21-26 and 39-44 age group are motivated more by the first factor (F1), those belonging to 27-32 and 33-38 are motivated more by the second factor (F2) while those who are 45 and above are motivated more by the third factor (F3)

**Table 4.23 ANOVA result of age and internal factors**

Source of Variation	SS	d.f	MS	f	F-crit	<i>p</i>
Between groups	0.3503	4	0.0876	0.170	2.503	0.953
Within groups	36.034	70	0.515			

ANOVA test reveals that there is no significant difference between age group and the internal factors as  $f < F\text{-crit}$  and  $p\text{-value} > 0.05$ . This confirms there are no noticeable

difference the factors motivating the entrepreneurs of different age groups. It also shows that irrespective of the age, the internal factors motivating the entrepreneurs are generic.

**Table 4.24 Factor Loading of Age and External Factors of the Entrepreneurs**

<b>External Factors</b>	<b>F1</b>	<b>F2</b>
Easy access to finance from banks and others	<b>0.830</b>	0.095
Family/relatives Encouragement	<b>0.985</b>	-0.157
High demand for this business/product	<b>0.982</b>	-0.106
Market Accessibility	<b>0.902</b>	-0.372
Fewness of this business in the area	<b>0.718</b>	-0.518
Scarcity of Jobs	<b>0.980</b>	0.057
Location advantage	-0.429	<b>0.861</b>
Better power supply	<b>0.957</b>	-0.182
Friends influence	<b>0.791</b>	0.521
Influence of migration to the city/town	<b>0.608</b>	0.592
Accessibility to transportation	<b>0.937</b>	0.281
Conducive business environment	<b>0.845</b>	0.403
<i>Eigen value</i>	<i>8.599</i>	<i>2.093</i>
<i>Variability (%)</i>	<i>71.66</i>	<i>17.44</i>
<i>Cumulative %</i>	<i>71.66</i>	<i>89.10</i>

The table above shows the factor loading results of external factors with respect to age. Two principal components have been retained based on Kaiser's Criterion of Eigen-value greater than unity which is categorized as F1 and F2. These two factors explains 89.10 percent of the variation of the data.

The Principal Component Analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are Easy access to finance from banks and others (0.830), Family/relatives Encouragement (0.985), High demand for this business/product (0.982), Market Accessibility (0.902), Fewness of this business in the area (0.718), Scarcity of Jobs (0.980), Better power supply (0.957), Friends influence (0.791), Influence of migration to the city/town (0.608), Accessibility to transportation (0.937) and Conducive business environment (0.845). The first factor explains 71.66 percent of variance in the data.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded heavily on Location advantage (0.861). It explains 17.44 percent of the variation.

**Table 4.25 Factor Score of Age and External Factors of the Entrepreneurs**

<i>Age</i>	<i>F1</i>	<i>F2</i>
21-26	-4.333	<b>-0.986</b>
27-32	<b>4.593</b>	-0.680
33-38	-1.323	<b>2.116</b>
39-44	<b>-0.101</b>	-1.717
45 and above	1.165	<b>1.267</b>

As per the factor score shown in the above table, those belonging to 27-32 are motivated more by the first factor (F1) and 33-38 are motivated more by the second factor (F2) and those who are 45 and above are motivated more by the third factor (F2). However those between 21-26 and 39-44 were found less motivated by any of the factor.

**Table 4.26 ANOVA results of age and external factors**

Source of Variation	SS	df	MS	F	<i>p</i> -value	F crit
Between groups	2.218	11	0.201	10.59	5.98	2.09
Within groups	0.524	3	0.175	9.17	0.000	2.89

ANOVA test reveals that there is no significant difference between age groups and the external factors as  $p\text{-value} > 0.05$ . This confirms there are no noticeable difference the factors motivating the entrepreneurs of different age groups.. In the case of those within the age groups there is a statistically significant difference with external factor as  $p\text{-value} < 0.05$ . It also means though there are variations in the data with each age group yet irrespective of the age, the external factors motivating the entrepreneurs are generic and common to all the age groups.

#### IV.5 Education and motivational factors of the Entrepreneurs

To analyse motivational factors in terms of education qualification, Principal Component Analysis has been used to derive the factor loading score of both the internal factor and external which are presented in following tables below.

**Table 4.27 Education and Internal Factors of the Entrepreneurs**

<b>Internal Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Self Employed/ independence	<b>0.968</b>	0.143	-0.061
Desire to Earn Income/money	<b>0.951</b>	0.156	-0.219
Managing one-self	-0.861	<b>0.466</b>	0.100
Desire to be an entrepreneur	-0.278	0.232	<b>0.809</b>
Competitive nature	<b>0.985</b>	-0.014	-0.072
Risk taking attitude	<b>0.981</b>	-0.114	-0.075
Willingness to innovate.	<b>0.977</b>	0.141	0.125
Possession of skill	0.362	-0.756	<b>0.534</b>
Unemployment	<b>0.624</b>	0.271	0.516
Dissatisfied with my previous job	0.691	-0.046	<b>0.722</b>
No alternative means to earn livelihood	<b>0.929</b>	0.068	0.132
Use of idle assets/wealth	-0.884	0.013	<b>0.450</b>
Social recognition	-0.398	-0.836	<b>0.275</b>
Contribute to society	<b>0.972</b>	-0.022	-0.010
Family business responsibility	-0.062	<b>0.947</b>	0.309
<i>Eigen value</i>	9.296	2.597	2.205
<i>Variability (%)</i>	61.97	17.31	14.70
<i>Cumulative %</i>	61.97	79.28	93.98
Rotation Method: <i>Varimax with Kaiser Normalization.</i>			

The table above shows the factor loading results of internal factors with respect to education. Three principal components have been retained based on Kaiser's Criterion of Eigen-value greater than unity which is categorized as F1, F2 and F3. These three factors explain 93.98 percent of the variation of the data.

The Principal Component Analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are Self Employed/ independence (0.968), Desire to Earn Income/money (0.951), Competitive nature (0.985), Risk taking attitude (0.981), Willingness to innovate



(0.977), No alternative means to earn livelihood (0.929), Contribute to society (0.972), Unemployment (0.624). The first factor explains 61.97 percent of variance in the data.

The second Factor (F2) is loaded heavily on managing one-self (0.466) and Family business responsibility (0.947). It explains 17.31 percent of the variation.

The third factor (F3) is loaded heavily on Desire to be an entrepreneur (0.809), Possession of skill (0.534), Dissatisfied with my previous job (0.722), Use of idle assets/wealth (0.450) and Social recognition (0.275). This factor explains 14.70 percent of the variation.

**Table 4.28 Factor Score of education and Internal Factors of the Entrepreneurs**

Education	F1	F2	F3
Below 10	-2.153	-2.511	<b>-1.389</b>
Higher secondary	-1.616	<b>2.305</b>	-0.469
Graduate	-1.362	<b>0.978</b>	-0.684
Post-grad	-0.914	-0.621	<b>2.880</b>
Others	<b>6.045</b>	-0.151	-0.338

The table above shows that those below 10 and those with post graduate degree are motivated more by the third factor (F3), those with Higher-secondary and graduate are motivated more by the second factor (F2) while those belonging to others category are motivated more by the first factor (F1).

**Table 4.29 ANOVA result of education and internal factors**

Source of Variation	SS	d.f	MS	f	<i>p</i> -value	F-crit
Between groups	29.594	14	2.114	28.12	7.688	1.935
Within groups	0.309	3	0.103	1.37	0.266	2.827

The above table shows the ANOVA test results. It reveals that there is no significant difference between education groups and the external factors as  $p\text{-value} > 0.05$ . This means that there are no statistically significant difference between internal factors motivating the

entrepreneurs and educational qualification of the entrepreneurs. Also in the case of within each educational category,  $p$ -value  $> 0.05$ , there is no statistically significant difference.

**Table 4.30 Education and External Factors of the Entrepreneurs**

<b>External Factors</b>	<b>F1</b>	<b>F2</b>
Easy access to finance from banks and others	<b>0.916</b>	0.388
Family/relatives Encouragement	<b>0.963</b>	0.181
High demand for this business/product	<b>0.933</b>	0.252
Market Accessibility	<b>0.991</b>	-0.079
Fewness of this business in the area	<b>0.954</b>	0.220
Scarcity of Jobs	<b>0.977</b>	-0.097
Location advantage	<b>0.986</b>	-0.028
Better power supply	<b>0.959</b>	-0.256
Friends influence	-0.556	<b>0.795</b>
Influence of migration to the city/town	<b>0.982</b>	0.008
Accessibility to transportation	<b>0.993</b>	0.076
Conducive business environment	<b>0.962</b>	-0.177
Eigen value	10.57	01.05
Variability (%)	88.04	08.71
Cumulative %	88.04	96.75

The table above shows the factor loading results of external factors with respect to education. Two principal components have been obtained basing on Kaiser's Criterion of Eigen-value greater than unity which are categorized as F1 and F2. These two factors explain 96.75 percent of the variation of the data.

The Principal Component Analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are easy access to finance from banks and others (0.916), family/relatives encouragement (0.963), high demand for this business/product (0.933), market accessibility (0.991), fewness of this business in the area (0.954), scarcity of jobs (0.977), location advantage (0.986), better power supply (0.959), influence of migration to the city/town (0.982), accessibility to transportation (0.993) and conducive business environment (0.962). The first factor explains 88.04 percent of variance in the data.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded heavily on friends' influence (0.795). It explains 08.71 percent of the variation.

**Table 4.31 Factor score of education and external factors**

Education	F1	F2
Below 10	<b>1.308</b>	0.317
Higher secondary	<b>1.411</b>	-1.017
graduate	<b>2.043</b>	1.702
Post-grad	<b>1.719</b>	-1.091
Others	-6.480	<b>0.090</b>

The table above shows that the first factor (F1) has more impact on those belonging to below 10, with higher secondary, graduate and post graduate while those belonging to others category are motivated more by the first factor (F2).

**Table 4.32 ANOVA result of education and external factors**

Source of Variation	SS	d.f	MS	<i>f</i>	<i>p</i> -value	F- Crit
Between groups	1.690	10	0.169	2.017	0.067	2.166
Within groups	8.297	3	2.766	33.005	1.244	2.922

The above table shows that there is no significant difference between education category and the external factors as  $p\text{-value} > 0.05$ . This reveals that the relationship between educational qualification and internal factors have no statistically significant. While those within each educational category,  $p\text{-value} > 0.05$ , therefore there is no statistically significant difference between external factors and educational qualification. It also means that irrespective of the educational qualification the motivational factors are generic.

#### IV.6 Income and motivational factors of the Entrepreneurs

To analyse motivational factors in terms of level of income, Principal Component Analysis has been used to derive the factor loading score of both the internal factor and external which are presented in following tables below

**Table 4.33 Income and Internal Factors of the Entrepreneurs**

<b>Internal Factors</b>	<i>F1</i>	<i>F2</i>	<i>F3</i>
Self Employment	<b>0.929</b>	-0.362	0.034
To Earn Income/money	-0.933	-0.360	<b>0.026</b>
Managing one-self	-0.668	0.335	<b>0.653</b>
Risk taking attitude	-0.982	<b>0.186</b>	0.005
To be an entrepreneur	-0.012	<b>0.997</b>	-0.060
Possession of skill	-0.183	-0.970	<b>-0.150</b>
Willingness to innovate.	-0.874	<b>0.482</b>	-0.037
Contribute to society	-0.981	-0.159	<b>-0.104</b>
Competitive nature	<b>0.498</b>	-0.796	0.286
Unemployment	<b>0.933</b>	0.351	-0.059
Social recognition	<b>0.636</b>	-0.764	0.110
No other means to earn livelihood	<b>0.988</b>	0.137	-0.032
Use of idle assets/wealth	<b>0.994</b>	0.085	-0.015
Family business	-0.746	-0.665	<b>0.035</b>
Dissatisfied with previous job	<b>0.897</b>	0.385	0.208
<i>Eigen value</i>	<b>09.75</b>	<b>04.56</b>	<b>00.61</b>
<i>Variability (%)</i>	<b>64.99</b>	<b>30.37</b>	<b>04.07</b>
<i>Cumulative %</i>	<b>64.99</b>	<b>95.36</b>	<b>99.43</b>

In the table above we see the factor loading results of internal factors with respect to income. There are three principal components extracted basing on Kaiser's Criterion of Eigen-value greater than unity which is categorized as F1, F2 and F3 explaining 99.43 percent of the variation of the data.

The Principal Component Analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are self employed/ independence (0.929), competitive nature (0.498), unemployment (0.933), social recognition (0.636), no other means to earn livelihood (0.988),

use of idle assets/wealth (0.994) and dissatisfied with previous job (0.897). The first factor explains 64.99 percent of variance in the data.

The second Factor (F2) is loaded heavily on the factor to be an entrepreneur (0.997), willingness to innovate (0.482) and Risk taking attitude (0.186). It explains 30.37 percent of the variation.

The third factor (F3) has highest loading on to earn income/money (0.026), managing one-self (0.653), family business (0.035), possession of skill (-0.150) and contribute to society (-0.104). This factor explains 04.07 percent of the variation.

**Table 4.34 Factor Score of income and Internal factors**

Income	F1	F2	F3
10000 and Below	-5.698	<b>1.733</b>	0.015
10001-40000	<b>0.855</b>	-1.786	0.303
40001-70000	0.590	-1.475	<b>1.092</b>
70001-100000	<b>0.373</b>	-1.809	-1.327
100001 and above	<b>3.881</b>	3.336	-0.083

The table above shows the factor score of income and internal factors. It is seen that those below 10000 have been motivated highly by the second factor (F2). While between 10001 – 40000 have been motivated more by the first factor (F1), those between 40001-70000 are found to have be motivated more by the third factor (F3), those between 70001 – 100000 and 100001 and above have been motivated more by the first factor (F1).

**Table 4.35 Income and External Factors of the Entrepreneurs**

<b>External Factors</b>	<i>F1</i>	<i>F2</i>
Easy access to finance from banks and others	<b>0.924</b>	-0.348
Family/relatives Encouragement	-0.711	<b>0.683</b>
High demand for this business/product	<b>0.964</b>	-0.227
Market Accessibility	<b>0.991</b>	-0.026
Fewness of this business in the area	<b>0.977</b>	0.142
Scarcity of Jobs	<b>0.937</b>	0.337
Location advantage	<b>0.905</b>	0.394
Better power supply	<b>0.976</b>	0.212
Friends influence	<b>0.986</b>	0.120
Influence of migration to the city/town	<b>0.997</b>	-0.017
Accessibility to transportation	<b>0.999</b>	0.007
Conducive business environment	<b>0.921</b>	-0.079
<i>Eigen value</i>	<i>10.68</i>	<i>00.99</i>
<i>Variability (%)</i>	<i>89.03</i>	<i>08.28</i>
<i>Cumulative %</i>	<i>89.03</i>	<i>97.31</i>

The table above shows the factor loading results of external factors with respect to income. Factor analysis have extracted two principal components basing on Kaiser's Criterion of Eigen-value greater than unity which are categorized as F1 and F2. These two factors explains a total of 97.31 percent of the variation of the data.

Principal component analysis (PCA) of the first factor (f1) has loaded heavily on factors which are easy access to finance from banks and others (0.924), high demand for this business/product (0.964), market accessibility (0.991), fewness of this business in the area (0.977), scarcity of jobs (0.937), location advantage (0.905), friends influence (0.986), better power supply (0.976), influence of migration to the city/town (0.997), accessibility to transportation (0.999) and conducive business environment (0.921). The first factor explains 89.03 percent of variance in the data.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded heavily on family/relatives encouragement (0.683). This factor explains 08.28 percent of the variation.

**Table 4.36     Factor Score of income and external factors**

Income	<i>F1</i>	<i>F2</i>
10000 and Below	<b>6.469</b>	0.249
10001-40000	-2.230	<b>0.351</b>
40001-70000	-1.778	<b>0.769</b>
70001-100000	-1.679	<b>0.592</b>
100001 and above	<b>-0.783</b>	-1.960

The table above shows the factor score of income and external factors. It is seen that those in the category of 10000 and below have been highly motivated by the first factor (F2). While between 10001 – 40000, between 40001- 70000 and those between 70001 – 100000 have been motivated more by the second factor (F2), those 100001 and above by the first factor (F1).

#### IV.7 Earlier occupation and motivational factors of the Entrepreneurs

The tables below presents the motivational factors in terms of earlier occupation and Principal Component Analysis has been used to derive the factor loading score of both the internal factor and external which are presented in following tables below.

**Table 4.37 Earlier occupation and Internal Factors of the Entrepreneurs**

<b>Internal Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Self Employed/ independence	<b>0.923</b>	-0.353	-0.089
Desire to Earn Income/money	<b>0.945</b>	-0.147	-0.141
Managing one-self	-0.182	<b>0.973</b>	0.036
Desire to be an entrepreneur	-0.661	<b>0.549</b>	0.427
Competitive nature	0.662	<b>0.720</b>	-0.163
Risk taking attitude	<b>0.827</b>	-0.392	0.359
Willingness to innovate.	0.632	0.403	<b>0.633</b>
Possession of skill	-0.790	<b>0.491</b>	-0.033
Unemployment	-0.927	-0.153	<b>0.220</b>
Dissatisfied with my previous job	-0.841	<b>0.424</b>	-0.158
No alternative means to earn livelihood	0.532	<b>0.640</b>	-0.508
Use of idle assets/wealth	<b>0.966</b>	-0.135	-0.103
Social recognition	<b>0.867</b>	0.485	0.035
Contribute to society	<b>0.697</b>	0.528	-0.152
Family business responsibility	<b>0.687</b>	0.294	0.591
<i>Eigen value</i>	8.854	3.702	1.486
<i>Variability (%)</i>	59.024	24.682	9.904
<i>Cumulative %</i>	59.024	83.706	93.611
Rotation Method: <i>Varimax with Kaiser Normalization.</i>			

Above table shows the factor loading results of internal factors with respect to earlier occupation. There are three principal components are extracted basing on Kaiser's Criterion of Eigen-value greater than unity which are categorized as F1, F2 and F3. This factors explains 93.61 percent of the variation of the data.

The Principal Component Analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are self employed/ independence (0.923), desire to earn income/money (0.945), risk taking attitude (0.827), use of idle assets/wealth (0.966), social recognition



(0.867), contribute to society (0.697) and family business responsibility (0.687). The first factor explains 59.02 percent of variance in the data.

The second Factor (F2) is loaded heavily on the factor managing one-self (0.973), desire to be an entrepreneur (0.549) and competitive nature (0.720), possession of skill (0.491) dissatisfied with my previous job (0.424), no alternative means to earn livelihood (0.640). It explains 24.68 percent of the variation.

The third factor (F3) has highest loading on Willingness to innovate (0.633), Unemployment (0.220). This factor explains 09.90 percent of the variation

**Table 4.38 Factor Score of earlier occupation and Internal factors**

Earlier occupation	F1	F2	F3
Business	-1.679	<b>0.074</b>	-1.739
Agriculture	<b>6.510</b>	-0.738	-0.134
Govt. Service	-0.215	<b>3.505</b>	-0.536
Students	-1.869	0.028	<b>0.681</b>
Unemployed	-0.822	0.187	<b>2.211</b>
Others	-1.926	-3.056	<b>-0.483</b>

The table above shows the factor score of earlier occupation and internal factors. It is seen that those in the category of business have been motivated more by the second factor (F2). While those under agriculture by the first factor (F1), those under government servants by the second factor (F2). Those under students, unemployed and others category are motivated more by the third factor (F3).

**Table 4.39 ANOVA result of earlier occupation and Internal factors**

Source of Variation	SS	df	MS	F	<i>p</i> -value	F crit
Between groups	36.88	14	2.634	41.581	2.041	1.873
Within groups	0.313	4	0.078	01.234	0.307	2.537

The above table shows that there is no significant difference between earlier occupation and internal factors as  $p\text{-value} > 0.05$ . This reveals that the relationship between earlier occupation and internal factors have no statistically significant. Also for those within

each category,  $p$ -value being greater than 0.05, therefore there is no statistically significant difference between internal factors and earlier occupation. It also means that irrespective of their earlier occupation the internal factors remain generic.

**Table 4.40 Earlier occupation and External Factors of the Entrepreneurs**

<b>External Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Easy access to finance from banks and others	0.150	<b>0.494</b>	-0.386
Family/relatives Encouragement	<b>0.281</b>	-0.316	-0.020
High demand for this business/product	0.133	<b>0.539</b>	0.293
Market Accessibility	<b>0.326</b>	0.067	0.223
Fewness of this business in the area	0.251	<b>0.406</b>	-0.354
Scarcity of Jobs	<b>0.349</b>	-0.066	-0.067
Location advantage	<b>0.348</b>	-0.145	0.137
Better power supply	<b>0.354</b>	-0.033	-0.093
Friends influence	-0.331	0.147	<b>0.184</b>
Influence of migration to the city/town	-0.275	0.208	<b>0.427</b>
Accessibility to transportation	0.269	0.255	<b>0.471</b>
Conducive business environment	<b>0.292</b>	-0.198	<b>0.347</b>
<i>Eigen value</i>	7.31	2.18	1.43
<i>Variability (%)</i>	60.90	18.18	11.91
<i>Cumulative %</i>	60.90	79.08	90.99

The table above shows the factor loading results of external factors with respect to earlier occupation. PCA have extracted three principal components basing on Kaiser's Criterion of Eigen-value greater than unity which are categorized as F1, F2 and F3. These three factors explains a total of 90.99 percent of the variation of the data.

Principal component analysis (PCA) of the first Factor (F1) has loaded more on factors which are family/relatives encouragement (0.281) market accessibility (0.326), scarcity of jobs (0.349), location advantage (0.348), better power supply (0.354), and conducive business environment (0.292). The first factor explains 60.90 percent of variance in the data.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded the following factors which are easy access to finance from banks and others (0.494), High

demand for this business/product (0.539) and Fewness of this business in the area (0.406). This factor explains 18.18 percent of the variation.

The Principal Component Analysis (PCA) of the third Factor (F3) loaded the following factors, Friends influence (0.184), Influence of migration to the city/town (0.427), Accessibility to transportation (0.471) and Conducive business environment (0.347).

**Table 4.41 Factor Score of earlier occupation and external factors**

Earlier occupation	F1	F2	F3
Business	0.051	0.867	<b>1.832</b>
Agriculture	<b>5.685</b>	-0.366	-0.820
Govt. Service	-1.989	-3.096	<b>-0.057</b>
Students	-0.796	0.473	<b>0.771</b>
Unemployed	-0.338	<b>0.790</b>	0.245
Others	-2.613	<b>1.331</b>	-1.971

The table above shows the factor score of earlier occupation and external factors. The data shows that those in the category of business have been motivated more by the second factor (F3), those under agriculture by the first factor (F1), those under government servants and students by the second factor (F3), unemployed and others category are motivated more by the third factor (F2).

**Table 4.42 ANOVA result of earlier occupation and external factors**

Source of Variation	SS	d.f	MS	<i>f</i>	P-value	F crit
Between groups	5.037	11	0.458	5.850	9.565	2.014
Within groups	0.891	4	0.223	2.846	0.035	2.584

The above ANOVA table shows that there is no significant difference between earlier occupation and external factors as  $p\text{-value} > 0.05$ . This reveals that the relationship between earlier occupation and external factors have no statistical significant. In case of within groups,  $p\text{-value}$  being lesser than 0.05, therefore there is a statistically significant relationship between earlier occupation and external factors. It also means that external factors motivating

the entrepreneurs remain generic for all categories. But within each occupational groups there are variations.

#### IV.8 Types of enterprises and motivational factors of the Entrepreneurs

The tables below presents the motivational factors in terms of types of enterprises and Principal Component Analysis has been used to derive the factor loading score of both the internal factor and external which are presented in following tables below.

**Table 4.43 Types of enterprise and internal factors of the Entrepreneurs**

<b>Internal Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Self Employed/ independence	-0.040	<b>0.996</b>	-0.022
Desire to Earn Income/money	-0.027	<b>0.996</b>	-0.060
Managing one-self	0.630	<b>0.690</b>	0.317
Desire to be an entrepreneur	<b>0.735</b>	-0.203	0.516
Competitive nature	-0.173	<b>0.640</b>	0.381
Risk taking attitude	-0.499	<b>0.816</b>	0.216
Willingness to innovate.	0.589	-0.095	<b>0.752</b>
Possession of skill	-0.218	<b>0.797</b>	-0.528
Unemployment	-0.764	-0.397	<b>0.205</b>
Dissatisfied with my previous job	<b>0.827</b>	0.070	-0.512
No alternative means to earn livelihood	-0.090	0.301	<b>0.480</b>
Use of idle assets/wealth	<b>0.971</b>	0.041	0.049
Social recognition	<b>0.709</b>	0.490	-0.430
Contribute to society	<b>0.871</b>	0.162	0.288
Family business responsibility	<b>0.799</b>	-0.417	-0.420
<i>Eigenvalue</i>	5.731	4.918	2.389
<i>Variability (%)</i>	38.209	32.79	15.924
<i>Cumulative %</i>	38.209	70.995	86.919
Rotation Method: <i>Varimax with Kaiser Normalization.</i>			

The table above shows the factor loading results of internal factors with respect types of enterprise. PCA have extracted three principal components basing on Kaiser's Criterion of Eigen-value greater than unity which are categorized as F1, F2 and F3. These three factors explains a total of 86.92 percent of the variation of the data.

Principal component analysis (PCA) of the first Factor (F1) has loaded more on factors which are desire to be an entrepreneur (0.735), dissatisfied with my previous job

(0.827), use of idle assets/wealth (0.971), social recognition (0.709), contribute to society (0.871) and family business responsibility (0.799). The first factor explains 38.21 percent of variance in the data.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded the following factors which are self employed/ independence (0.996), desire to earn income/money (0.996), managing one-self (0.690), competitive nature (0.640), risk taking attitude (0.816), possession of skill (0.797). This factor explains 32.79 percent of the variation.

The Principal Component Analysis (PCA) of the third Factor (F3) loaded the following factors, willingness to innovate (0.752), unemployment (0.205) and no alternative means to earn livelihood (0.480).

**Table 4.44 Factor Score of types of enterprise and internal factors**

<b>Types of enterprise</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Handicraft	1.217	-2.361	<b>1.655</b>
Hotel and restaurant	<b>1.671</b>	0.316	-2.570
Printing	-0.522	-3.351	<b>0.879</b>
Retail	<b>2.190</b>	2.155	-0.078
Steel fabrication	-5.507	<b>0.954</b>	-0.471
Stone Quarry	<b>0.465</b>	-1.019	-1.469
Workshop	0.486	<b>3.305</b>	2.053

The table above shows the factor score of types of enterprise and internal factors. The data shows that those in the category of handicraft and printing have been motivated more by the third factor (f3), those under hotel and restaurant, retail and stone quarry by the first factor (f1), those under steel fabrication and workshop by the second factor (F2).

**Table 4.45 Types of enterprise and external factors of the entrepreneurs**

<b>External Factors</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Easy access to finance from banks and others	-0.657	<b>0.478</b>	-0.370
Family/relatives Encouragement	0.405	<b>0.803</b>	-0.423
High demand for this business/product	0.006	<b>0.962</b>	0.146
Market Accessibility	<b>0.780</b>	-0.273	0.445
Fewness of this business in the area	-0.113	0.437	<b>0.798</b>
Scarcity of Jobs	<b>0.776</b>	-0.365	-0.446
Location advantage	<b>0.707</b>	0.335	0.590
Better power supply	<b>0.551</b>	0.042	-0.246
Friends influence	-0.693	-0.544	<b>-0.293</b>
Influence of migration to the city/town	-0.902	0.001	<b>0.351</b>
Accessibility to transportation	0.163	<b>0.832</b>	-0.462
Conducive business environment	<b>0.906</b>	-0.268	-0.084
<i>Eigen value</i>	<i>4.77</i>	<i>3.37</i>	<i>2.21</i>
<i>Variability (%)</i>	<i>39.72</i>	<i>28.09</i>	<i>18.42</i>
<i>Cumulative %</i>	<i>39.72</i>	<i>67.82</i>	<i>86.23</i>

The table above shows the factor loading results of external factors with respect to types of enterprise. PCA have extracted three principal components basing on Kaiser's Criterion of Eigen-value greater than unity which are categorized as F1, F2 and F3. These two factors explain a total of 86.23 percent of the variation of the data.

Principal component analysis (PCA) of the first Factor (F1) has loaded heavily on factors which are market accessibility (0.780), scarcity of jobs (0.776), location advantage (0.707), better power supply (0.551) and conducive business environment (0.906). The first factor explains 39.72 percent of variance in the data.

The Principal Component Analysis (PCA) of the second Factor (F2) loaded the following factors which are easy access to finance from banks and others (0.478), family/relatives encouragement (0.803), high demand for this business/product (0.962) and accessibility to transportation (0.832). This factor explains 28.09 percent of the variation.

The Principal Component Analysis (PCA) of the third Factor (F3) loaded the following factors which are fewness of this business in the area (0.798), influence of migration to the city/town (0.351) and friends influence (-0.293).

**Table 4.46 Factor Score of types of enterprise and external factors**

<b>Types of enterprise</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>
Handicraft	-1.149	-0.770	<b>2.069</b>
Hotel and restaurant	-0.837	-2.000	<b>-0.707</b>
Printing	-1.404	-0.802	<b>1.624</b>
Retail	<b>1.549</b>	-1.790	-0.985
Steel fabrication	-2.741	<b>3.396</b>	-0.596
Stone Quarry	-1.149	-0.770	<b>2.069</b>
Workshop	-0.837	-2.000	<b>-0.707</b>

The table above shows the factor score of types of enterprise and external factors. The data shows that those in the category of retail have been motivated more by the first factor (F1), those under steel fabrication and workshop by the second factor (f2) and handicraft, hotel and restaurant, printing, stone quarry and workshop have been motivated more by the third factor (f3), those under hotel and restaurant, retail and by the first factor (F1).

## CHAPTER – V

### Economics analysis of the Enterprises

This chapter presents an economic analysis of the enterprises and tries to study the economics involved in establishing and maintaining the enterprises. The cost of starting up, expenditure on inputs and income and employment of the enterprises is analysed here.

#### V.1 Start-up cost

For every enterprise to be functional there is a need for an investment at the initial stage. Startup cost meets the foundational cost of the enterprise. Enterprises are built up on various infrastructures of which some are to be set up at the start of the enterprises itself such as building, machines, resource base or stocks etc. These expenditures come under the startup cost. Following tables gives information on the startup cost of the various types of enterprises.

**Table 5.1 Start-up costs (in Rs)**

District	Units	Total	Average
Wokha	71	22647000 (29.16)	318971.8
Mokokchung	63	25080000 (32.29)	398095.2
Kohima	66	29948000 (38.56)	453757.6
<i>Total</i>	200	77675000 (100.00)	388375

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the start-up cost of the enterprises. The table shows that the Total of the startup cost of the total 200 units of enterprises is Rs77675000 with an average of Rs 388375 per unit. Further the table also shows the distribution of the start-up cost as- Wokha district with a total of 71 units amount to Rs 22647000 which is about 29.16 percent of the Total start up cost with an average of



Rs 318971.8 per unit. Mokokchung district recorded a total of about Rs 25080000 (32.29 percent) with an average of Rs 398095.2. While Kohima district recorded a total of about Rs 29948000 (38.56 percent) with an average of Rs 453757.6.

In terms of startup cost, Kohima district is the highest contributor to the Total startup cost in the above table.

**Table 5.2 Type of enterprise and start-up cost (in Rs)**

Types of Enterprises	Units	Total	Average
Retail	109	38535000 (49.61)	353532.11
Printing	17	5509000 (7.09)	324058.82
Hotel and Restaurant	24	6923000 (8.91)	288458.33
Handicraft	12	1745000 (2.25)	145416.67
Workshop	10	1960000 (2.52)	196000.00
Steel Fabrication	7	4900000 (6.31)	700000.00
Saw Mill	5	3450000 (4.44)	690000.00
Stone Quarry	16	14653000 (18.86)	915813.00
<i>Total</i>	<i>200</i>	<i>77675000(100.00)</i>	<i>388375.00</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the share of start-up cost between the different types of enterprises. Retail enterprise with 109 units in total has a share of about Rs 38535000 (49.61percent) with an average of Rs 353532.11. Printing enterprise with about 17 units in total has a share of about Rs 5509000 (7.09 percent) with an average of Rs 324058.82. Hotel and restaurant enterprise which accounts to 24 units in total has a share of about Rs 6923000 (8.91 percent) with an average of Rs 288458.33. Handicraft enterprise with 12 units in total has a share of about Rs 1745000 (2.25 percent) with an average of Rs 145416.67. Workshop enterprise with 10 units in total has a share of about Rs 1960000 (2.52 percent) with an average of Rs 196000.00. Steel Fabrication enterprise with 7 units in total has a share of about Rs 4900000 (6.31 percent) with an average of Rs 700000.00, Saw Mill with 5 units has a share of Rs 3450000 (4.44 percent) with an average of about 690000 and stone quarry

enterprise with 21 units in total has a share of about Rs 14653000 (18.86 percent) with an average of Rs 915813.

**Table 5.3 Retail and start up-cost (in Rs)**

Districts	Units	Total	Average
Wokha	38	11460000 (29.74)	301578.9
Mokokchung	30	8960000 (23.25)	298666.7
Kohima	41	18115000 (47.01)	441829.3
<i>Total</i>	109	<i>38535000 (100.00)</i>	353532.11

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the start-up cost under retail enterprise. The table shows that the total units under retail enterprise is 109 units and the Total startup cost for all the units is Rs 38535000 with an average of Rs 353532.11. The distribution of the start-up cost is as- Wokha district with a total of 38 units the total start-up cost is Rs 11460000 (29.74 percent) with an average of Rs 301578.9. Mokokchung district recorded a total of about Rs 8960000 (23.25 percent) with an average of Rs 298666.7. While Kohima district recorded a total of about Rs 18115000 (47.01 percent) with an average of Rs 441829.3.

**Table 5.4 Printing and start up-cost (in Rs)**

Districts	Units	Total	Average
Wokha	38	11460000 (29.74)	301578.9
Mokokchung	30	8960000 (23.25)	298666.7
Kohima	41	18115000 (47.01)	441829.3
<i>Total</i>	109	<i>38535000 (100.00)</i>	353532.11

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows that the total units under printing enterprise is 17 units and the Total of the startup cost for all the units is Rs 5509000. The average of each unit is Rs 324058.82. The distribution above shows that the start-up cost is as-Wokha district with a

total of 8 units the total start-up cost is Rs 2609000 (47.4 percent) with an average of Rs 326125. Mokokchung district recorded a total of about Rs 2260000 (41.0 percent) with an average of Rs 565000. While Kohima district recorded a total of about Rs 640000 (11.6 percent) with an average of Rs 128000.

**Table 5.5 Hotel and restaurant and start-up cost (in Rs)**

Districts	Units	Total	Average
Wokha	8	403000 (5.82)	50375.00
Mokokchung	7	2120000 (30.62)	302857.14
Kohima	9	4400000 (63.56)	488888.89
<i>Total</i>	24	6923000 (100.00)	288458.33

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

Under Hotel and restaurant enterprise, the total units is 24 units and the Total of the startup cost for all the units is Rs 6923000. The average of each unit is Rs 288458.33. From the table above we see that Kohima district recorded the highest startup cost with Rs 4400000 (63.56 percent) with an average of Rs 488888.89 consisting of 9 units. While Wokha district with a total of 8 units recorded a total start-up cost of Rs 403000 (5.82 percent) with an average of Rs 50375. Mokokchung district on the other hand recorded about Rs 2120000 (30.62 percent) with an average of Rs 302857.14.

**Table 5.6 Handicraft and start-up cost (in Rs)**

Districts	Units	Total	Average
Wokha	6	1450000 (83.09)	241666.70
Mokokchung	3	130000 (7.45)	43333.33
Kohima	3	165000 (9.46)	55000
<i>Total</i>	12	1745000 (100.00)	145416.67

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

Under Handicraft enterprise, the table shows that total units is 12 units and the total of the startup cost for all the units is Rs 1745000 with an average of Rs 145416.67. It is seen

that Wokha district has incurred the highest startup cost with Rs 1450000 (83.09 percent) with an average of Rs 241666.70. Kohima districts with a total of 3 units has total start-up cost as Rs 165000 (9.46 percent) with an average of Rs 55000. While the start up cost for Mokokchung district is about Rs 130000 (7.45 percent) with an average of Rs 43333.33.

**Table 5.7 Workshop and start-up cost (in Rs)**

Districts	Units	Total	Average
Wokha	1	200000 (10.20)	20000
Mokokchung	6	1180000 (60.20)	196666.7
Kohima	3	580000 (29.59)	193333.3
<i>Total</i>	10	1960000 (100.00)	196000

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the start-up cost under Workshop enterprise. The total units under retail enterprise are 10 units with an Total of the startup cost of Rs 1960000. The average of each unit is Rs 196000. The distribution of the start-up cost is as- Wokha district accounts for a total start-up cost of about Rs 200000 (10.20 percent) with an average of Rs 20000. Mokokchung district recorded a total of about Rs 1180000 (60.20 percent) with an average of Rs 196666.7. While Kohima district recorded a total of about Rs 580000 (29.59 percent) with an average of Rs 193333.3.

**Table 5.8 Steel fabrication and start-up cost (in Rs)**

Districts	Units	Total	Average
Wokha	2	350000 (7.14)	175000
Mokokchung	3	950000 (19.39)	316666.7
Kohima	2	3600000 (73.47)	1800000
<i>Total</i>	7	4900000 (100.00)	700000

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

Under steel fabrication, the Total startup cost is found to be Rs 4900000 with an average of Rs 700000. The district wise distribution of the start-up cost is as- Wokha district

with a total of 2 units has a total start-up cost of Rs 350000 (7.14 percent) with an average of Rs 175000. Mokokchung district recorded a total of about Rs 950000 (19.39 percent) with an average of Rs 31666.7. While Kohima district recorded a total of about Rs 3600000 (73.47 percent) with an average of Rs 1800000. Kohima district have recorded the highest startup cost with Rs 3600000 (73.47 percent).

**Table 5.9 Saw mill and start-up cost (in Rs)**

Districts	Units	Total	Average
Wokha	2	1570000 (45.51)	785000
Mokokchung	2	1130000 (32.75)	565000
Kohima	1	750000 (21.74)	750000
<i>Total</i>	5	<i>3450000 (100.00)</i>	<i>690000</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

From the table above we see that the total units under saw mill is 5 units with an startup cost of Rs 3450000 with an average of Rs 690000. The distribution of the start-up cost is found as- Wokha district with a total of 2 units has a the total start-up cost of Rs 1570000 (45.51 percent) with an average of Rs 785000. Mokokchung district with a total of 2 units recorded a total of about Rs 1130000 (32.75 percent) with an average of Rs 565000. While Kohima district with a total 1 unit recorded a total of about Rs 750000 (21.74 percent) with an average of Rs 750000.

**Table 5.10 Stone quarry and start-up cost (in Rs)**

Districts	Units	Total	Average
Wokha	8	6175000 (34.11)	771875
Mokokchung	10	9480000 (52.37)	948000
Kohima	3	2448000 (13.52)	816000
<i>Total</i>	<i>21</i>	<i>18103000 (100.00)</i>	<i>862047.62</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

Under Stone Quarry enterprise the total units is 21 units with an Total of the startup cost of Rs 18103000 with an average of Rs 862047.62. The distribution of the start-up cost is found as- Wokha district with a total of 8 units has a total start-up cost of Rs 6175000 (7.14 percent) with an average of Rs 771875. Mokokchung district with a total of 10 units recorded a total of about Rs 9480000 (52.37 percent) with an average of Rs 948000. While Kohima district with a total 3 units recorded a total of about Rs 2448000 (13.52 percent) with an average of Rs 816000.

## V.2 Expenditure

Enterprises have recurring expenditure incurred upon them for the purposes of reinvestment in the form of procurement of inputs, maintenance of labours and the enterprises. In this study the expenditure consist of raw materials, wages, rent, electricity, machinery and miscellaneous.

**Table 5.11 Items of expenditure (in Rs)**

Items of Expenditure	Amounts
Raw materials	26028133 (82.83)
Wages	3598350 (11.45)
Machinery	451583 (1.44)
Electricity	237600 (0.76)
Rent	869300 (2.77)
Miscellaneous	237600 (0.76)
Total	31422566 (100.00)

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows that total expenditure is Rs 31422566, raw materials is Rs 26028133 (82.83 percent), wages is Rs 3598350 (11.45 percent), machinery is Rs 451583 (1.44 percent), electricity is Rs 237600 (0.76 percent), rent is Rs 869300 (2.77 percent) and miscellaneous is Rs 237600 (0.76 percent). Expenditure on raw materials constitutes the highest among the items of expenditure.

**Table 5.12 District wise expenditure on raw materials (in Rs)**

District	Units	Total	Average
Wokha	71	7006133 (26.92)	98677.93
Kohima	66	9021000 (34.66)	136681.82
Mokokchung	63	10001000 (38.42)	158746.03
Total	200	26028133 (100.00)	130140.67

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise expenditure of the enterprises on raw materials. The table shows that the Total of the expenditure on raw materials of the total

200 units is Rs 26028133. The average expenditure on raw materials is Rs 130140.67. The table also shows that the district-wise expenditure on raw materials as- Wokha district with a total of 71 units the total expenditure on raw materials is Rs 7006133 (26.92 percent) with an average of Rs. 98677.93. Mokokchung district is about Rs 1000100 (38.42 percent) with an average of Rs 158746.03. While Kohima district recorded a total of about Rs 9021000 (34.66 percent) with an average of Rs 136681.82. In terms of expenditure on raw materials, Mokokchung district is the highest contributor to the total income expenditure on raw materials in the above table.

**Table 5.13 Type of enterprise and expenditure on raw materials (in Rs)**

Types of Enterprises	Units	Total	Average
Retail	109	19481133 (74.85)	178725.99
Printing	17	443700 (1.70)	26100.00
Hotel and Restaurant	24	1220300 (4.69)	50845.83
Handicraft	12	451000 (1.73)	37583.33
Workshop	10	1295000 (4.98)	129500.00
Steel Fabrication	7	1000000(3.84)	142857.14
Saw Mill	5	453000(1.74)	90600.00
Stone Quarry	16	1684000(6.47)	105250.00
<i>Total</i>	<i>200</i>	<i>26028133 (100.00)</i>	<i>130140.67</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

In the table above the total expenditure on raw materials is found to be Rs 26028133 with an average of Rs. 130140.67. Retail enterprise with 109 units in total have a share of about Rs 19481133 (74.85 percent) with an average of Rs 178725.99. The Printing enterprise with 17 units in total has a share of about Rs 443700 (1.70 percent) with an average of Rs 26100.00. Hotel and restaurant enterprise with 24 units in total have a share of about Rs 1220300 (4.69 percent) with an average of Rs 50845.83. Handicraft enterprise with 12 units in total have a share of about Rs 451000 (1.73 percent) with an average of Rs 37583.33. Workshop enterprise with 10 units in total has a share of about Rs 1295000 (4.98 percent)



with an average of Rs 129500.00. Steel Fabrication enterprise with 7 units in total has a share of about Rs 1000000 (3.84 percent) with an average of Rs 142857.14 and the Stone Query enterprise with 21 units in total has a share of about Rs 2137000 (8.21 percent) with an

average of Rs 101761.90. It is found that the enterprise with the highest expenditure on raw materials is Retail enterprise and the enterprise with the least income generation is printing enterprise.

**Table 5.14 District-wise distribution of expenditure on raw materials (in Rs)**

Types of Enterprise	Wokha			Kohima			Mokokchung		
	Unit	Total	Average	Unit	Total	Average	Unit	Total	Average
Retail	38	5280133 (75.36)	138950.87	41	7486500 (82.99)	182597.56	30	6714500 (67.14)	223816.67
Printing	8	135700 (1.94)	16962.50	5	44500 (0.49)	8900.00	4	263500 (2.63)	65875.00
Hotel and Restaurant	8	427800 (6.11)	53475.00	9	440000 (4.88)	48888.89	7	352500 (3.52)	50357.14
Handicraft	6	163500 (2.33)	27250.00	3	160000 (1.77)	53333.33	3	127500 (1.27)	42500.00
Workshop	1	65000 (0.93)	65000.00	3	130000 (1.44)	43333.33	6	1100000 (11.00)	183333.33
Steel Fabrication	2	100000 (1.43)	50000.00	2	400000 (4.43)	200000.00	3	500000 (5.00)	166666.67
Saw Mill	2	212000 (3.03)	106000.00	1	100000 (1.11)	100000.00	2	141000 (1.41)	70500.00
Stone Quarry	6	622000 (8.88)	103666.67	2	260000 (2.88)	130000.00	8	802000 (8.02)	100250.00
<i>Total</i>	71	7006133 (100.00)	98677.93	66	9021000 (100.00)	657053.12	63	10001000 (100.00)	158746.03

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the Total expenditure on raw materials of all the three districts. We can see that, under Wokha district the highest expenditure on raw materials is from retail enterprise which is about 75.36 percent of the total expenditure for the district with an average of about Rs 138950.87. While the least is from workshop enterprise contributing about 0.93 percent with an average of about Rs 65000 per unit. Under Kohima district the highest expenditure on raw materials is also from retail enterprise with 82.99

percent of the total expenditure with an average of about Rs 7486500 while the least is from printing enterprise contributing about 0.49 percent with an average of about Rs 8900 per unit. On the other hand, under Mokokchung district the highest expenditure on raw materials is also from retail enterprise with 67.14 percent of the total expenditure for the district with an average of about Rs 223816.67 while the least is from handicraft enterprise contributing about 1.27 percent with an average of about Rs 42500 per unit.

It was also found that the district-wise contribution to the Total expenditure is highest for Mokokchung district with 38.42 percent, while Kohima is about 34.66 percent and Wokha is about 26.92 percent.

**Table 5.15 District wise expenditure on wages (in Rs)**

Districts	Units	Total	Employment	Average wage
Wokha	71	1112050 (30.90)	218 (33.69)	5101.15
Kohima	66	1527300 (42.44)	255 (39.41)	5989.41
Mokokchung	63	959000 (26.65)	174 (26.89)	5511.49
<i>Total</i>	<i>200</i>	<i>3598350 (100.00)</i>	<i>647 (100.00)</i>	<i>5561.59</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise expenditure of the enterprises on wages. The table shows that the total expenditure on wages for the 200 units is Rs 3598350. The average of each unit is Rs 5561.59. Further the table also shows the distribution of expenditure on wages is as- Wokha district with a total of 71 units the total expenditure on wages is Rs 1112050 contributing about 30.90 percent with an average of Rs. 5101.15. Mokokchung district recorded a total of about Rs 959000 (26.65 percent) with an average of Rs 5511.49. While Kohima district recorded a total of about Rs 1527300 (42.44 percent) with an average of Rs 5989.41. In terms of wages, Kohima district contributes the highest percentage to the total expenditure on wages as seen in the above table.

**Table 5.16 Type of enterprise and expenditure on wages (in Rs)**

Types of Enterprises	Units	Total	Employment	Average
Retail	109	1408300(39.14)	265(40.71)	5314.34
Printing	17	170500(4.74)	40(6.14)	4262.50
Hotel and Restaurant	24	504000(14.01)	97(14.90)	5195.88
Handicraft	12	142350(3.96)	25(3.84)	5694.00
Workshop	10	107000(2.97)	30(4.61)	3566.67
Steel Fabrication	7	353000(9.81)	31(4.76)	11387.10
Saw Mill	5	143700(3.99)	32(4.92)	4490.63
Stone Quarry	16	796500(21.38)	131(20.12)	5874.05
<i>Total</i>	<i>200</i>	<i>3598350(100)</i>	<i>651(100)</i>	<i>5527.42</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the share of expenditure on wages between the different types of enterprises. The table shows that the total expenditure on wages is Rs 3598350 and the total average Rs. 5527.42. Expenditure on wages for retail enterprise is Rs 1408300 (39.14 percent) with an average of Rs 5314.34, printing is Rs 170500 (4.74 percent) with an average of Rs 4262.50, hotel and restaurant enterprise is Rs 504000 (14.01 percent) with an average of Rs 5195.88, handicraft enterprise is Rs 142350 (3.96 percent) with an average of Rs 5694.00 workshop is Rs 107000 (2.97 percent) with an average of Rs 3566.67, steel fabrication enterprise is Rs 353000 (9.81 percent) with an average of Rs 11387.10, saw mill is Rs 143700(3.99 percent) with an average of Rs 4490.63 while stone quarry enterprise is Rs 796500 (21.38 percent) with an average of Rs 5874.05. It is found that the enterprise with the highest expenditure on wages is retail while handicraft constitutes the least.

**Table 5.17 District-wise distribution of expenditure on wages (in Rs)**

Types of Enterprises	Wokha				Kohima				Mokokchung			
	Units	Total	N	Average	Units	Total	N	Average	Units	Total	N	Average
Retail	38	351000 (31.56)	77	4558.44	41	849800 (55.64)	149	5703.36	30	207500 (21.64)	39	5320.51
Printing	8	35500 (3.19)	16	2218.75	5	25000 (1.64)	4	6250.00	4	110000 (11.47)	16	6875.00
Hotel and Restaurant	8	38000 (3.42)	16	2375.00	9	350000 (22.92)	58	6034.48	7	116000 (12.10)	23	5043.48
Handicraft	6	65350 (5.88)	13	5026.92	3	29000 (1.90)	5	5800.00	3	48000 (5.01)	7	6857.14
Workshop	1	17000 (1.53)	5	3400.00	3	35000 (2.29)	8	4375.00	6	55000 (5.74)	17	3235.29
Steel Fabrication	2	130000 (11.69)	12	10833.33	2	127000 (8.32)	10	12700.00	3	96000 (10.01)	9	10666.67
Saw Mill	2	65200 (5.86)	16	4075.00	1	53500 (3.50)	10	5350.00	2	25000 (2.61)	6	4166.67
Stone Quarry	6	410000 (36.87)	63	6507.94	2	58000 (3.80)	11	5272.73	8	301500 (31.44)	57	5289.47
Total	71	1112050 (100)	218	5101.15	66	1527300 (100)	255	5989.41	63	959000 (100)	174	5511.49

Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage

N = Employment

The table above shows the total expenditure on wage of all the three districts. In Wokha, expenditure on wage is higher for stone quarry with 36.87 percent while the average wage is higher for steel fabrication (Rs 10833.33). In Kohima, expenditure on wage is higher for retail with 55.64 percent while the average wage is higher for steel fabrication (Rs 12700) and in Mokokchung expenditure on wage is higher for stone quarry with 31.44 percent while the average wage is higher for steel fabrication (Rs 10666.67). The district-wise total wage expenditure is highest for Kohima is about 42.44 percent, while Wokha is about 30.90 percent and Mokokchung district with 26.65 percent.

**Table 5.18 District wise expenditure on machinery (in Rs)**

Districts	Units	Total	Average
Wokha	71	112600(25.24)	1585.91
Kohima	66	212483(46.41)	3219.44
Mokokchung	63	126500(28.35)	2007.94
<i>Total</i>	<i>200</i>	<i>451583(100.00)</i>	<i>2257.92</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise expenditure of the enterprises on machinery.

The table shows that the total of the expenditure on raw materials of the total 200 units of enterprises is Rs 446183. The average expenditure on machinery is Rs 2230.92. The table also shows the expenditure on machinery as- Wokha district with a total of 71 units the total expenditure on machinery is Rs 112600 (25.24 percent) with an average of Rs. 1585.91. Mokokchung district is about Rs 126500 (28.35 percent) with an average of Rs 2007.94. While Kohima district recorded a total of about Rs 207083(46.41 percent) with an average of Rs 3137.62. Thus it is found that Kohima district is the highest contributor to the Total expenditure on machinery in the above table.

**Table 5.19 Type of Enterprise and expenditure on machinery (in Rs)**

Types of Enterprises	Units	Total	Average
Retail	109	42200 (10.03)	387.16
Printing	17	103500 (22.92)	6088.24
Hotel and Restaurant	24	72950 (16.15)	3039.58
Handicraft	12	20700 (4.58)	1725.00
Workshop	10	33600 (7.53)	3360.00
Steel Fabrication	7	133333 (29.53)	19047.57
Saw Mill	5	10700 (2.37)	2140.00
Stone Quarry	16	34600 (7.61)	2162.50
<i>Total</i>	<i>200</i>	<i>451583 (100.00)</i>	<i>2257.92</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

In the table above the total expenditure on raw materials is Rs 451583 and the average is Rs3360.00. Retail enterprise with 109 units in total have a share of about Rs 42200 (10.03 percent) with an average of Rs 387.16. The printing enterprise with 17 units in total have a share of about Rs 103500 (22.92 percent) with an average of Rs 6088.24. Hotel

and restaurant enterprise with 24 units in total have a share of about Rs 72950 (16.15 percent) with an average of Rs 3039.58. Handicraft enterprise with 12 units in total have a share of about Rs 20700 (4.58 percent) with an average of Rs 1725.00. Workshop enterprise with 10 units in total has a share of about Rs 33600 (7.53 percent) with an average of Rs 3360.00. Steel Fabrication enterprise with 7 units in total has a share of about Rs 133333 (29.53 percent) with an average of Rs 19047.57, saw mill with 5 units contributes about Rs 10700 (2.37 percent) with an average of Rs 2140 while stone quarry enterprise with 21 units in total has a share of about Rs 45300 (10.03 percent) with an average of Rs 2157.14.

It is found that the enterprise with the highest expenditure on machinery is Steel Fabrication and the enterprise with the least expenditure on machinery generation is the saw mill enterprise.

**Table 5.20 District-Wise Distribution of Expenditure on machinery (in Rs)**

Types of Enterprise	Wokha			Kohima			Mokokchung		
	Unit	Total	Average	Unit	Total	Average	Unit	Total	Average
Retail	38	26500 (23.53)	697.37	41	13500 (6.35)	329.27	30	2200 (1.74)	73.33
Printing	8	33500 (29.75)	4187.50	5	27000 (12.72)	5400.00	4	43000 (33.99)	10750.00
Hotel and Restaurant	8	6000 (5.33)	750.00	9	51950 (24.45)	5772.22	7	15000 (11.86)	2142.86
Handicraft	6	10300 (9.15)	1716.67	3	5400 (2.54)	1800.00	3	5000 (3.95)	1666.67
Workshop	1	3000 (2.66)	3000.00	3	4800 (2.26)	1600.00	6	25800 (20.40)	4300.00
Steel Fabrication	2	15000 (13.32)	7500.00	2	103333 (48.63)	51666.50	3	15000 (11.86)	5000.00
Saw Mill	2	5700 (5.06)	2850.00	1	1500 (0.17)	1500.00	2	3500 (2.77)	1750.00
Stone Quarry	6	12600 (11.19)	2100.00	2	5000 (2.35)	2500.00	8	17000 (13.44)	2125.00
<i>Total</i>	71	112600 (100.00)	1585.92	66	212483 (100.00)	3219.44	63	126500 (100.00)	2007.94

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the total expenditure on machinery of all the three districts. It can be seen from the above table as, under Wokha district the highest expenditure on machinery is from printing enterprise with 29.75 percent of the total expenditure for the district with an average of about Rs 4187.50. While the least is from Hotel and restaurant enterprise contributing about 5.33 percent with an average of about Rs 750 per unit. Under Kohima district the highest expenditure on machinery is also from steel fabrication with 48.63 percent of the total expenditure for the district with an average of about Rs 51666.50 while the least is from workshop enterprise contributing about 2.26 percent with an average of about Rs 1600 per unit. On the other hand, under Mokokchung district the highest expenditure on machinery is also from printing enterprise with 33.99 percent of the total expenditure for the district with an average of about Rs 10750 while the least is from Handicraft enterprise contributing about 1.74 percent with an average of about Rs 73.33 per unit.

It is also interesting to find that the district-wise contribution to the Total expenditure is highest for Kohima is about 47.05 percent Mokokchung district with 28.01 percent, while percent and Wokha is about 24.93 percent.

**Table 5.21 District wise expenditure on electricity (in Rs)**

Districts	Units	Total	Average
Wokha	71	63900 (26.89)	900.00
Kohima	66	91900 (38.67)	1392.42
Mokokchung	63	81800 (34.43)	1298.41
<i>Total</i>	<i>200</i>	<i>237600(100.00)</i>	<i>1188.00</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

In the table above we are shown the district wise expenditure of the enterprises on electricity. The table shows that the Total expenditure on electricity of the total 200 units of enterprises is Rs 237600. The average of each unit is Rs 1188.00. The sectoral distribution of

expenditure on electricity is as- Wokha district with a total of 71 units the total expenditure on electricity is Rs 63900 contributing about 26.89 percent) with an average of Rs. 900.00. Mokokchung district recorded a total of about Rs 81800 (34.66 percent) with an average of Rs 1298.41. While Kohima district recorded a total of about Rs 91900 (38.67 percent) with an average of Rs 1392.42. Thus in terms of expenditure on electricity, Kohima district is the highest contributor to the Total expenditure on electricity in the above table.

**Table 5.22 Type of Enterprise and expenditure on electricity (in Rs)**

Types of Enterprises	Units	Total	Average
Retail	109	96440 (40.59)	884.77
Printing	17	65100 (27.40)	3829.41
Hotel and Restaurant	24	30740 (12.94)	1280.83
Handicraft	12	12300 (5.18)	1025.00
Workshop	10	5750 (2.42)	575.00
Steel Fabrication	7	16100 (6.78)	2300.00
Saw Mill	5	3300 (1.39)	660.00
Stone Quarry	16	7870 (3.31)	491.88
<i>Total</i>	<i>200</i>	<i>237600 (100.00)</i>	<i>1188.00</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the share of expenditure on electricity between the different types of enterprises. The table shows that the Total expenditure on electricity is Rs 237600 and the average Rs. 1188. Retail enterprise with about 109 units in total has a share of about Rs 96440 (40.59 percent) with an average of Rs 884.77. The Printing enterprise with 17 units in total has a share of about Rs 63500 (27.40 percent) with an average of Rs 3829.41. Hotel and restaurant enterprise with 24 units in total has a share of about Rs 30740 (12.94 percent) with an average of Rs 1280.83. Handicraft enterprise with 12 units in total has a share of about Rs 12300 (5.18 percent) with an average of Rs 1025.00. Workshop enterprise with 10 units in total has a share of about Rs 5750 (2.42 percent) with an average of Rs 575.00. Steel Fabrication enterprise with 7 units in total has a share of about Rs 16100 (6.78 percent) with an average of Rs 2300.00, saw mill with 5 units contributes about Rs 3300



(1.39 percent) with an average of Rs 660 and Stone quarry enterprise with 21 units in total has a share of about Rs 11170 (4.70 percent) with an average of Rs 531.90. It is found that Retail enterprise has the highest expenditure on electricity and the enterprise with the least expenditure on electricity is Workshop enterprise.

**Table 5.23 District-Wise Distribution of Expenditure on electricity (in Rs)**

Types of Enterprise	Wokha			Kohima			Mokokchung		
	Unit	Total	Average	Unit	Total	Average	Unit	Total	Average
Retail	38	12640 (19.78)	332.63	41	56600 (61.59)	1380.49	30	27200 (33.25)	906.67
Printing	8	31600 (49.45)	3950.00	5	2500 (2.72)	500.00	4	31000 (37.90)	7750.00
Hotel and Restaurant	8	4290 (6.71)	536.25	9	21400 (23.29)	2377.78	7	5050 (6.17)	721.43
Handicraft	6	6400 (10.02)	1066.67	3	1200 (1.31)	400.00	3	4700 (5.75)	1566.67
Workshop	1	400 (0.63)	400.00	3	3200 (3.48)	1066.67	6	2150 (2.63)	358.33
Steel Fabrication	2	4000 (6.26)	2000.00	2	5500 (5.98)	2750.00	3	6600 (8.07)	2200.00
Saw Mill	2	1200 (1.88)	600.00	1	700 (0.76)	700.00	2	1400 (1.71)	700.00
Stone Quarry	6	3370 (5.27)	561.67	2	800 (0.87)	400.00	8	3700 (4.52)	452.50
<i>Total</i>	71	63900 (100.00)	900.00	66	91900 (100.00)	1368.18	63	81800 (100.00)	1298.41

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the Total expenditure on electricity of all the three districts. We can see that, under Wokha district the highest expenditure on electricity is from printing enterprise with 49.45 percent of the total expenditure for the district with an average of about Rs 3950. While the least is from Workshop enterprise contributing about 0.63 percent with an average of about Rs 400 per unit. Under Kohima district the highest expenditure on electricity is also from Retail enterprise with 61.59 percent of the total expenditure for the district with an average of about Rs 1380.49 while the least is from saw mill enterprise contributing about 0.76 percent with an average of about Rs 700 per unit. On the other hand,

under Mokokchung district the highest expenditure on electricity is also from printing enterprise with 37.90 percent of the total expenditure for the district with an average of about Rs 7750 while the least is from saw mill enterprise contributing about 1.71 percent with an average of about Rs 700 per unit.

It is also interesting to find that the district-wise contribution to the Total expenditure is highest for Kohima is about 38.68 percent while Mokokchung district with 34.43 percent, and Wokha is about 26.89 percent.

**Table 5.24 District wise expenditure on rent (in Rs)**

Districts	Units	Total	Average
Wokha	71	248500(28.59)	3500.00
Kohima	66	396500(45.61)	6007.58
Mokokchung	63	224300(25.80)	3560.32
<i>Total</i>	<i>200</i>	<i>869300(100.00)</i>	<i>4346.50</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise expenditure of the enterprises on rent. The table shows that the total expenditure on raw materials of the 200 units is Rs 869300. The average expenditure on machinery is Rs 4346.50. The sectoral expenditure on rent is given as - Wokha district with 71 units contributed Rs 248500 (28.59 percent) with an average of Rs. 3500 per unit. Mokokchung district constitutes about Rs 224300 (25.80 percent) with an average of Rs 3560.32 per unit. While Kohima district recorded a total of Rs 396500 (45.61 percent) with an average of Rs 6007.58 per unit. Thus it is found that Kohima district has the highest share of percentage to the Total expenditure on rent in the above table.

**Table 5.25 Type of Enterprise and expenditure on rent (in Rs)**

Types of Enterprises	Units	Total	Average
Retail	109	579000 (66.61)	5311.93
Printing	17	37100 (4.27)	2182.35
Hotel and Restaurant	24	130200 (14.98)	5425.00
Handicraft	12	68000 (7.82)	5666.67
Workshop	10	34500 (3.97)	3450.00
Steel Fabrication	7	20500 (2.36)	2928.57
Saw Mill	5	00 (0.00)	00.00
Stone Quarry	16	00 (0.00)	00.00
<i>Total</i>	<i>200</i>	<i>869300 (100.00)</i>	<i>4346.50</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

In the table above the Total expenditure on raw materials is Rs 869300 and the average Rs 4346.50. The Retail sector with 109 units has a share of about Rs 579000 (66.61 percent) with an average of Rs 5311.93. The Printing sector with 17 units has a share of about Rs 37100 (4.27 percent) with an average of Rs 2182.35. Hotel and Restaurant sector with 24 units in total has a share of about Rs 130200 (14.98 percent) with an average of Rs 5425.00. Handicraft sector with 12 units in total have a share of about Rs 68000 (7.82 percent) with an average of Rs 5666.67. Workshop sector with 10 units in total have a share of about Rs 34500 (3.97 percent) with an average of Rs 3450.00. Steel Fabrication sector with 7 units in total has a share of about Rs 20500 (2.36 percent) with an average of Rs 2928.57. It is found that retail contribute the highest to the total expenditure on rent and in term of average, handicraft contributes the highest. It is also seen that those under stone quarry has not rent expenditure.

**Table 5.26 District-Wise Distribution of Expenditure on rent (in Rs)**

Wokha				Kohima			Mokokchung		
Types of Enterprise	Unit	Total	Average	Unit	Total	Average	Unit	Total	Average
Retail	38	162500 (65.39)	4276.32	41	275000 (69.36)	6707.32	30	141500 (63.09)	4716.67
Printing	8	20600 (8.29)	2575.00	5	10500 (2.65)	2100.00	4	6000 (2.67)	1500.00
Hotel and Restaurant	8	29200 (11.75)	3650.00	9	65000 (16.39)	7222.22	7	36000 (16.05)	5142.86
Handicraft	6	20700 (8.33)	3450.00	3	39000 (9.84)	13000.00	3	8300 (3.70)	2766.67
Workshop	1	2000 (0.80)	2000.00	3	6000 (1.51)	2000.00	6	26500 (11.81)	4416.67
Steel fabrication	2	13500 (5.43)	6750.00	2	1000 (0.25)	500.00	3	6000 (2.67)	2000.00
Saw Mill	2	0 (0)	00	1	0 (0)	00	2	0 (0)	00
Stone Quarry	6	0 (0)	00	2	0 (0)	00	8	0 (0)	00
<i>Total</i>	71	248500 (100.00)	3500.00	66	212483 (100.00)	3219.44	63	224300 (100.00)	3560.32

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

It can be seen from the above table as, under Wokha district the highest expenditure on rent is from retail with 65.39 percent of the total expenditure with an average of about Rs 4276.32 per unit followed by hotel and restaurant with 11.75 percent with an average of Rs 3650. Under Kohima district retail constituted the highest expenditure on rent with 69.36 percent of the total expenditure with an average of about Rs 6706.32 per unit followed by 16.39 percent with an average of Rs 7222.22 per unit. Also, under Mokokchung district the highest expenditure on rent is constituted by retail with 63.09 percent of the total expenditure with an average of about Rs 4716.67 per unit and this is followed by hotel and restaurant with 16.05 percent per unit.

It is also found that the district-wise contribution to the Total expenditure is highest for Kohima is about 45.61 percent, Wokha is about 28.59 percent and Mokokchung district with 25.80 percent.

**Table 5.27 District wise miscellaneous expenditure (in Rs)**

Districts	Units	Total	Average
Wokha	71	63900 (26.89)	900.00
Kohima	66	91900 (38.67)	1392.42
Mokokchung	63	81800 (34.43)	1298.41
<i>Total</i>	<i>200</i>	<i>237600 (100.00)</i>	<i>1188.00</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The table above shows the district wise expenditure of the enterprises on miscellaneous. The table shows that the total expenditure on miscellaneous of the total 200 units of enterprises is Rs 1507900. The average expenditure on miscellaneous is Rs 7539.50. The table also shows that the distribution expenditure on miscellaneous as- Wokha district with a total of 71 units the total expenditure on miscellaneous is Rs 271100 (17.97 percent) with an average of Rs. 3818.31. Kohima district recorded a total of about Rs 908500 (60.24 percent) with an average of Rs 13765.15. While, Mokokchung district is about Rs 328300 (21.77 percent) with an average of Rs 5211.11. In terms of expenditure on miscellaneous, Kohima district is the highest contributor to the Total expenditure on miscellaneous in the above table.

**Table 5.28 Type of Enterprise and miscellaneous expenditure (in Rs)**

Types of Enterprises	Units	Total	Average
Retail	109	1196500(79.35)	10977.06
Printing	17	31400(2.08)	1847.06
Hotel and Restaurant	24	87000(5.77)	3625.00
Handicraft	12	30500(2.02)	2541.67
Workshop	10	29100(1.93)	2910.00
Steel Fabrication	7	43000(2.85)	6142.86
Saw Mill	5	17900(1.19)	3580.00
Stone Quarry	16	72500(4.81)	4831.25
<i>Total</i>	<i>200</i>	<i>1507900 (100.00)</i>	<i>7539.50</i>

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

In the table above the Total expenditure on miscellaneous is Rs 1507900 and the average Rs. 7539.50. Retail enterprise with 109 units in total has a share of about Rs

1196500 (79.35 percent) with an average of Rs 10977.06. Printing enterprise with 17 units in total has a share of about Rs 31400 (2.08 percent) with an average of Rs 1847.06. Hotel and restaurant enterprise with 24 units in total has a share of about Rs 84000 (5.77 percent) with an average of Rs 3625.00. Handicraft enterprise with 12 units in total have a share of about Rs 30500 (2.02 percent) with an average of Rs 2541.67. Workshop enterprise with 10 units in total has a share of about Rs 29100 (1.93 percent) with an average of Rs 29100.00. Steel fabrication enterprise with 7 units in total has a share of about Rs 43000 (2.85 percent) with an average of Rs 6142.86, saw mill with 5 units contributes about Rs 17900 (1.19 percent) with an average of Rs 3580 while stone quarry enterprise with 21 units in total has a share of about Rs 90400 (6.00 percent) with an average of Rs 4304.76.

It is found that the enterprise with the highest expenditure on miscellaneous is Retail enterprise and the enterprise with the least miscellaneous n is Workshop enterprise.

**Table 5.29 District-Wise Distribution of miscellaneous expenditure**

Wokha				Kohima			Mokokchung		
Types of Enterprise	Unit	Total	Average	Unit	Total	Average	Unit	Total	Average
Retail	38	140800 (51.94)	3705.26	41	837000 (92.13)	20414.63	30	218700 (66.62)	7290.00
Printing	8	13400 (4.73)	1675.00	5	4500 (0.50)	900.00	4	13500 (4.11)	3375.00
Hotel and Restaurant	8	41000 (15.12)	5125.00	9	25500 (2.81)	2833.33	7	20500 (6.24)	2928.57
Handicraft	6	11900 (4.39)	1983.33	3	12500 (1.38)	4166.67	3	2500 (0.76)	833.33
Workshop	1	3500 (1.29)	3500.00	3	6000 (0.66)	2000.00	6	19600 (5.97)	3266.67
Steel fabrication	2	23000 (8.48)	11500.00	2	10000 (1.10)	5000.00	3	10000 (3.05)	3333.33
Saw Mill	2	8900 (3.28)	4450.00	1	5000 (0.55)	5000.00	2	4000 (1.22)	2000.00
Stone Quarry	6	25000 (9.22)	4166.67	2	8000 (0.88)	4000.00	8	39500 (12.03)	4937.50
<i>Total</i>	71	271100 (100.00)	3818.31	66	908500 (100.00)	13765.15	63	328300 (100.00)	5211.11

*Source: field survey 2015-16. Note: Figure in parenthesis indicates percentage*

The above table shows that, under Wokha district the highest expenditure on miscellaneous is incurred by retail enterprise with 51.94 percent of the total expenditure with an average of about Rs 3705.26 per unit while the least is workshop with 1.29 percent with an average of Rs 3500. Also under Kohima district retail enterprises constituted the highest expenditure with 92.13 percent of the total expenditure with an average of about Rs 20414.63 per unit while the least is printing with 0.50 percent with an average of Rs 900 per unit. Further under Mokokchung district the highest expenditure on miscellaneous is recorded for retail with 66.62 percent of the total expenditure with an average of about Rs 7290 per unit while the least is handicraft with 0.76 percent with an average of Rs 833.33 per unit.

It is also found that the district-wise contribution to the Total expenditure is highest for Kohima is about 45.61 percent, Wokha is about 28.59 percent and Mokokchung district with 25.80 percent.

**Table 5.30 Regression and Correlation Analysis - Expenditures and Income**

<i>Variables</i>	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-stats</i>	<i>p-value</i>	<i>Correlations r</i>
Intercept (b <sub>0</sub> )	72024.125	13425.402	5.365	0.000	
Raw Material (x <sub>1</sub> )	0.336	0.051	4.123	0.000	0.283**
Wage (x <sub>2</sub> )	0.194	0.572	2.571	0.011	0.247**
Rent (x <sub>3</sub> )	-0.116	1.873	-1.602	0.111	0.016
Electricity (x <sub>4</sub> )	0.180	2.628	2.431	0.016	0.242**
Water Supply (x <sub>5</sub> )	-0.043	5.236	-0.606	0.546	0.040
Machinery (x <sub>6</sub> )	-0.030	1.392	-0.380	0.704	0.116
Miscellaneous (x <sub>7</sub> )	-0.129	0.320	-1.643	0.102	0.067
N = 200    R = 0.414					

**Note:** \*\*correlation is significant at 0.01 level (2-tailed)

In the table above, the Karl Pearson's Correlation Coefficient shows that there is moderate positive correlation between the items of expenditure and income (Y) as:  $r = 0.414$ . There regression equation of expenditures and income can be summarized as under:  $Y = 72024.125 + 0.336X_1 + 0.194X_2 - 0.116X_3 + 0.180X_4 - 0.043X_5 - 0.030X_6 - 0.129X_7$

Variables such as raw material (X<sub>1</sub>) (r=0.283), wage (X<sub>2</sub>) (r = 0.247) and electricity (X<sub>4</sub>) (r = 0.242) were found to have a positive effect on the dependent variable (income) and are found to be statistically significant at 0.01 level of significance.



**Table 5.31 Regression Analysis on Expenditures and Income for all three districts**

<i>Variables</i>	<i>Wokha</i>	<i>Kohima</i>	<i>Mokokchung</i>
	<i>Coefficient</i>	<i>Coefficient</i>	<i>Coefficient</i>
Intercept (b <sub>0</sub> )	61082.154 (1.46)	57265.092 (2.51)	26537.692 (1.03)
Raw Material (x <sub>1</sub> )	0.302 (1.65)	0.212 (1.86)	0.309 (4.21)
Wage (x <sub>2</sub> )	-0.085 (-0.05)	2.462 (1.80)	2.143 (1.49)
Rent (x <sub>3</sub> )	11.834 (1.31)	-0.225 (-0.09)	-3.435 (-0.84)
Electricity (x <sub>4</sub> )	1.239 (0.16)	-3.572 (-0.64)	11.763 (2.01)
Water Supply (x <sub>5</sub> )	-75.941 (-1.12)	1.959 (0.31)	-8.019 (-0.39)
Machinery (x <sub>6</sub> )	-7.591 (-0.70)	-1.567 (-1.03)	0.802 (0.18)
Miscellaneous (x <sub>7</sub> )	3.205 (0.36)	-0.650 (-1.46)	0.793 (0.52)
<i>R</i> <sup>2</sup>	0.127	0.143	0.483
<i>N</i>	71	66	63

Note: (i) figures in parenthesis indicates *t*-value, (ii) *N* = number of observation

In the above table we see that in Wokha district the variables which have positive effect on income were raw material, rent, electricity and miscellaneous while wages, water supply and machinery have negative effect on income. The regression equation is found to be as:

$$Y = 61082.154 + 0.302X_1 - 0.085 X_2 + 11.834X_3 + 1.239X_4 - 75.941X_5 - 7.591X_6 + 3.205X_7.$$

This shows that the income will increase at the rate of 0.302 of raw material, 11.834 of Rent, 1.239 of electricity and 3.205 of miscellaneous.

In Kohima district, the variables such as raw material, wages and water supply has positive effect on income while rent, electricity, machinery and miscellaneous has negative effect on income. The regression equation can is found to be as:

$$Y = 57265.092 + 0.212 X_1 + 2.462 X_2 - 0.225 X_3 - 3.572 X_4 + 1.959X_5 - 1.567X_6 - 0.650X_7$$

This shows that the income will change at the rate of 0.212 of raw material, 2.462 of wages and 1.959 of water supply.

In Mokokchung district, the variables such as raw material, wages, electricity, machinery and miscellaneous has positive effect on income while rent and water supply have negative effect on income. The regression equation can be found to be as:

$$Y = 26537.692 + 0.309 X_1 + 2.143 X_2 - 3.435 X_3 + 11.763 X_4 - 8.019 X_5 + 0.802 X_6 + 0.793 X_7$$

This reveals that the rate of change in income will depend on raw material at the rate of 0.309, wages at the rate of 2.143 and water supply at the rate of 11.763.

### V.3 Cobb-Douglas Production Function and Covariance

The Cobb–Douglas production function is a widely used production function in economics and econometrics. Cobb–Douglas production function represents the technological relationship between the quantity of two or more inputs – labour and capital and the quantity of output that can be produced by using those inputs. The Cobb–Douglas production function was developed and tested by Charles Cobb and Paul Douglas during 1927–1947<sup>43</sup>. Cobb Douglas is a linear homogeneous function of degree one which takes into account two factors. It is mathematically expressed as:

$$Q(L, K) = AL^{\beta_1} K^{\beta_2}$$

Where ,

Q = Total monthly income

A = Total factor productivity which is constant.

L = Labour input

K = Capital input

$\beta_1$  = Output elasticity of labour

$\beta_2$  = Output elasticity of capital

We know that,

if  $\beta_1 + \beta_2 = 1$ , it is constant return to scale,

if  $\beta_1 + \beta_2 < 1$ , it is decreasing return to scale and

if  $\beta_1 + \beta_2 > 1$ , it is increasing return to scale.

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<sup>43</sup> En.wikipedia.org. (2019). *Cobb–Douglas production function*. Available at (online): [https://en.wikipedia.org/wiki/Cobb%E2%80%93Douglas\\_production\\_function#Various\\_representations\\_of\\_the\\_production\\_function](https://en.wikipedia.org/wiki/Cobb%E2%80%93Douglas_production_function#Various_representations_of_the_production_function) [Accessed 24 Mar. 2019].

**Table 5.32 Cobb-Douglas Production Function and Covariance**

Estimated Cobb-Douglas Production Function and Covariance				
VARIABLES	TOTAL	WOKHA	KOHIMA	MOKOKCHUNG
Coefficient	2.68(0.76)	0.50(0.73)	1.04(0.97)	1.05(0.67)
Labour	0.18(0.41)	0.17(1.14)	0.52(1.33)	0.65(3.22)
Capital	0.66(2.29)	0.79(4.70)	0.34(0.83)	0.81(1.19)
Labour x labour	0.52819	0.44408	0.33062	0.02228
Capital x capital	1.27731	0.34581	0.36372	0.24601053
Labour x capital	0.63609	0.26678	0.30587	0.03175799
R <sup>2</sup>	0.81	0.97	0.86	0.82
N	<b>200</b>	<b>71</b>	<b>66</b>	<b>63</b>
F-test				
Total	8.60301 6.944 *	28.59169 6.944 *	9.56758 6.944 *	9.22029 6.944 *
Labour	0.59516 0.233*	0.71603 0.233*	0.82019 0.233*	8.36208 4.284*
Capital	1.43926 4.284*	0.91951 0.233*	0.74556 0.233*	0.75716 0.233*

Note: (i) Figure in the parenthesis indicates t-value, (ii) \*sign indicates critical F-value (iii) N indicates number of observations.

In the above the Cobb-Douglas analysis shows that the output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is 0.18 and 0.66 respectively. This indicates that if labour inputs increases by 10 percent, output will increase by 1.8 percent, while if capital input increases by 10 percent than output will increase by 6.6 percent.

In Wokha, the output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is found as 0.17 and 0.79 respectively. Taking capital input constant as labour inputs increases by 10 percent, output will increase by 1.7 percent while taking capital input constant output will increase by 7.9 percent. Since,  $\beta_1 + \beta_2 < 1$  therefore the enterprises were found to be operating under decreasing returns to scale. 0.97 percent of the variation in output is explained by labour and capital ( $R^2 = 0.97$ ). The elasticity of capital is found to be higher than elasticity of labour.

In Kohima, the output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is found as 0.52 and 0.34 respectively. Assuming capital input constant as labour inputs increases by 10 percent, output will increase by 5.2 percent while taking capital input constant output will increase by 3.4 percent.  $\beta_1 + \beta_2 < 1$  therefore decreasing returns to scale seems to operate for the enterprises. 0.86 percent of the variation in output is explained by labour and capital ( $R^2 = 0.86$ ). The elasticity of labour is found to be higher than elasticity of capital.

In Mokokchung, the output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is found as 0.65 and 0.81 respectively. Capital input being constant as labour inputs increases by 10 percent, output will increase by 6.5 percent while capital input remaining constant output will increase by 8.1 percent. Since  $\beta_1 + \beta_2 > 1$  therefore the enterprises exhibits increasing returns to scale. 0.82 percent of the variation in output is explained by labour and capital ( $R^2 = 0.82$ ). The elasticity of capital is found to be higher than elasticity of labour.

Here we can observe that in general output elasticity of capital is higher than output elasticity of labour. However, in Kohima, the output elasticity of labour is higher while in Wokha and Mokokchung districts output elasticity of capital is higher. It indicated that comparatively capital contributes more to the augmentation of output. Also in general,  $\beta_1 + \beta_2 < 1$  therefore decreasing returns to scale seems to operate for the enterprises in the three districts.

#### V.4 Entrepreneurs contribution towards Income

Entrepreneurs are an important agent of growth for an economy as they are vital contributors to the growth of the economy. Entrepreneurs serve as a catalyst in the process of rapid industrialization of an economic growth. According to Schumpeter,” the rate of economic progress of a nation depends upon the distribution of entrepreneurial talent in the population.” Entrepreneurs are not just persons of interests but are important faculties of an economy playing key roles in creating entrepreneurial activities leading to generation of income and employment in the economy they created. Entrepreneurial activity drives economic growth and job creation (Baumol, 1996; Mair & Marti, 2009; Schumpeter, 1934)<sup>44</sup>. Entrepreneurs create the necessary environment for the production processes and thereby create more employment opportunities in the economy. The presence of entrepreneurs positively impacts the economy in a way that it opens up opportunities for livelihood by creating jobs.

**Table 5.33 Overall distribution of Income (in Rs)**

District	Units	Total	Average
Wokha	71	6127950(34.84)	86309.15
Mokokchung	63	5714900(32.49)	90712.70
Kohima	66	5746000(32.67)	87060.61
<i>Total</i>	200	17588850(100.00)	88027.49

*Source: field survey 2015-16. Notes: Figure in parenthesis indicates percentage*

In the table above it is observed that the Total income of the 200 units is Rs 17588850. The average of each unit is Rs 88027.49. In Wokha district the total income is Rs 6127950 for the 71 units and it contributes about 34.84 percent) with an average of 86309.15

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<sup>44</sup> Gallup,I. (2018), *Entrepreneurship and Job Creation*, Available at (online): <https://www.gallup.com/services/176354/entrepreneurship-job-creation.aspx> (Accessed 26 Sep. 2018)

per unit. Mokokchung district recorded a total of about Rs 571490 (32.49 percent) and with an average of Rs 88027.49. While Kohima district recorded a total of about Rs 5746000 (32.67 percent) and with an average of Rs 88027.49. In terms of Income, Wokha district is the highest contributor to the Total income in the above table.

**Table 5.34 Type of Enterprises and Income (in Rs)**

Types of Enterprises	Units	Total	Average
Retail	109	11585700(65.87)	106290.83
Printing	17	900000(5.12)	52941.18
Hotel and Restaurant	24	1401800(7.97)	58408.33
Handicraft	12	724650(4.12)	60387.50
Workshop	10	840900(4.78)	84090.00
Steel Fabrication	7	346000(1.97)	49428.57
Saw Mill	5	255300(1.45)	51060.00
Stone Quarry	21	1789800 (10.18)	85228.57
<i>Total</i>	<i>200</i>	<i>17588850(100.00)</i>	<i>87944.25</i>

*Source: field survey 2015-16. Notes: Figure in parenthesis indicates percentage*

The table above depicts the share of income between the different types of enterprises. The Total income generated is Rs 17588850 and the Average is Rs. 87944.25. Retail enterprises with about 109 units have a share of about Rs 11585700 (65.87 percent) with an average of Rs 106290.83. The Printing enterprises with about 17 units in total has a share of about Rs 900000 (5.12 percent) with an average of Rs 52941.18. Hotel and restaurant enterprise with 24 units in total contribute about Rs 1401800 (7.97 percent) with an average of Rs 58408.33. Handicraft enterprise with 12 units in total have a share of about Rs 724650 (4.12 percent) with an average of Rs 60387.50. Workshop enterprises with 10 units in total have a share of about Rs 840900 (4.78 percent) with an average of Rs 84090.00. Steel Fabrication enterprises with 7 units in total has a share of about Rs 346000 (1.97 percent) with an average of Rs 49428.57 and stone quarry enterprises with 21 units in total has a share of about Rs 1789800 (10.18 percent) with an average of Rs 85228.57.

Thus, it is found that the enterprise with the highest income is retail enterprises and the enterprise with the least income is Steel Fabrication enterprises.

**Table 5.35 Regression and Correlation Analysis between Enterprise and Income**

Income	Coefficient	Standard Error	t-stats	<i>p-value</i>	Correlation <i>R</i>
Intercept	-674792.531	187750.783	-3.594	0.016	0.98
Enterprise	111561.989	4278.444	26.075	0.000*	

Notes: \*Significant level is 0.05

The Correlation coefficient ‘r’ reveals that there is a very high positive correlation ( $r = 0.98$ ) between units of enterprise and income. The *Regression Equation* between Enterprise (X) and Income (Y) is:

$$Y = -674792.531 + 111561.989X.$$

The regression coefficient for enterprise is 111561.989 which indicate that there will be a positive change in the Total income by 111561.989 times to a unit increase in the enterprise. The p-values is less than 0.05, therefore the relationship between enterprises and Income is statistically significant. It indicates that enterprise has a positive impact on Income. **Therefore, the hypothesis that entrepreneurs have positive impact on income generation is accepted.**



#### V.4.1 District-Wise Distribution of Income

To analyse the contribution of the different types of enterprises to income in each district the data on distribution of income is further classified into district-wise. Regression and correlation analysis is used to establish the statistical relationship between enterprises and income generation for all the districts.

**Table 5.36 Distribution of Income - Wokha (in Rs)**

District	Types of Enterprises	Units	Total	Average
Wokha	Retail	38	4157500 (67.84)	109407.89
	Printing	8	321000 (5.24)	40125.00
	Hotel and Restaurant	8	282000 (4.60)	35250.00
	Handicraft	6	269650 (4.40)	44941.67
	Workshop	1	55000 (0.90)	55000.00
	Steel Fabrication	2	79000 (1.29)	39500.00
	Saw Mill	2	127800(2.09)	63900.00
	Stone Quarry	6	836000(13.64)	139333.33
	<i>Total</i>	71	6127950 (100.00)	63528.51

*Source: field survey 2015-16. Notes: Figure in parenthesis indicates percentage*

The table above shows the share of income distribution between the different types of enterprises in Wokha. The total income generated is Rs 6127950 and the Total average Rs. 63528.51. Retail enterprises contribute about Rs 4157500 (67.84) with an average of Rs 109407.89. Printing enterprises contributes about Rs 321000 (5.24) with an average of Rs 40125.00. Hotel and restaurant enterprises have a share of about Rs 282000 (4.60) with an average of Rs 35250.00. Handicraft contributes about Rs 269650 (4.40) with an average of Rs 44941.67. Workshop enterprises have a share of about Rs 55000 (0.90) with an average of Rs 55000.00. Steel Fabrication enterprises with 7 units in total has a share of about Rs 79000 (1.29) with an average of Rs 39500.00, Saw mill contributes about 127800(2.09) with an average of about 63900 while Stone Quarry with 16 units in total has a share of about Rs 836000(13.64) with an average of Rs 139333.33.

Thus, it is found that retail enterprises contribute the highest to the total income while the least income comes from workshop enterprises.

**Table 5.37 Regression and Correlation Analysis between Enterprise and Income**

Income	Coefficient	Standard Error	t-stats	p-value	Correlation <i>r</i>
Intercept	-292669.327	145572.119	-2.010	0.101	0.98
Enterprise	115163.877	9405.041	12.245	0.000*	

Note: \*significant level is 0.05

The Correlation coefficient ‘r’ shows that there is a very high positive correlation ( $r = 0.98$ ) between units of enterprise and income. The *Regression Equation* between Enterprise (X) and Income (Y) is:

$$Y = -292669.327 + 115163.877X.$$

The regression equation shows that the coefficient for enterprise is 115163.877. This indicates that an increase by a unit in the enterprise will have a positive impact on the Total income by 115163.877 times. The p-values is less than 0.05 as the estimated t-value is greater than the table value, therefore the relationship between enterprise and income is statistically significant. It indicates that enterprise have positive impact on income generation in Wokha.

**Table 5.38 Distribution of Income – Kohima (in Rs)**

District	Types of Enterprises	Units	Total	Average
Kohima	Retail	41	3993200(69.50)	97395.12
	Printing	5	113500 (1.98)	22700.00
	Hotel and Restaurant	9	810800 (14.11)	90088.89
	Handicraft	3	371000 (6.46)	123666.67
	Workshop	3	139000 (2.42)	46333.33
	Steel Fabrication	2	103000 (1.79)	51500.00
	Saw Mill	1	12500 (0.22)	12500.00
	Stone Quarry	2	203000(3.53)	101500.00
	Total	66	5746000 (100.00)	87060.61

Notes: Figure in parenthesis indicates percentage

The table above shows the share of income distribution between the different types of enterprises in Kohima. The total income generated is Rs 5746000 and the Total average 87060.61. Retail enterprises contribute about Rs 3993200 (69.50 percent) with an average of Rs 97395.12. Printing enterprises contributes about Rs 113500 (1.98 percent) with an average of Rs 22700.00. Hotel and restaurant enterprises have a share of about Rs 810800 (14.11 percent) with an average of Rs 90088.89. Handicraft contributes about Rs 371000(6.46 percent) with an average of Rs 123666.67. Workshop enterprises have a share of about Rs 139000 (2.42 percent) with an average of Rs 46333.33. Steel Fabrication enterprises has a share of about Rs 103000 (1.79 percent) with an average of Rs 51500.00, Saw mill contributes about 12500 (0.22 percent) with an average of Rs 12500 and stone quarry enterprises has a share of about Rs 203000 (3.53 percent) with an average of Rs 101500.00.

Thus, retail enterprise contributes the highest percentage to income generation, followed by hotel and restraunt, while saw mill makes the least contribution to total income generation in Kohima.

**Table 5.39 Regressions and Correlation Analysis between Enterprise and Income**

Income	Coefficient	Standard Error	t-stats	<i>p-value</i>	Correlation <i>r</i>
Intercept	-102759.197	61078.948	-1.682	0.143	0.99
Enterprise	99516.266	4056.186	24.534	0.000*	

*Note: \*significant level is 0.05*

The Correlation coefficient ‘r’ shows that there is a high positive correlation (r = 0.86) between units of enterprise and income. The *Regression Equation* between Enterprise (X) and Income (Y) is:

$$Y = -102759.197 + 99516.266X.$$

The regression equation shows that the coefficient for enterprise is 99516.266 this shows that increase in enterprise will have a positive change in the Total income by 99516.266 times. The p-value is less than 0.05 as the estimated t-value is greater than the table value. Therefore the relationship between enterprise and income is found to be statistically significant.

**Table 5.40 Distribution of Income – Mokokchung (in Rs)**

District	Types of Enterprises	Units	Total	Average
Mokokchung	Retail	30	3435000 (60.11)	114500.00
	Printing	4	465500 (8.15)	116375.00
	Hotel and Restaurant	7	309000 (5.41)	44142.86
	Handicraft	3	84000 (1.47)	28000.00
	Workshop	6	646900 (11.32)	107816.67
	Steel Fabrication	3	164000 (2.87)	54666.67
	Saw Mill	2	115000 (2.01)	57500.00
	Stone Quarry	8	495500 (8.67)	61937.50
	<i>Total</i>	63	5714900 (100)	90712.70

*Notes: Figure in parenthesis indicates percentage*

The table above shows the share of income distribution between the different types of enterprises in Mokokchung. The total income generated is Rs 5714900 and the Total average Rs. 90712.70. Retail enterprises contribute about Rs 3435000 (60.11 percent) with an average of Rs 114500.00. Printing enterprises contributes about Rs 465500 (8.15 percent) with an average of Rs 116375.00. Hotel and restaurant enterprises have a share of about Rs 309000 (5.41 percent) with an average of Rs 44142.86. Handicraft contributes about Rs 84000 (1.47 percent) with an average of Rs 28000.00. Workshop enterprises have a share of about Rs 646900 (11.32 percent) with an average of Rs 107816.67. Steel Fabrication enterprises has a share of about Rs 164000 (2.87 percent) with an average of Rs 54666.67, saw mill contributes about Rs 115000 (2.01 percent) with an average of Rs 57500.00 and stone quarry enterprises has a share of about Rs 495500 (8.67 percent) with an average of Rs

61937.50. Thus, retail contribution the highest percentage to Total income while handicraft holds the least percentage.

**Table 5.41 Regression and Correlation Analysis between Enterprise and Income**

Income	Coefficient	Standard Error	t-stats	<i>p-value</i>	Correlation <i>r</i>
Intercept	-230431.754	94936.880	-2.427	0.051	0.98
Enterprise	119973.874	8144.514	14.731	0.000*	

*Note: \*significant level is 0.05.*

The Correlation coefficient ‘r’ is found to be positive ( $r = 0.98$ ). The *Regression Equation* between Enterprise (X) and Income (Y) is:

$$Y = -230431.754 + 119973.874 X.$$

The regression equation shows that the coefficient for enterprise is 119973.874 which shows that with every unit increase in enterprise the average change in Total income will be positively effected by 119973.874 times. The p-value is less than 0.05 as the estimated t-value is greater than the table value therefore the relationship between enterprise and income is found to be statistically significant. This indicates that enterprise have a positive impact on income generation in Mokokchung.

#### V.4.2 Distribution of Income: Enterprise-wise

To analyse the contribution of each enterprise to income, the enterprises are classified as retail, printing, hotel and restaurant, handicraft, workshop, steel fabrication and stone quarry.

**Table 5.42 Retail and Income (in Rs)**

District	Units	Total	Average
Wokha	38	4157500(35.88)	109407.90
Mokokchung	30	3435000(29.65)	114500.00
Kohima	41	3993200(34.47)	97395.12
<i>Total</i>	109	11585700(100.00)	106290.83

*Notes: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the income under retail enterprises. The total unit under Retail enterprise is 109 units and the Total income for all the units is Rs 11585700. The average of each unit is Rs 106290.83. The distribution of the income is as- Wokha district with a total of 38 units the total income is Rs 4157500 (35.88 percent) with an average of Rs 109407.90. Mokokchung district recorded a total of about Rs 3435000 (29.65 percent) with an average of Rs 114500.00. While Kohima district recorded a total of about Rs 3993200 (34.47 percent) with an average of Rs 97395.12. Thus, Wokha district is the highest contributor to the Total income in the above table under Retail enterprise.

**Table: 5.43 Printing and Income (in Rs)**

District	Units	Total	Average
Wokha	8	321000(35.67)	40125.00
Mokokchung	4	465500(51.72)	116375.00
Kohima	5	113500(12.61)	22700.00
<i>Total</i>	17	900000(100.00)	52941.18

*Notes: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the income under Printing enterprises . The total unit under Printing enterprises is 17 units and the Total income for all the units is Rs 900000. The average of each unit is Rs 52941.18. The distribution of the income is as- Wokha district with a total of 8 units the total income is Rs 321000 (35.67 percent) with an average of Rs 40125. Mokokchung district with a total 4 units recorded a total of about Rs 465500 (51.72 percent) with an average of Rs 116375. On the Kohima district recorded a total of about Rs 113500 (12.61 percent) with an average of Rs 22700. Thus in terms of income, Mokokchung district is the highest contributor to the Total income in the above table.

**Table 5.44 Hotel and Restaurant and Income (in Rs)**

Districts	Units	Total	Average
Wokha	8	282000 (20.12)	35250.00
Mokokchung	7	309000 (22.04)	44142.86
Kohima	9	810800 (57.84)	90088.89
<i>Total</i>	24	1401800 (100.00)	58408.33

*Notes: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the Income under enterprises . The total unit under hotel and restaurant is 24 units and the Total income for all the units is Rs 1401800. The average of each unit is Rs 58408.33. The distribution of the income is as- Wokha district with a total of 8 units the total income is Rs 282000 (20.12 percent) with an average of Rs 35250. Mokokchung district with a total 7 units recorded a total income of about Rs 309000 (22.04 percent) with an average of Rs 44142.86. On the Kohima district with a total of 9 units recorded a total income of about Rs 810800, (57.84 percent) with an average of Rs 90088.89.

Thus, Kohima district is the highest contributor to the Total income in the above table under Hotel and Restaurant.

**Table 5.45 Handicrafts and Income (in Rs)**

Districts	Units	Total	Average
Wokha	6	269650 (37.21)	44941.67
Mokokchung	3	84000 (11.59)	28000.00
Kohima	3	371000 (51.20)	123666.67
<i>Total</i>	12	724650 (100.00)	60387.50

*Notes: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of income under handicraft. The total unit under handicraft is 12 units and the Total income for all the units is Rs724650. The average of each unit is Rs 60387.50. The distribution of the income is as- Wokha district with a total of 6 units the total income is Rs 269650 (37.21 percent) with an average of Rs 44941.67. Mokokchung district with a total of 3 units recorded a total income of about Rs 84000 (11.59 percent) with an average of Rs 28000. On the Kohima district with a total of 3 units recorded a total income of about Rs 371000, (51.20 percent) with an average of Rs 123666.67.

Therefore, under handicraft Kohima district is the highest contributor to the Total income in the above table.

**Table: 5.46 Workshop and Income (in Rs)**

Districts	Units	Total	Average
Wokha	1	55000(6.54)	55000.00
Mokokchung	6	646900(76.93)	107816.67
Kohima	3	139000(16.53)	46333.33
<i>Total</i>	10	840900 (100.00)	84090.00

*Notes: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the Income under workshop enterprises. The total number of enterprises under workshop is 10 and the Total income for all the enterprises is Rs 840900. The average of each unit is Rs 84090. The enterprises distribution of the income is as- Wokha district with a total of 1 unit the total income is Rs 55000 (6.54 percent) with an average of Rs 55000.00. Mokokchung district with a total of 6



units recorded a total income of about Rs 646900 (76.93 percent) with an average of Rs 107816.67. While in Kohima district with a total of 3 units recorded a total income of about Rs139000, (16.53 percent) with an average of Rs 46333.33. Thus, Mokokchung district shares the highest contributor to the Total income in the above table under Workshop enterprises.

**Table: 5.47 Steel Fabrication and Income (in Rs)**

District	Units	Total	Average
Wokha	2	79000(22.83)	39500.00
Mokokchung	3	164000(47.40)	54666.67
Kohima	2	103000(29.77)	51500.00
<i>Total</i>	<i>7</i>	<i>346000(100.00)</i>	<i>49428.57</i>

*Notes: Figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the income under steel fabrication enterprises. The total unit under Steel fabrication enterprises is 7 units and the Total income for all the units is Rs346000 with an average of Rs 49428.57. The distribution of the income is as- Wokha district with a total of 2 units the total income is Rs 79000 (22.83) with an average of Rs 39500. Mokokchung district with a total of 3 units recorded a total income of about Rs 164000 (47.40) with an average of Rs 54666.67. To that of Kohima district with a total of 2 units it is found that the total income of about Rs 103000 (29.77) with an average of Rs 51500. From the above it is clear that, Mokokchung district is the highest contributor to the Total income under Steel fabrication.

**Table: 5.48 Sawmill and Income (in Rs)**

Districts	Units	Total	Average
Wokha	2	127800(50.06)	63900.00
Mokokchung	2	115000(45.05)	57500.00
Kohima	1	12500(4.90)	12500.00
<i>Total</i>	<i>5</i>	<i>255300(100.00)</i>	<i>51060.00</i>

*Notes: Figure in parenthesis indicates percentage*

Under *saw mill*, the total units is found to be 6 and the total income is Rs 255300 with an average of Rs 51060. The table shows that Wokha district with a total of 2 contributes about Rs 127800 (50.06 percent) with an average of Rs 63900.00. Mokokchung district with a total of 2 units recorded a total of about Rs 115000 (45.05 percent) at an average of Rs 57500.00. While Kohima district contributes about Rs 12500 (4.90 percent) to the Total income generation. Thus the table reveals that under the *saw mill*, Wokha district is the highest contributor to Total income.

**Table: 5.49 Stone Quarry and Income (in Rs)**

Districts	Units	Total	Average
Wokha	6	836000(54.48)	139333.33
Mokokchung	8	495500(32.29)	61937.50
Kohima	2	203000(13.23)	101500.00
<i>Total</i>	<i>16</i>	<i>1534500(100.00)</i>	<i>95906.25</i>

*Notes: Figure in parenthesis indicates percentage*

The Total income under stone quarry is found to be Rs 1534500 with an average of Rs 95906.25. The table shows that Wokha district recorded a total of 6 units for which the total income is Rs 836000 (54.48 percent) at an average of Rs 139333.33. Mokokchung district with a total of 8 units recorded a total of about Rs 495500 (32.29 percent) at an average of Rs 61937.50. While Kohima district with a total 2 units recorded a total of about Rs 203000 (13.23 percent) at an average of Rs 101500.00. Thus the table reveals that under the *Stone Quarry*, Wokha district is the highest contributor to Total income.

## V.5 Entrepreneur's contribution to employment.

*Garofoli et al. (1994) investigated that with the setting up of new enterprises employability rise. Entrepreneurs take the credit of employment generation through setting up of enterprises. Here, a statistical relationship between unit of enterprises and employment is established by using Regression and Correlation to understand the contribution of the entrepreneurs to employment generation.*

**Table 5.50 Overall distribution of Employment**

District	Units	Total	Average
Wokha	71	218 (33.49)	3.1
Kohima	66	259(39.78)	3.9
Mokokchung	63	174 (26.73)	2.8
<i>Total</i>	200	651(100.00)	3.3

*Note: figure in parenthesis indicates percentage*

The table above shows the overall distribution of employment for the three districts. The table shows that the Total employment of the total 200 units of enterprises is 651. The average employment of each unit is 3.3 employees. The table also shows that the average sectoral employment as- Wokha district with a total of 71 units the total employment is 218 contributing (33.49 percent) with an average of about 3.1 employees per unit. Kohima district recorded a total of about 259 (39.78 percent) with an average of 3.9 employees per unit. While Mokokchung district recorded a total of about 174 (26.73 percent) with an average of 2.8 employees.

In terms of employment, Kohima district contributes the highest to the total employment in the above table.

**Table: 5.51          Types of Enterprise and Employment**

Types of Enterprises	Units	Total	Average
Retail	109	265(40.71)	2.4
Printing	17	40(6.14)	2.4
Hotel and Restaurant	24	97(14.90)	4.0
Handicraft	12	25(3.84)	2.1
Workshop	10	30(4.61)	3.0
Steel Fabrication	7	31(4.76)	4.4
Saw Mill	5	32(4.92)	6.4
Stone Quarry	16	131(20.12)	8.2
<i>Total</i>	<i>200</i>	<i>651(100)</i>	<i>3.3</i>

*Note: figure in parenthesis indicates percentage*

The table above shows the share of employment between the different types of enterprises. The total employment generated is about 651 with an average of 3.3 employees per unit. Retail sector with 109 units in total has a share of about 265(40.71) employees with an average of 2.4 employees per unit. Printing sector with 17 units in total has a share of about 40(6.14) with an average of about 2.4 employees per unit. Hotel and restaurant sector with 24 units in total has a share of about 97 (14.90) with an average of about 4.0 employees per unit. Handicraft sector with 12 units in total has a share of about 25(3.84) with an average of 2.1 employees per unit. Workshop sector with 10 units in total has a share of about 30(4.61) with an average of about 3.0 employees per unit. Steel fabrication sector with 7 units in total has a share of about 31(4.76) with an average of 4.4 employees per unit, saw mill with 5 units contributes about 32(4.92) person with an average of 6.4 per unit and stone quarry sector with 21 units has a share of about 131(20.12) with an average of 8.2 employees per unit.

It is found that the highest number of employment generated by retail enterprise and the enterprise with the least employment is handicraft enterprise. It is also seen that stone quarry contribution the highest in terms of average employment.

**Table 5.52 Regression and Correlation Analysis between Enterprise and Employment**

Enterprises	Coefficient	Std Error	t-stats	<i>p-value</i>	Correlation <i>r</i>
Intercept	25.212	15.214	1.657	0.148	0.92
Employment	2.246	0.372	6.025	0.001*	

*Note: \*significant level is 0.05*

The Correlation coefficient 'r' shows that there is a high positive correlation ( $r = 0.92$ ) between types of enterprises and employment.

The *Regression Equation* between Enterprise (X) and Employment (Y) is:

$$Y = 25.212 + 2.246 X.$$

The regression analysis shows that the per unit contribution to the total employment is 2.246. The p-values is less than 0.05, therefore the relationship between enterprise and employment is statistically significant. Thus, enterprises have positive contribution to employment generation.

### V.5.1 District-Wise distribution of Employment

Further the contribution of enterprises to employment is carried out for each district for which the data is further classified into district-wise distribution of employment. Regression and correlation analysis is used to establish the statistical relationship between enterprises and employment generation for each district.

**Table: 5.53 Distribution of Employment - Wokha**

District	Types of Enterprises	Units	Total	Average
Wokha	Retail	38	77 (35.32)	2.0
	Printing	8	16 (7.34)	2.0
	Hotel and Restaurant	8	16 (7.34)	2.0
	Handicraft	6	13 (5.96)	2.2
	Workshop	1	5(2.29)	5.0
	Steel Fabrication	2	12 (5.50)	6.0
	Saw Mill	2	16(7.34)	8.0
	Stone Quarry	6	63 (28.90)	10.5
	<i>Total</i>	71	218(100.00)	3.1

*Note: figure in parenthesis indicates percentage*

Wokha with a total of 240 employees contributes about 35.61 percent of the Total employment at an average of 3.1 employees per unit. It can be further seen from the above table that the highest employment is from stone quarry contributing about 28.90 percent to the total employment with an average of 10.5 employees per unit, which is followed by retail contributing about 35.32 percent to the total employment with an average of 2 employees per unit. This is followed by printing and hotel and restaurant contributing about 7.34 percent each to the total employment with an average of 2 employees per unit. Workshop contributes about 2.29 percent to the total employment with an average of 5 employees per unit which is the least as seen in the table above.

**Table 5.54 Regression and Correlation Analysis between Enterprise and Employment**

Enterprises	Coefficient	Std Error	t-stats	<i>p-value</i>	Correlation <i>r</i>
Intercept	11.942	8.248	1.447	0.197	0.77
Employment	1.724	0.574	3.006	0.023*	

Note: \*Significant at 0.05 level.

The Correlation coefficient ‘r’ shows that there is a moderately positive correlation ( $r = 0.77$ ) between enterprise and employment in Wokha district. It means that enterprise has a positive contributor to employment. The *Regression Equation* between Enterprise (X) and Employment (Y) is:

$$Y = 11.942 + 1.724 X.$$

The regression coefficient of the enterprises and employment for Wokha is 1.724. This indicates that for every additional increase in enterprise, employment is expected to change by an average of 1.724 employees.

**Table: 5.55 Distribution of Employment - Kohima**

District	Types of Enterprises	Units	Total	Average
Kohima	Retail	41	149 (58.43)	3.6
	Printing	5	8(3.14)	1.6
	Hotel and Restaurant	9	58 (22.75)	6.4
	Handicraft	3	5 (1.96)	1.7
	Workshop	3	8 (3.14)	2.7
	Steel Fabrication	2	10 (3.92)	5.0
	Saw Mill	1	10(3.92)	10.0
	Stone Quarry	2	11(4.31)	5.5
	<i>Total</i>	66	255 (100.00)	3.9

Note: figure in parenthesis indicates percentage

Under Kohima district, the highest employment is from retail contributing about 58.43 percent to the total employment with an average of 3.6 employees per unit, which was followed by hotel and restaurant contributing about 22.75 percent to the total employment with an average of 6.4 employees per unit. Stone quarry sector contributing about 4.31

percent to the total employment with an average of 5.5 employees per unit. Steel fabrication contributes about 3.92 percent with an average of about 5.0 employees per unit. Workshop has 3.14 percent contribution with an average of about 2.7 employees per unit. Handicraft on the other hand contributes about 1.92 percent with an average of 1.7 employees. Saw mill contributes about 3.92 percent with an average of 10 employees. While printing contributes about 3.14 percent to the total employment with an average of 1.6 employees per unit.

**Table 5.56 Regression and Correlation Analysis between Enterprise and Employment**

Enterprises	Coefficient	Std Error	t-stats	<i>p-value</i>	Correlation <i>r</i>
Intercept	2.317	4.887	0.474	0.652	0.97
Enterprise	3.643	0.325	11.225	0.000*	

*Note: \*Significant at 0.05 level*

The Correlation coefficient ‘r’ shows that there is a high positive correlation ( $r = 0.97$ ) between enterprise and employment in Kohima district. It reveals that enterprise has a positive contributor to employment. The *Regression Equation* between Enterprise (X) and Employment (Y) is:

$$Y = 2.317 + 3.643 X.$$

The regression coefficient of the enterprises and employment for Kohima is 3.643. This indicates that for every additional increase in enterprise, employment is expected to change by an average of 3.643 employees.

Therefore from the above analysis the hypothesis is accepted that entrepreneurs have positive impact on employment generation.



**Table: 5.57      Distribution of Employment - Mokokchung**

District	Types of Enterprises	Units	Total	Average
Mokokchung	Retail	30	39 (22.41)	1.3
	Printing	4	16 (9.20)	4.0
	Hotel and Restaurant	7	23 (13.22)	3.3
	Handicraft	3	7 (4.02)	2.3
	Workshop	6	17 (9.77)	2.8
	Steel Fabrication	3	9 (5.17)	3.0
	Saw Mill	2	6(3.45)	3.0
	Stone Quarry	8	57(32.76)	7.1
	<i>Total</i>	63	174 (100.00)	2.8

*Note: figure in parenthesis indicates percentage*

Under Mokokchung district, the highest employment is from the Stone Quarry sector contributing about 32.56 percent to the total employment with an average of 7.1 employees per unit, which was followed by Retail sector contributing about 22.41 percent to the total employment with an average of 1.3 employees per unit. This is followed by Hotel and restaurant sector contributing about 13.22 percent each to the total employment with an average of 3.3 employees per unit. Workshop contributes about 9.77 percent with an average of about 2.8 employees. Printing on the other hand contributes about 9.20 with an average of 4.0 employees per unit. Steel Fabrication contributes about 5.17 percent with an average of 6.3 employees. Saw mill contributes about 3.45 percent with an average of 3 employees per unit. The least is from Handicraft sector contributing about 4.02 percent to the total employment with an average of 2.3 employees per unit.

**Table 5.58 Regression and Correlation Analysis between Enterprise and Employment**

Enterprises	Coefficient	Std Error	t-stats	<i>p-value</i>	Correlation <i>r</i>
Intercept	13.184	7.648	1.723	0.136	0.56
Employment	1.088	0.656	1.658	0.148	

In the table above the Correlation coefficient 'r' shows that there is a moderate positive correlation ( $r = 0.56$ ) between enterprise and employment in Mokokchung district. It

indicates that enterprise are a positive contributor to employment. The *Regression Equation* between Enterprise (X) and Employment (Y) is:

$$Y = 13.184 + 1.088 X.$$

The regression coefficient of the enterprises and employment for Mokokchung is 1.088. This indicates that for every additional increase in enterprise, employment is expected to change by an average of 1.088 employees.

### V.5.2 Enterprise-Wise Employment

**Table 5.59 Retail and Employment**

Districts	Units	Total	Average
Wokha	38	77(29.06)	2.0
Mokokchung	30	39(14.72)	1.3
Kohima	41	149(56.23)	3.6
Total	109	265(100)	2.4

*Note: figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the employment under retail sector. The total employment generated under retail enterprise is found to be 270. The average employment is 2.4 employees per unit. The sectoral distribution of the employment is as- Retail sector Wokha district with a total of 38 units the total employment is 77 employees (29.06 percent) at an average of 2 employees per unit. In Mokokchung district with 30 units, it is found to employ about 39 employees (14.72 percent) at an average of 1.3 employees per unit. While Kohima district with 41 units recorded a total employment of about 149 employees (56.23 percent) at an average of 3.6 employees. In terms of employment in the retail sector, Kohima district is the highest contributor to the total employment in the above table.

**Table: 5.60     Printing Sector and Employment**

Districts	Units	Total	Average
Wokha	8	16(40)	2.0
Mokokchung	4	16(40)	4.0
Kohima	5	8(20)	1.6
Total	17	40(100.00)	2.4

*Note: figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the employment under *Printing* sector. The total unit under *Printing* sector is 17 units and the Total of the employment for all the units is 40 employees. The average of each unit is 2.4 employees. The distribution of the employment is as:-

Under Wokha district, the Printing sector with a total of 8 units is generating a total employment is 16 employees (40 percent) at an average of about 2 employees per unit. Mokokchung district with a total of 4 units, generates a total employment of about 16 (40 percent) at an average of 4 employees per unit. Likewise in Kohima district the printing sector recorded a total of about 8 employees (20 percent ) at an average of 1.6 person per unit.

Thus in terms of employment, Wokha and Mokokchung districts are the highest contributor to the total employment in the above table.

**Table 5.61     Hotel and Restaurant and Employment**

Districts	Units	Total	Average
Wokha	8	16(16.49)	2.0
Mokokchung	7	23(23.71)	3.3
Kohima	9	58(59.79)	6.4
Total	24	97(100.00)	4.0

*Note: figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the Employment under sector. The total unit under hotel and restaurant sector is 24 units and the total employment

generated is 97 employees. The average of each unit is 4 employees per unit. The distribution of the employment is as:-

Wokha district with a total of 8 units generated a total employment of 16 employees (16.49 percent) at an average of 2 employees per unit. Mokokchung district with a total of 7 units recorded a total employment of about 23 employees (23.71 percent) at an average of 3.3 employees. On the other hand, Kohima district with a total of 9 units recorded a total employment of about 58 employees (59.79 percent) at an average of 6.4 employees per unit. Thus under Hotel and restaurant sector, Kohima district is the highest contributor to the Total employment in the above table.

**Table 5.62 Handicraft and Employment**

Districts	Units	Total	Average
Wokha	6	13(52.00)	2.2
Mokokchung	3	7(28.00)	2.3
Kohima	3	5(20.00)	1.7
<i>Total</i>	12	25(100.00)	2.1

*Note: figure in parenthesis indicates percentage*

The table above shows the distribution of the employment under handicraft sector. The total unit under Handicraft sector is 12 units and the Total employment generated is 25 employees. The average of each unit is 2.1 employees. The sectoral distribution of the employment is as -

Wokha district with a total of 6 units generated a the total employment of 13 employees (52.00 percent) at an average of 2.2 employees per unit. Mokokchung district with a total of 3 units recorded a total of 7 employees (28.00 percent ) at an average of 2.3 employees per unit. On the other hand, Kohima district with a total of 3 units recorded a total employment of about 5 employees (20.00 percent) at an average of 1.7 employees per unit.

Thus, Wokha district is the highest contributor to the Total employment in the above table under Handicraft.

**Table 5.63 Workshop and Employment**

Districts	Units	Total	Average
Wokha	1	5(16.67)	5.0
Mokokchung	6	17(56.67)	2.8
Kohima	3	8(26.67)	2.7
<i>Total</i>	10	30(100.00)	3.0

*Note: figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the Employment under Workshop sector. The total unit under Workshop sector is 10 units and the Total of the employment is 30 employees with an Total average of 3 employees per unit. The distribution of the employment is as-

Wokha district generates employment to 5 employees (16.67 percent) at an average of 5 employees per unit. Mokokchung district with a total of about 6 units recorded a total employment of about 17 employees (56.67 percent) at an average of 2.8 employees per unit. While in Kohima district recorded 8 employees (26.67 percent) at an average of 2.7 employees per unit. The per unit employment is 2.7 employees. Thus Mokokchung district is the highest contributor to the Total employment in the above table under Workshop.

**Table 5.64 Steel Fabrication and Employment**

Districts	Units	Total	Average
Wokha	2	12(38.71)	6.0
Mokokchung	3	9(29.03)	3.0
Kohima	2	10(32.26)	5.0
<i>Total</i>	7	31(100.00)	4.4

*Note: figure in parenthesis indicates percentage*

The table above shows the district wise distribution of the employment under steel fabrication sector. The total unit under Steel fabrication sector is 7 units and the Total of the employment for all the units is 31 employees. The average of employment is 4.4 employees

per unit. The distribution of the employment is shown to be as- In Wokha district, the total employment generated is 12 employees (38.71 percent) at an average of 6 employees per unit. Mokokchung district recorded a total employment of 9 employees (29.03 percent) at an average of about 3 employees. To that of Kohima district it is found that the total employment generated is 10 employees (32.26 percent) at an average of 5 employees per unit.

From the above it is clear that, Wokha district is the highest contributor to the Total employment in the above table under Steel fabrication sector.

**Table 5.65 Saw Mill and Employment**

Districts	Units	Total	Average
Wokha	2	16(50)	8
Mokokchung	2	6(18.75)	3
Kohima	1	10(31.25)	10
<i>Total</i>	5	32(100.00)	6.4

*Note: figure in parenthesis indicates percentage*

Under *saw mill* the total employment generation is found to be 39 with an average of 6.4 employees. The table shows that in Wokha district the total employment generated is 16 (50 percent) with an average of about 8 employees. Mokokchung district with recorded a total employment of about 6 (18.75 percent) employees at an average of 3 employees. While Kohima district with recorded a total of about 10 (31.25 percent) employees employed at an average of 10 employees. Thus the table reveals that under the *saw mill*, Wokha district is the highest contributor to the total employment.

**Table 5.66 Stone Quarry and Employment**

Districts	Units	Total	Average
Wokha	6	63(48.09)	10.50
Mokokchung	8	57(43.51)	7.1
Kohima	2	11(8.40)	5.5
<i>Total</i>	<i>16</i>	<i>131(100.00)</i>	<i>8.2</i>

*Note: figure in parenthesis indicates percentage*

In the above table, we see that the total employment generated is found to be 131 with an average of about 8.2 employees under stone quarry. The table shows in Wokha district the employment generated under stone quarry is about 63 (48.09 percent) employees with an average of about 10.50 employees. Mokokchung district recorded a total employment of about 57 employees (43.51 percent) at an average of 7.1 employees while Kohima district recorded a total of about 11(8.40 percent) employees employed at an average of 5.5 employees. Thus the table reveals that under stone quarry, Wokha district generates the highest employment, contributing about 48.09 percent of the total employment.

## **CHAPTER – VI**

### **Conclusion and Summary**

This chapter summarizes the findings of the study

#### **VI.1           Entrepreneurs’ Socio-Economic profile**

##### **VI.1.1        Type of enterprises**

It can be seen that majority of the enterprises falls under retail sector with 54.5 percent. Followed by hotel and restaurant sector with 12 percent. The least is steel fabrication with 3.5 percent. In all the three districts, retail sector recorded the highest percentage with 53.5 percent in Wokha, 62.1 percent in Kohima and 47.6 percent in Mokokchung.

##### **VI.1.2        Gender-wise**

The study finds that 88.5 percent of the enterprises are owned by male entrepreneur and 11.5 percent by females. Comparatively, in all the districts, male recorded the highest percentage with 90.1 percent in Wokha, 92.4 percent in Kohima and 82.5 percent in Mokokchung making an overall percentage of 88.5 percent against 11.5 percent female. It is also found that under steel fabrication, stone quarry and workshop majority of the enterprises are owned by male entrepreneurs.

##### **VI.1.3        Age-wise**

In terms of age of the entrepreneurs, it is found that majority of the entrepreneurs are between the age group of 45 and above with 34 percent of the total entrepreneurs. 8.5 percent are in the age group of 21-26. It also constitutes the least among the different age groups. 22



percent are under the age group of 27-32, between 33-38 accounts for 18 percent, between 39-44 accounts for 17.5 percent of the entrepreneurs. This clearly shows that majority of the entrepreneurs are in their middle ages. Comparatively, in all the three districts, those between the age group of 45 and above are found to be the majority with 40.8 percent in Wokha, 16 percent in Kohima and 11.5 percent in Mokokchung respectively. While the least being those in the age group of 21-26 with only 9.4 percent in Wokha, 12.1 percent in Kohima and 4.8 percent in Mokokchung.

The percentage of those who were 20 and below is found to be nil in this study. The average age of the entrepreneurs is found to be 35.5 years, which fall between the age group of 33-38 years in the study.

#### **VI.1.4 Number of Dependent**

It is found that 74.5 percent of the entrepreneurs have dependents depending on them for livelihood while the other 25.5 percent are either unmarried or have no children. In that, 56 percent of the entrepreneurs have dependent between 1-3 while 17 percent have dependent between 4-6 numbers while only 1.5 percent have 7 and above number of dependents. It reveals that majority have a small family size.

#### **VI.1.5 Age of the Enterprises**

In terms of age of the enterprises, majority of the enterprises have been in existence for about 6-10 years (32 percent) followed by 0-5 years (29 percent). On the other hand, between 46-50 years is found to be the least with only 0.5 percent of the total enterprises. 1.5 percent of the enterprises is found to be above 50 years. Comparatively, 38 percent in Wokha, 30.3 percent in Kohima and 27 percent in Mokokchung falls under the category of 6 -10 years.

Those under 46-50 and 50 above was about 1.4 percent each in Wokha, 1.5 percent in Kohima and 1.6 percent each in Mokokchung. It is clear that enterprises in the study areas are quite young and majority of the entrepreneurs are first generation entrepreneurs.

#### **VI.1.6 Level of Education**

Majority of the entrepreneurs are found to be graduates with 44.6 percent followed by those who were found to be 10 and below with 29.9 percent. 17.5 percent have higher-secondary degree, 6.8 percent with post-graduate degree and those with other degrees are only 1.2 percent. Comparatively in all the three districts majority are found to be graduates- 33.8 percent in Wokha, 50 percent in Kohima and 39.9 percent in Mokokchung. This shows that majority of the entrepreneurs are well educated.

#### **VI.1.7 Entrepreneurs' Earlier Occupation:**

In terms of earlier occupation, majority have had business as their earlier occupation with 37 percent falling under the category of business followed by those who were unemployed with 24.5 percent. 16 percent were found to be students before they chose to start an enterprise, 7.5 percent were into government service while the least were those who had agriculture background with 2.5 percent. Comparatively, in all the three districts it is seen that majority had some business experience in the past. In Wokha 38 percent, in Kohima 34.9 percent and in Mokokchung 38.1 percent are found to have business experience. Few that had agricultural background are 2.8 percent in Wokha, 3 percent in Kohima, and 1.6 percent in Mokokchung.

#### **VI.1.8            Attainment of training**

It is found that 21 percent of the entrepreneurs underwent training which is about 1/4<sup>th</sup> (one-fourth) of the sample size. Out of this, majority underwent training all by themselves with 52.4 percent, 40.5 percent were benefited by the sponsorship of the government through Entrepreneurship Development Programmes (EDPs). Another 7.1 percent underwent training being sponsored by their families. It is clear from this data that majority of the entrepreneurs did not attain training as the percentage of those without training is found to be 79 percent.

Comparatively, in Wokha out of the total 71 entrepreneurs, 13 (18.3 percent) entrepreneurs underwent training programmes out of which 38.5 percent were sponsored by Government, 7.7 percent by family and 53.8 percent took training individually. In Kohima, 24.2 percent of the entrepreneur underwent training where majority underwent training by self/individually (50 percent), 43.8 percent sponsored by government and 6.3 percent by family. In Mokokchung 20.6 percent underwent training where 53.8 percent underwent training by self/individually, 38.5 percent were sponsored by government and 7.7 percent by family.

On the other hand, it is also found that 81.7 percent in Wokha, 75.8 percent in Kohima and 79.4 percent in Mokokchung did not attain any training. It is clear from this that majority of the entrepreneurs in all the three districts did not undergo any training to start their enterprise.

Also, majority of those who underwent training were those with graduate degree (61.9 percent).

#### **VI.1.9 Nature of Start-up**

The study shows that majority of the entrepreneurs started their enterprises from the scratch (70.1 percent) followed by those who purchased from others (11.9 percent). 11.3 percent started as a Joint/partnership enterprise and the least were those that were inherited (6.8 percent).

District wise analysis shows that in all the districts majority started their enterprise from the scratch with 67.6 percent in Wokha, 62.1 percent in Kohima and 76.2 percent in Mokokchung. The least were those who inherited their parental enterprise- 8.5 percent in Wokha, 7.6 percent in Kohima and 4.8 percent in Mokokchung. It is found that majority of the entrepreneurs started their enterprises from the scratch (70.1). District wise it is 67.6 percent in Wokha, 62.1 percent in Kohima and 76.2 percent in Mokokchung.

#### **VI.1.10 Organizational setup**

In term of ownership, majority have sole-proprietorship with 70 percent which is followed by those under the category of family enterprise with 11 percent and the least were those that fell under the category of joint venture with 11 percent.

In all the districts, majority of the entrepreneur had sole-proprietorship - 64.8 percent in Wokha, 75.8 percent in Kohima and 69.8 percent in Mokokchung. 28.2 percent in Wokha, 13.6 percent in Kohima and 14.3 percent in Mokokchung were under the category of family enterprise and the least were those under the category of joint venture with 7 percent in Wokha, 10.6 percent in Kohima and 15.9 percent in Mokokchung. It is clear that majority of the entrepreneurs had sole proprietorship over their enterprises.

### **VI.1.11      Entrepreneurs' start-up capital**

Personal saving is found to be the most important source of start-up capital for the entrepreneurs (37.5 percent) followed by parents' assistance (17 percent). 14.5 percent of the entrepreneurs relied on personal savings and loans from private individuals/organisations. In Wokha it is found that 43.7 percent relied on personal savings as a source of start-up capital, while in Kohima it was 30.3 percent and in Mokokchung it was found to be 38.1 percent.

Financial assistance from the parents is another important source of startup capital for the entrepreneurs. It is found that 16.9 percent in Wokha, 18.2 percent in Kohima and 15.9 percent in Mokokchung relied on parents' assistance to start their enterprises.

It is found that very less percentage of the entrepreneurs availed financial assistance from banks (4.5 percent) and loans from private individuals/organizations (6.5 percent).

Majority of those under printing units relied on parents' assistance with 41.2 percent. This is mainly because majority of the entrepreneurs under this category belong to the age group of 27-32 and majority were either students (35.3 percent) or unemployed (47.1 percent).

## **VI.2            Entrepreneurs' Motivational Factors**

### **VI.2.1        Internal motivational factors:**

It is found that in terms of internal motivational factor the factor self employment is found to be the most important internal motivational factor with a mean value of 4.55, followed by to earn income/money with a mean value of 4.43 and managing oneself with a mean value of 4.14. The other moderately high ranked factors are risk taking attitude with a mean value of 4.10, to be an entrepreneur with a mean value of 4.04 mean. While use of idle

assets/wealth, family business responsibilities and dissatisfied with previous job are among the lower ranked factors.

#### **VI.2.2 External motivational factors:**

In terms of external motivational factor the factor family/relatives encouragement is found to be the most important external factor motivating the entrepreneurs with a mean value of 3.58 (1<sup>st</sup> Rank). It is clear from this that encouragement from family is important for boosting the morale of the entrepreneurs. Market accessibility is also found to be another important factor with a mean value of 3.45 (2<sup>nd</sup> Rank) followed by the factor fewness of the business in the area with a mean value of 3.39 (3<sup>rd</sup> Rank), conducive business environment with 3.38 mean score (4<sup>th</sup> Rank). Scarcity of job with a mean value of 3.33 is ranked 5<sup>th</sup> (fifth). It is found that easy access to banks and others finances/loans is among the lower ranked factors. It may be due to the inefficient of the financial institutions.

#### **VI.2.3 Entrepreneurs' Motivational Factors and PCA**

- i. The Principal Component analysis (PCA) of the internal motivational factor shows that majority of the entrepreneurs (29 percent) are influenced by the first factor (F1) consisting of the factors viz, to earn income/money, managing one-self, risk taking attitude, to be an entrepreneur, willingness to innovate, use of idle assets/wealth and family business followed by the third factor (19 percent) consisting of the factor dissatisfied with previous job.
- ii. The Principal Component analysis (PCA) of the external motivational factor shows that majority of the entrepreneurs (42 percent) are influenced by the first factor consisting of the factors viz. easy access to finance from banks and others, family/relatives

encouragement, high demand for this business/product, market accessibility, fewness of this business in the area, better power supply, friends influence, influence of migration to the city/town, accessibility to transportation and conducive business environment this is followed by the third component (F3) consisting of the factor location advantage (30 percent).

#### **VI.2.4 Entrepreneurs' Motivational Factors- District wise**

- i. In Wokha, the average mean value of internal factors is found to be 3.56 while average mean value of the external factors is found to be 3.27. *F-test* reveals that there is a significant difference between internal and external factor as  $f = 11.37$  ( $f > F$ ) which is significant at 0.000 level.
- ii. In Kohima, the average mean value of internal factors is found to be 3.57 while average mean value of the external factors is found to be 3.23. *F-test* also reveals that there is a significant difference between internal and external factor as  $f = 3.66$  ( $f > F$ ) which is significant at 0.01 level.
- iii. In Mokokchung, the average mean value of internal factors is found to be 3.50 while average mean value of the external factors is found to be 3.17. *F-test* also reveals that there is a significant difference between internal and external factor as  $f = 15.28$  ( $f > F$ ) which is significant at 0.000 level.

Thus, from the mean score of Likert scale and the *F-test* results supports that there is a significant difference between internal factors and external factors and hence the hypothesis is accepted that entrepreneurs are influenced more by internal factors than external factors.

## **VI.3 Economic analysis of the Enterprises**

### **VI.3.1 Cobb-Douglas production analysis**

i. Cobb-Douglas production function reveals that the overall output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is found as 0.18 and 0.66 respectively. Assuming capital input to be constant as labour inputs increases by 10 percent, output will increase by 1.8 percent while taking labour input constant as capital input increases by 10 percent output will increase by 6.6 percent. Since,  $\beta_1 + \beta_2 < 1$  therefore the enterprises operates under decreasing returns to scale. 81 percent of the variation in output is explained by labour and capital ( $R^2 = 0.81$ ). The elasticity of capital is found to be higher than elasticity of labour.

ii. In Wokha, the output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is found as 0.17 and 0.79 respectively. Assuming capital input to be constant as labour inputs increases by 10 percent, output will increase by 1.7 percent while taking labour input constant as capital input increases by 10 percent output will increase by 7.9 percent. Since,  $\beta_1 + \beta_2 < 1$  therefore the enterprises operates under decreasing returns to scale. 97 percent of the variation in output is explained by labour and capital ( $R^2 = 0.97$ ). The elasticity of capital is found to be higher than elasticity of labour.

iii. In Kohima, the output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is found as 0.52 and 0.34 respectively. Assuming capital input to be constant as labour inputs increases by 10 percent, output will increase by 5.2 percent while taking labour input to be constant as capital inputs increases by 10 percent output will increase by 3.4 percent.  $\beta_1 + \beta_2 < 1$ , therefore decreasing returns to scale operate for the enterprises. 86 percent of the variation in output is



explained by labour and capital ( $R^2 = 0.86$ ). The elasticity of labour is found to be higher than elasticity of capital.

iv. In Mokokchung, the output elasticity of labour ( $\beta_1$ ) and capital ( $\beta_2$ ) is found as 0.65 and 0.81 respectively. Assuming capital input to be constant as labour inputs increases by 10 percent, output will increase by 6.5 percent while labour input remaining constant as capital increases by 10 percent output will increase by 8.1 percent. Since  $\beta_1 + \beta_2 > 1$  therefore the enterprises exhibits increasing returns to scale. 82 percent of the variation in output is explained by labour and capital ( $R^2 = 0.82$ ). The elasticity of capital is found to be higher than elasticity of labour.

v. It is observe that in general output elasticity of capital is higher than output elasticity of labour. However, in Kohima, the output elasticity of labour is higher while in Wokha and Mokokchung districts output elasticity of capital is higher. It indicated that comparatively capital contributes more to the augmentation of output. Also in general,  $\beta_1 + \beta_2 < 1$ , therefore we accept the hypothesis that decreasing returns to scale operates for the enterprises.

vi. The overall regression analysis shows that there is moderate positive correlation between expenditure and income and variables such as raw material, wage and electricity are found to have a positive effect on income. Similarly, variables such as raw material, rent, electricity and miscellaneous in Wokha, variables such as raw material, wages and water supply in Kohima and variables such as raw material, wages, electricity, machinery and miscellaneous are found to have a positive effect on income.

### **VI.3.2 Enterprises and Income**

i. The Correlation coefficient 'r' reveals that there is a high positive correlation ( $r = 0.98$ ) between units of enterprise and income. The regression coefficient for enterprise is 111561.989 which indicate that there will be a positive change in the overall income by 111561.989 times to a unit increase in the enterprise. The p-values is less than 0.05, therefore the relationship between enterprises and Income is statistically significant. It indicates that enterprises have a positive impact on Income.

#### **VI.3.2.1 Enterprises and Income- District wise**

i. In Wokha, the Correlation coefficient 'r' shows that there is a very high positive correlation ( $r = 0.98$ ) between units of enterprise and income. The regression equation shows that the coefficient for enterprise is 115163.877. This indicates that an increase by a unit in the enterprise will have a positive impact on the overall income by 115163.877 times. The p-values is less than 0.05 as the estimated t-value is greater than the table value, therefore the relationship between enterprise and income is statistically significant. It indicates that enterprise have positive impact on income generation.

ii. In Kohima, the Correlation coefficient 'r' shows that there is a high positive correlation ( $r = 0.99$ ) between units of enterprise and income. The regression equation shows that the coefficient for enterprise is 100184.325 this shows that the per unit increase in enterprise will have a positive change in the overall income by 100184.325 times. The p-value is less than 0.05 as the estimated t-value is greater than the table value; therefore the

relationship between enterprise and income is found to be statistically significant. It indicates that enterprise have positive impact on income generation.

iii. In Mokokchung, the Correlation coefficient 'r' shows that there is a high positive correlation ( $r = 0.98$ ). The regression equation shows that the coefficient for enterprise is 120237.862 which shows that with every unit increase in enterprise the average change in overall income will be positively effected by 120237.862 times. The p-value is less than 0.05 as the estimated t-value is greater than the table value therefore the relationship between enterprise and income is found to be statistically significant. This indicates that enterprise have a positive impact on income generation in Mokokchung.

iv. It is found that in general the highest contribution to income generation comes from retail enterprises contributing about 65.87 percent to the total income with an average of Rs 106290.83, followed by stone quarry (10.18 percent) with an average of Rs. 85228.57. Likewise, retail enterprise contributes about 67.84 percent in Wokha, 69.50 percent in Kohima and 60.11 percent in Mokokchung respectively. In terms of average income, stone quarry contributes the highest with an average income of Rs 139333.33, handicraft sector in Kohima with Rs 123666.67 and printing in Mokokchung with Rs. 116375.00.

### **VI.3.3 Enterprises and Employment**

i. The Correlation coefficient 'r' shows that there is a positive correlation ( $r = 0.63$ ) between types of enterprises and employment. The regression analysis shows that the per unit contribution to the total employment is 2.237. The p-values is less than 0.05, therefore the

relationship between enterprise and employment is statistically significant. Thus, the different types of enterprises have positive contribution to employment.

ii. The Correlation coefficient 'r' shows that there is a moderately positive correlation ( $r = 0.57$ ) between enterprise and employment in Wokha district. It means that enterprise has a positive contributor to employment. The regression coefficient of the enterprises and employment for Wokha is 1.737. This indicates that for every additional increase in enterprise, employment is expected to change by an average of 1.737 employees.

iii. The Correlation coefficient 'r' shows that there is a high positive correlation ( $r = 0.96$ ) between enterprise and employment in Kohima district. It reveals that enterprise has a positive contributor to employment. The regression coefficient of the enterprises and employment for Kohima is 3.627. This indicates that for every additional increase in enterprise, employment is expected to change by an average of 3.627 employees.

iv. The Correlation coefficient 'r' shows that there is a moderate positive correlation ( $r = 0.53$ ) between enterprise and employment in Mokokchung district. It indicates that enterprise is a positive contributor to employment. The regression coefficient of the enterprises and employment for Mokokchung is 1.103. This indicates that for every additional increase in enterprise, employment is expected to change by an average of 1.103 employees.

v. In general the highest contribution to employment generation comes from retail enterprises contributing about 40.71 percent to the total employment followed by stone quarry (20.12 percent). However in term of average, stone quarry contributes the highest with about 8.2 employees per unit followed by saw mill with about 6.4 employees. Similarly,

in Wokha retail sector generates the highest employment ( 35.32 percent) while in terms of average, stone quarry contributes the highest with about 10.5 employees per unit. Also, in Kohima, retail sector generates the highest (58.43 percent) while in terms of average, saw mill contributes the highest with about 10 employees. Similarly, in Mokokchung retail sector generates the highest employment (22.41 percent) while in terms of average, stone quarry contributes the highest with about 7.1 employees

#### **VI.4 Suggestions**

Basing on the finding above the following are suggested for the improvement of entrepreneurship in Nagaland:

- i. Majority of the entrepreneurs are found to be in the age group of 45 and above (34 percent), nevertheless, it is seen that there is a good percentage of younger entrepreneurs between the age group of 27-33 (22 percent), therefore the right effort is needed to be provided for the promotion of these young entrepreneurs by way of sharing business experience, appropriate training programmes and schemes aim at enhancing their skill of business management, financial management, networking etc.
- ii. It is seen that the ratio of male to female entrepreneur is about 1: 8 as 88.5 percent were male and only 11.5 percent were female. Thus proper support mechanism in the form of encouragement from families, training facilities, opportunity to make decision and effective implementation of the schemes and programmes especially for women entrepreneurs such as SIDBI's Mahila Udyam Nidhi which is designed to provide startups to women entrepreneurs is necessary.
- iii. It is found that internal motivational factor plays an important role in influencing the entrepreneurs therefore entrepreneurs should have strong personal motivation towards providing quality service to the customers coupled with effective long term plans for growth. Acquiring essential technical skill is also necessary to develop competitive spirit.
- iv. Encouragement from the family/relatives is found to be an important external factor motivating the entrepreneurs. Hence, a well coordinated support from the family and

relatives is necessary for the entrepreneurs to balance the physical and psychological pressures involved in the business. Also support from the society in the form of recognition will help the entrepreneurs value their contribution to the society.

v. Accessibility to finance is another basic essence for the growth of the entrepreneurs but it is found that easy access to banks and others finances/loans is among the lower ranked factors as such there is a need to provide an easy access to appropriate financial supports from the government and financial institutions by simplifying the procedures for availing the funds, interest rate subsidies and eradication of nepotism at the time of issuing funds. On the part of the individual, there should be timely repayment of the loans.

vi. It was also cited that lack of skilled labour is another important problem faced especially by those in the manufacturing sector; hence process of imparting workmanship training for the labour is essential. Role of technical institutes such as Industrial Training Institutes (ITIs) are very crucial in this affair. Also schemes, programmes or initiatives which aims at promoting skill such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY) be effectively implemented in the state.

vii. It is also found that lack of adequate power supply (50 percent) and poor transportation (62.5 percent) are another ailments for the businesses as such it is imperative on the part of the government to provide sufficient and regular power supply to enhance the production process and a better transportation facility to build an effective supply chain between production units and markets for the final goods and services.

viii. Educational institution can also foster entrepreneurial motivation by incorporating entrepreneurial courses in the curriculum to encourage the youth to opt for entrepreneurship as a career path. Entrepreneurial course may cover areas such as building business model, business laws, book keeping, marketing, consumer service, etc.

In conclusion, entrepreneurs play a vital role in changing the dynamics of an economy by creating markets, supplying goods and service, generating income and employment. Entrepreneurs contribute to creation new technologies, new products, new process of innovations and new markets<sup>45</sup>. However entrepreneurship being a gamble of uncertainty, there is a need for motivation from both internal and external factors to encourage entrepreneurs to become effective agents of economic growth. Entrepreneurship in Nagaland being a recent development there is a need for careful nurturing with the appropriate support system. Thus, the role of the stakeholders through various means such as financial, physical and technical assistance aim at promoting the entrepreneurs becomes very vital for the progress of the economy.

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