

***A SOCIOLOGICAL STUDY OF ENTREPRENEURS IN NAGALAND***

**A THESIS SUBMITTED IN FULFILLMENT OF THE REQUIREMENT FOR  
AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY**

**IN SOCIOLOGY**

**BY**

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Kelevino

### **List of Abbreviation**

<b>BAN</b>	Business Association of Nagas
<b>EA</b>	Entrepreneur Associates
<b>EMI</b>	Equated Monthly Instalment
<b>EDP</b>	Entrepreneurship Development Program
<b>EMTC</b>	Entrepreneurial Motivation Training Centre
<b>HRM</b>	Human Resource Management
<b>ILP</b>	Inner Line Permit
<b>IMF</b>	International Monetary Fund
<b>KSA</b>	Knowledge Skill and Ability
<b>NER</b>	North-eastern Region
<b>SME</b>	Small Medium Enterprise
<b>UPI</b>	Unified Payment Interface

## List of Glossary

<b>Term</b>	<b>Definition</b>
Nagas	The Nagas are people from various ethnic groups situated in the North-eastern part of India.
Non-Naga	The non- Nagas are the non-indigenous inhabitants in Nagaland. They are the people who are not the citizen in the state of Nagaland or the people who do not have or own land of their own and pay for a locality to work or to live.
Migrants	A migrant connotes a change of residence, journey to work, type of boundary crossed etc. It implies movement from one place to another, which means a change of area and type of boundary crossed etc. It implies movement from one place to another, which means a change of area and a movement over some distance. It also implies a movement to stay somewhere else in search of better living conditions.
Immigrants	The immigrants is the international movement of people into a destination country of which they are not natives or people who do not possess citizenship in order to settle or reside in that particular country.
Non-Naga (legal)	Non-Nagas of Indian origin (Indian citizens) who are in preview under Inner Line Permit. For details
Non-Naga illegal	The illegal immigrants of foreign nationals like the Bangladeshi, Bhutanese, and Nepalese (except those residing in the Naga Hill District before 1940).
Inner Line Permit	Inner Line Permit (ILP) is an official travel document issued by the concerned state government to allow inward travel of an Indian citizen into a protected area for a limited period. It is officially used to protect the tribal culture in North-eastern India
Village Republic	Naga villages were not only economically sufficient, but these villages were self-governing. Independent political entities, thus because of this reason, the Naga villages were addressed as village states or village republics.
Nagamese	Nagamese language, Nagamese is the most widely used language in Nagaland and is spoken by majority of the people across Nagaland, a common language used for cross interactions

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## Map of India indicating Nagaland



**Source:** <https://www.burningcompass.com/countries/india/nagaland-map.html> (Accessed on 10 May 2023)

## Map of Nagaland



**Source:** <https://www.burningcompass.com/countries/india/nagaland-map.html> (Accessed on 10May 2023)



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## CHAPTER 1

### INTRODUCTION AND THEORETICAL FRAMEWORK

#### 1. Introduction:

An entrepreneur is a person who can take up financial risk and set up one's own business to achieve one's goals, a person who is self-employed and employs others too. In other words, an entrepreneur is a person who is a self-starter, an innovator willing to take up risk and seize the opportunity available in the market or set up one's new idea and start up one's enterprise. Entrepreneurs can create and put together a vision from zero; it is essential for human creativity to act and to function one's energy to inventiveness and build an enterprise rather than simply watching and calculating.<sup>1</sup>

In the 17th century, the word 'entrepreneur' was used for civil engineering activities such as construction and fortification. In the 18th century, for the first time, the word entrepreneur was described as a dealer who buys and sells goods at uncertain prices.<sup>2</sup> In the year 1911, it was published for the first time in German, and later, it appeared in English version in the year 1934, which put the entrepreneur at the center and is considered as the process of economic development; an entrepreneur is a person who produces a new combination of means of production carried out by introducing new goods and methods, capability in the opening of new markets, and carrying out of business in any industry. According to Schumpeter, the function of an entrepreneur is to restructure the outline of production by taking every possibility in trying every inexperienced technological in prospect for producing a new commodity or producing an old one in something new and innovative.<sup>3</sup> Schumpeter's concept of the entrepreneur was superior and realistic; the entrepreneur's personality is superimposed on the casing

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<sup>1</sup> Ram Krishna Mandal, Entrepreneurship and rural development in North-East India, 2011, p.3

<sup>2</sup> S.K Dhameja, Women entrepreneurs opportunities, Performance and Problems, 2008, p.5

<sup>3</sup> Dalip Kumar and Dheeraj Garg, Dynamics of entrepreneurship development. 2012, pp.3-4.

of economic activity. Schumpeter treated entrepreneurs as a fundamental part of the economy, contributing the greatest to economic growth.<sup>4</sup>

Entrepreneurship is the most critical factor that provides overall economic growth in every nation. It is a person with precise knowledge and skills in entrepreneurial activities who confidently bears the risk of operating a business, ready to face uncertainty about the future. Worldwide entrepreneurship has gained the most unparalleled important factor contributing to a substantial economic development source.

Entrepreneurship only comes into sight and grows gradually; flourishing depends on social, economic, and political factors. Entrepreneurs can be seen as transforming agents willing to break away from current economic activities and are prepared to simultaneously take up new actions to form or create one's enterprise.

Entrepreneurship has become a recent movement in modern and independent India. It has occupied a strategic position in all nations in pushing forward to better economic development. It plays an essential role in fulfilling the nation's objectives, a powerful tool on the condition that significantly provides employment and helps remove regional economic disparities.<sup>5</sup> Entrepreneurship development started in India during the sixties in the form of the industrial campaign. Gujarat was the first state to start entrepreneurship development. Entrepreneurs occupy a very intended position in the Indian economy; it plays a vital role in accomplishing socio-economic objectives.

Northeastern Region of India (NER), the land of the seven sisters (Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura), had been the central thrust area on the part of the policymakers mainly because of its underdevelopment. Ironically, amidst resources, this region remains the industrial

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<sup>4</sup> Prakash Chandra Deogharia and Lakhindra Nath Mahato, Rural entrepreneurship development, 2006, p.7.

<sup>5</sup> R.J.Yadav.Women entrepreneurship,1999, p.13.

backward region in the country. The region needs to be developed primarily due to the need for more entrepreneurship and allied activities. In the North Eastern region, Assam innovated to start entrepreneurship development in the early seventies.

Nagaland, the sixteenth State of the Indian Union, is inhabited by 16 major tribes and other sub-tribes. Each of the sixteen odd tribes and sub-tribes has its customs, language, and dress. It has a rich oral tradition handed down through the generations. In Nagaland, agriculture is considered a prime source of revenue for the state. In 1904, with the development of a railway station in the district of Dimapur, the migrants started coming to Nagaland. The Naga population was less; therefore, the Nagas needed more people to work and develop their vast land, making space for the migrants came to aid. Thus there was high demand for migrants in the state, and with the migrants working under the Nagas with cheap labor, the Naga started to employ the non-locals because of the more reasonable payment. In the hills of Nagaland, Nagas were hiring migrants laborers to develop their areas. Therefore in the year 2000, there were about 75,000 immigrants.<sup>6</sup> In 2001, there were 3.75 lakhs, out of which around two lakhs were in Dimapur, and in 2002, there were about seven lakhs immigrants in Nagaland.<sup>7</sup>

An Inner Line Permit (ILP) is an official travel document issued by the state government that provides a travel permit into a protected area for a limited period; ILP is officially used to protect the tribal culture in northeastern India. But despite its function, Dimapur district in the state of Nagaland is the place that does not require an Inner Line Permit, which is causing an influx of immigrants into the state, causing a

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<sup>6</sup> The movement of foreign people into a destined country that is not natives, they are people without citizenship who settle or reside in that particular country.

<sup>7</sup> Ruth V.Kiho, *Securitization of Bangladesh migrants: A study of Dimapur in Nagaland*, 2016, pp.28-30.

large number of businesses to be owned by the non-Nagas<sup>8</sup> in Dimapur as well as Kohima.

According to Ruth V.Kiho<sup>9</sup> there are three types of migrants in Nagaland- (a) laborers, (b) business persons, and (c) professionals. Migrants move to the state of Nagaland because of the Naga's non-engagement in labor forces, construction sites, and inability to take up business opportunities, which have paved the way for the non-Nagas to grab the opportunities which promised better economic life. And due to the lack of indigenous entrepreneurial development in the state, many immigrants have come to Nagaland and have already established control over most of the businesses in Nagaland, especially in the district of Kohima and Dimapur.

Entrepreneurship has started growing in the state of Nagaland, in particular front such as restaurants, cafes, hotels, clothing shops, and locally made products among the local entrepreneurs. However, when compared with the other states, it still needed to catch up, due to needing of more mentorship, resources, infrastructure, entrepreneurial skill, awareness, market familiarity, and financial assistance. Another reason is the inability to look beyond traditional employment sectors and the failure to change the mindset of the people to take up the activities in the construction sectors or be it in loading or unloading or plying rickshaws. These have become the field of the non-locals alone, resulting in the loss of opportunities for the Nagas.

Like any other North-East region, Nagaland is blessed with abundant natural resources, but many of the resources are lying unutilized. The growth of entrepreneurship in the state will help the Nagas locate these resources and help mobilize them. Tourism has excellent prospects where people can create inventive ideas

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<sup>8</sup> The non-Nagas are the non-indigenous inhabitants of Nagaland. They are the people who are not citizens in the state of Nagaland or the people who do not have or own land of their own and pay for a locality to work or to live in.

<sup>9</sup> Ruth V.Kiho, *Securitization of Bangladesh migrants: A study of Dimapur in Nagaland*, 2016, p-5.

and start a business in tourism. Nagaland is rich in different historical cultures, and the promotion of the hornbill festival in December has attracted tourists and become a tourist spot in Nagaland. It is also blessed with scenic beauty and many tourist spots, but many of these spots need more tourist facilities. Therefore focus on the promotion of tourism is required. Horticulture is another promising sector in Nagaland regarding self-employment. The state climate zone is well suited for cultivating different fruits, vegetables, and spices like ginger, naga chilli, and turmeric, which have good economic potential.

Youth is the nation's backbone; they symbolize strength, vivacity, and vigor and are the hope for the future. Therefore there is a need for an intellectual group of society in the state to come up with entrepreneurial ideas where people can be self-employed and thus contribute to sustainable economic development by creating awareness of entrepreneurial activities among the educated unemployed youths to create innovative ideas and be a job creator, rather than seeking Government jobs or migrating to different parts of India in search of job opportunities. There is also a need to change the attitude of the family and society towards entrepreneurship in Nagaland. Determined efforts are required, and suitable policies must be made so young men and women can become job creators and not remain job seekers.<sup>10</sup> Therefore, to meet the trends and challenges of the global market, Nagas should shape entrepreneurship by developing accurate entrepreneurial qualities and services.

## **2. Theoretical framework:**

Sociologists argue that entrepreneurship will likely come into sight under a particular social culture. The social system inhibits entrepreneurship, and it is custom, values, the rigidity of status, new ideas, and intellectual curiosity that merge to create an

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<sup>10</sup> Kedilezo Kikhi, Educated unemployed youth in Nagaland: A sociological study, 2006, p.126.



environment unfavorable to experimentation and innovation. It is the social sanctions, cultural values, and role expectations that give birth to entrepreneurship.<sup>11</sup>

**a) Thomas Cochran:** Entrepreneurship supply was developed by Thomas Cochran; according to him, cultural values, role expectations, and social sanctions as the key components that determine the supply of entrepreneurs. According to him, an entrepreneur is a person who represents a society's modal personality. Hence the individuals' presentation as an entrepreneur will be influenced by their attitude toward their occupation, the expectations held by sanctioning groups, and the operational requirements of the job. Changes in exogenous variables such as population, technology, consumer demand, or cumulative institutional drift will influence the former two elements.<sup>12</sup>

**b) Max Weber Theory** According to Max Weber, religious beliefs and the impact of religion shapes generate an entrepreneurial culture in society and develop entrepreneurial growth.<sup>13</sup>

**c) Hoselitz:** According to Hoselitz, culture is the primary source that facilitates entrepreneurship to develop in society, permits a range of choices, and where social processes are not unyielding and in a condition that encourages the enlargement of personalities interested in an entrepreneurial culture.<sup>14</sup>

**d) McClelland theory:** McClelland's theory of achievement motivation points out that there are two types of individuals: 'high achievers and low achievers.' According to him, every entrepreneur has no drive for achievement. Thus, 'high achiever' needs a suitable environment to help and motivate them for better achievement in entrepreneurial activities. On the other hand, the 'low achievers' can be guided towards goal

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<sup>11</sup> Theories of Entrepreneurship, See shodhganga.inflibnet.ac.in>bitstream (Accessed on 19-08-2018).

<sup>12</sup> Thaduri Balaraju. Entrepreneurship Development: An analytical study. 2004. pp.18-19.

<sup>13</sup> The Sociology of Entrepreneurship, See <https://www.sunypress.edu>>pdf (Accessed on 29-09-2018).

<sup>14</sup> Unit-2, Theories of Entrepreneurshi, See Shodhganga.inflibnet.ac.in>bitstream (Accessed on 19-08-2018).

achievement by providing the needed awareness about the objectives through proper training, as the appropriate training can deliver the skills essential for the entrepreneurs to prosper.<sup>15</sup>

**e) Theory of Beaudeau (1797):** Beaudeau displayed the functions of an entrepreneur as an individual who takes responsibility for bearing risks, takes necessary measures by making plans, supervising, and structuring the means of production from which he is earning profit or loss.<sup>16</sup>

**g) Faulkner's theory (1986):** According to him,<sup>17</sup> small business struggles because of the inability to keep the track record necessary for the business in the long run; thus, when problems arise in the industry, it becomes difficult for the entrepreneurs to resolve the issue. Faulkner also pointed out that small enterprises cannot provide the potential growth of their business to investors and banks.

### **3. Review of literature:**

Dalip Kumar and Dheeraj Garg (2012), in their book, "*Dynamic of Entrepreneurship Development*," attempted to investigate and analyze the potentialities of the development of the industrial scene, its scope, possibility, its problems, and new ways to cope with the process of economic growth. The study also mentioned major issues that entrepreneurs have to contend with. Problems include infrastructural facilities, i.e., transportation and skilled labor. It also reveals different stages of entrepreneurial development: the first stage is to identify and train potential entrepreneurs to cover risk and uncertainties, the second stage is to impart basic managerial understanding to face new challenges, the third stage is to develop necessary knowledge and skills among the participants; fourth stage to provide post-training

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<sup>15</sup> *ibid*

<sup>16</sup> *ibid*

<sup>17</sup> Ranjan Kumar Phookan and Ramen Baruah, Entrepreneurship development in North-East India, 2012, p. 55.

assistance for future growth. It also highlights the importance of motivation because it can bring out people's capability, motivate them for an entrepreneurial career, and make them capable of perceiving business opportunities.

D.D.Mali (1997), in his book, *"Training for Entrepreneurial and Self-employment, Employment,"* highlighted that entrepreneurial training is the ground that can transform people from a person to entrepreneurs. It is the process to bring improvement where a person starts exploring one's own identity by acquiring knowledge. It is a process where a person may learn something new or something valid and can be reinforced for further use to achieve one's goal. The study further explains that an Entrepreneurship Development Programme (EDP) is needed for a successful enterprise. Proper planning and proper implementation are also required. The study concluded that the Entrepreneurial Motivation Training Centre (EMTC) is necessary for the success of Entrepreneurial Development, which will help the educated unemployed youth. This program will also help identify deficiencies and take up essential and corrective measures.

Ram Krishna Mandal (2011), in his book, *"Entrepreneurship and Rural Development in North-East India,"* analyzed that entrepreneurship development is a complex challenge. Yet, it is the key to social and economic development. It will also create many employment opportunities for many locals. However, the growth of entrepreneurship is slow in the Northeast region compared to other countries. For entrepreneurship to flourish, one should be educated about profitability, supply a proper environment for entrepreneurial activities to set up, provide adequate financial assistance and the appropriate infrastructure, and provide a better market.

Amita Seth (2013), in her book, *"The Evaluation of Entrepreneurship,"* studies the area of entrepreneurial opportunity identification, creating a business concept that

matches market needs and resources. It stresses the importance of developing entrepreneurship into the twenty-first century, as entrepreneurship is a vigorous process of vision or transformation. The study also reveals tourism as an essential factor for economic development because it creates a flourishing visitor economy, where entrepreneurs sense that visitors will be attracted to areas that create opportunities for new enterprise creation. It also seeks to explore possibilities of creating an entrepreneurial community. In this environment, individuals or groups can develop skills that allow them to recognize opportunities that did not exist previously.

Nikhil Bhusan Dey *et al.* (2012), in their book, “*Entrepreneurship and Small Business Management in North East India*,” points out the need for entrepreneurship development in the Northeast region to create a self-sustaining economy. It also indicated the importance of cultural entrepreneurship like *mura*, hats, containers, baskets, and furniture, made of bamboo and wood, which have excellent market potential. For any business to grow one should have a proper understanding of return and investment, the ability to work in a group or society to enhance bargaining power, and the skill to negotiate with people is needed. But there are also several barriers to entrepreneurial development in the Northeast region, like limited skills and knowledge, technological limitation, widespread corruption, transportation, lack of infrastructural facilities, and unable to access natural resources available in the region.

Sami Uddin (1989), in his book, “*Entrepreneurship Development in India*,” points out that for an entrepreneur to be successful, it is necessary to provide essential tools and techniques of modern management. The motivation that creates innovative ideas or plans, proper guidance, financial assistance from the bank, and providing an appropriate environment where entrepreneurial activities can flourish and grow are other important sources for entrepreneurs. Entrepreneurs should be trained in

management accounting and production planning. Training programs must be organized so that they can be understood clearly, as entrepreneurs will differ from region to region, and the agenda should be arranged accordingly; the training should also target the need of the group of trainers. The study also points out the success of Marwari in the entrepreneurial arena. The reason is that they persuade their children and provide the environment that helps fulfill their goals towards entrepreneurship, unlike the non-Marwari preferring seeing their children as doctors and engineers. The study further explains that modification of the syllabus of the primary and secondary schools to enable young boys and girls to develop respect for the dignity of labor and, in the future, choose innovative activities like business and can be self-employed.

R.J. Yadav (1999), in his book, *“Women Entrepreneurship,”* highlights that essential qualities are needed for an entrepreneur to succeed, such as human skills, business skills, professional skills, innovative skills, and technical skills. For any business to grow, one should be aware of the demands of the market and should know where and how to sell their products. An entrepreneur must also have the courage to depart from the traditional approach and adjust to the environment in which one is working on it. The study also stressed various problems like financial and managerial constraints, family affairs, and lack of entrepreneurial initiatives, improper infrastructure, and the majority not belonging to business families and where one takes up the challenge on their initiative.

Hitesh S.Viramgami (2007), in his book *“Fundamentals of Entrepreneurship: Entrepreneur and Entrepreneurship,”* discussed the importance of entrepreneurship, as it can create valuable goods and services for customers and satisfy society's needs. It can also generate employment opportunities and solve the problem of unemployment. He also mentions various business opportunities which arise when there is a change in

understanding or shift in attitude in society. The study also points out that the economic, social, and political environment affects entrepreneurship development directly or indirectly. Financial funds are another vital source for any enterprise to develop, as it is only possible to think about an enterprise with monetary funds. Entrepreneurship Development Programme (EDP) is programs that can help a person fulfill one's entrepreneurial motives as such programs give opportunities to motivate and strengthen individuals to become successful entrepreneurs. Enterprise location is another key for an entrepreneur, as selecting an appropriate location will allow the enterprise to operate smoothly. In contrast, the wrong location will lead to the wastage of one's talent and efforts and lead to discouragement.

Ruth V.Kiho (2016), in his dissertation, "*Securitization of Bangladeshi Migrants: A Study of Dimapur in Nagaland*," talks about the inflow of illegal immigrants, which has deeply affected the Naga society. Many immigrants have moved to Dimapur for labor and business prospects which promise a better life. It also points out that the Nagas not engaging in business has opened many opportunities for the migrants to come to Nagaland. Many non-locals in Dimapur are involved in industries like hardware shops, clothing, and grocery shops. Thus in towns like Dimapur and Kohima, migrants are easily located. The improper functioning of Inner Line Permits is another major problem causing an influx of migrants in the state. Therefore the Nagaland economic nerve is controlled by the migrants.

B.N. Narayan (1997), in his book, "*Industrial Economics*," stated that to maintain an industrial enterprise, an adequate supply of capital is needed; it also requires good financial support as finance is the backbone of any enterprise. The study indicated that for any business to grow or gain profit, consumer satisfaction is essential as the products produced in the market decide the success or failure of all trades. Price

fixation of a product is another crucial phenomenon; before pricing any product, one should learn to properly analyze the market situation relating to business conditions before disposing of it into the market. Transport facilities should also be available to sell any enterprise's products to grow efficiently.

Akali Sema *et al.* (2006), in their book, “*Economic Development in Nagaland Prospects and Constraints*,” describe the entrepreneurial culture as one of the most important sources of economic development. Despite having vast natural resources, Nagaland remained a backward region because of poor transport and communication, lack of entrepreneurship, and the continuing cycle of violence, which have prevented the inflow of foreign investment. Though unemployment is rising in the state at an alarming rate, one still witnesses that trade and commerce are under the hands of non-local traders. The state has the potential to grow. Thus, the region's people can take the lead and develop to achieve the goal of self-sustenance in horticulture, organic food production, sericulture, floriculture, indigenous handicraft, forest resources, and agro-base industries, as this will uplift the socio-economic condition, at the same time, pave the way for entrepreneurship development. There is also a need for an excellent entrepreneurial culture for entrepreneurship to grow in a state like Nagaland.

Swabera Islam Saleh (1989), in his book, “*Nagaland's Economy in Transition Since 1964*,” studied that Nagaland is rich in the region. With its equable climate, it has the potential to develop, but it could only make a little headway. Vegetable cultivation needs to be addressed; coffee offers a perfect score in the state, which has the potential to bring out entrepreneurial activities in the form. Kohima is the capital, and its unavailability to employ the state, where one has witnessed the increasing unemployment rate in Nagaland. The study also mentioned that in recent years, the people of Nagaland have shown some evidence of enterprise in business. But the Nagas

still need to catch up with the others. It also reveals that the cost of living is high due to the remoteness and absence of proper road communication. Also, all types of consumer goods are brought from a long distance, leading to the rising price of the goods, affecting the economy of Nagaland.

S.K. Dhaneja (2008), in his book *“Women Entrepreneurs: Opportunities, Performance, and Problems,”* emphasizes that a person with a business background has more benefits and prosperity in the entrepreneurial world. He also focuses on the significant problems faced by entrepreneurs while setting up a new enterprise, issues like lack of information on the changing markets, lack of funds to start one business, and problems connected to government assistance like corruption, taxation, and paper formalities that are to be done by the entrepreneurs that are time-consuming. He has also mentioned the importance of training as it can be of great help to motivate entrepreneurs to grow and help them to run their businesses properly. Family support is another crucial factor that will help entrepreneurs to succeed and help them to face their obstacles while setting up their enterprises.

P.D Saikia Durgeswas Borah (1992), in his Book *“Constraints and Economic Development,”* analyzes that for any industry to grow, there is a need for proper infrastructure, and adequate financial assistance is required. He further points out that some of the significant factors affecting the growth of entrepreneurship are the state’s unstable political nature and unsystematic administration on the part of the banks. Therefore in any condition, for entrepreneurship to grow smoothly, there is a need for the state to have a strong, stable government, control the misused of funds, and prevent the rising corruption that is hampering the growth of entrepreneurship.

Hans-Peter Brunner (2010), in his book *“Northeast India: Local Economic Development and Global Markets,”* talks about the local entrepreneurs in the Northeast



Region that are facing several problems because of poor services from the bank, poor courier services, issues with insurance, capital shortage, information problems while setting up a new business and also the northeast region inability to match up with the national export. He also mentions that, for any entrepreneurial activities to grow in the region, there is a need to create an atmosphere of trust, a need to have good information on both the domestic as well as foreign markets and a need to have good national and state highways. Therefore, the central and state governments must invest in the infrastructural problem.

P. Ramaiah (1988), in his book *“Issues in Tribal Development,”* stated that in tribal areas, for any industry to grow, there is a need for good communication facilities, good power supply, proper bank facilities, and adequate supply of raw materials and human resources. There is a need for a role model who can motivate people, who are taking an interest in entrepreneurial activities, set up proper training programs and funding programs, and set up appropriate technologies that are suited for the tribal socio-conditions as these will help the tribal people in improving their skills and create creative facilities to the literate youths.

S.M. Dubey (1978), in his book *“North East India: A Sociological Study,”* points out that for economic development, there is a need to change values and encourage individuals in entrepreneurship by introducing change in our social system by introducing entrepreneurship training in infancy and during pre-adolescent stage which is lacking in Northeast region. He also points out that the main reason behind the backwardness of the area is difficulties in communication due to its geographical isolation from the mainland and insufficiently trained human resources to teach the people in the region.

K Ravi Chandra (1991), in his book *“Entrepreneurial Success: A Psychological Study,”* points out that for any entrepreneur to succeed, one should possess some degree in management science, should have managerial experience, and also need to attend training programs. He also emphasizes failure on the part of the funding institutes, failing to provide financial help at the appropriate time, which becomes a stumbling block in the enterprise’s progress. He also mentions several problems like failure to realize bills and delays in delivery of goods leading to the collapse of the enterprise. He further said that instead of sanctioning licenses for a new industry, the government should focus on reviving the sick units by understanding the leading cause of its failure. Even the funding agencies should look into this matter and help the sickening units function instead of locking them up.

Daphne Halkias *et al.* (2010), in their book *“Female Immigrants Entrepreneurs: The Economic and Social Impact of a Global Phenomenon,”* writes on the several challenges faced by female immigrant entrepreneurs, challenges like being misunderstood and discriminated against because of different religions, origins or color. They also mention cultural differences as another barrier as the immigrant entrepreneurs have adapted to the new culture, be it learning to work and communicate with others; thus, it becomes a challenging point due to the cultural values. The need to make adjustments is also another problem, thus leading to disadvantages as compared with their native land.

Sharda S Nandram *et al.* (2006), in their book *“Spirit of Entrepreneurship: Exploring the Essence of Entrepreneurship Through Person Stories,”* stated that good responses from the market and good networking are the main reasons that pull up the spirit of entrepreneurs while starting their business. They also mention the suppliers that come through delivery, where one has to pay in advance and where one faces delays in

the delivery system leading to the setback for the entrepreneurs. They also signify that for any entrepreneur to succeed, one should have awareness, and alertness, focus on winning and deal with any sudden fluctuation, which is common in business. They also mention the importance of communication in the business venture. Fear and difficulty of taking any decision, as making any wrong decision can lead to the setback of the enterprise. A proper environment is needed where one can create a climate to break the taboos and to be able to think differently to be a successful entrepreneur.

Gurudas Das (2005), in "*Structural Change and Strategy of Development Resource- Industry Linkages in North-East India*," stated that the lack of indigenous entrepreneurial ability; has affected the pace of development in the North-East region. He has also pointed out two primary reasons: the lack of infrastructure facilities, communication, and transport as the bottleneck, a major constraint affecting the region. Second, the insurgency problem hinders the growth of development in the area. The study also indicated that due the market imperfection such as lack of information or inadequate information regarding the availability of products and technology. The banking system is another constraint as it failed to provide adequate financial support to potential entrepreneurs. Many locals also tend to avoid aggressive market competition. As a result, most businesses are operated by non-locals, taking a more significant part in all entrepreneurial activities. Hence several activities are needed to improve the region; they are: to develop a market system that creates adequate market facilities, to develop appropriate training and education where it can bring a change in the attitude of the people, and to provide a good supply of capital and relevant technologies in the region.

David F. Marbanian (2016), in his article International Research Journals of Management Science and Technology "*Rethinking Entrepreneurship in North-East India: A case study on Meghalaya*," mention how many youths do not prefer

entrepreneurship as their career, instead many prefer employment in public sectors. The main reason behind opting for the public sector rather than self-employment is because ‘they prefer to invest in surplus funds in the fixed asset rather than in business venture.’ Thus there is a need to imply entrepreneurship in education, as this will help people to know about the opportunities and will open the way for entrepreneurship in the state.

Marial Ijaz *et al.* (2012), in their article International Journal of Asian Social Sciences “*Cultural Factors Effecting Entrepreneurial Behaviour among Entrepreneurs: Case Study of Multan, Pakistan,*” writes about the cultural values and norms as an essential factor that affects entrepreneurship. They highlighted that a person raised in a family with a history of business background or is surrounded by a peer group with a business background has more chances to take up entrepreneurship as their profession. According to them, family or peer group are essential to culture, as it is the primary interaction source.

Rahma Akhter *et al.* (2014), in their article IOSR Journal of Business and Management “*Social-Cultural factors Influencing Entrepreneurial Activities: A Study on Bangladesh,*” signifies that social-cultural factor has a significant impact on entrepreneurial activities, as it is the society, the culture that plays a vital role in the development of entrepreneurs. The family, education, religion, and peer group are all the key sources of entrepreneurship. They also reveal that poverty is another source that influences entrepreneurship because, in today’s world, due to the growing population and rising unemployment, people are generating the idea of self-employment, pushing them to take up entrepreneurship as their profession. They also talk about the problem of political instability that hindered the growth of entrepreneurship. Thus there is a need to keep politics stable, as a friendly atmosphere is needed for entrepreneurship to progress.

Md. Mahi Uddin *et al.* (2015), in their article International Research Journal Global Journals Imc “*Barriers and Incentive for Youth Entrepreneurship Start-ups: Evidence from Bangladesh,*” points out that at the present stage, youth are the backbone of the nation with better vision, more educated, more ambitious and thus have the potential to come up with new ideas and create new things. Today with the growth of unemployment, entrepreneurship has become one of the most important factors where youths can be self-employed. But several barriers have de-motivated the youths to become entrepreneurs; barriers include financial risk, no personal savings or resources to start one’s enterprise, lack of support from the family or peer group, and lack of knowledge on the business avenues while starting up new business. They also mention that many prefer to avoid getting loans from the bank as many find it unfavorable and also because of the high-interest rate in the bank.

M.Amarjeet Singh (2009), in his article IDSA Occasional Paper No.8, Institute Defense Studies and Analysis, “*A study on Illegal Immigrants into North-East India: The case of Nagaland*” talks about the growing concern of illegal immigrants in Nagaland. Naga society in prospect for better employment and its dislike toward manual labor is the key factor attracting immigrants to the state. In towns like Kohima and Dimapur, immigrants are located everywhere, employed in professions like business, labor, carpentry, painters, electricians, drivers, and shopkeepers. Local business people prefer to engage immigrants as they provide cheap and skilled labor; it is affordable, and they are more willing to take up any jobs that the locals generally avoid. Thus this paved the way for immigrants to come to the state.

Rishi Chakravarty (2017), in his article International Journal of Scientific Research and Management, “*Role of Trade in Promoting Entrepreneurship Development between North East India and South East Asia,*” writes that the Northeast

has abundant resources, if appropriately utilized, the development of the region will go leaps and bounds. Though the state has enough potential, like the tradition of artistic craftsmanship in varieties of crafts such as basket making, and wood carvings, it also has large types of bamboo and mushroom. Due to favorable geo-climate conditions, agriculture production, like potatoes, ginger, chilly, is extremely high. Tourism also holds great promise in the state. Thus there are various reasons to think innovatively and select entrepreneurs as the profession. Developing connectivity infrastructure in the region with its neighboring country will also boost entrepreneurship meaningfully. His study also discussed various reasons for choosing entrepreneurship, i.e., to utilize one's capacity, improve the status, create employment opportunities, and use locally available resources. But there are several challenges in the North Eastern region. Efforts should be made to improve inter-state connectivity and market integration, high priority to be given to infrastructure, and special export processing zones should be created so that investors find sufficient inducement to invest in locating production plans in the region, greater participation of the local people in production and distribution activities.

Abhishek Goel *et al.* (2007), in their article “*Attitudes of the Youth towards Entrepreneurs and Entrepreneurship: A Cross-Culture Comparison of India and China*,” argues that social support is an essential enabler in entrepreneurial activity in a country or a region. It also shows that micro variables, such as family background, and macro-economic variables, such as economic activity in the area, influence attitudes towards entrepreneurship. The study also explained that by setting up programs and designing interventions to encourage entrepreneurship, it might be best to provide inputs at a higher secondary school level rather than after the person has completed their education or failed to get a job. Early exposure to entrepreneurship would be a way to influence youth to become entrepreneurs.

Kh.Pou and S.K Mishra (2013), in their article International Journal of Advancement in Research & Technology “*Institutional Shackles to Entrepreneurship Development among the Ethnic Groups in North East India: A Study on Entrepreneurship Environment in Poumai Naga Ethnic Group,*” point out that for an entrepreneur to start a business, motivation and widespread public support is needed. There is a need for local communities that can help create a conducive entrepreneurial environment. For any entrepreneur to grow, there is a need for a successful entrepreneur who can be a role model to those potential entrepreneurs by guiding or inspiring them that business is an attractive career. The study also emphasizes that in Poumai society, many prefer a government job rather than a business. It also indicated that many don’t choose to go to local shopkeepers as they do not treat customers well, and therefore, they prefer buying goods from non-local shops. Therefore due to the lack of awareness of entrepreneurial activities, many parents and elders never encourage the youngster to take up entrepreneurship as a profession. Thus there is a need to create an understanding of the scope and prospects of entrepreneurship.

N.Martina Solo and Kevino Nagi (2017), in their article International Journals of Research in Business Studies, “*Prospects for Entrepreneurship in North-East India: A case study,*” indicates that entrepreneurship is expected to bring economic development in the North-East region. The region has vast natural resources; thus, effort should be made to exploit the natural resources and tap into other potential areas. The study also stressed that entrepreneurs have good prospects in the region, like the climate condition in the region giving rise to the development of sericulture viz- mulberry, eri; horticulture is another area where entrepreneurs can start food processing units with different varieties of fruits grown in the region which consist of plum, peach, papaya, banana, mango, pineapple, and vegetables have the potential to expand into scale and cottage

industries. Although the region has many opportunities, it lacked behind because of a lack of market familiarity, lack of business technical know-how.

Niput Sutradhar (2015), in his article PCC Journal of Economics & Commerce, *“Role of Entrepreneurial Agencies in Promoting Entrepreneurship Development in North-East India,”* highlights the harsh reality of the Northeast region. Even though the area is endowed with enormous untapped natural resources and has the potential to transform into a commercial hub, it still needs entrepreneurship. Efforts are taking place to promote entrepreneurship among the people. Assam was the first to start entrepreneurship development. It has set up Entrepreneurial Motivation Training Centre (EMTC); its main aim was to train entrepreneurs and help them run their enterprises. The study further highlights the reason that has disturbed the growth of entrepreneurship: poor infrastructure, taxation, lack of awareness, lack of entrepreneurial zeal, lack of market skills, management problems, access to finance, and lack of training institutes. Thus, proper training, motivation, and financial assistance are needed to make entrepreneurship successful.

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

Entrepreneurship has undoubtedly become one of the most dynamic forces in the economy of Nagaland, but the prospect of business in Nagaland remained grim for several years. Though the region is endowed with abundant natural resources but Nagaland lacked behind the rest of the country in industrial and infrastructural development. The existences of rich natural resources and high-potential market opportunities have yet to help the region's industrial growth. The main reason for lacking behind other countries in terms of entrepreneurship development is the inadequate supply of highly motivated entrepreneurs to motivate the people to take up entrepreneurship as their career, insufficient financial assistance, and the absence of



support from the family. Therefore, it is vital that in a strategy for industrial development in the region, importance is given to the development of entrepreneurship among the people.

A major survey conducted by the Department of Evaluation, Government of Nagaland, in 2007 on the employment in the private/unorganized sector in three districts headquarters of Kohima, Dimapur, and Mokokchung, altogether 13,380 establishments/shops were surveyed. According to this survey, Dimapur has the largest non-Nagas workforce of (32,700) persons, followed by Kohima (10,900) and Mokokchung (2,215). The largest workforce of non-Nagas was in trading and entrepreneurial activity. Amongst the business enterprises, the high turnover sectors/enterprises are those dealing in cosmetics, textiles, pan shops, grocery/essential items, hardware, electronics, consumer durables, and automobile parts. Operation of more than fifty percent of such enterprises is run by non-Nagas.<sup>18</sup>

Districts like Dimapur in Nagaland where Inner Line Permit is not promulgated hence are causing the free flow of immigrants in Nagaland. The business avenues and the handsome earnings have encouraged migrants from outside the state.<sup>19</sup> Thus, immigrants have already established control over most businesses in significant towns like Dimapur and Kohima. The immigrant population is increasing, controlling the economic nerve of the state.

Entrepreneurship emerged as a potential solution to many other emerging problems, such as imbalanced regional development and increasing wastage of educated unemployed youth on destructive acts in the absence of opportunities for innovative involvement. Over the years, Nagaland, which is witnessing rapid growth of entrepreneurship among the Nagas in terms of locally made products, restaurants,

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<sup>18</sup> Evaluation study on 'Employment opportunities forgone bygone by Nagas and employment of non-Nagas in the state, 2007.

<sup>19</sup> Ruth V.Kiho, *Securitization of Bangladesh Migrants: A Study of Dimapur in Nagaland*, 20016, p.44.

cafes, and online clothing stores, rising in fashion among the youths, which has the prospective to grow bigger, giving a chance to entrepreneurial activity, providing opportunities to many to explore one's talents and achieve their own goal. Entrepreneurs believe they have more opportunities to exercise creative freedom and overall control over their own lives.

In the present stage of globalization, the scope of the market is increasing, and one could take full advantage of it and expand business activities. For entrepreneurship to develop, steps like creating awareness about entrepreneurial opportunities for the people. There is a need to design appropriate training programs for entrepreneurship development to meet entrepreneurs' specific needs at different life cycle phases. In a global economy, the Nagas need to work on entrepreneurial activities and learn to manage or run their businesses; they should know the importance of business ethics and the role of entrepreneurs.

Therefore, the Naga society needs to bring about an attitude change toward entrepreneurial activity; this will lead to social and economic development, and also, the result of an appropriate environment will give way to entrepreneurial talents. However, in a state like Nagaland, the problem of persuading, motivating, or directing the Nagas into the entrepreneurial arena still needs to be answered.

## **5. Objectives:**

1. To examine the nature of business run by the entrepreneurs in Nagaland.
2. To explore the status of entrepreneurs in Nagaland.
3. To find out the entrepreneurs challenges in Nagaland.

## **6. Hypothesis:**

1. Cultural differences impact the nature of entrepreneurship in Nagaland
2. Inadequate infrastructural support has hampered entrepreneurship in Nagaland.

## **7. Methodology:**

The present study is based on a triangulation approach for collecting and presenting detailed information to place intensively on explorative, descriptive, and analytical. This study drew a sociological understanding of entrepreneurship among the Nagas and non-Nagas by comprising the following methodological framework;

### **i) Source of data collection:**

The study followed various sources in collecting authentic research data. The main resource of data collection was based on primary and secondary data. Primary data was collected through interviews and questionnaire methods. The researcher also supplements the analysis by providing primary data through focus group discussion to enrich the study. Focus group discussion was done separately as well as combined for the Naga and non-Naga entrepreneurs. The Secondary data was drawn from various sources such as journals, books, magazines, newspapers, articles, websites, and published and unpublished materials, which are related to the problems of the study.

### **ii) Sampling:**

- a. *Sampling design:*** The sampling techniques adopted in this study were based on non-probability sampling methods, *i.e.*, purposive sampling and snowball sampling. The researcher used purposive sampling to collect data from selected established entrepreneurs from Nagas and non-Nagas. It also used the snowball sampling technique since the size of the population is large, but the sample to be studied is small.
- b. *Sample size:*** The present study has been limited to the two major districts, namely Kohima and Dimapur, which have been recorded as having the highest population with the highest inflow of immigrants and the most increased

entrepreneurial activities in the state. From these two districts, a sampling size of 300 respondents was drawn to represent the universe of the study.

## **8. Data analysis:**

The data collected from the field were carefully placed in a master tabular sheet. The data collected were scrutinized for validity and completeness of the information. Tabulated data was represented diagrammatically in the form of tables and figures using simple percentage method. The findings from the interviews were analyzed and thereby making a meaningful interpretation of the research study. The data were then systematically transferred to the respective chapters for the final write-up.

The statistical methods used for analyzing the data collection and for relevant inferences in the study, are given below:

### **i) Coefficient Correlation:**

Correlation analysis is a statistical tool to study the strength of a relationship between two or more variables. The measure of correlation is called the correlation coefficient, and it measures the direction and degree of correlation between two variables. The test was used to see if family support of the entrepreneurs is related to the success of the entrepreneurs.

Coefficient Correlation Formula:

$$r = \frac{\sum(X - \bar{X})(Y - \bar{Y})}{\sqrt{\sum(X - \bar{X})^2} \sqrt{\sum(Y - \bar{Y})^2}}$$

Where  $\bar{X}$  = mean of X Variable

$\bar{Y}$  = mean of Y variable

### **ii) Chi-square test:**

The Chi-square test has been applied for hypothesis testing; the test was done to see whether the absence of entrepreneurship culture impacts entrepreneurship in

Nagaland. The test was also run to see whether inadequate infrastructural support has hampered entrepreneurship in Nagaland.

Chi-square formula:

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

$\chi^2$  = chi-squared  
 $O_i$  = observed value  
 $E_i$  = expected values

## **9. Structure of the study:**

Chapter 1 consists of the introduction and theoretical framework followed by a review of the literature, a statement of the problem, the objective of the research study, the hypothesis, the methodology of the research study, and give a brief insight into different types of data analysis used for the research study.

Chapter 2 examines the nature of businesses run by the Naga and non-Naga entrepreneurs in Nagaland. The chapter gives an insight into the geo-demographic profile of Nagaland; it focuses a brief introduction on the existence of a trading system in the past and the advent of British rule that has paved the way for the Nagas, where few business activities started taking place in Nagaland, but it was only for short-lived. Instead of leading their generation to take up business, the people in business started preferring Government jobs and politics; thus, the entrepreneurship culture eventually died down. It also focuses on the migration of non-Naga taking place in Nagaland and the different reasons why non-locals migrated to Nagaland. The chapter also gives an insight into the demographic profile of the Naga and non-Naga entrepreneurs; they are i) the sex of the respondents, ii) Marital status iii) Age structure. The Social background of the entrepreneurs was also studied, including the different reasons for taking up business as their profession and the entrepreneur's reasons for choosing the particular

business. The chapter explains the importance of premised use in business and entrepreneur's struggles. It also highlighted different training activities in Nagaland, which are helping the entrepreneurs and throwing a brighter light on the upcoming generation. Lastly, the chapter also reveals the economic status of the Naga and non-Naga entrepreneurs; i) the education profile of the Naga and non-Naga entrepreneurs, ii) Naga and non-Naga entrepreneurs' work experiences, iii) The number of hours the entrepreneurs spend on their business iv) the number of workers employed by the entrepreneur v) And lastly a comparison on the yearly income earned by the Naga and non-Naga entrepreneurs.

Chapter 3 focuses on the status of the Naga and non-Naga entrepreneurs in Nagaland; this mainly focuses on the importance of entrepreneurship in Nagaland and how entrepreneurship has been growing in Nagaland over the few years. The chapter highlighted the experience of entrepreneurs and different reasons for prioritizing a business career rather than focusing on other jobs. It also reveals different types of jobs the entrepreneurs have searched for before taking up a business career. The study highlighted the importance of location in the business and focused on the necessary things to manage customers and suppliers while running a business. The importance of customer satisfaction in running a business was also put forward. The study highlighted the importance of family support, which has helped entrepreneurs succeed in business. It indicated the sustainability of the entrepreneur's family with their current business and different reasons why the entrepreneurs could not sustain the family's needs. It gives an insight into various training requirements for entrepreneurs. Lastly, it focuses on an entrepreneur's essential skills to succeed in business.

Chapter 4 focuses on different types of challenges faced by the Naga and non-Naga entrepreneurs; the significant challenges faced by the entrepreneurs are i) high

rent, ii) working longer hours, iii) high cost of living, iv) credit system, and v) Taxation. It also reveals different managerial problems the entrepreneurs are going through while running their businesses; the chapter gives an insight into infrastructural and financial difficulties faced in Nagaland that hampered the growth of entrepreneurship in Nagaland. It reveals various human resource problems in the state; human resource is an essential factor for running a business smoothly; human resource is management that helps the entrepreneurs or the manager of the enterprise to recruit, select, train, and develop the organization members. It further discusses on how the absence of an entrepreneurship culture affects business growth in Nagaland. Significant factors that can help the upcoming generation to take up entrepreneurship as their profession was also discussed in the research study.

Chapter 5 will include the chapter's summary and conclusion. The present research study focuses on the dynamics of entrepreneurial activities, where most businesses are run by non-Nagas. It strives to serve awareness for the Nagas to start focusing on the field of entrepreneurship in Nagaland and to create awareness about the entrepreneurial opportunities for the people. As such, nature will contribute the knowledge and information on entrepreneurial activity that will lead to the development of the state and promote entrepreneurship in Nagaland; this will help the present generation and the betterment of the upcoming generation.

## CHAPTER 2

### NATURE OF BUSINESS RUN BY THE ENTREPRENEURS IN NAGALAND

#### 1. Geo-Demographic Profile of Nagaland:

The state of Nagaland is located in the north-eastern part of India ( $25^{\circ}10'-27^{\circ}01'N, 93^{\circ}17'-95^{\circ}15'E$ ). It covers an area of 16,600 km; it is bounded by Assam in the west, Myanmar (Burma) in the East, Arunachal Pradesh and the parts of Assam in the North, and Manipur in the South.<sup>1</sup> According to the 2011 population census, the total population of Nagaland is 19,80,602 as per the 2011 census, of which males constitute 10,25,707 and females 9,54,895. The literacy rate in Nagaland has seen an upward trend of 79.55 percent. Male literacy is 82.75 percent, while female literacy is 70.01 percent. Overall the total literates in Nagaland stand at 1,342,434, of which males were 732,957 and females 618,477.<sup>2</sup> Among the entire district in Nagaland, Dimapur is the most populous district. The state has sixteen administrative districts: Kohima, Dimapur, Mokokchung, Mon, Nuland, Noklak, Phek, Tuensang, Wokha, Zunheboto, Kiphire, Longleng, Tsemnyu, Noklak, Shamator, and Chumukedima.

In India, in the North Eastern State of Nagaland, Kohima is the state's capital. Kohima is a hilly state town, one of the three Nagaland towns with Municipal council status, along with Dimapur and Mokokchung. The town's population comprises all sixteen tribes of Nagaland, along with mainland India residing in Kohima town. In the state, Dimapur is the most populated district and the principal commercial hub in Nagaland. It is a diverse mix of people from all over India, and for which it is also known as 'mini India. Naga tribes comprise about 50% of the city's population; other prominent groups include Biharis, Punjabis, Bengalis, Assamese, Keralites, Nepalese,

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<sup>1</sup> Biomapping important perennial water bodies in Nagaland, Nagaland. Pollution control board, p.5

<sup>2</sup> *ibid*



Marwari, and Tamils. In the last decades, Tibetan traders have also settled in the city.<sup>3</sup> Dimapur is the district that connects with the rest of the world by air, road, and train. It is the only district in Nagaland with an airport, and the only railway in the state of Nagaland is in the district of Dimapur, linked to Guwahati, the gateway to north-eastern India.

## **2. Concept of entrepreneurship and entrepreneur:**

Entrepreneurship is the resourceful, innovative response to the environment that can take place in various fields of social endeavour- business, industry, agriculture, education, and social work. It is considered one the most influential factor viewed as the backbone to boost the growth and prosperity of economic development in all regions.<sup>4</sup> In political economics, an entrepreneur undertakes an enterprise, an individual who takes risk and effort and manages the business and the innovation resulting from their pursuit of economic success.<sup>5</sup>

Schumpeter (1934) described the leadership role of the entrepreneur in an economy; the entrepreneurs are continually reorganizing the economic system. An entrepreneur is a person who is ready to take a risk and set up an enterprise, a person who is capable of taking calculating risks under conditions of uncertainty and can plan and make prompt and wise decisions in selecting a product or product mix, technology mix, and marketing. Schumpeter also distinguishes an entrepreneur from the 'inventor' by claiming that inventions are economically irrelevant as long as it is not in practice. Thus entrepreneurial talents make themselves felt by introducing new ideas and new

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<sup>3</sup> District Census Handbook Dimapur, Directorate of census operations Nagaland.series-14, Part XII-B, 2011

<sup>4</sup> Ram Krishna Mandal, Entrepreneurship and Rural Development in North-East India, 2011, pp.174-175.

<sup>5</sup> Rameshwari Pandya, Skill Development and Entrepreneurship In India. 2016, pp. 193-194.

combinations, with the consequences that established firms and the pre-existing ways of economic life disrupted.<sup>6</sup>

Cantillon (1755) is the first to introduce the term entrepreneur into economic theory. His theory signifies that an entrepreneur is a person who readily takes the risk of buying the product goods with a vision to sell them at a profit or by creating something new out of it; entrepreneurs are a person who earnestly carries on responsible activities neither insured nor salaried. Knight (1921) viewed the entrepreneur as a booster that leads the way toward economic growth; they are the person who is ready to initiate any changes and is innovative by managing and prepared to tackle the uncertainty and risk involved in the business.<sup>7</sup>

McClelland (1971) believes that entrepreneurship will produce, by and large, high success in the world that will help society create more enthusiastic entrepreneurs, leading to more production on economic growth. Entrepreneurs and entrepreneurship play a significant responsibility in marketing the factors of production taken as a whole to economic development. It is a tool for providing considerable employment, equitable wealth distribution, and removal of regional disparity. Entrepreneurs play the most prominent role in economic growth. Even developed nations like the U.S.A., U.K., and Japan promote entrepreneurship to their people as every region or country mainly depends on entrepreneurs for the prosperity of economic development.<sup>8</sup>

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<sup>6</sup> *ibid*

<sup>7</sup> *Ibid*

<sup>8</sup> RJ Yadav, Women Entrepreneurship, 1999.

### **3. Entrepreneurship in Nagaland:**

In the past years in Nagaland, there were vast wars between Naga Village Republics.<sup>9</sup> Although oral tradition recounts that trade relations existed with the Naga people in the Samara area (Myanmar) and the Meteis (Imphal) because of the wars, agriculture and production was affected, ultimately affecting the villagers when the villagers could hardly carry on trade. In due course, the limited trade culture could not go further because the Naga villages became self-sustaining isolated economic systems instead of commercial economics. However, in the 19<sup>th</sup> century, the advent of the British over the Naga villages paved the way for trade between the village republics and British-ruled nation-states by opening a window for the Nagas to do brisk business with Dhakha, Dispur; this new cultural experience for the Nagas in the entrepreneurial arena did not last long. But in the year 1963, when the Naga territories became the 16<sup>th</sup> state of Indian Territory, followed by a cease-fire in September 1964, very few business activities started again; this normalcy led to a rise of few contractors, which was in great demand to construct the Army (Indian) camps and offices for the newly established state government. However, the families who picked up business failed to guide their children in the business field; instead, the parents of those businessmen encouraged their children into government jobs and politics, ultimately losing the thread line of business. So, by the 1990s, about 70% of the good houses and building belongs to government servants, about 20% to state politicians, and 10% to the business group.<sup>10</sup>

By the 1990s, entrepreneurship culture had faded in the Nagas society as in every household; elders wished their children could get into government jobs rather than business; as a government job provides a constant income and it is a secured job, a

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<sup>9</sup> Naga villages were not only economically sufficient, but these villages were self-governing. Independent political entities, thus because of this reason, the Naga villages were addressed as village states or villagerepublics.

<sup>10</sup> Kat Lyst, A Quarterly Magazine of Entrepreneurs Association, Vol.XVII Second Quarter 2019, pp.2-3.

person will get a monthly salary irrespective of whether one worked or not. Also, after retirement, the employees receiving a pension attracted the Naga society, which makes the community ignore the scope of business in the state.<sup>11</sup>

However, the government put several efforts into the development of industries in Nagaland; the government has set up a few medium-scale industries Dimapur Sugar Mill, the Paper and Pulp industry at Tuli, a plywood factory in Tizit, a Mini cement plant at Wazeho Phek, fruit and vegetable processing unit in Dimapur; however, this units failed to operate in the long run leading to have caused heavy capital lost to the state and ultimately causing the employees to displaced from the given job.<sup>12</sup> Therefore despite the government effort and the state's immense with vast natural resources; however, the state needs to take advantage of the resources provided.

#### **4. Types of Business run by the Naga and non-Naga Entrepreneur:**

Walras defines an entrepreneur as a negotiator that collaborates with other entrepreneurs and buys raw materials from them, hires land from land owners to operate a business, a person who tries to gain more knowledge from workers/employee's skills, buys capital goods from the capitalists, and sells the products that result from this cooperation or combination of these services from his account.<sup>13</sup>

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<sup>11</sup> Kat Lyst, A Quarterly Magazine of Entrepreneurs Associations, Vol.XIX Fourth Quarter. 2020. p.2.

<sup>12</sup> Akali Sema, AJ Sebastian sdb and N.Savino, 2006, Economic development in Nagaland prospect and constraints, p.7.

<sup>13</sup> R.J, Yadav, Women Entrepreneurship. 1999.

**Table 2.1**  
**Types of Business Run by the Naga and non-Naga Entrepreneurs**

<b>Business</b>	<b>Naga</b>	<b>Non-Naga</b>
Cafe/Restaurant	7	2
Hardware	21	19
Clothing/Textile	35	32
Printing Press	3	3
Parlour	7	0
Florist	5	0
Bookstore/Stationary	5	13
Grocery/Ration shops	17	17
Electronic	19	16
Street Vendor	7	8
Wholesale store	3	9
Mall	3	2
Bakery	5	8
Thrift store	5	2
Pharmacy	1	3
Cosmetic	2	5
Vegetables	3	3
Fruits	0	4
Travelling Agency	1	0
Carpentry/Furniture	1	4
<b>Total</b>	<b>150</b>	<b>150</b>

Table 2.1 shows the different types of businesses surveyed in Nagaland. The research study found that many of the Naga and non-Naga entrepreneurs are primarily engaged in business-like clothing stores; many of the clothing stores run by the Nagas are mainly females, whereas compared with the non-Nagas, they are predominantly males. Through observation, the study found that the Nagas are rising in operating different cafes/restaurants, beauty parlours, florists, and thrift shops, and the rise of street vendors in and around the town of Kohima and Dimapur, but one still witnessed that the other parts of the entrepreneurial activities carried out by the non-locals are also rising. The entrepreneurial activities like vegetable and fruit stores are run mainly by the non-Nagas; taking the B.O.C. areas where 80% of the non-locals have engaged themselves in selling fruits and vegetables, along with that poultry shops and butcher

shops in Sokhriezie Market in B.O.C. are occupied by the non-Nagas. There is also the rise of cosmetics wholesale shops in Kohima, another part that the non-locals have mostly occupied. The outsiders have also engaged themselves in different localities of Dimapur and Kohima by opening small grocery shops/rations and pan shops.

The study also further found out that in the area of carpentry activities, it is the non-Nagas who are mainly working in this field; according to Mr. Das, 62 years, operating a carpentry shop in Purana Bazaar mention that *“starting from Purana bazaar stretch the carpentry business are run by the non-locals only, through discussion the study found that many of the carpenters are keeping an employee of four to five in every shop, some bigger shops are even employing ten employees who are working under the entrepreneurs and learning the skills of carpentry. The employees are all non-Nagas who learn the skills from the skilled workers and later start their carpentry business.”*

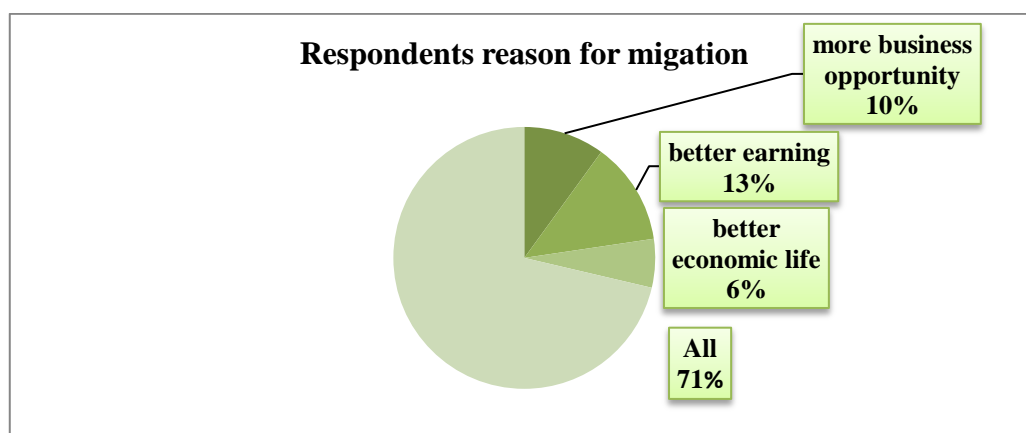
The research also found that the pandemic 2020 was an eye-opener for many Nagas; the pandemic has, in a way, opened up the mind of the Nagas to start online businesses in Nagaland, which has shown a positive result; many youths have caught up with the trend and are doing home based business, business like baking, online thrift stores, local handmade products have increased at a mass. This pandemic has paved the way for digital inclusion; digital technology like Unified Payment Interface (U.P.I.), including Google Pay, Paytm, and other digital technologies, has helped entrepreneurs expand their businesses. Social media like Instagram has opened up a platform for entrepreneurs who are doing online business.

## **5. Reason for Migration:**

Migration is the movement of people from one usual place of residence to a destination country. The reason for migration is when individuals move away from their

homes because they are attracted to a particular area or when the specific site provides a higher standard of living, high wages, or more labor demands. According to Ezung, *"migration is caused by political, social, and economic factors around the globe; migration in the state can be mostly attributed to economic factors."*<sup>14</sup>

**Figure 2.1**  
**Respondent's reason for migration**



The data reveals that 10 per cent of the non-Naga has migrated to Nagaland as there was more business in the state. On the other hand, 13 per cent of the non-Naga entered Nagaland because of better-earning facilities, another 6 per cent reason for migration was better economic life, and overall 71 per cent of the non-Naga migrated to Nagaland as the business opportunity was immense, the earning of the income is more, the state provides better economic life. It is easy for non-locals to find jobs in the area of daily wage labour and businesses as the local people mostly ignore these areas because the Naga's main aim is to pursue decent employment in private and public sectors, by which the native Nagas have made it easier for the non-locals to employed themselves in several areas, the non-locals have the tendency to adjust in any types of jobs for their survivals, one witnessed that the non-locals can sustain the needs of their family by opening a small corner shop at their own homes even though the earning is

<sup>14</sup> T Zarenthung Ezung, Issue of migration in Nagaland, 2015.

not much but with that money earned many can expand their business to a more extensive shop.<sup>15</sup> The non-Nagas chose Nagaland state as it provides better business opportunities; entrepreneurs also believe that doing business in Nagaland state provides better income/earnings when compared with their state earnings. It is the enormous job opportunities that attracted the outsiders both legally and illegally; even though the Nagas are well aware of the shortage of labour workers and the tremendous business opportunity in the state but the Nagas inability to employ themselves in these job opportunities has invited the migrants to the state, the non-Nagas are well aware of the Nagas ignorance in this specific fields thus the outsiders began to fill up the gaps which are readily available and is providing a better economic life. Therefore the jobs ignored by the Naga society have become a job for the non-Naga; this is another reason for the increase of outsiders in Nagaland.

## **6. Migration of non-Nagas in Nagaland:**

Immigration has been taking place in Nagaland since the early 1970s, especially in areas bordering Assam,<sup>16</sup> Migrants started migrating because of the plenty of employment opportunities available in the state.<sup>17</sup> Immigrants were ready to work on any job; thus, the landlords started hiring the migrants to work in the agriculture field, especially in the plain areas in Dimapur; the main reason for hiring the immigrants was the willingness of the non-locals to work even though the charges paid to them was less as compared to the daily wages paid to the Nagas, another reason was because of the Nagas inability and unwillingness on the position to do labour works and ignorance in

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<sup>15</sup> Pangersenla and Vinod CV, A case of illegal immigrants in Nagaland and its impacts on the traditional Society of Nagaland. 2019, p.3.

<sup>16</sup> M. Amarjeet Singh, A study on illegal immigrants into North-East India: The Case of Nagaland, IDSA Occasional Paper NO8, Institute Defence Studies, and Analysis, 2009, p.20.

<sup>17</sup> There are two types of non-Nagas in the state; the first is the illegal immigrants of foreign nationals like the Bangladeshi, Bhutanese, and Nepalese ( except those residing in the Naga Hill District before 1940). The second consists of those non-Nagas of Indian origin (Indian citizens) who are in preview under Inner Line Permit. For details, see Naga Students Federation, The Vanguard, 1(1), May 1992, Kohima.



business activities has opened a window for the non-Nagas to migrate to Nagaland, thus giving the outsiders to grasp the opportunities and occupy the gap that was left open by the Naga society.

Therefore within a period, both legal, as well as illegal migrants started growing and gained access to business at a fast-growing rate all across the state. Thus in the past few years, there has been a rapid rise in the population of immigrants in Nagaland, particularly in the two districts, i.e., Kohima and Dimapur.

**Table 2.2**  
**ST and other populations of Nagaland from 1971-2011**

Census year	Total Population	S.T. population	%	Others	%
1971	516449	457600	89%	58849	11%
1981	774930	650900	84%	124030	16%
1991	1209546	1060800	88%	148746	12%
2001	1990036	1774000	89%	216036	11%
2011	1978502	1711000	86%	267502	14%

**Source:** Chubalemla, The impact of illegal immigrants in Nagaland, 2019, p.85

Nagaland is a state that mainly comprises the scheduled tribes (S.T.). In contrast, the 'Others' in Table 2.2 are the non-Nagas who have migrated to Nagaland and are engaged in different activities and earning their livelihood. The following table shows the population of Nagaland from 1971-2011, where the number of S.T. and 'Others' populations and the percentage are presented. The table shows the growth of non-locals in the state, in 1971 the growth of non-Naga was 11 percent, but in 1981 it increased to 16 percent, in contrast to the following year, 1991-2001, the growth decreased, and in the 2011 census report it again shows the rise of 'Others' in the state.

Even though the state government rejected the census report as 'false/exaggerated reporting' because of the negative growth rate shown in the 2011 census in the state of Nagaland, the reason for negative growth can be because of

massive migration or an increase in death rate more than the birth rate in Nagaland. Still, no such thing has occurred in Nagaland; thus, the report was believed to be manipulated/ falsified in the hope of the people's belief in getting more financial schemes from the government for development. Even though the 2011 census was declared as falsified, the table proves the emergence of immigrants (legal or illegal) taking place in taking place in Nagaland also because the state is unable to provide the proper mechanism to check on the migrants, whether legal and illegal immigrants, therefore it is not possible to give the exact number of migrant's data in the state.

According to the Morung Express (7 October 2011), estimates about the total population of illegal immigrants in Nagaland are not forthcoming, and these estimates vary from 100,000 to 300,000. Since the early 1970s, immigrants have been taking place in the bordering areas of Assam, but it has picked up since the 1980s. In the year 1999, the estimation of illegal immigrants was two lakh Bangladeshis in the Dimapur area. But in 2000, the measure was 75,000 illegal immigrants in the state. In 2003, the Nagaland government estimated approximately one lakh illegal immigrants had settled in the foothills of the state bordering Assam. Based on these estimates, it can be concluded that there are at least 1 lakh illegal immigrants in the state.

In 2003 a survey was conducted by the Directorate of Agriculture; the report revealed 23,777 shops in Nagaland, out of which the non-locals run 17,055 (71.73%) shops while the locals run 6,722 shops.

Taking a look at the state of Nagaland, one witnessed thousands of migrants from mainland India and Bangladesh who come to the state because of better economic opportunities and prosperity; because of these overflowing opportunities, one witnessed that on the occasion of the Muslim festival of Eid, highway stretching from Lerie

colony to the High school junction, 285 shops were closed. These micro-enterprises were generating at least 1200 non-local employees'.<sup>18</sup>.

In 2007, the Department of Evaluation on employment in the private/unorganized sector in the district headquarters of Kohima, Dimapur, and Mokokchung. The total number of the non-Naga workforce earning their livelihood in these three sample districts was 45,815, with an annual income of Rs 450.60 core. The construction workers have the uppermost non-Naga workforce, employing 4,009 persons with total annual earnings of Rs 22 cores and an annual per capita earning of Rs 53402. This sector was followed by the loading and unloading sector, with 4012 persons earning their livelihood through loading and unloading in the railway stations, bus stations, and godowns; these sectors' annual incomes are estimated at Rs 33 cores with a yearly average per capita income of Rs 82192. These two sectors alone account for the revenue income of Rs 55 cores per year.<sup>19</sup>

## **7. Demographic profile of the Naga and non-Naga Entrepreneurs:**

### **i) Sex:**

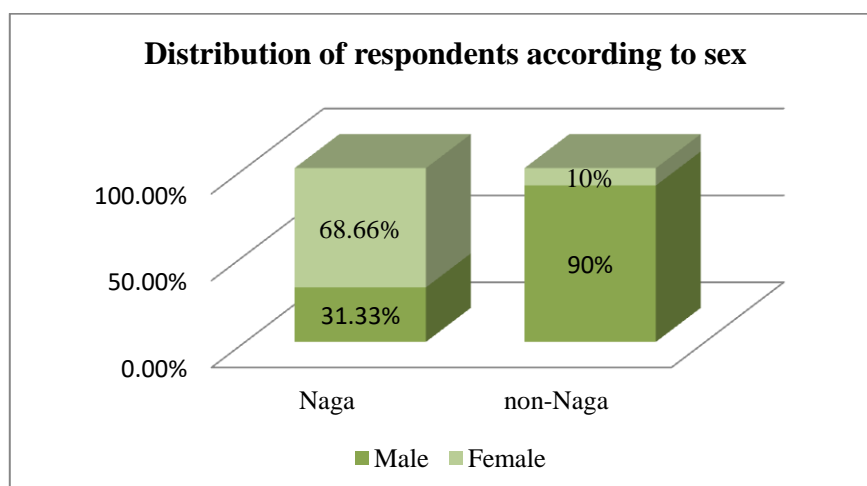
Sex is an essential component of an individual's social background, and it is the biological and psychological characteristic that differentiates males and females into two significant statuses in all societies.

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<sup>18</sup> Akali Sema, AJ Sebastian sdb, N.Savino, 2006, Economic development in Nagaland prospect and Constraints, p.230.

<sup>19</sup> Government of Nagaland. Directorate of Evaluation, "Evaluation Study on Employment Opportunities Forgone by Nagas and Employment of Non-Nagas in the State," Publication No 52, Kohima, July 2007.

**Figure 2.2**  
**Distribution of respondents according to sex**

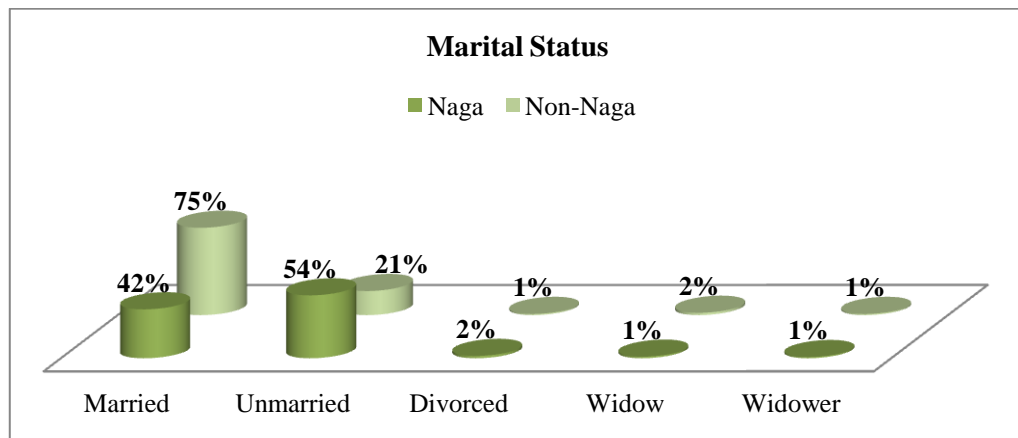


Regarding the sex of the respondents, the data shows that 31.33 per cent of the Naga respondents were male and 68.66 per cent were female, whereas when compared with the non-Naga respondents, 90 per cent are male, and 10 per cent are female. In the total number of business surveyed in Nagaland between the Naga and non-Naga entrepreneur, the study found that when it comes to Naga entrepreneurs, there is more female entrepreneurs and fewer male entrepreneurs. Still, compared with non-Naga entrepreneurs, male entrepreneurs are more in number and fewer female entrepreneurs in Nagaland.

**ii) Marital status:**

According to Kikhi (2006), Marital status is the definitive indicator of a man's liabilities in a society like that of Indians, where only male folk go out for work bearing the detriment of the female partner in life as a custom. The distribution of marital status is coded into five categories: i) married, ii) unmarried, iii) divorced, iv) widow, and v) widower.

**Figure 2.3**  
**Distribution of respondents by marital status**



The data shows that 42 per cent of the Nagas are married, and 54 per cent of the respondents are unmarried, while divorced comprised 2 per cent and 1 per cent each for widows and widowers. In contrast, when compared with the non-Naga, the data reveals that the non-Naga entrepreneurs are mostly married, with a percentage of 75 per cent and 21 per cent are unmarried, while divorced comprised 1 per cent, followed by a widow with 2 per cent and lastly, 1 per cent widower.

### **iii) Age structure:**

Age defines the individual in a given group expected to achieve in life. It gives a clue about a person's psychological and personal development. Responses differ according to the respondent's age; as a person's age grows, their needs also change and adapt to different lifestyles, so studying the age group of the respondents is of utmost importance.<sup>20</sup> According to McClelland, before the child turns into adulthood, if the individual is encouraged at an early stage of childhood to be curious, creative, and independent, then the child is more likely to engage in innovative and entrepreneurial activity as the person learns automatically in the early childhood the patterns of

<sup>20</sup> Kedilezo Kikhi, *Educated Unemployed Youth in Nagaland: A Sociological Study*, 2006, p.53.

behaviour that are safest and most rewarding. And that this culture will extensively influence the later stage of adult behaviour.<sup>21</sup>

**Figure 2.4**  
**Respondent's age at the establishment of the business.**

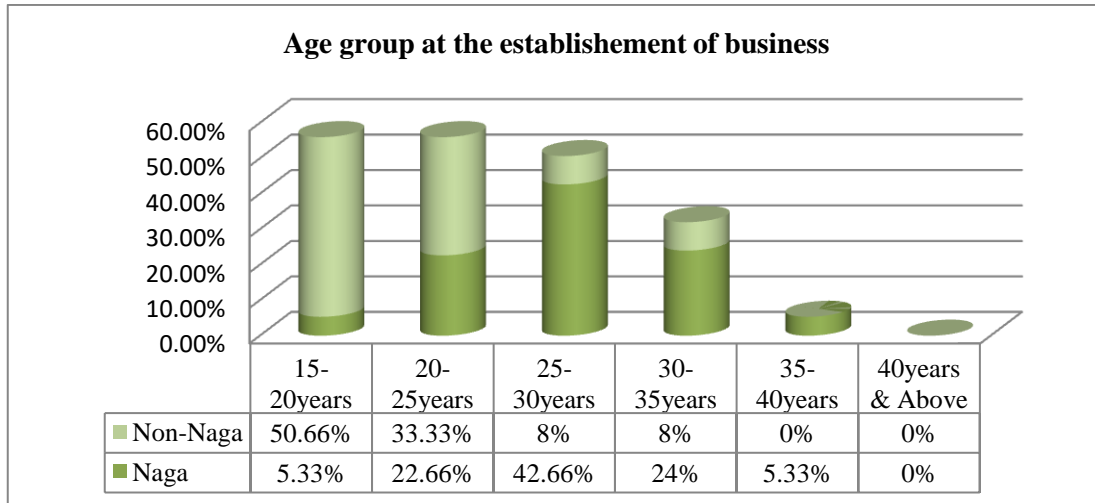


Figure 2.4 shows a difference in the age structure of the entrepreneurs at the establishment of the business between the Naga and non-Naga entrepreneurs. The first most extensive set of Naga respondents was the age group of 25 to 30 at 42.66 per cent. Similarly, the non-Naga respondents were in the age group of 15 to 20 years at 50.66 per cent; this indicates the working age groups of the respondents establishing the business. Second, followed by Naga respondents of age 30 to 35 years (24 per cent) and non-Naga respondents of age 20 to 25 years (33.3 per cent), third of the Naga respondents in the age groups 20 to 25 years (22.6 per cent), whereas for the non-Nagas of age 20 to 30 years and 30-35 years with both falling under (8 per cent) and lastly there are very few of the Nagas who have entered the business at an early age 15-20 years with 5.33 per cent only.

Overall the data indicates that non-Naga entrepreneurs embarked on the entrepreneurial arena at 15-20 years, which is much earlier when compared to the Naga

<sup>21</sup> Dalip Kumar and Dheeraj Garg, Dynamics of Entrepreneurship Development, 2012, p.128.

entrepreneurs who start their enterprises at the later age of 25-30 years. This indicated that Nagas primarily focus on education, where most of the younger generation are either graduating or post-graduating in the hope of getting a secured government job, which has more or less become the culture; many are aware that there are significantly fewer chances but continue to stick with the same thought. This is mainly because the way of thinking of the Naga people looking for employment is limited to white-collar jobs only. Therefore, for these reasons, employment for the Nagas is dissimilar from the common views of employment. According to National Sample Survey Organisation, employed means a person who is lucratively employed for more than half of the 365 days. However, from the Naga society, employment means working in public sector units or government jobs.<sup>22</sup> In contrast with the non-Nagas, the parents teach their children to learn business early; most children look after the shops during their free time, ultimately leading them to gain the knowledge required to operate the business.

When asked<sup>23</sup> why the Naga respondents had not started a business early, the study found that many were never encouraged to take up a business profession; instead, parents were pushing their children to pursue higher studies or go for professional courses. The Naga society sees the business profession as low status, thus creating an environment where many youths are not interested in entrepreneurial activities because they feel dejected and have no hope of starting a business. In contrast with the non-locals,<sup>24</sup> The study indicated that the respondent's families were already in the business field, which motivated the respondents to look up to business profession as a source of employment; the parent's success in business put a keen interest in the mind of the respondents to start a business that leads the entrepreneurs to start focusing on the business at much early age. It is known that parents of the non-locals education

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<sup>22</sup> T Zarenthung Ezung, *Issues of migration in Nagaland*, 2015.

<sup>23</sup> On Naga respondents during fieldwork.

<sup>24</sup> On non-Naga respondents during fieldwork.

qualification were mostly matriculation or under matriculation but are running a successful business in Nagaland; this same factor has stimulated their children to know about the benefits of business and motivated the entrepreneurial spirit. Therefore, the lack of entrepreneurial culture is one prominent feature for the Naga society in falling behind the outsiders in doing business, the reason for the Nagas entering into business much later than non-Nagas.

The study also found that many female entrepreneurs wanted their children to acquire entrepreneurial skills to run the business. Still, the entrepreneurs faced obligations from their families; when the entrepreneurs try to bring their children to learn business during the weekend or during summer and winter break, the elders in the family are against the idea of sending the children to learn the business as for the elder's mainly falling under 60-70 years, think that education is more essential and consider learning the trade as a distraction for the children.

## **8. Social background of the entrepreneur:**

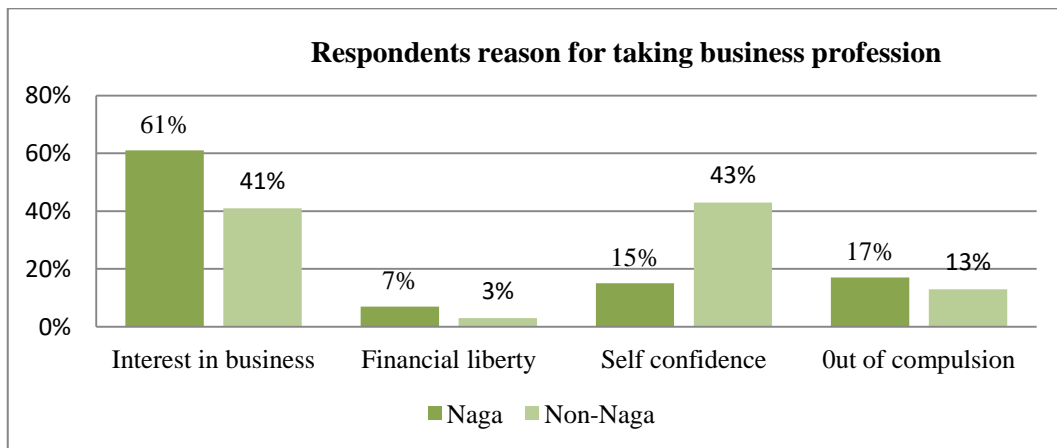
### **i) Business professions:**

According to Joseph A. Schumpeter, an entrepreneur is one engaged in an innovative activity who commercializes new products and services and a person who looks forward to bringing fresh ways and combinations to be used for the factors of production and focuses on uniqueness in market offerings. An entrepreneur assumes risks and uncertainty in aiming to provide fresher and more innovative products, products that are not familiar, or introduction of new products or either by modifying the already accessible product to something better for the consumers; by opening the latest market either by developing a brand new market or creating something new out of the old market with enormous potential, therefore, the society owns a lot to the



innovators.<sup>25</sup> Individuals choose an entrepreneurship career because they see the opportunity in the market as a preferred alternative to employment, as entrepreneurship begins with individual aspiration and intent.

**Figure 2.5**  
**Respondent's reason for taking the business profession**



**a) Interest in Business:** The data indicates that 61 per cent of the Naga and 41 per cent of the non-Naga entrepreneurs enter the business venture according to their interest in the field. The reasons given by the entrepreneurs as to what has put up an interest in the entrepreneur's minds to start a business are; their curiosity to see what they can achieve and to create something from their knowledge; the entrepreneur's interest, willingness, and innovation have paved the way for entrepreneurs to start something new and have led them, entrepreneurs, to set up the enterprise; the individual's willingness to become an independent person, the freedom to work on their own and exercising complete control of the enterprise, the curiosity to learn something new has created an interest in the individual's mind to venture into entrepreneurship. The study further reveals that non-Nagas respondents started the business because they were born into an

<sup>25</sup> C.Shekhar Upadyay and Priyanka Rawal, 2018. A critical study of Joseph's innovation theory of Entrepreneurship, p.5-6.

entrepreneurial family; thus, from childhood, they have been seeing and learning business skills from their kin which influence them to take interest in business career.

**b) Financial liberty:** To start a business, entrepreneurs require economic independence to take many risks while financing the business; the Oxford Advanced Learner's Dictionary defines an entrepreneur as an individual who makes money and operates the business even when involving financial risk.<sup>26</sup> When it comes to economic liberty, the data depicts that only 7 per cent of Naga entrepreneurs choose entrepreneurs as their profession because of the abundance of financial support. In contrast, regarding non-Naga, 3 per cent of the entrepreneurs took up entrepreneurship because of economic liberty. The study found that the Naga respondents had the financial freedom to set up the business because the parents already had a secured and stable job in government sectors, thus giving them to get an appropriate loan from the financial institutes that are necessary to invest in the business. On the other hand, the non-Nagas respondent mentioned that their parents were already running a profitable business, thus providing them sufficient financial liberty to start a business.

**c) Self-confidence:** According to McClelland and Hagen, a person who aims to become an entrepreneur must be self-confident, self-assured, and determined, must have the quality to resolve the problems that are bound to be there, must be proud of past achievements, live in the present, be involved wholeheartedly, and set achievable goals for the future. An entrepreneur must always be optimistic and always look after the business with confidence; as such an attitude will help the entrepreneur succeed further.<sup>27</sup> Self-confidence is an individual's abilities and beliefs in oneself; self-confidence depends from person to person; a person who believes they can do well, acknowledges that they can succeed, and has a positive mindset to achieve something

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<sup>26</sup> *ibid*

<sup>27</sup> *ibid*, p.162

are more likely to be motivated in terms of effort, persistence, and behaviour than a person who has low self-esteem and a person who does not expect to succeed. Self-confidence is essential in entrepreneurship because setting up a business and trying to be successful is challenging.<sup>28</sup>

The data shows that 15 per cent of the Naga and 43 per cent of the non-Naga started their businesses because their self-confidence helped them begin their enterprises and build their careers. Thus when it comes to self-confidence in entrepreneurial activities, the non-Naga is more self-reliant and poised than the Naga entrepreneurs; the experience the non-Naga entrepreneurs gain at a younger age by looking after their parent's business and the entrepreneurs entering the business much earlier (see figure 2.4) has opened a gate to the world of business that has helped entrepreneurs to gain confidence which has later helped an entrepreneur in building self-confidence. In contrast, the study also found that one common problem faced by many young Naga entrepreneurs is of lacking in confidence due to not having much business knowledge and skills; the problem of criticism given by friends, family, and fellow competitors; criticism includes not intelligent enough to run business, too slow in taking a decision and facing more brutal criticism if the decision taken does not bring any benefit in the business, the constant judgment given by friends and kin's if the individual operates a small enterprise and constantly reminded to close the business if the business is not doing well or the business is not expanding making the entrepreneur low self-worth and affecting their ability to reach their full potential.

**d) Compulsion:** The data shows that 17 per cent of the Nagas and 13 per cent of the non-Nagas is into business because business was the only option for survival, and another reason was the unavailability to get a job in the Government sector. The Naga

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<sup>28</sup>Frank Bezzina, Characteristics of Maltese. International Journal of Arts and Sciences, 2010, p..5.

respondents expressed their opinion as to why they were compelled to take up business as their profession; in the discussion, the study found out that the respondents had been searching for government jobs for three to five consecutive years and had been given different kinds of competitive exams. Still, there was no positive response; thus, being unable to get the desired job made them to set up business, as this was the only option. The unavailability of government jobs, the pressure of staying unemployed, and the need for finances have led individuals to take set up businesses.

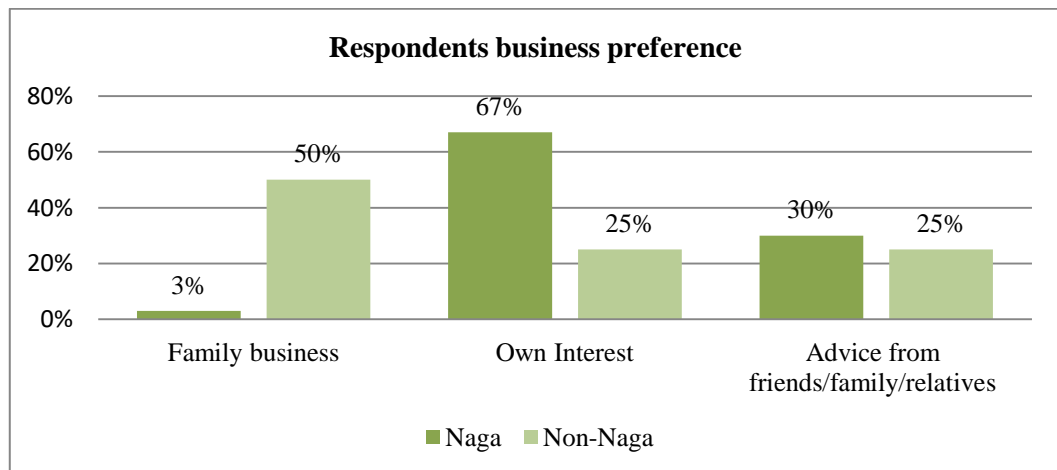
The study also further found out that the reason behind the compulsion of the non-Nagas respondents to set up a business is because of the family business that has been automatically passed down by their parents, even though the respondents did not aim for business as their profession, the respondents did not have any other option but to take up and operate the business that has already been set up. Another respondent, *“Mrs. Sanaya, age 34, running a wholesale shop, reveals that I was a housewife and my husband was earning for the whole family running the wholesale shop in Dimapur, but due to the sudden demise of my husband I was compelled to run the business left by my spouse to support my family financially”*.

Through discussion, the study further found that out of 17 per cent Naga and 13 per cent non-Nagas who started the business out of compulsion, under which, 10 (ten) Naga respondents and 8 (eight) non-Naga respondents have very positive feedback on their current profession; the respondents believe that setting foot into entrepreneurial activity was a good decision and are enjoying the current entrepreneurial career. They are well satisfied as it has made them independent and self-employed; earning is satisfactory and has helped them achieve their goals.

## ii) Business Preference:

Max Weber was concerned with the factor that helped the entrepreneurship emergence and growth. From the standpoint of sociology, Weber identified that the development and growth of the entrepreneurship phenomenon are determined by the value system and culture which affect human behaviour. Weber argued strongly that societal values are the key elements that explain the growth of entrepreneurship activities and the conduct of entrepreneurs. In the view of Weber, culture, particularly religion, significantly impacts the making of entrepreneurs. This is because it determines, to a considerable extent, the attitude and behaviour of individuals and their life disposition.<sup>29</sup> In his theory, Weber points out that society and environment, whether from a political or cultural/Religious dimension, would affect the development of entrepreneurial spirit and behaviour by exhibiting values that either enhance or inherit entrepreneurship behaviour and drive.<sup>30</sup>

**Figure 2.6**  
**Respondent's preference in the current business**



<sup>29</sup> S.E. Dedekuma and M.O.M.Akpor-Robaro, Thoughts and theories of entrepreneurial emergence: A critical review of the pioneer perspectives and their relevance in Nigerian society of today, 2014, pp.43-57.

<sup>30</sup> *ibid.* p.46.

**a) Family Business:** The data shows that 3 per cent of Naga and 50 per cent of non-Naga entrepreneurs are in their present business because their parents have already set up the business. The data indicates that the older generation of the Naga society did not focus on entrepreneurial activities; however, the data shows the existence of family businesses being carried out, but there are very few in numbers compared with the non-Nagas. Family background plays the most prominent role in the growth of entrepreneurship, as many entrepreneurs emerge from families with business backgrounds. Parents with business backgrounds imprint their children towards self-reliance and teach them to be independent, which motivates the children at a younger age and inspires them towards taking business as their profession.<sup>31</sup> Family plays an vital role for economic activity for the creation of enterprise and their growth and it represents the important part of culture and has the considerable impact on the performance of its members. Moreover, family provides opportunities to its members to develop networking.<sup>32</sup>

In the interview, “Mr. Akash, running a wholesale shop, mentioned that *“since my family had already set up the business, I was trained from an early age to run the business instead of focusing on education. My father started a small pan shop in Kohima in the year 2000, gradually expanding to a grocery shop. Within a year, my mother also started learning how to operate the business, so my mother was looking after the grocery shop. In contrast, my father sold vegetables every bazaar day, particularly Wednesday Bazaar and Saturday Bazaar. Having parents who were already in business, every free time I was allowed to look after the business during my high schools days, gradually I started learning how to operate the business, so after my matriculation that is in the year 2009, my parents opened a wholesale shop for me, and*

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<sup>31</sup> *ibid.* pp.160

<sup>32</sup> Ijaz, Marial Ijaz and Ghulam Yasin & Mah Jabeen Zafar , Cultural factors effecting entrepreneurial behaviour among entrepreneurs: Case study of Multan, Pakistan, 2012.

*currently, I am running that business, I have also employed six(6) non-Nagas employees who are working under me. I am also looking forward to expanding the business soon”.*

**b) Interest:** According to McClelland, people who pursue entrepreneurial careers are motivated by the psychological need to achieve and are high in "need for achievement". McClelland's Motivation theory (Achievement Motivation Theory), according to the idea an individual is born with three inner urges (drives or motives) – the need for outstanding achievement, the need for domination (Power), and the need for bond feelings (Affiliation). McClelland named these three intrinsic motives as (a) the need for power (n-Pow), (b) the need for affiliation (n-Aff), and (c) the need for achievement (n-Ach). The dominance of each motive defines a person's personality. A person's nurture and culture can enhance a person becoming any of these personalities.<sup>33</sup> The desire to create something creative and their interest in being self-independent was the primary reason why 67 per cent of the Naga because they saw the opportunity in the market, and they saw it as a preferred alternative to employment, as entrepreneurship begins with individual aspiration and intent. In contrast, 25 per cent of the non-Naga entrepreneurs chose the current business because of the inspiration they got from their family, seeing the family business succeeding and the familiarity with the business knowledge learned in the particular business run by their parents have interested the individual to start the business.

**c) Inspired by friends/family/ relatives:** For entrepreneurship to develop in any region, the role of society has the most significant impact on the growth of entrepreneurial activities. Entrepreneurship flourishes well in the community, which positively boosts the individual to entrepreneurial activities, as the society provides nourishment and a positive mindset toward entrepreneurial growth.<sup>34</sup> The data indicates

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<sup>33</sup> *ibid.* p.49

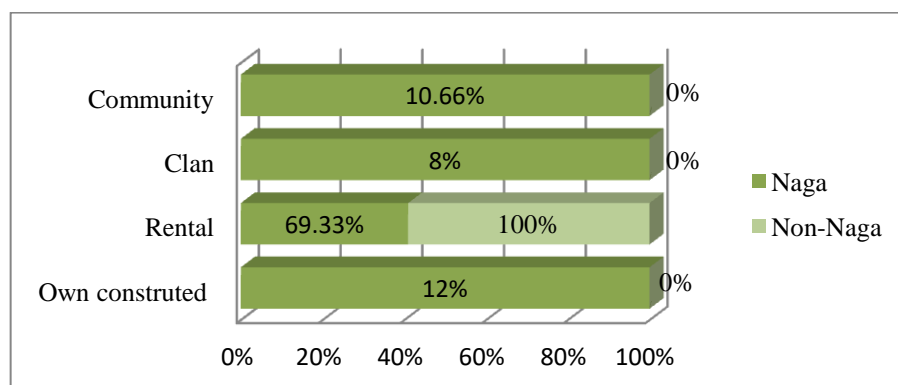
<sup>34</sup> R.J.Yadav, Women Entrepreneurship, 1999.

that among the Naga entrepreneur, 30 per cent and 25 per cent of the non-Naga entrepreneurs choose their current business because it was advised by their families or relatives or peer group who were already in the business line, thus motivating the them to set their foot into business activities that helped the respondents to be self-employed and provide employment opportunism for the others as well. The study found out that the entrepreneurs were inspired by their friends and relatives; seeing their fellow friends gaining success in the business as well as expanding the business was rated as a stimulating factor facilitating their entry into choosing the present business.. Thus for entrepreneurship to develop in the state, there is a need for the fellow entrepreneur who can play the role of a friend, family or relatives that can influence the individual towards entrepreneurial career.

### iii) Premise:

Deciding on the premise of setting up a business also has a significant role to play in business. The premise is described as a property consisting of a house or building with its land and outbuildings on it, usually of a business or organization. A good premise location provides more customers to the entrepreneurs, and a premise nearer to the market has more value, allowing the customer to visit the business efficiently.

**Figure 2.7**  
**The premise used by the respondents to run businesses.**





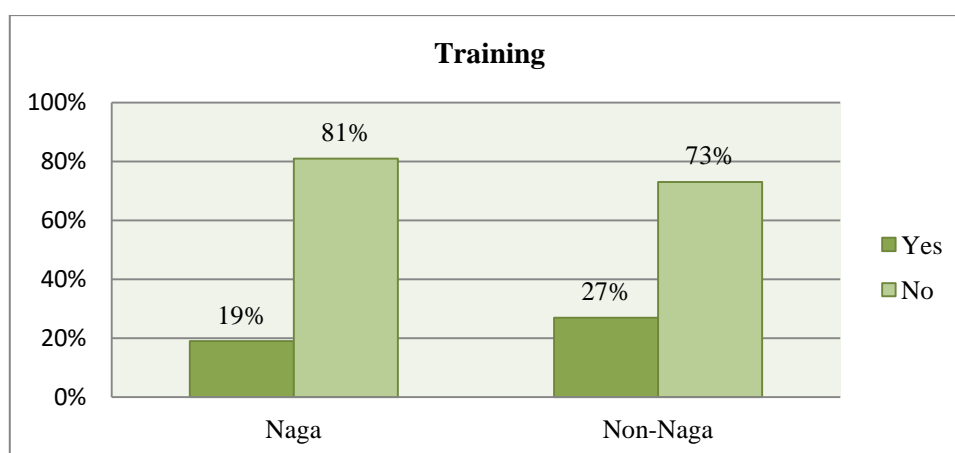
The data reveals the premises used by the entrepreneurs for setting up the enterprises. The data shows that 69.33 per cent of the Naga and 100 per cent of the non-Naga entrepreneurs have rented commercial places to run their businesses. The study further indicated that, 12 per cent of the Naga entrepreneurs are running their business in their own constructed house, another 10.66 per cent of the Naga entrepreneurs have used the premises of community house, and 8 per cent of the Naga are under the clan house. The study found that the premises used to run a business is itself a significant challenge; nowadays, to get a rented premise, one has to deposit security, a deposit of 3-4 lakhs, 5-10 lakhs in advance before renting the premise; many entrepreneurs who have started business in the early years didn't pay any security deposit thus renting a premise was more accessible, even though now the entrepreneurs have paid the security deposit, the reason they were able to pay the security deposit is that they have made some saving while running a business at the early years, but now in the present days paying security deposit had become a challenge to many individuals who wanted to start the business. The respondents, taking the example of the clothing business, mentioned that even after paying the security deposit. There is a need to buy consumer goods, a good set up of the store to attract more customers, and a need to keep time and again bringing new interests in the shop as customers prefer to visit stores that often upgrade new stuff, thus not everybody can fulfil all the needs. Running a business sounds easy, but running and maintaining a business is always challenging. Money and power are also needed to run or set up a business.

#### **iv) Training Program:**

The training programs are organized to help the growth of entrepreneurship development. These programs are developed that will help potential entrepreneurs to build up their talents and motivate them individually in entrepreneurial activities that

can help and give individuals who are yet to set foot in entrepreneurship or an entrepreneur who has already set up an enterprise the idea about different business opportunities that will enhance the entrepreneurs to think and apply the concept to something greater, to bring something new in the society. These programs can also motivate people on the importance of entrepreneurship and provide essential skills to help individuals build the enterprise or those thinking of expanding their businesses.

**Figure 2.8**  
**Training**



The data shows that 19 per cent of the Naga and 27 per cent of the non-Naga avail training before starting the business. In contrast, 81 per cent of the Naga and 73 per cent of the non-Naga entrepreneurs were not involved in any training before starting their businesses. In this research study, the study found that out of 81 per cent, 31(thirty-one) respondents mentioned that there was no entrepreneurial training program during the period when they were setting up their business, whereas, on the other hand, 19 (nineteen) respondents were not aware of the entrepreneurship development training. The study further found that 31(thirty-one) respondents do not have much enthusiasm for the training programs as no financial benefit was linked with the programs; this shows they are unaware of the benefit of the training programs, therefore a need to provide good advertisements that will help the entrepreneurs to gain

knowledge and join the necessary programs that can benefit the entrepreneur in gaining more business knowledge.

Those of the non-Naga entrepreneurs who have availed training mentioned that they did not avail of any training through some program; instead, before setting up their enterprise, that has worked as a salesperson or employees for several years under the guidance of other entrepreneurs that have helped and trained them to set up their enterprise in Nagaland.

The Department of Industries & Commerce intends to promote industrialization in Nagaland. Some of the major training programs are as follows:

**Table 2.3**  
**Rural Industrial Programme (12 Months)**

<b>Types of Training</b>	<b>No of trainees 2013-14 &amp; 2016-17</b>
Weaving	180
Handicraft	20
Weaving & Handicraft	160
<b>Total</b>	<b>380</b>

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

**Table 2.4**  
**Rural Industrial Programme (9 Months)**

<b>Types of Training</b>	<b>No of trainees 2013-14 &amp; 2016-17</b>
Electronic	30
Automobile	60
Sheet Metal	45
Welding	24
	30
Stenography	80
Cutting & Tailoring	120
<b>Total</b>	<b>389</b>

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

**Table 2.5**  
**Short-Term training (3 months to 6 Months)**

<b>Types of Training</b>	<b>No of trainees 2013-14 &amp; 2016-17</b>
Cutting & Tailoring	130
Hair, Skin & Beauty Care	90
Beauty & Hairstyling	15
Basket Making	40
Computer Fundamentals	40
Hair, Skin & Beauty Care (DONER)	80
<b>Total</b>	<b>395</b>

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

According to the annual report of the Department of Industries and Commerce, in the year 2013-14 & 2016-17, there were 380 in person who took up 12(twelve) months of training in weaving and handicrafts; another 9(nine) months training, where 389 individuals were seen engaging in training like electronic, automobile, sheet metal, welding, stenography, cutting and tailoring, in the short term training for 3(three) months to 6 months, according to the annual report there were 395 individuals who were training in the field of cutting and tailoring; hair, skin, and beauty; beauty and hair styling; basket making; computer fundamentals; hair, skin, and beauty care. Table 2.3, Table 2.4, and Table 2.5 shows that the government is building up different entrepreneurial training in Nagaland to help and motivate the younger generation in the hope of promoting entrepreneurial culture in the state. The training programs should create an environment for the entrepreneurs to establish their enterprises well by applying scientific decision-making techniques in the various field of management. The study further found that respondents are unaware of the training programs and do not know the essential requirement needed to enrol in the training activities. Thus there is a need to spread awareness of these programs among the Naga society and make it easier for the people to take part in these training activities, as Naga society is very much in

need of these programs that will help the people to learn from different training programs that will motivate not only the current generation the younger generation to develop their skills in the self-employment arena.<sup>35</sup>

Some measures taking place for the upliftment of entrepreneurship facilities are given below;

1. Entrepreneur Associates (EA) are working to promote entrepreneurship and provide basic skills about businesses; the E.A. is also providing loans to those needing financing to start a business.
2. YouthNet Kohima, launched in 2006 by a group of young Naga professionals, is working vigorously to provide in the private sector in Nagaland. YouthNet is also organizing different development programs like the carpentry program, bamboo basket-weaving program, and beautician programs to aim for better entrepreneurship development in Nagaland.
3. Dial Nagaland, launched in the year 2015, has been working on training people in labor works, preparing them to make skilled labour, and promoting them as customers according to their field of work.

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<sup>35</sup> Dalip Kumar and Dheeraj Garg, The dynamic of entrepreneurship development, 2012, p.106

**Table 2.6.**  
**Name of the training centre in Diampur**

<b>NAME OF TRAINING CENTRE</b>	<b>SERVICES OFFERED</b>	<b>ADDRESS</b>
Nagaland Woman Vocational Training	- Embroidery and Tailoring - Traditional and Modern Jewellery Designing - Cane and Bamboo works	Supermarket, Bank Colony, Dimapur, Nagaland, 797112.
Pinnacle Skills	- Consultancy services - Design Courses - Entrepreneurship Development and executive Training	DC Court Junction, West City Building, Duncan Basti, Dimapur, Nagaland, 797112.
Gyanyoti Foundation (Ministry of Rural Development, 2017)	- Tourism, - Hospitality	Sovima Village, Niathu Khel, NH29. Opp. Essar Petrol Pump, Dimapur, 797112.
IWSN Training Centre	- Fashion Designing - Cutting Tailoring - Computer Institute	Purana Bazar, Dimapur, Nagaland, 797112.
Ascent Skills	- Industrial Training - Soft skill Training - Aviation, service training	House no. 150, first floor, Duncan Tinali, Dimapur, Nagaland, 797112.
Handloom Training Centre, Toluvi.	- Weaving by tribal traditional attires, motifs, design, and ornaments so as to prevent misuse and misinterpretation of traditional cultural expressions	WQ7GT38F, Kuhuboto, Dimapur, Nagaland, 797116.
Makar Skills Development and Services	- IT Consulting - Web Design	Midland P.W.D. Road, Dimapur, Nagaland, 797112.

**Source:** Suresh Kumar & D.Shobana, Role of entrepreneurship schemes in the development of entrepreneurship in Nagaland, 2021.

Business competition is increasing not only nationally but also on a global scale; therefore, training will help to prepare the upcoming generation and provide the necessary needs to launch the enterprise. Table 2.6 shows the 8(eight) existing industrial training institutes that offer training in 20(twenty) different trade activities. The necessary qualification required for the above training is that a candidate must pass class VIII, and the individual age requirement to join the training should be at least 14

years old. The training depends on periods in range from between one and two years.<sup>36</sup>. The main goals for providing the training skills are to prepare the younger generation for self-employment in the state of Nagaland; the Naga-educated youths are in plenty, but most of the youths are untrained, and neither are they professionals.

Thus the training centres provided by the government and non-governmental organizations will help the Naga people to steadily have skilled workers that will engage themselves in different trading fields. To improve entrepreneurship in Nagaland, various training centres are necessary as this will help the underlying youths in large numbers to take up an interest in business, and this will bring a positive margin in the state by providing employment scope; it will help in the infrastructure development of the state, the state economy will also improve with the rise of entrepreneurship.

#### **9. Economic status of the entrepreneur:**

Economic development is a process in a country or region when the citizens can adequately utilize the available resources to sustain the per capita production of goods and services. Economically developed countries like the U.S.A. suggested that entrepreneurship dramatically contributes to economic growth. Developing countries like India, China, Pakistan, Sri Lanka, Malaysia, and many other South Asian countries believe entrepreneurship has the highest potential that will lead the way to new economic growth.<sup>37</sup>

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<sup>36</sup> Suresh Kumar & D.Shobana, Role of entrepreneurship schemes in the development of Entrepreneurship in Nagaland, 2021.

<sup>37</sup> Ajay Kumar B. Naik, Entrepreneurship Small and Medium Enterprises (S.M.E.), 2017, p.6.

#### **i) Education Profile of the Naga and non-Naga entrepreneurs:**

In today's present society, where there is competition everywhere, be it in academics, social life, technical expertise and professional training is very prominent for one to get a job.<sup>38</sup> This data section will provide information about the education qualification the Naga and non-Naga entrepreneurs obtained.

Cochran (1971) the theory is undergirded by: cultural values, role expectations, and social sanctions. He sees an entrepreneur as representing a model of society, molded by child-rearing, schooling, and the prevailing culture where the individual grew up. Cochran stressed that 'social institutions, cultural attitude, family background, practices, and values play an essential role in shaping and developing the future entrepreneur.

The theory affirms that society's norm influences the behavioral patterns of individuals. These norms are rooted in the family tradition and the community where they find themselves. Children born into such families from childhood upbringing automatically develop business acumen and get cooperation and support from family members and the community. Cochran emphasized social sanctions, role expectations, and cultural values as essential factors that lead to the formation of entrepreneurs in society. Hence Cochran's theory has also termed the idea of entrepreneurial supply.<sup>39</sup>

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<sup>38</sup> Medonuo Peinyii, A sociological study of unemployment problem: A comparative study of Angami and Chakesang women, 2008.

<sup>39</sup> Agogbua, Stanley Ndubisi, Mgbatogu, Chukwudi, Entrepreneurial skills, and self-employment: A theoretical exposition, 2021. p.25.



**Figure 2.9**  
**Education Profile of the Naga and non-Naga Respondents**

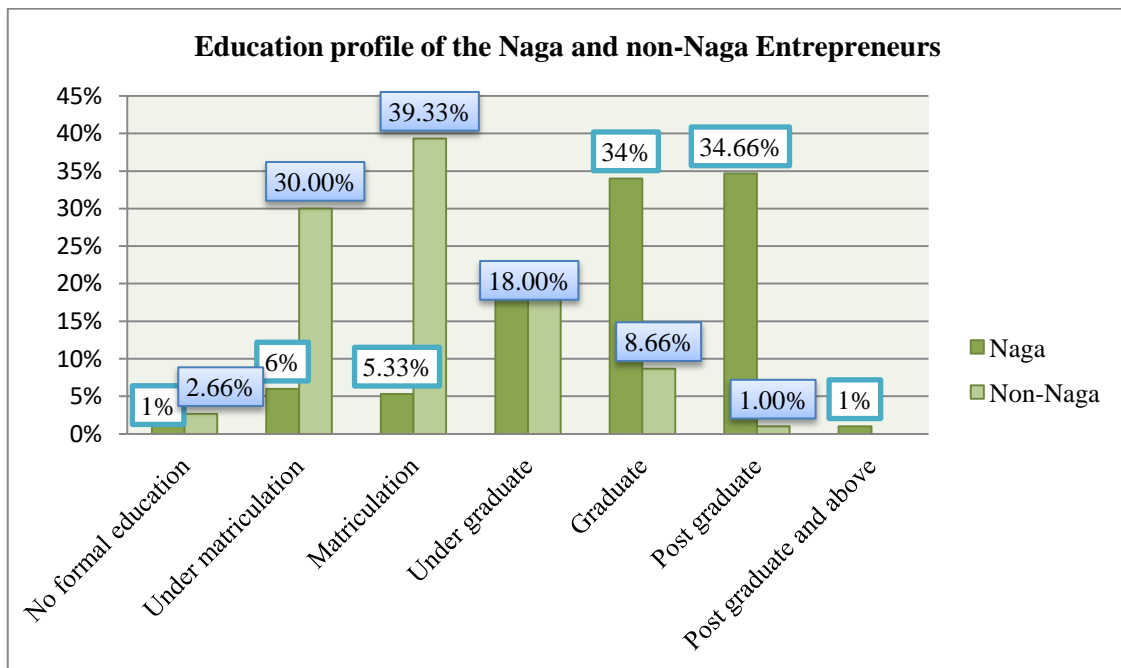


Figure 2.9 gives an insight into the academic qualification of the Naga and non-Naga entrepreneurs. It provides a massive difference in the educational qualification of the entrepreneurs in Nagaland. A comparative study indicates that the majority of the Naga entrepreneurs falls under undergraduate (34%) and post-graduate (34.66%), whereas when compared with the non-Naga entrepreneur's majority of the entrepreneurs fall in the range of under matriculation (30%) and matriculation (39.33%). As mentioned earlier, the cultural practice of the older generation gives more importance to education rather than the entrepreneurial arena, and this culture continues in the Naga society. When youths at the age of 20-25 and 25-30 years are either graduating or post-graduated in the hope of getting a safe and secured white collar job, at the same time, Naga parents pursue and push their children towards academic excellence, the social stigma of the Naga society that entrepreneurship is not a secured profession and not motivating the younger generation in this area has bought negative impact on the growth of entrepreneurship whereas when compared with the non-Nagas,

they have parents who are already in the business field thus through them, they have started learning business at a much earlier stage, and take up the business after matriculation or even before matriculation at the age between 15-20 years leading the entrepreneurs to have more exposure to the entrepreneurial arena. Through discussion with the non-Naga respondents mentioned that education itself is not only the source to becoming an entrepreneur but having an education qualification is itself another benefit in running a business, many times while running a business education is also needed, taking the example of the education system in Nagaland where English itself is the primary language which itself plays the most prominent role in running a business. Vocabulary is essential, and Naga is into Western wear; thus, many consumer goods come from outside India, where English is mainly used to communicate with dealers. The present Naga youths are not only fluent in English, but many are also very fluent in Hindi, which is a plus point for the people of Nagaland.

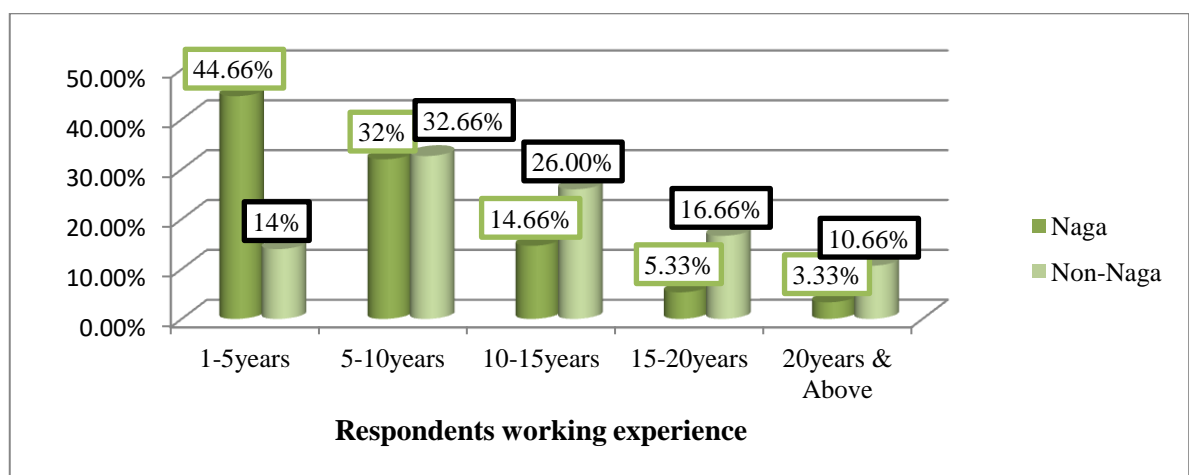
Mr. Singh, age 42, who runs a hardware shop, said that *“to be an entrepreneur, education qualification is not much needed, but the Naga society gives so much importance to education and not much importance is given to the business. From my personal experience, I can say that without much education qualification, one can start a business, as I set up a business right after my matriculation; if one plans to become an entrepreneur, one need not focus fully on education. To become an entrepreneur, one needs to have an idea and be innovative, a need to have a calm mind, and be patient enough to handle the business because I believe that if we have that quality in us, even without much education, one can succeed in business. I have also observed that many young educated Naga entrepreneurs are getting into business culture slowly, and many start businesses with much enthusiasm but ultimately fail to keep the business in the long run as many are unable to take the losses at the start of business, leading to failure*

*in the business. The main reason is not having enough patience to look after the business. Nagas way of doing business is to gain profit and is never ready for the losses that occur, which is very common."*

## ii) Working experience:

Experience in business has been a critical accomplishment for small firms, as individuals with working experience tend to be doing well and flourishing more than those without experience.<sup>40</sup>. The entrepreneurs with the most working experience tend to have more knowledge in business, have broader ideas, and are more innovative than start-up entrepreneurs.

**Figure 2.10**  
**Respondents working experience**



This section of data reveals the number of years of working experience by the respondents in business; the data shows that 44.66 per cent of the Naga entrepreneur and 14 per cent of the non-Naga entrepreneur were in the entrepreneurial venture for the past 1-5 years, whereas when it comes to 5-10 years, 32 per cent of the Naga and 32.66 per cent of the non-Naga entrepreneurs; another, 14.66 per cent of the Naga and 26 per cent of the non-Naga entrepreneurs falls under 10-15 years of experience. There are

<sup>40</sup> Nor Hafiza Othman. Afifah Hanim Md Paxil. Siti Aishah Attaullah. Siti Zamanira Mat Zaib, Chuk Wei Jin & Nur Fatin Diyana Mahadi, Influence of work experience and education towards business performance among entrepreneurs, 2016, p.5.

fewer in number when it comes to 15-20 years of entrepreneurs working in the entrepreneurial profession, with a percentage of 5.33 per cent of the Naga and 16.66 per cent of the non-Naga entrepreneur. The data reveals significantly fewer entrepreneurs working in the entrepreneurial arena who has worked for over twenty years. Only 3.33 per cent of the Naga and 10.66 per cent of the non-Naga entrepreneurs have been in business for the past 20 years and above. The data indicated that non-Nagas have more working experience than the Nagas, and it gives clarity that non-locals have been working and earning in Nagaland for the last few decades; family businesses are also carried out in Nagaland by outsiders, the business passed down from one generation to the other, and because of this, the non-locals have more networking and have built more connections in business sectors leading to rule over the businesses in Nagaland.

The traditions and customs of the Naga society towards entrepreneurship hinder entrepreneurship growth and prosperity. The Naga society lacks to play a role model in supporting entrepreneurial activities and the absence of family support because of high capital investment in entrepreneurship; thus, the family denies taking any risks that are involved, leading to the first-generation entrepreneurs relying solely on their instinct. As mentioned in figures 2.4 and 2.9, it is the culture of the Naga society that gives lesser importance to business activities and focuses on government sectors, thus expecting the same from the youths and putting the children's focus on education sectors only, had crippled the economic growth as the many Nagas set up businesses only when they did not get the desired jobs, thus entering business only in the later stage, having lesser experience in the entrepreneurial adventure, which is much later than the non-Naga.

Mr. Chuba, age 37, running a printing press, mentioned that *“while Nagas were focusing on getting government jobs and were busy taking coaching in a different state, preparing for different competitive exams and craving for white collar job rather than*

*business have led the outsiders to see the business opportunity in Nagaland thus capturing and operating many business in Nagaland. Today we see many youths wanting to start a business, but also, at the same time, many giving up halfway because of several reasons; I have personally asked some people why they have given up their business, and the reason I got was lack of experience in business leading to a management problem, no much profit because of fewer customers which I find baseless as they have not even operated the business for a year also, here what I want to point out is to succeed in business it takes time, to learn something new it takes a few years. Therefore, lack of experience cannot be an excuse for closing the business. Unless you give your time and effort, you will never be able to learn. Compared with the non-Nagas, many start businesses with small shops with small earnings, and in a few years, they can easily expand their business; this shows their persistence to succeed and see things in the bigger picture. Experience in business is important as an entrepreneur myself; it is my experience that is helping me run my business in every aspect, those people who have experience tend to have more knowledge of different activities, which leads them to have more resources, more customers and also more business networking but here the Nagas need to know that it is through failure or by facing different problems in business one gain experience. Hence, the Nagas need to learn to have patience while running a business as business is not a day or a month work; it takes years to build a successful enterprise.”*

### **iii) Working hours:**

Time is one vital and irreplaceable resource of accomplishment. Everything a person does require time, and the better use of time, the more one will accomplish, and the greater the reward will be.<sup>41</sup>

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<sup>41</sup> Brian Tracy, Time management, 2008. p.1.

**Table 2.7**  
**Respondent's Working hours spend in the business.**

<b>Working hours</b>	<b>Naga</b>	<b>Non-Naga</b>
4-8 Hours	58%	9%
8-12 Hours	38%	35%
12 Hours	2%	39%
12 Hours & Above	2%	17%
<b>Total</b>	<b>100</b>	<b>100</b>

The data indicated a difference among the Naga and non-Naga entrepreneurs regarding the number of working hours they spent on their business daily. Table 2.7 depicts that 58 per cent of the Naga and 9 per cent of the non-Naga work four to eight hours daily. Regarding eight to twelve hours, the Naga falls under 38 per cent, whereas the non-Naga falls under 35 per cent. Further analysis found that 2 per cent of the Naga and 39 per cent of the non-Naga worked for 12 hours a day. Only 2 per cent of the Naga and 17 per cent of the non-Naga entrepreneurs have been working more than twelve hours daily. The data reveals a vast gap in working hours between the Naga and non-Naga; the non-Naga tends to be spending more hours in business compared to the Naga.

As shown in table 2.7, the non-Naga tends to spend more hours on their business, which shows their commitment. This inability to commit wholly is a weakness identified in many Naga entrepreneurs, and it can be a significant disadvantage when it comes to prosperity in business. In an interview with Mr. David, age 52 years, who runs a cafe, *“gives an opinion that we Nagas practically failed in business due to poor time management handled by many of the Naga entrepreneurs; the hour spent on the business is never managed accordingly, which becomes another disadvantage in business. Many Naga entrepreneurs tend to open their shops according to their own leisure time, unlike the non-Naga entrepreneurs who have better time management*

*when it comes to business. The opening and closing time of the shop/enterprise should be managed accordingly as this provides customers, but many entrepreneurs failed to do so. We can also look from the customer perspective, the customer looks more for those shops or enterprises with exceptional time management, which assures the customers that the shop will be open and they can avail of their goods. Many Naga entrepreneurs are never specific with the particular hour they spend on business, giving the example of some of the shops or enterprises that are yet to employ any employee under them and are working by themselves running their businesses, these entrepreneurs mostly open and close their shop according to their convenience. I have observed many entrepreneurs close their shops according to the weather. Also, they tend to close their shops early during winter, giving the excuse saying it is very cold, and also when there is heavy rainfall, this becomes another excuse for closing their shops earlier."*

Different reasons were put forward for the working hours spent on business; this section of the study has been divided into three parts; the first section consists of the Naga female entrepreneurs' reasons as to why they are spending lesser time in business, the second is that of Naga male entrepreneurs reason for spending a lesser hour in business. Lastly, it consists of the reasons the non-Naga male entrepreneurs and their cause to work for longer hours in business.

*Firstly*, Naga society is a patriarchal society where household chores, bearing, and rearing the child were the duties of women in traditional Naga society. The study found that female respondent's spouses are working in government sectors; thus, the responsibility of the family falls under the females, making them spend lesser time in business; the duty comprised of; family has the habit of taking dinner around 5:30 and 6 pm thus, the female entrepreneurs close down the shops earlier than the others for their family needs. It is also known entrepreneurs can open their shops only after 11 am

because of the household work that needs to be done by them and also children's education becomes the main priority, thus spending lesser time in business. Family restrictions on doing business in fear of being unable to give time to the family needs; therefore, because of this obligation, they are pressured to share more of their hours in family roles rather than in business. The unavailability of a caretaker or helper to look after the household works and the unavailability of employees to look after the business makes the entrepreneurs spend fewer hours in business.

*Secondly*, the study found that in many localities, school buses are not available; thus, it is the responsibility of the father's role to drop their children at school, later pick up the children from school and drop them off at different tuition centers making the them unable to focus on business. Another reason is the working location is far from the respondent's home; therefore, because of the heavy traffic, they closed down the shop earlier, leading to working lesser hours in business; unable to find a skilled employee was also mentioned by the male entrepreneurs.

*Thirdly*, the study found that many of the non-Naga respondent's families are not living in Nagaland, thus giving the entrepreneurs the time to focus and work more hours in business. Also, the entrepreneur's families residing in Nagaland are primarily housewives. Their wives look after the children and the household chores, thus making it easier for the spouses to run the business for longer hours. Another reason is that the entrepreneurs have rented an extra room in the same building where they have set up their enterprise, thus making it easier to spend long hours in business.

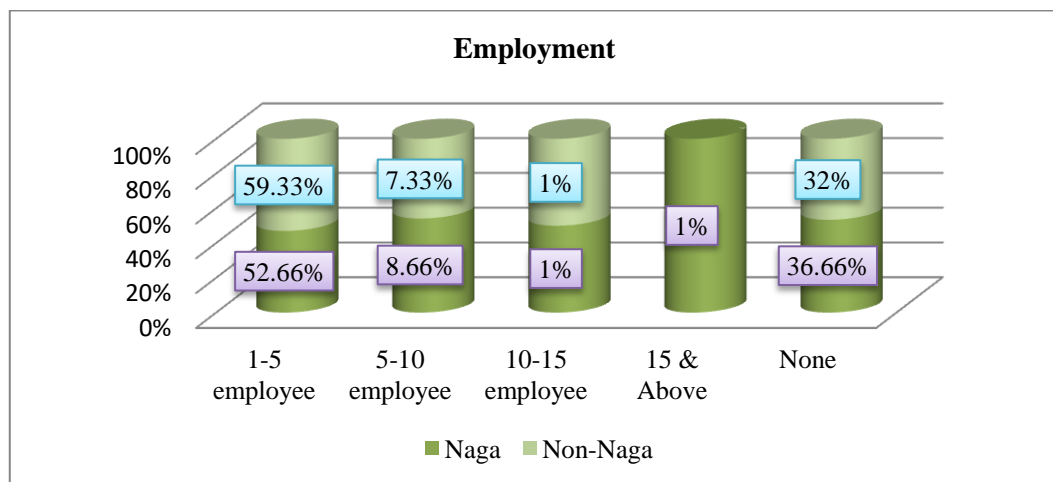
#### **v) Employment:**

Entrepreneurship is the only scope and solution that can help decrease the number of unemployed youths and provide employment in the Naga society. Though many measures are taking place, there is still a need to advance the Naga society into



entrepreneurial activity, open up the society's mind to know the importance of entrepreneurship, and spread more awareness in the community. Nagas focusing more on white-collar jobs rather than entrepreneurship has become a big issue in Nagaland. The mindset itself is the biggest issue that needs to be changed to bring out more people to venture into business and employ the unemployed, which can boost the state.

**Figure 2.11**  
**Number of employees employed by the respondents**



The data shows that entrepreneurship provides a space for people to be employed. The comparative study between the Naga and the non-Naga entrepreneurs indicated that 52.66 per cent of the Naga and 59.33 per cent of the non-Naga have employed one to five members employee. The study also reveals that 8.66 per cent of the Naga and 7.33 per cent of the non-Naga have employees between five to ten employees. In contrast, when it comes to ten to fifteen, the Naga and non-Naga have employed 1 per cent of each employee. Some entrepreneurs are yet to hire any employee; 32 per cent of the Naga and 36.66 per cent of the non-Naga entrepreneurs are yet to engage them. Entrepreneurship is one sector that can provide jobs to unemployed youths. With the rise of unemployed Naga youths and the rise of the non-locals in

Nagaland, setting up and taking part in different entrepreneurial fields is not helping the Nagas, as most non-locals tend to employ the non-locals only.

The employment sectors in entrepreneurial areas are also getting into the hands of the non-Nagas. In 2007, the Department of Evaluation conducted a survey where the study revealed that the third largest workforce of non-Nagas was in trading and entrepreneurial activity. Running of pan shop employs 2,780 persons, followed by the grocery/ration shops and then by the service sector with 2,514 persons engaged in plying handcarts and rickshaws. The catering/hotel and restaurant industry, also the service sector, had a workforce of 2,257 and was the sixth largest employer of non-Nagas.<sup>42</sup> There are about 90,000 registered educated unemployed in Nagaland, and there are still many who are yet to register; there is a growing unemployment, and the rate is increasing with every passing year.<sup>43</sup>

During the first wave of covid- 19, 13,226 workers returned to Nagaland state from different parts of India. Due to the lack of industries in the state, the government can't provide jobs; thus, the returnees working in various private companies and unorganized sectors have returned to Nagaland after losing their job temporarily or permanently, which has prominently increased the rate of unemployed in the state.<sup>44</sup> This pandemic proves the need for industries in the state as this is one sector that can help decrease the overgrowing unemployed youths in the state.

There is also a need for the Naga society to adventure into different entrepreneurial activities that can create more employment seats by hiring employees; the society needs to start supporting entrepreneurship in the state as this is the only

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<sup>42</sup> Government of Nagaland. Directorate of Evaluation. "Evaluation Study on Employment Opportunities Forgone by Nagas and Employment of Non-Nagas in the State."Publication No 52, Kohima. July 2007.

<sup>43</sup> Nagaland Post, 22 December 2022, Problems of educated unemployed youth.

<sup>44</sup> Temjen Jamir, A study of the socio-economic impact of covid-19 in Nagaland, 2022.

solution that can generate more job opportunities and equally help in boosting the economy of the state. The Nagas need to catch up with the outsiders doing very well in business and provide many employment opportunities by engaging themselves in different entrepreneurial activities in Nagaland.

**v) Income:**

The economic status of an individual has a weeping influence on the life of an individual. Hence income gives an insight into the family's financial situation that is instrumental in forming the behavioural pattern of unemployment in society, both external and internal.<sup>45</sup> This study section will focus on the yearly income earned by Naga and non-Naga entrepreneurs in Nagaland. The table represented below shows the annual income of the entrepreneurs in Nagaland.

**Table 2.8**  
**Comparison of yearly Income earned yearly between the Naga and non-Naga entrepreneur**

<b>Yearly Income</b>	<b>Naga</b>	<b>Non-Naga</b>
60000-70000	11%	4%
70000-80000	22%	7%
80000-90000	18%	2%
90000-100000	13%	15%
100000-200000	12%	30%
200000 & Above	24%	42%
<b>Total</b>	<b>100</b>	<b>100</b>

It appears from (table 2.8) that 24 per cent of the Naga entrepreneurs fall under the earning of 2,00,000 and above income slabs, which are recorded as the highest yearly income, followed by 22 per cent from 70,000 to 80,000 income slabs; 18 per cent are from 80,000-90,000; 13 per cent earn 90,000 to 1,00,000 yearly ; and the rest of 12

<sup>45</sup> Medonuo Pienyu, A Sociological Study of Unemployment Problem: A Comparative Study of Angami and Chakesang Women, 2013, p. 109.

per cent comes under the income slabs of 100000 to 200000, and lastly, 11 per cent of the respondents earn 60,000 to 70,000 income per year. In comparison of the yearly incomes for the non-Naga entrepreneurs, 42 per cent of the non-Naga entrepreneurs earned 200000 and above of income every year; 30 per cent earned 100000 to 200000 income yearly; 15 per cent fall under the category of 90,000 to 100000 income; while 7 per cent of the respondents earned 70000 to 80000; 4 percent from 60,000 to 70,000 and lastly 2 per cent of the respondents earn between 80,000 to 90,000 yearly.

A comparative study between the entrepreneurs, i.e., the Naga entrepreneur and the non-Naga entrepreneur in Nagaland, shows wide-ranging differences in the income slab. From the table, the data points out that non-Nagas are earning much well than the Nagas; looking at the two highest income ranges given in the table, the income range of 1 lakh-2 lakh and 2 lakh and above, the data indicated that 12 per cent of the Naga entrepreneurs fall under the yearly income of 1 lakh to 2 lakh where for the non-Nagas 30 per cent falls under this category. The highest income range given in the table shows that 24 per cent of the Naga earn a yearly income of 2 lakh and above, whereas 42 per cent of the non-Nagas earn an annual of 2 lakh and above.

Thus the yearly income explains the current situation of economic status in Nagaland. The data shows that the non-Naga entrepreneur is doing much better than the Naga entrepreneur. This indicates that Nagas need to catch up with the outsiders in business. The Bangladeshi and people from the mainland of India (legal or illegal) prosper more in business. The outsiders' earnings are going outside the state, which does not benefit the Naga society. The money they earn is also going outside the state. Therefore the Nagas need to start focusing on entrepreneurship as with the growth of entrepreneurship, the economy will be prosperous in Nagaland, and the money the entrepreneurs earn will circulate among the Nagas only, which will bring more

economic development in the state, unlike the present situation, where the outsiders are covering almost all the business in Nagaland. The table below shows the non-locals employment in different entrepreneurial sectors and their yearly income from engaging in various entrepreneurial activities.

**Table 2.9**  
**The total number of non-Naga employed and the yearly income earned in Nagaland**

Sl.No	Name of the trade establishment run by non-Naga	No establishment		Total No. Of employees		Year income in Rs	
		Kohima	Dimapur	Kohima	Dimapur	Kohima	Dimapur
1	Vegetables	225	440	280	508	32154672	30480000
2	Fruits	50	180	80	217	6751200	15624000
3	Grocery	560	880	1020	1485	75314016	707706396
4	Pan shop	449	827	550	2150	90809256	141826576
5	Clothing/Textile	276	1125	677	1727	96763332	327240000
6	Electronic	440	206	526	488	56008584	55619256
7	Carpentry	50	97	70	288	4896960	30675456
8	Cosmetic	145	398	174	666	16119600	428573160
9	Stationary	65	48	130	96	8713200	7428096
10	Chemist	30	186	52	378	4138560	33473028
11	Hardware	63	218	109	594	11831424	89548200
12	Construction site	120	80	1713	2222	67333560	146652000
13	Drivers/taxi/truck	15	49	701	330	53581200	17820000
14	Hotel	96	473	305	1939	26637960	105378000
15	Tailor	270	320	535	601	37548300	39955992
16	Travel agency	1	13	12	60	564000	7536000
17	Motor parts	70	191	105	367	6403200	32301000
18	Shoes	74	191	285	305	33767400	24243840
<b>Total</b>		<b>2999</b>	<b>5922</b>	<b>7324</b>	<b>14421</b>	<b>629,636,424</b>	<b>2,382,697000</b>

**Source:** Directorate of Evaluation, Government of Nagaland, 2007

(Table 2.9) shows a large number of non-Naga engaged in different types of business, the different types of business run by non-Naga entrepreneurs; it also shows the number of employees employed in various sectors, as well as the yearly income the outsiders earn in the state of Nagaland in the district of Kohima and Dimapur. According to the survey done by the Department of Evaluation, Government of Nagaland 2007, the table shows that there is 2999 business establishment in the capital

of Kohima and 5922 in Dimapur where the non-Nagas is running their entrepreneurial activities in a different field; the table also gives an insight about the numbers employees employed in various sectors of business in other areas, a total number of 7324 employees in Kohima and 14421 in Dimapur with earning a total amount of Rs 629,636,424 yearly in Kohima and a total amount of Rs.2,382697000 annually in Dimapur by engaging themselves in the different trading field. Therefore the growth of the business can be the upliftment feature of economic growth, it can be a solution to providing jobs to many unemployed youths in the state, and it can improve the backwardness of the state with the development of entrepreneurship. Thus, there is a need to uplift the Naga society on the importance of entrepreneurship and speed up more awareness among the people to be self-reliant and self-independent for the betterment of society.

## **Chapter 3**

### **STATUS OF ENTREPRENEURS IN NAGALAND**

#### **1. Importance of entrepreneurship:**

Entrepreneurship is considered one of the most important factors as it can generate employment among the young generation. It is a way where the younger generation can be self-employed and will also have the ability to create jobs for others. It will make the youth less dependent on government jobs as the government can only offer employment to some unemployed youth. The entrepreneurship culture is very much relevant in bringing changes in the society, and it has the power to eradicate the backwardness of the people, which is very much needed in the Naga society; it can also help the state to provide better economic development, a better society and provide the society to be more innovative and creative and motivate the Naga society to built-up and take part in building up the economic development. Nagaland remained one of the most backward regions due to the lack of industrial backwardness. However, many systematic changes are taking place, and many efforts are put forward to promote entrepreneurship in the state, but it still needs to catch up.

The nature of entrepreneurship in Nagaland has had many positive sides over the years. The Naga society has started participating in different entrepreneurial activities in other parts of Nagaland. There is no doubt that there is an immense rise in unemployment in the state and but along with that, one also witnessed that there is also the growth of entrepreneurship in the state; the government of Nagaland is also imparting different efforts by emphasizing promoting Micro enterprises, and it is micro-enterprises that have made considerable contribution in the socio-economic development of Nagaland.

The state is also witnessing the rise of many local entrepreneurs. Young talented people in the Naga society are starting to use their talents by actively participating in different business fields and gaining success in the various business arenas. There is a growing jewellery industry in Nagaland, one of the most famous jewellery businesses ‘Runway Nagaland’ have been making a mark in jewellery and handloom. A team of women artisans is working on creating and proving different necklaces by focusing on age-old traditions, techniques, and designs. The Runway Nagaland is also promoting the business outside the state to expose and promote ‘Made in Nagaland’ products.<sup>1</sup> Another growing jewellery business in Nagaland is Gutouch founded by Gugu Kuotsu, the entrepreneur is creating jewellery with passion, it first started by breaking old pieces and recreating into a new piece of jewellery. Different jewellery are made, handcrafted earrings, necklaces, bracelets, chokers, handmade flowers, brooches, and so on.<sup>2</sup>

Ete Coffee is the first coffee roasting company in Nagaland, established in 2016 by Lichan Humtsoe. The company's philosophy is based on one simple truth: everyone should stand independently. In Naga society, the people are mostly dependent on government directly or indirectly. The first goal of the company is to provide employment.<sup>3</sup> The company has been growing successfully and selling its coffee package all over India and abroad. Today the company owns a farm, Roastery, and coffee bar.

The state of Nagaland has crossed 54 years since it attained statehood. Still, the process of development is instead going at a slow rate, and promoting entrepreneurship can be one stimulating factor that can help in the economic growth of the state of Nagaland; there is no doubt that the state is making significant progress in the field of

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<sup>1</sup> <https://rootsandleisure.com/nengneithem-hengna-founder-of-runaway-nagaland/> (Accessed on 11 Jan 2021).

<sup>2</sup> *ibid*

<sup>3</sup> <http://indiancoffeeculture.com/stories/ete-coffee/> (Accessed on 11 Jan).



entrepreneurship and it still to make more progress and growth of unemployment problems in the state which is swelling up year after year and which has eventually led many Nagas to venture out in the field of trade and commerce with a hope to sustain their life.<sup>4</sup> No doubt many are succeeding in the entrepreneurial arena, as mentioned above, the growth of the jewellery Industry and the growing of Ete coffee. Many entrepreneurs have achieved and are progressing well and making a fortune, but there are still many youths struggling and giving up because they failed in business.

***Different stages of entrepreneurship:***

Welsh & White (1978) identified numerous stages to successful entrepreneurial development that ought to direct would-be entrepreneurs on their path and help others to understand the entrepreneur's behaviour. These five stages were existing, survival, success, take-off, and resource maturity. At the start-up of a business, the procedure involves all functions, activities, and measures linked with identifying and evaluating seeming opportunities and bringing together resources necessary to form a new firm productively. Once the new firm is set up, the process of building the enterprise comes into effect, and an exclusive series of opportunities targeting and marketing tactical decisions to allocate a scarce resource in the pursuit of value-adding opportunities.<sup>5</sup>

Before the start-up, the entrepreneurs have a lot to do, from writing down the plan that will help them operate the business, making a structure on how to run and grow the business that will help the business to flourish and according to the plan, decided as to how much funds are needed to start up the business and if funds are not enough, the entrepreneurs search for funds either by applying for loans from the bank or getting financial help from the families or peer group. To explore the correct location to

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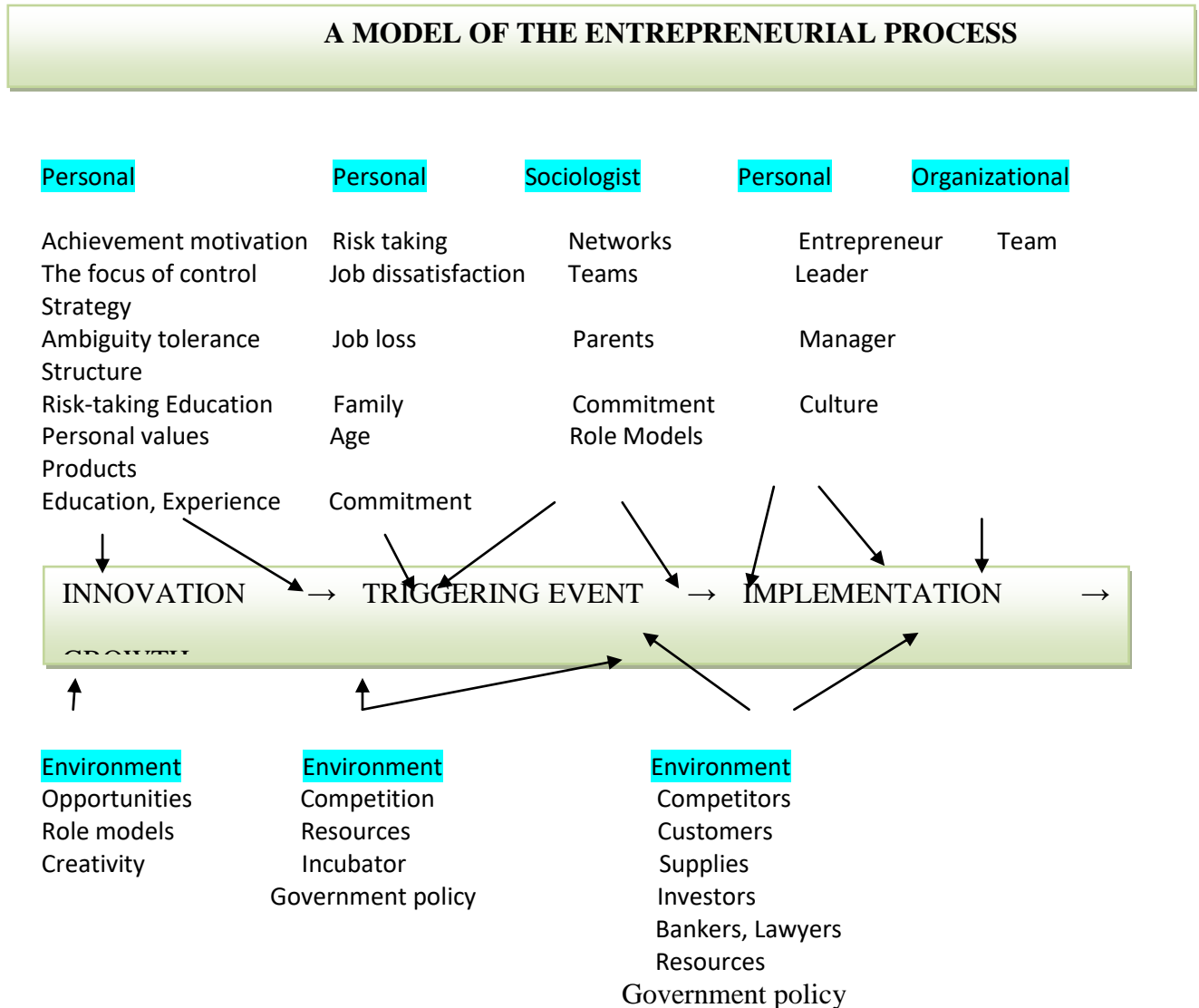
<sup>4</sup>Nagaland Post, Dimapur, Wednesday, November 7. 2018. VolXXVIII No.332, p.6.

<sup>5</sup><https://repository.up.ac.za/bitstream/handle/2263/24173/04chapter4.pdf?sequence=4> Accessed on 11 Jan 2021).

<sup>5</sup> *ibid*

set up the business, the entrepreneurs are busy registering and getting the license permit to operate the business after the site is finalized.

**Figure 3.1**  
**Entrepreneurial process model by Hisrich and Peters**



**Source:** <https://repository.up.ac.za/bitstream/handle/2263/24173/04chapter4.pdf?sequence=4>  
(Accessed on 11 Jan 2021)

These four stages of the entrepreneurial process defined by Hisrich and Peters are as follows: The first stage is the innovation that generates new ideas, invention, identifies the marketplace and its opportunity, information search, conception, screening thoughts for feasibility, shaping where to take out value, and developing the manufactured goods or service; the second stage is need of motivation to start a

business, the decision to proceed, business planning, identify the capital required, risk assessment, resource acquisition, and assembling. The third stage is execution includes infancy, incorporation, setting up and introduction to a new venture, business strategy, implementing the business plan, managing the business, deploying resources, building success, and supervising the experience. And lastly, the fourth stage is growth, which includes capital resources for running the business, building success and maximizing profits, harvesting the rewards earned from the company, and persistently increasing the business enterprise for other opportunities.<sup>6</sup>

## **2. Entrepreneurs experience:**

The experience of an entrepreneur plays a prominent influence on the performance of the entrepreneurs that could run the entrepreneur to run a more successful business over time. Entrepreneurs with past business experience, who have consecutively passed from one business enterprise to another, have gained experience that allows them to learn and better confront future entrepreneurial situations, even those that may be new to the entrepreneur. This experience will enable the individual to know the essential needs needed to run an organization enterprise through predominantly experiential. Experience entrepreneurs have a tendency to be proficient of processing a tremendous amount of information in a given instance and seeing the big picture, which novices tend to neglect.<sup>7</sup>

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<sup>6</sup> *ibid*

<sup>7</sup> Esteban Lafuente. Yancy Vaillant, Ferran Vendrell-Herrero and Emanuel Gomes, Bouncing back from the failure: Entrepreneurial resilience and the internationalization of the subsequent ventures created by the social entrepreneurs, 2018, p.3.

**Table 3.1**  
**Respondents' experience**

<b>Respondent's past business experience</b>	<b>Naga</b>	<b>Non-Naga</b>
I have done other business before starting my current business	11%	42%
I Have not done any business before	89%	58%
<b>Total</b>	<b>100</b>	<b>100</b>

According to the data, it is found that 11 per cent of the Naga and 42 per cent of the non-Naga entrepreneurs have been in the entrepreneurial arena before starting the current business, whereas 89 per cent of the Naga and 58 per cent of the non-Naga entrepreneurs have no entrepreneurial experience before starting up their present business. Past business experience can be the most considerable advantage as the experience can mold the entrepreneur to run the business more smoothly. Jaymee Ng (2021) stated that earlier entrepreneurial knowledge could persuade entrepreneurs to juggle numerous roles when starting the businesses. Entrepreneurs with no experience tend to focus only on one part and ignore the vision of other important things while running the business. On the other hand, knowledgeable entrepreneurs with experience tend to have more balanced jobs.<sup>8</sup>

Several reasons were put forward by the Nagas as to why they have shut down the previous business, reasons includes: financial problems leading to selling off the already set-up enterprise because of having to pay the medical needs that was required in the family, unable to pay the loan taken from the money lenders thus using the business to cover up the loan, unable to recover the invested capital thus leading to the financial crisis, shutting down the business to go for further studies in the hope of getting a government job, parental pressure to shut the business as there was no much

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<sup>8</sup> *ibid*

profit earned in the business, due to child care the female entrepreneurs have to shut down the previous business and lastly, the previous business did not gain much profit thus shutting the business to start something new.

The study further reveals non-Naga reasons for shutting the previous business; the location where the business was set up was not very favorable as the location where the business was set up did not attract much customers, a conflict with the business partner as the partner was addicted to alcohol and the business did not see much growth as expected thus deciding to shut down the business to venture into a new area of business.

Naga and non-Naga entrepreneurs reveal that their previous business is helping them run their current business. Their involvement during the last business has provided them with knowledge about the products and services, giving them more loyal customers and staying connected with them. The experience has helped them learn from their past mistakes to help entrepreneurs build more sustainable business. It allowed the entrepreneurs to see business from different perspectives and make decisions more wisely, understand the competition in the ongoing market, and understand the needs of the people more.

**Table 3.2**  
**Respondents past business experience**

<b>Respondents past experience</b>	<b>Naga</b>	<b>Non-Naga</b>
Have search for job	62%	14%
Have not search for any job	38%	86%
<b>Total</b>	<b>100</b>	<b>100</b>

The data shows that 62 per cent of the Naga entrepreneurs and 14 per cent of the non-Naga entrepreneurs have looked for a job before setting up their business, whereas

38 per cent of the Naga and 86 per cent of the non-Naga have not looked for any other job and have set up their business directly. Out of the 62 per cent of Nagas, 57 Naga respondents have said that they have tried getting into a government job, whereas 5 per cent of respondents have looked for a career in the private sector. In contrast, out of the 14 per cent of non-Naga respondents, 7 per cent of respondents have looked for government jobs, and 7 per cent of respondents have looked for a career in the private sector. The data clearly indicated that the Naga society is still unable to look beyond the traditional employment sector, the society is not venturing into taking new areas, the continuing practice of dependence on the parents, over-reliance on the government, which has become a habit of the Nagas, therefore this culture has led the Nagas from one generation to the other to follow the same pattern and still making it difficult to break the traditional barrier that is hampering the growth of entrepreneurship in the state.

Whereas on the other hand, some respondents reveal that doing business was a better option as getting a government job in this era is very difficult; the respondents have given their opinion that without political leader support, it was difficult to get a job, seeing the present corruption and the increase of backdoor appointment in the state has led the them to prioritized business profession rather than a government job.

### **3. Business Location:**

Selecting location<sup>9</sup> setting up an enterprise has to be decided carefully by the entrepreneurs..<sup>10</sup> Levy and Weitz (1998) stated that selecting a business location is one of the business strategies because the location is characteristically the very important

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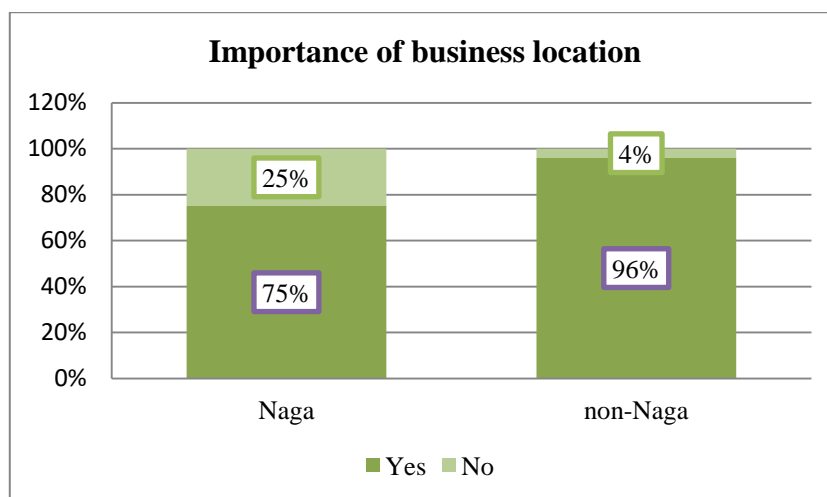
<sup>9</sup> Business location means a premise the entrepreneur selects to set up the business.

<sup>10</sup> Nurul Indarti, Business location, and success: The case of internet café business in Indonesia, 2004, p.2.

consideration in a customer's store choice, Mazze (1972) states that location is one aspect that determines the success of a business.<sup>11</sup>

Before establishing the business, the entrepreneurs need to give their first priority in location as location can decided on the success and failure of business. Choosing location is one important decision that an entrepreneurs make when setting up business, while choosing location, entrepreneurs might consider customers convenience, as setting up in the wrong location may cause the customers to go elsewhere when its becomes inconvenience to reach the store, a need to set up business in a location that provide a feeling of safety to the customers.

**Figure 3.2**  
**Importance business location**



The figure shows that 75 per cent of the Naga and 96 per cent of the non-Naga have agreed that location is one the essential factor for any entrepreneur in operating and marketing the business, whereas 25 per cent of the Naga and 4 per cent of the non-Naga did not believe that location as a vital source for managing business. Location is one of the essential factors while setting up the business; as many customers search for a more convenient location, it should also be a location where deliveries are not restricted so that there will not be any problem with the supplier while delivering the

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<sup>11</sup> *ibid*

goods. The entrepreneur should also choose a premise with enough accessibility to accommodate interests according to the business plan made by the entrepreneur.

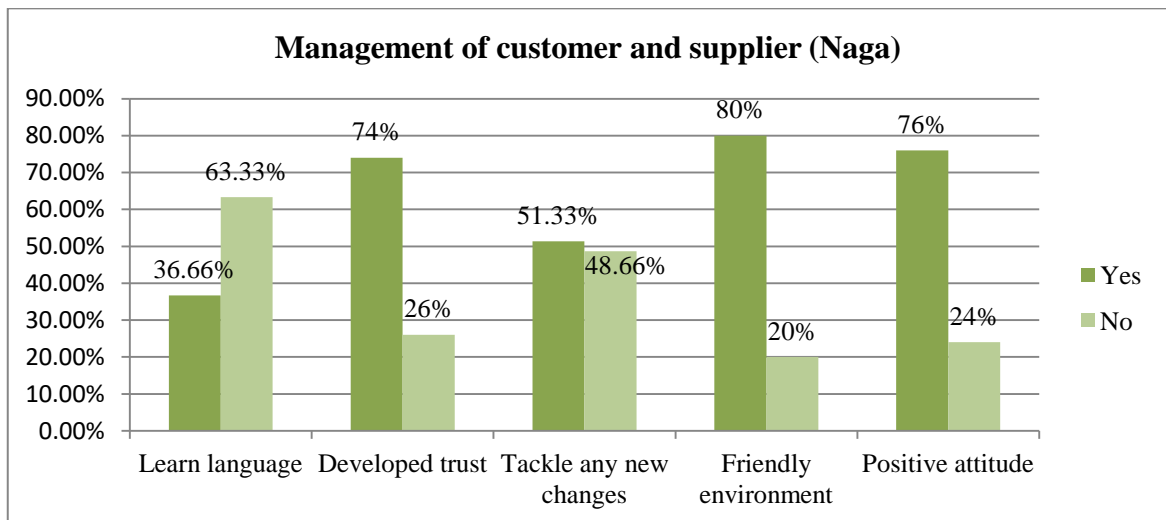
Thus location to set up a business can also be a deciding factor for the success or failure of the company. The study found that many Naga entrepreneurs face the difficulty of finding a good premise with a good business location as the good locations are mostly occupied by the non-locals, even though the non-locals needed only one unit to set up their business, the non-locals tend to occupy the whole building or the best units to use them as storage and also to avoid competition. The Naga landlords also prefer to rent the units to the non-locals, thus giving them full control of the whole building and also when a new building is built in the town, especially a good commercial site in Nagaland, the non-Naga are very willing to pay for the security deposit in advance, thus booking the entire constructed building, whereas when the Nagas are in a dilemma for the payment and finding it difficult to pay, the good commercial sites lands in the hand of the non-Nagas.

#### **4. Customer and supplier management:**

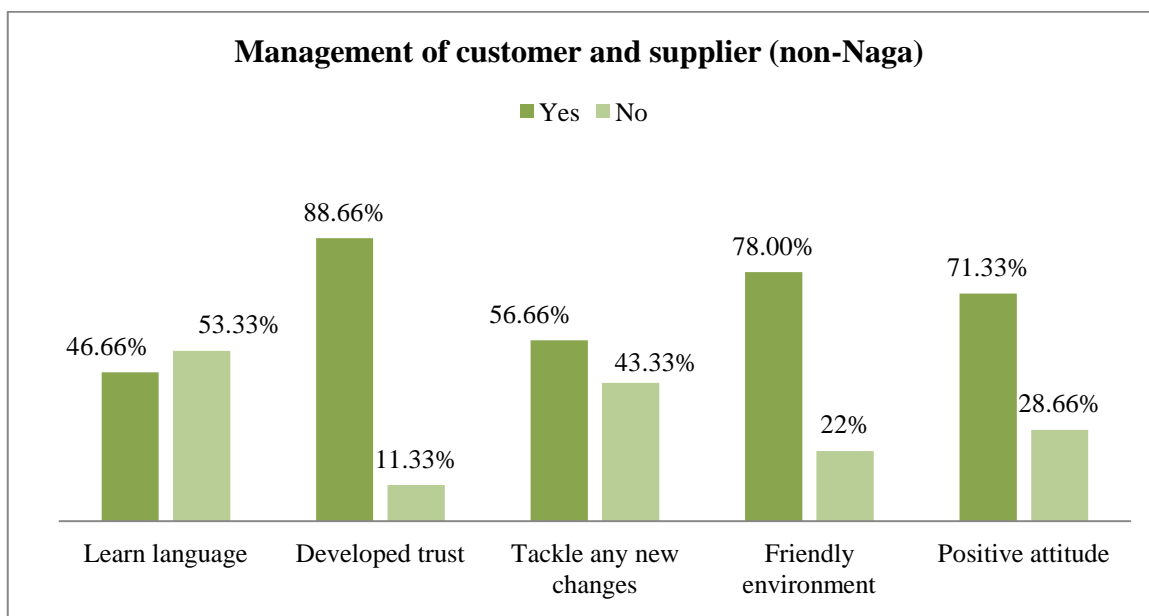
There are several factors in how entrepreneurs manage their customers, whether dealing within the state or with other entrepreneurs from another side. Managing the customer and supplier is another important factor the entrepreneurs deal with; in every business, an entrepreneur deals with the customer and supplier for the business to flourish. Because of the unavailable raw materials in Nagaland, entrepreneurs bring 80-90 percent of the products from outside the state to run the business efficiently.



**Figure 3.3**  
**Management of customers and suppliers (Naga)**



**Figure 3.4**  
**Management of customers and suppliers (non-Naga)**



**a) *Learn a language:*** Language is a means for humans to communicate with other human beings. It is human capability to converse with another using a sign, such as words, gestures, tools to interact and communicate. According to the data, 36.66 per cent of the Naga and 46.66 per cent of the non-Naga emphasize that learning language is essential while dealing with the customer or supplier, whereas 63.33 per cent of the

Naga and 53.33 per cent of the non-Naga disagree with it. The study found that many of the non-Naga faced the problem of a language barrier when the respondents came to Nagaland for business opportunities; learning a new language is not very easy for everyone, and they were unable to converse with the people from Nagamese language, Nagamese is the most widely used language in Nagaland and is spoken by majority of the people across Nagaland, a common language used for cross interactions, thus, language was the barrier the non-locals faced in business. The study further indicated that during the early years of the '90s and 2000, there were only a few Nagas who could speak the Hindi language though now many of them talk very fluent Hindi making it easier for non-locals who come to set up businesses.

**b) Trust:** The data also reveals that 74 per cent of the Naga and 86.66 per cent of the non-Naga agreed that there is a need to have trust between the customer and supplier to run the business smoothly. To run the business trusting the right person is very important as trust is the foundation of all relationships, building trust in business is a must for entrepreneurs as this will create most business opportunities. Miss Stacy, age 34, said, *"I am running a wholesale shop in Kohima and I get 90 per cent of my goods from Dimapur, and I believe that 80 per cent of the supplier are run by the non-locals. While dealing with the main supplier, I have learned that many suppliers are unwilling to give credits to the locals. When asked, I was told that many locals don't pay on time but readily agree to give credit systems to non-locals. This shows their trust in their people, which can be another plus point for outsiders doing much better in business. Throughout my experience, what helped me in running my business was the trust I have built with the suppliers; while purchasing consumer goods, I always pay on an installment basis which has helped me to improve my business in the long run".*

**c) Tackle new changes:** Data shows that 51.33 per cent of the Naga and 56.66 per cent of non-Naga believes that there is a need for an entrepreneur to know how to tackle any sudden changes, as the business is not always stable. There is a need for an entrepreneur to always be ready to tackle any new sudden changes in the business while dealing with different kinds of customers and suppliers. For an entrepreneur to succeed, one should have awareness, and alertness, focus on winning, and deal with any sudden fluctuation, which is common in business.<sup>12</sup> They have to be able to adjust to both the attractive and unattractive features that are bound to happen while running a business as entrepreneurs who can maintain and manage the changes becomes more efficient than others, and this business can serve more customers.<sup>13</sup> According to McClelland an entrepreneur must be practical, intelligent, have inventive thoughts, be able to fit into various problems and be in a situation to deal with them. Entrepreneurs should foresee change and be able to study the different conditions under which decisions must be made.<sup>14</sup> Entrepreneurship involves risk-taking; Knight (1965), in his article on Risk, Uncertainty, and Profit, described an entrepreneur as a specific group of persons who put up with risks and deal with uncertainty, a person should be in a position to adapt with any sudden changes, and take risk that cannot be insured against, cannot be measured and is incalculable.<sup>15</sup>

**d) Friendly environment:** A pleasant atmosphere is also needed while running a business; customers and suppliers prefer a friendly environment. The data reveals that 80 per cent of the Naga and 78 per cent of the non-Naga agrees that there is a need to create an environment, as it the environment which will warm up, attracting more customers or dealing with the different suppliers; it also makes a welcoming place

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<sup>12</sup> Nandram, Sharda S, Karel J. Samson, Spirit of entrepreneurship: exploring the essence of entrepreneurship through person stories, 2006.

<sup>13</sup> *ibid*

<sup>14</sup> Nikhil Bhusan Dey. Goswami Jyoti, Brajesh Kumar, Entrepreneurship and Small Business Management in North-East India, 2012. p.105.

<sup>15</sup> *ibid*

between the employer and the employee, it helps motivates the employees to work harder gaining more success in the business.

Society is a place where people live under one umbrella; the environment the people live in has a direct impact on an individual's life. The research study reveals that Naga society lacks in creating an entrepreneurial environment in the society; in many Naga households, parents are still pursuing their children to careers in the field like doctors, engineering, scientist, lawyers or to get employed in any government sector. Parents choose to marry their daughters to government job holders as people believe that it's a well-to-do job as compared to the individuals who are in the business profession; that has more or less dominated the mindset of the youths and has become the reason for not preferring entrepreneurship. Thus, the Naga society needs to create an entrepreneurial environment where entrepreneurship is valued, supportive as this can contribute to a sustainable growth of entrepreneurship.

*e) Positive attitude:* Lastly, a positive attitude also plays a vital role in business; the data reveals that 76 per cent of the Naga and 71.33 per cent of the non-Naga has said that it is the attitude that plays a massive role in business as it is the attitude that will create the entrepreneur to have more and more opportunities which will eventually help the entrepreneur to walk into the road of success. The research study highlighted that there is a need in the Naga society to promote entrepreneurship; the stereotype of the Nagas toward entrepreneurship has a negative impact on the people; society still believes that entrepreneurship is not a well-to-do job; it is nothing but investing money and gaining only little in return, whereas the government sector is a secured job where one gets paid with or without working. Society is still with the thinking that business is for people who are rich and have enough money to set up a business, and even if the enterprise close down, it will still not affect the family financially in any way; this stereotype has,

in a way, affected the growth of entrepreneurship in Nagaland. Thus there is a need to spread a positive attitude about entrepreneurship and change the mindset that white collar is not only successful job and entrepreneurship is not for rich people only.

### **5. Importance of customer satisfaction in business:**

For any business to grow, money is the most important source for survival, and to earn money in business, the only source is the customer. For any entrepreneur to succeed in business, customer satisfaction is essential. Customer satisfaction is very much needed as satisfied customers are likely to have a positive impact and repurchase more consumer goods. In contrast, non-satisfaction of the customer can lead to a off-putting impact on the business as the displeased customer takes action by sharing the negative experience the customer faced with friends, family, and so on that can throw a lousy impression on the business.

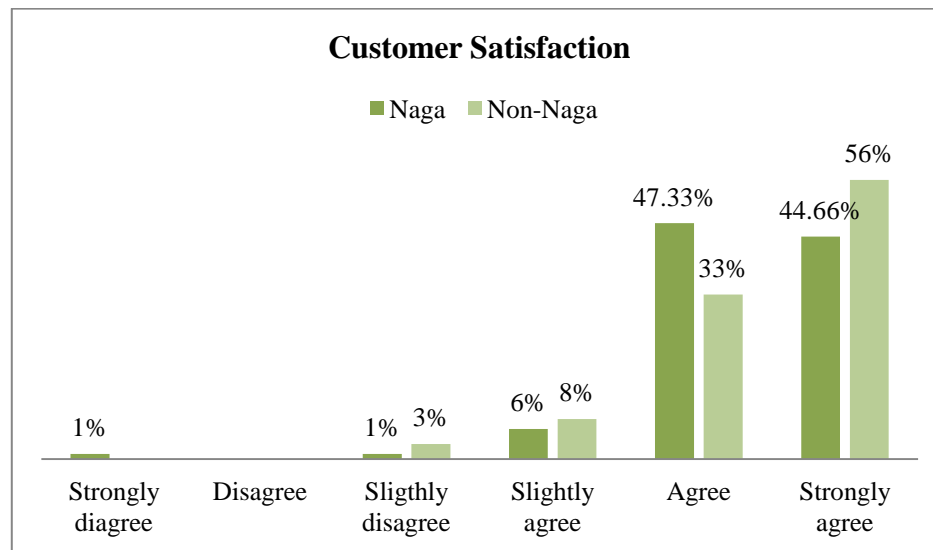
According to Weinstein (2012), the key to withholding is customer contentment, fulfillment that leads to customer satisfaction by delivering better-quality customer value. Contented customers stay devoted longer, talk favorably, and pay less attention to the competition.<sup>16</sup> Cheerful nature, respect for their work, capability to sort out their moods, not allowing personal lives to interfere with their workplace mood, displays trust from the regular customers, and taking a long-term view of the customer-employee relationship.<sup>17</sup>

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<sup>16</sup> Donovan.A.McFarlane, The strategic importance of customer value, 2013.

<sup>17</sup> Robert Christie Mill, A comprehensive model of customer satisfaction in hospitality and tourism: Strategic implications for management.

**Figure 3.5**  
**Customer satisfaction**



The study reveals that 44.66 per cent of the Naga and 56 per cent of the non-Naga have strongly agreed that customer satisfaction plays a significant role in entrepreneurship. Therefore, in any business, a customer plays a vital role as the person with a want and need and is willing to buy the products by paying with money. In this study, Naga customers have given their view on satisfaction based on their experience; Naga customers prefer to buy consumer goods from non-Naga rather than Naga as the Nagas entrepreneurs habitually put consumer goods at an excessively high price; it is tough to bargain, which ultimately puts dissatisfaction, leading the customers to avoid buying goods from that particular store or shop. People are going with the trend support locally, and many are willing to support but what about the price as customers will prefer buying things where one can get items at a cheaper rate, taking the example of the non-Naga shops where one choose to purchase goods from them because things are more inexpensive and also the same goods that are available in the Naga shops are available in the non-Naga shop in a cheaper rate, this shows how well the non-Nagas can grab the opportunity of getting more customers and earning more than the Nagas. Naga ship-owners think of becoming rich overnight; therefore, their products are

overpriced, leading the customers to buy things from non-local. Nagas need to work on this and learn from the outsider how they run the business if they want to succeed like the outsiders.

The non-locals stated that, many Nagas think of only gaining profit rather than to stabilize their business first by attracting more customers which is the core foot leading the success of the business, a business cannot be run without customers as it is the customer that helps the business to grow, the non-Nagas respondents feel that it is better to gain more customer than to search for profit first, there is no denying that profit is equally essential but to gain profit one needs to have customer thus it is better to earn a regular customer where slowly profit will automatically follow.

While discussing with the customers, the study found that when a customer goes to the Naga shop to buy goods, the customer will bargain for the things that they like but face a lot of problems when it comes to communicating with the shop owners, customers often face that the person looking after the store has the attitude of take it or leave it, which doesn't sound attractive to the customers and it is not a customer friendly attitude. In contrast, whenever one goes to the non-Naga shops to buy goods, one often feels that their friendliness is more entertaining and consumer friendly. The way they deal with the customers is more attractive, which becomes the main reason for having more customers; their nature in doing business leads to the satisfaction of the consumers, whereas this is absent in most of the Naga stores.

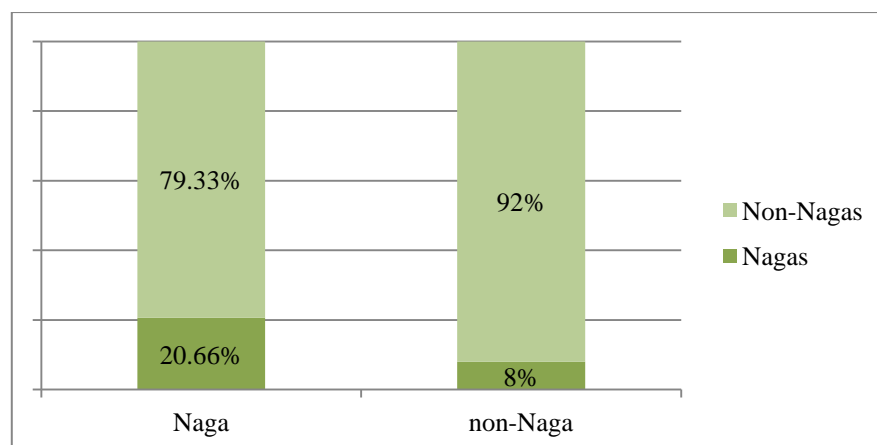
## **6. Employment preferences:**

Employing of migrants started way back when the Bangladeshi migrants started entering Assam in search of jobs leading the migrants to set foot in Nagaland, where at that time, business was minimal among the Nagas. In the early years of the 1950's the Naga villages started clearing the jungles and have started building houses, paddy fields

were common in the early years and the Nagas were in search of labor workers to work for them in their fields as during the early years there is immense availability of land but the Nagas were few in number only.

Therefore the Nagas started hiring migrant laborers to work in the field, leading to attracting more and more laborers to the state of Nagaland. The uppermost period of migration started taking place in the year 1970's and 80s. It was easy for the migrants to come to Dimapur as the railways were connected, the migrants who came to Nagaland was primarily agricultural laborers, this laborers were poor, thus, their enthusiasm to earn their source of revenue has compelled migrants to go to Nagaland as plenty of jobs were available in Nagaland. During those years, a few Nagas were engaged in labour works and some were involved in business activities.<sup>18</sup> Thus the Naga's unable to see the opportunity or importance of business has led the outsiders to capture the business field in Nagaland. This can be considered the first wave of migrants to enter Nagaland, which is now presently occupied by the migrants who are in the entrepreneurial arena.

**Figure 3.6**  
**Employment preference**



The figure shows that 79 per cent of the Naga prefer to employ the non-Naga, and 20 per cent prefer to hire Naga. Similarly, 92 per cent of non-Naga chooses to

<sup>18</sup> Ruth.V.Kiho, *Securitization of Bangladesh Migrants: A study of Dimapur in Nagaland*, 2016, pp.45.



engage their people in business, and 7 per cent prefer to use Naga employees. The older generation of the Nagas has put up a mindset that Naga is not to be trusted; they believe that Nagas are not trustworthy; thus, they prefer to employ non-local only, be it using them as their drivers, or managers. Therefore this mindset has several impacts on the present generation, where the Nagas prefer hiring non-locals rather than the Nagas. Thus there is a need to change the mentality of the people that Nagas are also eligible to do the works that the non-locals are doing.<sup>19</sup> Mrs. Sarah, age 30, running a clothing store, said, *"Lack of trust among the Nagas is one of the main problems why Nagas don't prefer to employ our people. I remember a non-local friend telling me that it was his community people who had helped him in setting up his present business; he told me that when he first came to Nagaland, Rs.3000 was all he had, but his friend who had already set up business employed him for one and half year and through him he was able to get the loan and start his business, today he is running three bookstores in Dimapur along with his two sons, this story itself shows the level of trust among the non-Nagas, here I want to ask is will the Nagas be able to build the trust among themselves and boost the other Nagas in setting up the business. Another reason is there many Naga store owners who are unwilling to employ the Nagas because many Nagas are impatient and intolerant towards their work, and this is the main reason why many don't trust their people."*

Similarly, 92 per cent of non-Naga prefer to employ their people in business and 8 per cent prefer to employ the Nagas. The employees working in the non-Nagas enterprises are bought from outside the state because many are willing to come knowing that the earnings in Nagaland are way better; the employees are mostly relatives or friends, so it becomes easier to keep one's people rather than to keep Naga employees.

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<sup>19</sup> Webinar on the role of community in fostering entrepreneurship. September 10 2020.

The study found that it is way easier to work with the non-Nagas as they are more sincere and delicate towards the job assigned to them. In contrast, many Naga lack dedication, and most Naga employees only stick around a particular position if it's a government job. Not sticking around is one of the main problems the respondents faced by employing the Nagas, the employees work for some months and leave the job, and this becomes a problem when a substitute is not found on time. The study further reveals that throughout the respondent's working experience with the Naga and the non-Naga, the respondents feel that non-Nagas are more humble towards their work and way more submissive to the orders of the employer, more flexible mindset and attitudes, whereas many Naga lack humility and don't want to be ordered around; therefore it becomes convenient to get the job done by the non-local.

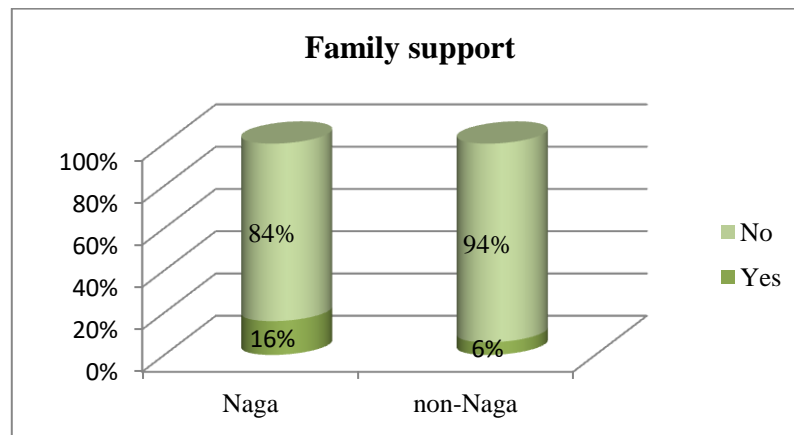
#### **7. Family support:**

Family plays an essential factor in any individual's life; they are engaged in different entrepreneurial activities, and it is the family that binds the strong ties between kingships; a family keeps all the members bound together and keeps the family closer together than other types of the entrepreneurial team. More specifically, it is the family that has greater mutual affection and has more understanding towards any work.<sup>20</sup> Thus, the family's support plays a significant role as the families can help motivate and be the support system of the person who enters into entrepreneurial activities.

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<sup>20</sup> Mariam Bird, The impact of family on entrepreneurial outcome, 2014, p.2.

**Figure 3.7**  
**Distributions family Support according to the respondents**



The data reveals that 16 per cent of the Naga faced problems from their family before starting, whereas 84 per cent of the Naga entrepreneur did not face any resistance from the side of the family. The data also shows that 6 per cent of the non-Naga has also faced problems with their family while setting up the business, and 94 per cent of the non-Naga did not encounter any resistance from the family. Four Naga respondents have given the reason as to why the family was against the idea of business, whereas twelve respondents denied giving their reason. Two non-Naga respondents have explained, and four have denied giving any reason. Through the research study, several reasons for the resistance of the Naga family towards entrepreneurship are mentioned; *firstly*, the financial problem was one of the reasons why the family declined the idea of setting up a business. In any business, finance is the main head that can help the business run smoothly, and proper finance is necessary to set up a business. *Secondly*, the in-law was against the idea of setting up the business. The main reason behind the resistance was the fear of the wife/ daughter in law being unable to balance the time between the business and family affairs and also the wellbeing of the children was one the main reason for the resistance along with the unavailable of the helper to look after the household as the husband was already a Government employee. *Thirdly*, the family preferred a government job over a business leading to resistance from the side of the

family, and *lastly* the fear of risking by investing money in the business was why the family was against the idea of me setting up the business.

The reasons for non-Naga family resistance towards entrepreneurship includes; the fear of failing in business as it is a risk factor that can lead to success at the same time, failure can also show the business to a significant crisis where one is unable to recover from the loss. Family's fear to see failure in business ultimately leads to avoiding and stopping from setting up a business. Another reason is, Mr. Monu running a bakery, mentioned that, *“a bakery was already set up in Bihar by my father and my family wanted me carry on with that business, therefore, the family was against the idea of setting up business in Nagaland”*.

**Table 3.3**  
**Family support and success of the entrepreneur (Naga)**

		The overall success of the business (Naga)	Family support(Naga)
The overall success of the business (Naga)	Pearson Correlation	1	.362**
	Sig. (2-tailed)		.001
	N	150	150
Family support(Naga)	Pearson Correlation	.362**	1
	Sig. (2-tailed)	.001	
	N	150	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 3.4**  
**Family support and success of the entrepreneur (non-Naga)**

		<b>The overall success of the business (non- Naga)</b>	<b>Family support(non- Naga)</b>
The overall success of the business (non-Naga)	Pearson Correlation	1	.261**
	Sig. (2-tailed)		.001
	N	150	150
Family support(non- Naga)	Pearson Correlation	.261**	1
	Sig. (2-tailed)	.001	
	N	150	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The test result shows that the direction of the relationship is positive, i.e., family support and the success of the entrepreneurs for both the Naga and non-Naga are positively correlated, meaning that these variables tend to increase together. This shows that family support has the most prominent role in succeeding in the entrepreneur's business. Family has an essential purpose of carrying out the growth of entrepreneurial qualities. The shortage of family support can place the small business owner at a severe drawback, which is particularly unhelpful for those with heavy family responsibilities. If family support is reachable and accessible by entrepreneurs, in that case, it is one of the essential elements to boost the abilities of entrepreneurs to compact with the hurdles and difficulties that they come across while initializing and structuring a new venture.<sup>21</sup>. Entrepreneurship will prosper with family support as the support can motivate the entrepreneurs to start a business; the moral support from family and relatives, especially at the initial stage, will encourage the entrepreneur to strive better in business.

Entrepreneurs now and again face criticism from a non-business family background as the Naga society still believes that building a career in entrepreneurial

<sup>21</sup> Syed Shabid-ul-Hasan, Syed Tariq Izhar and Hasan Raza, The Role of society in nurturing entrepreneurs in Pakistan, 2012, p.64.

activities is a waste of their academic learning. Society is still holding on to the mindset that an individual who processes with good educational qualifications and later takes up a business profession is a waste of talent; thus, such a mindset undermines the progress of possible entrepreneurship, and it becomes the societal barrier, especially in less developing economies like the state of Nagaland where till up to date education is still regarded as an exceptional achievement. Because of the social barriers, educated or less educated people opt for career jobs rather than be self-reliant. Thus there is a need to spread awareness to the non-supportive family by educating the people in the entrepreneurial field that will provide a mind frame within such families and help the potential entrepreneurs to play their best role in improving the social environment. Family background and support from family are necessary as they encourage the individuals towards risk-taking behavior.<sup>22</sup>

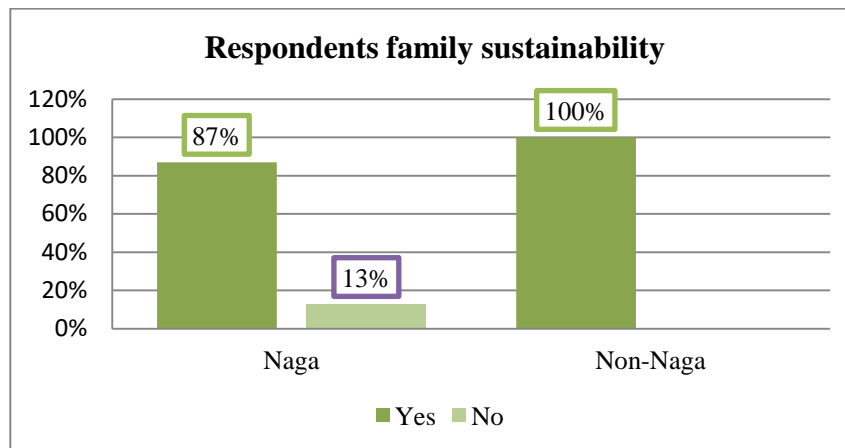
**i) Family sustainability:**

An entrepreneur sets up and runs a business. It is a job that requires creativity, confidence, creative skills, good communication skill, and a social network for any business to function. It involves a lot of risk factors, from deciding on the money invested to selecting a location site and deciding on the type of business that the entrepreneurs set up can be a deciding factor that can either succeed the entrepreneur or cause failure. Setting up an enterprise is not always successful in one go; to achieve and build a promising enterprise, the individual face many barriers. The wrong decision on the part of the entrepreneurs can cause a financial crisis not only in the business but also affect the family financially.

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<sup>22</sup> *ibid.* p.67

**Figure 3.8**  
**Family sustainability**



The data shows that 87 per cent of the Naga and 100 per cent of the non-Naga can fulfil the needs of the family with the earnings they earned in their business, whereas 13 per cent of the Naga are not able to sustain the demand of the family with their current earning made from the business. Several different reasons as to why they were facing difficulties in fulfilling the need of their families even after running their businesses. Four (4) respondents have given their explanations, whereas the others denied giving their reason; *firstly*, there are too many similar businesses in the area where the respondent has set up a business and because of this, there is more competition leading to fewer customers and fewer earnings; *secondly*, the growth of online businesses in the entrepreneurial arena has led to very few customers, ultimately affecting the incomes of entrepreneur in the business field; *thirdly*, the summer season has very few sales compared to winter, but winter sales stay only for a short period; therefore, they can only earn a little during the summer. Because of this, it disrupts the overall earnings, making it unable to sustain the need of the family. The *fourth* reason is the business earning is less, but the family size is big, with a total of 9 members; therefore, after paying monthly fees for the children's education, it becomes impossible to fulfil the other needs required in the family.

## **8. Training requirement:**

According to McClelland need for achievement motivates the individual to take advantage of the opportunities to set up enterprise. This motivation can be done by organizing different training programs that can help the potential candidates to see the opportunities and take advantage of it to establish a business. The entrepreneurs are to meet the challenges and obstacles, thus by organizing training can help the individuals to develop their skills and help them take necessary actions that are required for the business to move forward. Training can provide their career enlargement and enrichment, by increasing individual skill and knowledge of business effectiveness.<sup>23</sup>

The entrepreneurs express the need for training programs that are strongly needed, that will help nurture the entrepreneurs to a better stage, a much knowledge on business information as this will build the newcomers to a higher level. Entrepreneurs, in general, felt that the government must take up the responsibility to set up several training programs that will help the newcomers to have a better understanding and voluntarily take an interest, be innovative, and be ready to take up the challenges even before setting up a business of their own. Several areas need adequate training as training can provide the entrepreneur with more knowledge and skill and help the entrepreneur to learn, grow, and perform their activities much better; it is a way to nurture the entrepreneur to stand firm and gain more knowledge on business, a training which can mentally prepare and guide the entrepreneur to a better road.

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<sup>23</sup> Wajdi Milhem, Khalil Abushamsieh and Maria Nieves Perez, Arostegui. Training strategies, theories, and types, 2014.



**Table 3.5**  
**Training requirement**

Types of training	Naga		Non-Naga	
	Yes	No	Yes	No
<b>Financial Management</b>	88.66%	11.33%	80.66%	19.33%
<b>Time management</b>	62%	38%	44.66%	55.33%
<b>Marketing skills</b>	74%	26%	70.66%	29.33%
<b>Opportunity identification</b>	61.33%	38.66%	29.33%	70.66%
<b>Management skills</b>	83.33%	16.66%	56.00%	44%
<b>Awareness and Motivation</b>	87.33%	12.66%	60.00%	40%
<b>Planning on future growth</b>	73.33%	26.66%	64.00%	36%

*a) Financial management:* According to the data, 86.66 per cent of the Naga and 80.66 per cent of the non-Naga have agreed that training in financial management is very important as finance plays a vital role in business without proper maintenance of the finance, it can lead to failure of the business. For any start-up to expand the growth of the business finance is needed, but at the same time a person even after setting up the business successfully, if the individual is unable to supervise the finance properly, it can throw a negative impact leading to a financial crisis in the business. Proper finance management is very much needed to run a business; with it, the entrepreneurs succeed. Finance management is related to the overall entrepreneurship objectives such as innovation, production of quality products, and expansion of the markets. There is a need to know proper cash flow management to ensure adequate cash or facilities to raise money to run the business, keep an account record, and summarize financial activities for the business to succeed. There is common problem face among the entrepreneurs where much individual lack in proper accounting, and an inability to cope with the expenses spent on business leading to the financial crisis.

*b) Time Management:* The data shows that 62 per cent of the Naga and 44.66 per cent of the non-Naga have agreed that there is a need to give training on the ground of managing time in business, time management is essential, as many are unable to

manage their business work and family work leading to a crisis in both the factors, so there is a need to know how to manage time between work and personal matter. The respondents has also mentioned that a lot of time management is needed for any business to grow or gain profit, as maintaining the business is not a one-day work. Time management is vital in business as an entrepreneur with good time management is in a better position to solve the arising problem in business, can deliver the products on time, and can keep the employees on the right track. Thus in every business, the owners should cultivate a workplace that values time. Poor time management will often make difficulties or delay business growth. It can even lead entrepreneurs to rush things without adequately analyzing the reason for the arising obstacle, which can often negatively impact business.

**c) *Marketing skill:*** The data reveals that 74 per cent of the Naga and 70.66 per cent of the non-Naga have agreed on the importance of marketing skill, the area where an entrepreneur is needed to be given effective training. In any kind business be it small or big enterprises, the most essential skill needed is the marketing skill, to know about the needs and wants of the customers, knowing how to communicate according to the expectation of the customers. Providing training on marketing skills will input knowledge on the marketer to be aware of their customer as marketing is all about pleasing, considerate and satisfying the needs of the customer by understanding the customer; at the same time, with the marketing skill it will give benefit to the marketer that will help in knowing how to identify the customer problem and try to discover a way to resolve the issue. Efficient marketing will facilitate the entrepreneur to sell the products beneficially to the ultimate consumer.<sup>24</sup>

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<sup>24</sup> RJ Yadav, Women Entrepreneurship, 1999.

The present Naga society is facing the problem of the inability to provide a correct marketing strategy, there are several start-ups in Nagaland, but one witnessed that many calls it quit within a year because the businesses are unable to meet the margin value. Start-up entrepreneurs need to acquire marketing knowledge as the entrepreneurs often tend to overprice the products, affecting the business in the long run. According to the non-Naga perspective, many Nagas failed in business because of a lack of knowledge about the market; in many cases, the Naga's way of doing business is to make a considerable profit margin. Thus, the business mostly does not favor Nagas because of the wrong marketing skills. Therefore there is a need for the Nagas to study the ongoing market strategy and understand the nature of the customer and keep a close study on their competitors as this help the entrepreneurs to know how to market the products.

**d) Opportunity Identification:** According to the data, 61.33 per cent of the Naga and 29.33 per cent of the non-Naga has given an opinion that there is a need to train entrepreneurs on opportunity Identification in business. The entrepreneur mentions that many Naga has the habit of running to start a business that is trending in and around the state without even properly knowing the process of that particular business. Thus many start a business without proper planning and turn a blind eye, unable to identify the opportunity in another field of entrepreneurial activities and follow the trends, thus leading many to be unable to cope with the competition, ending the business because of failure. Kitzner (1973) advocated a theory of entrepreneurial alertness, describing the entrepreneur's capability to see, determine and take advantage of opportunities, exploit, and use them through their creativity when others miss them. Hisrich & Peters (2002) noted that opportunity identification is a significantly easier said than done task, as most prospects do not just come into sight but rather from an entrepreneur's watchfulness,

alertness, and awareness of possibilities. Markman & Baron(2003), opportunity identification includes scanning and gaining knowledge about the environment and capturing the right opportunity by recognizing and making effective use of the environment in taking part in different business activities.<sup>25</sup>

There is immense opportunity in Nagaland, but that is left vacant by the Naga society to the migrants only, unable to identify the opportunity or unwilling to work has become a more significant issue. The tailoring sector is another area that the non-locals have occupied Khedi Market in Kohima town, whereas in Dimapur district, the church road area and MP road where one witnessed the tailoring and shops engaged in garment materials sectors are occupied mainly by the non-local. Therefore, the Nagas can identify the opportunity as it is observed that many Naga youths, especially females, engage in different tailoring classes. Still, only a handful has started businesses in this area. The respondents also mentioned that many Naga youths have a talent for repairing automobiles, electricity, and electronics. Still, they failed to look up to this job, which has become the job of the non-locals. Proper training is necessary as this will educate the people to look into the existing opportunities and help them use their existing skills to employ themselves.

**e) Management skill:** The data indicates that 83.33 per cent of the Naga and 56 per cent of the non-Naga has viewed that for any business to succeed; there is a need to have good management skill. The study found that many entrepreneurs in Nagaland are primarily engaged in small businesses and are operated by one person only. Thus, they cannot hire and afford employees that can be a helping hand in managing the business; therefore, because of needing more management skills to run the business, the Naga and the non-Naga entrepreneurs face problems in making the correct decision. Many end up

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<sup>25</sup> <https://repository.up.ac.za/bitstream/handle/2263/24173/04chapter4.pdf?sequence=4> (Accessed on 21 Dec 2021).

sitting back and not knowing the necessary actions, losing networking in the business field. Therefore, there is a need to emphasize training in this area as it can help the entrepreneur to run the business effectively. The important reason why good management skill is needed is that it is with good management skill, one tends to keep creating a better environment that will be suitable for both the entrepreneur and the employee to work smoothly and effectively. Management skill training will help an individual understand the person's behavior and help the individual know how to communicate with it effectively.

*f) Awareness and motivation about the entrepreneurial career:* The data shows that 87.33 per cent of the Naga and 60 per cent of the non-Naga believes that awareness and motivation for an entrepreneurial career needed to be trained among the people as many are still unaware of the scope and positive impact of entrepreneurship in the society as the state Nagaland continues to giving more importance to the government job rather than the business. The business status in Nagaland is still looked down upon by many, another way that de-motivates the people to participate in entrepreneurial activities. Need for achievement, according to McClelland and Hagan; motivation is the significant factor that leads a person on the road to entrepreneurship; motivation can help guide a person who is constantly struggling to want to achieve something more meaningful. Entrepreneurs are generally found to be people with high drive and high activity levels and continuously working to acquire something new; they like to be different from others and are ready to undergo struggles to achieve. In the Naga society awareness and motivation is lacking; thus there is a need for successful entrepreneurs to share their knowledge of experience, their struggles, and their success stories that can help the laid-back entrepreneurs or newcomer entrepreneurs in the business arena.

**g) Planning on future growth:** The data shows that 73.33 per cent of the Naga and 60 per cent of the non-Naga have given on the importance of providing training on the planning of future growth as every entrepreneur's business grows over time; thus, there is a need to provide training on this field as it is one of the essential stages in business. There is a need to have proper planning before expanding the business; many entrepreneurs fail in this field because of improper planning. Giving importance to planning future growth in business with proper planning can help the entrepreneur to reduce the risk and doubts, help the entrepreneur to be financially prepared, help improve the entrepreneur's innovative ideas, and help the entrepreneur to understand the benefits and the limitation. Planning is vital as it helps fill the gap between where one is at present and where one wants to go in the later stage. Every entrepreneur needs proper planning, as improper planning can lead to chaos and lack of coordination in business. The study indicated that making accurate plans for further growth way ahead of time can help the individual in preparing the finance and make plans on the requirement that will help the business to succeed; it also gives the entrepreneurs the time to observe the surroundings and their fellow competitors which allow the entrepreneurs to gain more knowledge on business and later this experience and the proper planning will help the entrepreneur to successfully run the business more successfully or help during the expansion. Having no plan for future growth and no written plans given priority are common problems cited as factors leading to failure. Many start-up entrepreneurs among the Naga and the non-Naga are in a hurry to expand their business without adequately analyzing the pros and cons of their business; thus, many entrepreneurs fail in business due to improper strategies leading to financial bankruptcy, ultimately leading to shutting down of businesses in many cases. Therefore, there is a need to

provide adequate training on business planning growth as this training will prevent entrepreneurs from facing obstacles in business due to no plan or poor planning.

**h) *Personality development:*** The data shows that 70.66 per cent of the Naga and 28 per cent of the non-Naga said there is a need to give training on personality development to entrepreneurs. Personality development plays an essential role as it helps improve the employer or employee's communication skill and help in changing the attitude and mindset, it can also help to have positive thinking and confidence. With proper personality development, the business will function more efficiently. According to Mohan and Revathi, entrepreneurs are not born and can be taught and developed. Entrepreneurial development programs (EDP) can help the potential entrepreneur to develop the individual's ability and liking. The essential purpose of an entrepreneurial program is to persuade potential persons and encourage them to take entrepreneurship as their career. It is to encourage an individual to be job creators and not job seekers; the program will also help the potential person to pick an entrepreneurial career; this program will help the individual know the basic knowledge in understanding the things that are involved in business, helping to know the pros and cons learn technical skill and management skill.<sup>26</sup>

## **9. Business competition:**

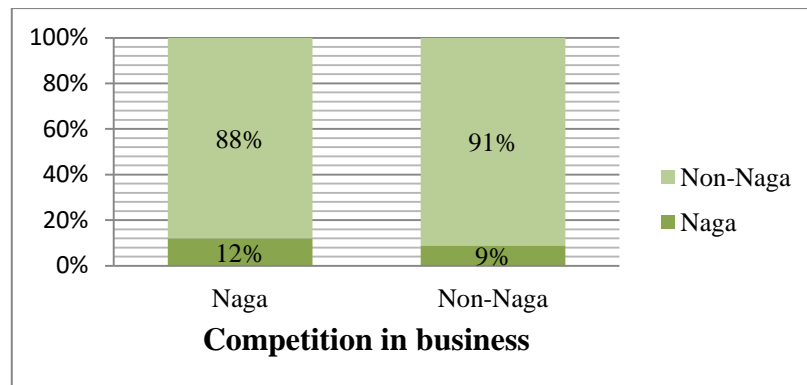
Competition is a rivalry between two or more party who make every effort to reach their goals; it is a process where one's gain is the other's loss. Competition is a foremost principle of market economics and business, frequently linked with business competition as companies try to be the victor with at least one other firm over the same group of customers. According to Y.Schumpeter, F.Hayek functional approach, competition is viewed as a feature of economic growth resulting from business entities

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<sup>26</sup> S. Mohan and R. Revathi, Impact of training on entrepreneurial development, 2012.

being oriented on the introduction of inventive, creative and innovative development strategies. To accomplish competition in the market, business entities need to trim down on the operating expense on production and offer their consumers latest products to satisfy on the increase and growing demand.<sup>27</sup>

**Figure 3.9**  
**Competition in business**



The data gives an insight into the rivalry competition happening among the entrepreneurs; the data shows that 88 per cent of the Naga entrepreneurs considered that the non-Naga are more competitive in business, and 12 per cent of the Naga entrepreneur considered the Naga entrepreneur are more competitive in business. Coming to the non-Naga point of view, 91 per cent of the non-Naga entrepreneurs believe that when it comes to business, the outsiders are more competitive, whereas 9 per cent of the non-Naga entrepreneur agreed that the local is more competitive in business. The data symbolized that considering the outsider covering almost all the entrepreneurial activities in Nagaland with more outsiders setting up businesses every coming year and doing well in business, both the Naga and non-Naga entrepreneurs feel that the non-Naga are more competitive in business. Naga entrepreneurs are having the hard time to compete with the non-locals because the non-locals have already settles their based long back, whereas the Nagas are still struggling and trying to settle their

<sup>27</sup>Oleg Melnyk and Ihor Yaskai, Theoretical approach to the concept of 'competition' and 'competitiveness',2013.



foothold in the business areas. According to Dimapur Municipal Council (DMC), in the year 2019, a total number of 2716 trade licenses in Hazi Park, out of which a total of 2312 were registered under non-local names comprising an astounding 85 percent of business holdings by non-locals/migrants. Similarly, in New Market, out of 3622 trade licenses issued, so far, 3177 trade licenses were registered under non-locals names, which comprise 88 percent of business holdings in New Market by the migrant's.<sup>28</sup> The Vizol Complex, a commercial hub in Kohima town, has 62 shops, and out of the 62 shops, only 12 are run by the Nagas, whereas the other 52 are run by non-locals/migrants.

The Naga and non-Naga respondents revealed that Nagas start up a business but end up hiring an inexperienced employee to look after the business, and entrepreneurs also hardly take part in the business activity that they set up; thus, many are unable to cope up with the competition as they have no idea what was the root cause of the problem in business and loose to their fellow business competitors. Many end up shutting their business, unlike the non-locals entrepreneurs who instead look after their businesses even after hiring the employees. The study further pointed out that many of the locals are always trying to gain double of everything by raising the price excessively higher; a piece of clothing that one gets from a non-local shop that costs Rs 600 is double the price in locals shops, the reason why non-Nagas are doing better and are more competitive in business. Excessive pricing in many of the Naga shops has led affecting the shops that are trying to sell the goods at a cheaper rate like the non-local; it is because of the mentality that has already been set up in the society that every Naga shops demand high price thus the customers prefer only the non-local shops as everybody like to get things from a cheaper rate. The carpentry shop owners (non-Naga)

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<sup>28</sup> Chubalemla, the impact of illegal immigrants in Nagaland, 2019.

also mention that many Naga is not in favor of hiring Naga carpenters in most cases even if the work done is satisfactory; the main reason is the daily charges are always higher than that of the non-Nagas. The non-locals can maintain the business even after charging less because of more customers; they can convince the Nagas by lessening the price. Therefore, the locals can also apply the suitable methods necessary to run the business from outsiders. These methods used by the non-locals have helped them succeed and prosper in business.

Therefore, the continuing invasion of migrants (legal or illegal) has created a severe threat of deterioration in the state, with migrants increasingly usurping the economic base of the Nagas. In the district of Dimapur and Kohima town, the leading and the most important commercial areas are captured by the migrants. They have built and secured extensive and considerable influence in trade and commerce and taking control in all the major market areas, and with each passing year, the business is expanding vigorously. It clearly indicated that the migrants had tremendously impacted trading.<sup>29</sup> Entrepreneurs Associates (EA) in the year 2003 conducted a survey on the main street of Kohima, from Mohankhola Road to High School Junction; the survey indicated that Naga controls only 37% of the entrepreneurial arena, whereas in contrast, 63% of the economic activities are in the hands of the outsiders. The study indicated that migrants are considered to be more skilled; also, the labor charges charged by the migrants are less than the locals, but according to the non-locals, the earning is far way better in Nagaland. Thus even though the Naga society believes that non-locals charge less by working in different activities, the non-Nagas earning is more in Nagaland, be it in various business activities or working in other jobs for their living. Again the year 2019, the Entrepreneurs Associates (EA) surveyed to get a deeper understanding of the

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<sup>29</sup> <https://www.outlookindia.com/website/story/another-bangladeshi-destination/232159> (Accessed on 27 Jan 2023).

local markets in Kohima town; the survey covered 2,557 enterprises, out of which the Nagas occupied 1308, whereas the other hand, 1249 belonged to the non-local entrepreneurs. Through the survey, the EA found that when most of the Naga entrepreneurs are engaged in colonies and pocket highways, in contrast to the non-locals, they are primarily in the best commercial sites, the areas where significant businesses are happening in and around the town, this shows that non-Naga can secure the best commercial hubs leading to doing betterment in business.<sup>30</sup>

According to the CEO of Entrepreneurs Associates (EA), there is a need for the Naga youths to come together and take action by participating in taking up entrepreneurial activities, now is the time for the family and society to come together in building the youths to be self-reliance instead of looking only at government jobs or professional jobs only. Due to the Nagas lacking and failing in business, the outsiders have taken controlled over almost all the businesses; this is adversely affecting the enlargement of business and making the non-locals to prosper more.<sup>31</sup>

Without the youth involvement in business, there is significantly less hope for the future generation as unemployment is going to keep raising, and the business opportunities left behind by the Nagas will re-enforce more non-locals in the state, therefore the Naga need to start working on this, even if the youths have to start from the bottom line by becoming a shopkeeper or even start by opening a small shops in the colony, or even try by working as a salesperson as this will help the youths to gain knowledge which will later help the individual in the entrepreneurial career, as business is a hard job, for a person to succeed in business it may even take up to 10 years,

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<sup>30</sup> Kat Lyst. quarterly magazine of Entrepreneurs Associated. 2019. p. 29.

<sup>31</sup> The Morung Express 24 August 2018. Nagas are Living in a Human Time bomb. (Accessed on 27 Jan2023).

therefore there is a need to push and pursue the Nagas towards business as it is the youths only that can sheltered the future for the next generation.

#### **10. Overall success rating of the Naga and non-Naga entrepreneurs:**

Reynolds (1991) has acknowledged four social contexts related to entrepreneurial opportunity. The first one is social networks, the need for individuals to structure social relations and bonds that encourage trust, not opportunism. In other words, the entrepreneur should not take unnecessary benefit of people to be successful; instead, achievement comes by maintaining trust with the people. The second, he called the life course stage context, involves analysing the individual life and characteristics of a person who decides to become an entrepreneur. The experiences of people could control their thinking and act on what they want to do something meaningful with their lives. The third context is ethnic identification. A person's sociological background is one of the influential "push" factors to become an entrepreneur.

Marginalized groups may defy all obstacles and make every effort for success, spurred on by their underprivileged background, to make life better. The fourth social context is called population ecology. The survival of the business environment plays a significant factor; environmental factors include: the political system, government legislation, customers, employees, and competition are factors that impact on survival of new innovative endeavours or the accomplishment of the entrepreneur.<sup>32</sup>

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<sup>32</sup> Kwabena Nkansah Simpeh, *Entrepreneurial Theories and empirical research: A summary review of the Literature*, 2011.

**Table 3.6**  
**The overall success of the business**

Attributes	Naga	Non-Naga
<b>Extremely unsuccessful</b>	1%	1%
<b>Unsuccessful</b>	2%	1%
<b>Moderate unsuccessful</b>	1%	2%
<b>Neither successful nor unsuccessful</b>	34%	27%
<b>Moderate successful</b>	6%	37%
<b>Successful</b>	53%	80%
<b>Extremely successful</b>	3%	2%
<b>Total</b>	100	100

The table reveals the overall success of the Naga and non-Naga entrepreneurs, the data shows that from the side of both the Naga and the non-Naga entrepreneur, 1 per cent of both the entrepreneur falls under extremely unsuccessful in business, whereas 2 per cent of the Naga and 1 per cent of the non-Naga indicate that the business was unsuccessful, 6 per cent of the Naga and 37 per cent of the non-Naga in business are moderately successful and 53 per cent of the Naga and 80 per cent of the non-Naga are successful in their business. Lastly, 3 per cent of the Naga and 2 per cent of the non-Naga are incredibly successful in their business. Regarding Moderate unsuccessful, 1 per cent of the Naga and 2 per cent of the non-Naga business falls under moderate unsuccessful. Next is neither successful nor unsuccessful, where 34 per cent of the Naga and 27 per cent of the non-Naga are under this category. The overall data shows that non-Nagas are doing much better in business than the Nagas; the method of running a business is one factor that has made the non-locals succeed more in business.

Factors leading non-locals to succeeding more in business are: *firstly* the customers are unsatisfied with the Naga stores because the items are sold at a higher rate than the non-Nagas and the unfriendly attitude of the store owner or hired employee

has the habit of revealing the price tag of the item which sounds very unprofessional and makes the customers feel like they are indirectly been told that if they cannot afford it, they better stop checking the item goods. This attitude is yet another factor that has input in people's minds not to purchase products in Naga stores (see figure 3.4)

*Secondly*, the non-locals enter the business at a much early age. Many start learning business at a younger age as their parents are already in business, thus giving the individuals to gain more ideas in operating business and gaining more partnerships in running the business as the parents have already paved the way for many entrepreneurs on their road to success whereas, on the other hand, many of the Nagas started from the scratch ultimately leading entrepreneurs to built slower on the way to success (see chapter 2, figure 2.4, figure 2.6).

*Thirdly*, networking is another plus point for the non-local; the entrepreneurial parents who are in business have already created several networks, which later help their children to use the same networking to proceed in business, every entrepreneur needs networking to survive in business, and it is pivotal for the entrepreneurs to learn from one another whereas on the other hand the Nagas are lacking in this field as the entrepreneurial culture was absent among the older generation. Hence, there is a need to practice the entrepreneurial culture and operate this culture to run in the Naga society, as this can help the later generation to do much well in business. The present youths can be the generation to produce more entrepreneurial culture by taking up entrepreneurship as one's profession and later providing already built networking to their children like that of the non-Naga, as this creates a smoother road for the new start-ups to go further in business.

There is a need for the Nagas to be cautious as the growing of immigrants has changed the demography of the state, especially Dimapur and Kohima. Because of the rise of the population of non-locals during election time, the non-locals are participating in electoral rolls will have severe consequences in the future in the political and social structure of the state. The state is already witnessing the dominance of the non-locals in trade in most districts of Nagaland. The Nagas referred outsiders to do their work because the non-locals willingness to agree to get lesser payment led to the uprising population in various districts of Nagaland. However, there is no denying that the Naga society should be grateful to the non-locals for doing most of the work at cheap rates. But there is a need for the Nagas to start learning to do the work that many Nagas easily ignore. If local people can be cobblers and Masons in Aizawl and Churachandpur, or for that matter, open up tailoring shops and saloons, this same can be applied to the Nagas as well.<sup>33</sup>

Therefore the Naga society, particularly the Naga families need to encourage and impart the entrepreneurial culture to their children as family and societal support in the entrepreneurial journey is vital; entrepreneurs undergo different types of challenges to gain success. Building a successful enterprise takes years of hard work, patience, and a lot of time investment; thus, family and the support of society play a crucial role in an entrepreneur's success journey. Finance, the basic need that entrepreneurs need in business, can come from the family by providing the individual to set up the enterprise or helping the individual during a crisis or expansion of trade. Family can provide emotional assistance to the entrepreneur by bestowing positive reinforcement, comfort, and encouragement, as the family can provide the reassurance that will help the individual be motivated and carry out the business. Therefore on the road to success in

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<sup>33</sup> Rethinking issue migrants and immigrants Dimapur. Morung Express. 14th November 2017.

entrepreneurship, family and society assists the most prominent role in supporting and succeeding entrepreneurs on a better journey. Support from the society can encourage entrepreneurs to be innovative and get a positive mind to do better in business.



## CHAPTER-4

### MAJOR ENTREPRENEURIAL CHALLENGES IN NAGALAND

#### **1. Major challenges faced by the Naga and non-Naga entrepreneurs in Nagaland:**

Entrepreneurship is considered one of the essential parts globally and the backbone for supporting social and economic growth. Though it is measured as one of the most important sources, it still needs much improvement in a state like Nagaland. For the past few years, there has been an increase in the number of entrepreneurs in the present society in the state of Nagaland, but if compared with the others, it remains necessary to catch up to the rest of the country.

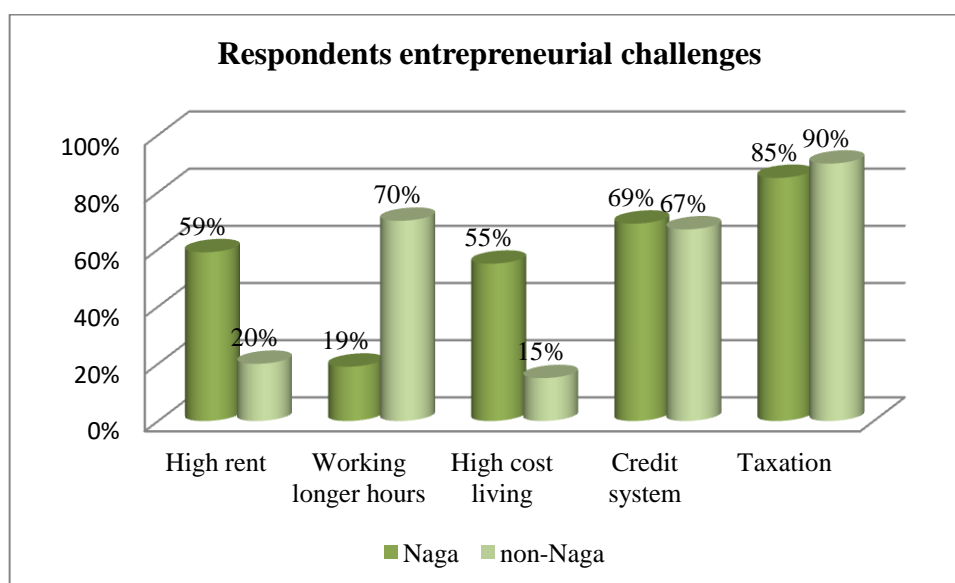
Joseph Schumpeter was the first to recognize the importance of entrepreneurship and its benefit to economic development; according to Schumpeter, entrepreneurship is “fundamentally an innovative activity,” and entrepreneurs are the individual who is portrayed as makers of new worlds.<sup>1</sup>

Entrepreneurs have entered the business world and are operating their businesses, but at the same time, they also continue to encounter many barriers. To promote entrepreneurship in Nagaland, the government, different organizations, and agencies have been working to bring out more entrepreneurs in the state. This chapter will mainly focus on discovering the various challenges Naga and non-Naga entrepreneurs face while running and managing their businesses in Nagaland.

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<sup>1</sup> Ram Krishna Mandal, Entrepreneurship and rural development in North-east India, pp.39.

**Figure 4.1**  
**Respondent's entrepreneurial challenges**



*a) High rent:* Data shows that 59 per cent of the Naga and 20 per cent of the non-Naga faced problems while paying their monthly rent, which they have occupied to run their business. The difficulties of finding rent in Kohima and Dimapur, especially the commercial sites, thus because of the limited premises in the commercial areas, has led to the landlords' unusual rent demand, making it even more difficult for many start-up entrepreneurs to rent a premise to set up the business. The study found that many small-medium enterprises and start-up enterprises faced the challenges of paying monthly rent because of low sales of the product goods, fewer customers, and the entrepreneurs having to pay their rented house allowance at a specific time to continue running their business. Paying for the workplace is not the cheapest, especially when the workplace is in the main town; the lowest rented workplace one can get Rs 15000 monthly payment, many are paying Rs 30,000- Rs 50,000 monthly rent and some big enterprises are even paying in terms of lakhs, paying monthly rent is challenging as it also includes not only ones earning but it includes the salaries of the employees and other bills also comes along. Further, after the pandemic lockdown, the rent has hiked up, leading to many

entrepreneurs giving up on their businesses after the lockdown because of unstable finance to run businesses. It is also known that the hiking up of the rent was to make up for the loss of revenue during the lockdown period.

**b) Working longer hours:** The figure clearly shows a vast difference in working hours spent by the Naga and non-Naga entrepreneurs. The study reveals that 19 per cent of the Naga faced the challenges of working longer hours to accomplish and run their enterprise. Still, compared with the non-Nagas there is 70 per cent of respondents face the challenge of working longer hours to run their business. This indicates a massive gap between Naga and non-Naga entrepreneurs in how they run their enterprises. The non-Nagas tend to work for longer hours in their business which has also become a challenging factor for the entrepreneurs as there is no leisure time for the entrepreneurs as most of their hours are spent running and looking after their business.

The young Naga and non-Naga entrepreneurs who enter into entrepreneurial activities at an early age face the problem of needing to be taken seriously by other fellow entrepreneurs, not ready to trust, and not ready to build business alliances. Therefore, entrepreneurs have to work long hours trying to make a business alliance and copped with the competition to prove their worth. The continuous critics of being too young to operate an enterprise look suspicious of doing illegal business; these critical remarks de-motivated the entrepreneurs. Another problem is that even though the best quality product is offered in the market, it is difficult to find loyal customers because of their young age.

**c) High-cost living:** Another challenge entrepreneur's face is the high-cost living, Naga (55 per cent) and non-Naga (15 per cent). According to<sup>2</sup> to YouthNet director, "*The business approach of the Nagas and the non-Nagas are quite the opposite, the usual*

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<sup>2</sup> <https://morungexoress.com/every-problem-opportunity-entrepreneurs> (Accessed on October 20, 2021).

*formula of non-Naga is income-savings-expenses, and the Naga approach is income-expenses-savings. This approach of the Nagas to spend first before savings has proved to be the downfall of many Naga entrepreneurs.”* The Naga's inability to properly utilize the capital led to poor income, the habit of not keeping expenditure records, and the unwillingness to start a small business due to shame (prestige); this practice of living has led to a high cost of living. The study further indicated that many parent entrepreneurs are facing the challenge of being unable to maintain the expenses between children's education and business expenditure, as the children are sent to private schools where the spending is much higher as they do not prefer sending the children to government schools because the government lacks quality education and the poor performance. On the other hand, many children study outside Nagaland to pursue their careers in different institutes and universities, thus exceeding the monthly income; hence, high-cost living has become one major problem for businesses as it squeezes on the revenues earned.

**d) Credit system:** The data shows that Naga (69 per cent) and non-Naga (67 per cent) have agreed that providing credit has affected their business. Credit is created when a customer buys consumer goods from the entrepreneur, but no immediate payment is made; the goods the consumer bought are given a specific time for payment. The credit system is common among the Nagas; the study found that when a person sets up a new business, the customers who come to the shop, be they friends, relatives, or neighbors, have the routine of asking for the credit goods, no doubt giving credit rise the sales in business. Still, this practice is prevalent, making it even more difficult for start-up entrepreneurs. The common problem faced by the Naga and non-Naga entrepreneurs is that the respondents were compelled to give credit to their customers as their fellow competitors were doing the same, thus to cop-up with the competition and not lose sales

in business. Therefore many entrepreneurs providing credit to their customers have affected their business because the money was not redeemed on time, leading them to fall out of their business. Hence, some entrepreneurs provide credit with an interest rate to the customers as this help to get their money earlier. Because of the interest rate applied, the customers also try avoiding taking credits, ultimately benefiting the business.

Mr. Prakash said, age 52, operating a grocery, *"I was running my business in a Paramedical colony in the year 2018; the biggest challenge I faced was giving credit to many customers, which in the later stage affected my business because I was unable to get that money on time, there is no denying that giving credit to the customer will attract more customers and there will be an increase in sales, but it starts affecting the cash flow, and also there are some customers who are never willing to pay back the debt which adversely starts affecting the business financially"*.

Through discussion with the distributors, the study found that distributors or dealers do not agree to give credit system to the Naga entrepreneurs as many Nagas failed to pay the specific amount of money at a given period leading to distrust among the distributors and the entrepreneurs. In contrast, compared to the non-Naga, the process of the credit system is followed among the distributors and the entrepreneurs; the main reason the Naga entrepreneurs cannot pay their credit is that many Naga tends to look only for the gain of profit in one go. The products sold in the Naga shops are mostly costlier; therefore, the non-Naga has more customers leading them to gain their business principle within the given period, and they can pay the credit on time.

**e) Taxation:** Exemption of tax from the Government, NGO, and several fractional groups has become another challenge for the entrepreneurs, and this became another

reason for the Nagas to back out from entering into the business arena. According to data, 85 per cent of the Naga and 90 per cent of the non-Naga faced problems with paying taxes to different factional groups. The study found that taxation collection from various groups has negatively impacted the Naga society, leading the people to make an unfriendly contribution toward the business arena.

Nagaland, a state where various unions and groups impose different kinds of unauthorized taxes, has become a big issue. According to the Hindustan Times (November 5, 2013), in Nagaland, many unrecorded and unjustified taxes are paid to undergrounds and the numerous check gates in every town and district boundary in Nagaland. Taxes are broadly divided into four categories – Income or royalty tax, contractor's tax, house tax, and trade tax. All government and private sector employees pay 20-24% of the annual income tax, a contractor has to part with 5-10% of the project cost while every owner pays Rs 500-5000 per annum (Rs 250-1000 in villages). Trade tax depends on the size of the business. If a pan or barber shop operation is taxed Rs 1000 annually, significant firms and businesses are taxed Rs 3-4 lakh. The taxation rates are marginally higher for the non-locals and the non-tribal people, who are also issued identity cards- for seeking a livelihood in Nagaland.

Today in the present scenario, there are 10-12 factional groups, different NGO groups, and different government organization groups that come year-round to collect taxes which become a challenging factor for the entrepreneurs as the entrepreneurs have to pay taxes to all groups. The newly set up enterprises suffer because of several taxes imposed as the entrepreneur has to pay off the tax with the bit of profit they gain through their hard work. This has also created an atmosphere where many youths lose their enthusiasm for entrepreneurship. There is a need to rectify this taxation collection

system to help ongoing and upcoming entrepreneurs shortly,<sup>3</sup> the three apex organizations (Naga Tribal Union Chumoukedima Town, Chumoukedima Chamber of Commerce & Trade Association, and Chumoukedima Town Youth Organization) pointed out that people are struggling hard to obtain a foothold despite various odds and challenges, it is not easy to start or run business since this involves enormous financial investment and efforts thus any organization or individual out to exploit the business community should be treated as an enemy in the society because such acts negate economic growth and businesses that could help people prosper and progress and bring all-round development, directly benefiting the society.

Through focus group discussion with the entrepreneurs, the study found that when a fractional group comes to collect tax, a card is given to them as proof that tax has been paid, but what is more challenging is that the same fractional group comes again to collect the tax. When the entrepreneurs show the card given to them, they are told it is a duplicate; many face difficulty in differentiating between the original card and the duplicate card; thus, sometimes, when entrepreneurs face this, they are left with no other option but to pay twice.

Mr. Zayie running a printing press mentioned that *“Naga's fear of paying taxes to the different fractional groups has become one reason for the Naga's unwillingness to set up a business. However, the main question here is if the non-Nagas can run the business even after paying taxes and are doing well in business, why not the Nagas? The taxation paid by the Nagas is lesser than the non-Naga; thus, taxation should not be an excuse for the Nagas not setting up a business. Because such acts negate economic growth and businesses that could help people prosper and progress and bring overall development, directly benefiting society.”*

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<sup>3</sup> Nagaland Post, VolXXXII No. 345, Dimapur, Saturday, November 18, 2022, p.1.

Several other challenges were also mentioned by the respondents during interview schedule and group discussion: *first*, the problem of online shopping was pointed out as a challenging factor for many; people at an older age are not proficient with the use of modern technologies, and with the rise of many customers preferring to do shopping online, ultimately leading to fewer customers in the stores. Earlier, entrepreneurs could earn Rs 7000 to Rs 10000 a day, but because of the on-growing of online businesses, there are fewer customers; thus, the entrepreneurs hardly made Rs 5000 a day. The study also found out that earlier entrepreneurs, during the peak of the season like Christmas and new year time they were even able to earn Rs 20,000-30,000 or even more, but now it is not the same; thus, it has adversely affected the business of many entrepreneurs who are not tech-savvy. *Second*, female entrepreneurs after their marriage were asked to quit business professions in expectation of looking after the household and the children, female entrepreneurs after the married, are to play the role of the wife, mother, and daughter-in-law, despite the success of the business, the expectation from the women to do their pre-destined part and not allowing the women to do the dual role as an entrepreneur and the role of the wife's hand in hand. It is known that if a female is a government job holder, these women have the freedom to work even after marriage. Still, the Naga society has a different mindset when it comes to doing business.

*Third*, challenge faced by the entrepreneur is the conflict as to who will own the business, in an interview with Mr. Abdu, age 38, owns a hardware shop mentioned that *“the family business that my grandfather and his brother started, that later passed down to my father has faced the crises because of the disputes among the family as to who will own the business. Having more male members in the family created the dispute; thus, the business had to close down for a month, thus affecting its growth of*



*the business. Because of the dispute, the business was later divided into two, which caused a financial crisis making the business unable to fill the requirement to cop with the business competition".*

*Fourth, the problems faced by the widow entrepreneur is also found in the research study, Mrs.Asha, age 53, who runs a grocery shop, during an interview, said, "When I met my husband's family after his death, his family decided to give away the business to his brother's family, giving the reason that my son was too young to operate the business and I was not given the right to inherit my husband business although the business was set up and look after by my husband before his demise." Mrs.Zerina, age 34, running a ration shop said that "I am a widow running a business in Dimapur, every day I earn Rs 2000 to Rs. 3000 per day which is sufficient to look after myself and my son. Still, because the business is running well, my fellow competitor often threatens me to close down my business".*

## **2. Financial Problem:**

Faulker (1986) identified the multiples difficulties faced by entrepreneurs because of not appropriately managing their finance, reasons like many small and medium entrepreneurs do not have the habit of keeping a track record of the expenses and the incoming profits in business, which is very necessary to run a business as by keeping a track record can help the entrepreneurs analyze when financial problems arise, many of the entrepreneur's inability to provide the standard mark of the business growth to the investors or the banks.

Finance is a critical source of entrepreneurship, from the starting to business to needing money for the business to continue functioning; for any business to succeed in business, entrepreneurs need capital because lacking capital can lead to business failure;

therefore, for the day-to-day business to run efficiently, there is a need to have the finance to provide the capital that is required for running the business.

**Figure 4.2**  
**Respondent's Financial Problems**

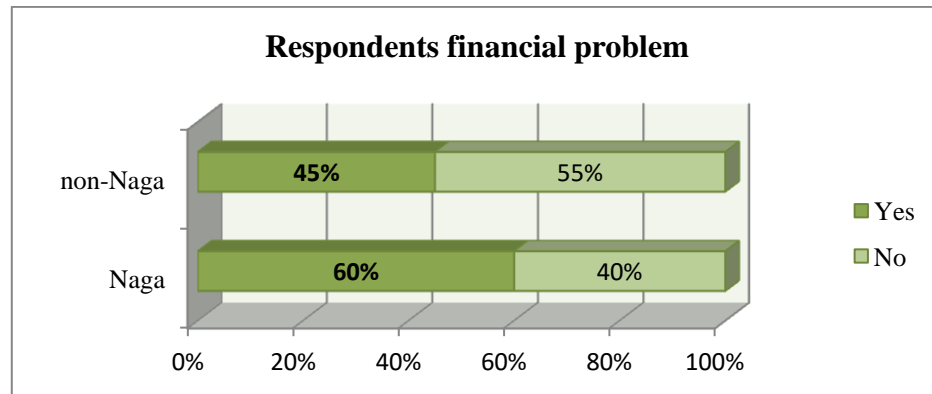


Figure 4.2 indicated that 45 per cent of the Naga and 55 per cent of the non-Naga have encountered a financial problem in their business, whereas 60 per cent of the Naga and 40 per cent did not face any financial hardship. Several financial-related issues are discussed; firstly, the practice in the Naga society is such that children take after the father's name, and the property is inherited by the father to the sons. This has put women in a disadvantaged state because of the customary laws that are gender biased and put constraints on entrepreneurial development for women. Problems of patriarchy in Naga society where males are given more importance than females; female entrepreneurs face the problem of not getting family support financially in business; some families still think that females are to get married to different families, thus not wanting to invest in the business. Females are denied getting any help when it comes to business because the families believe that business is a male profession and not for females. Also, the families' fear of females unable to carry on the duties of the business and leading the business to failure as the females are seen as not qualified to be in the business profession. The females who receive an asset from their parents are also in the hands of their spouses as they are legally the head of the family; therefore, there is a

limitation in financing for female entrepreneurs. Nagaland is a state of tribal people; thus, property mortgage to get loans from the bank is not available in any district except a mortgage of assets for people having assets in Dimapur town is allowed. Nevertheless, male entrepreneurs get loans from different money lenders outside the bank by keeping the property mortgage; thus, female entrepreneurs cannot avail of this type of financial assistance because the male in the family controls the asset.

*Secondly*, the study also found that both the Naga and non-Naga entrepreneurs who are childless and unmarried faced the problem of not getting any financial help from their families; the family was in denial to help, in fear of them giving away the business to someone outside the family.

*Thirdly*, the entrepreneurs believe that limited financial resources hamper entrepreneurship in Nagaland. Because of inadequate finance, many small enterprises need help; for any entrepreneur to start a business, finance is the basic need to set up the business. The incapability of the banks to provide finance to entrepreneurs has crippled business people from growing. For instance, banks are ready to give loans to a government employee at any time, whether for housing, a car, or personal. Mr. Jacob working in the bank, said: *"There are many who are unable to pay loans after availing loans from the bank; this is the main reason for not giving loans; bankers prefer to give loans to someone whose business is doing well or someone whom the banker knows and are sure that he/she will be able to pay back the loan."*

*Fourthly*, the entrepreneurs faced a financial problem at the start-up and during the evolution of their business. In the entrepreneurial arena, inadequate finance is considered one of the most common problems entrepreneurs face. For any enterprise to build or flourish smoothly, finance is needed, be it by taking or availing bank loans or taking loans from a peer group, relatives, or family; another way is by using one's

savings. The entrepreneurs (Naga and non-Naga) prefer to avoid taking loans from the bank due to EMI or the long paper process, which is too time-consuming. Entrepreneurs taking loans from the bank also faced challenges like paying off loans with higher interest, loans not given on time, and a tight repayment schedule. Thus, entrepreneurs prefer to rely on their savings or take loans from their family or peer group as many feel more secure. Most entrepreneurs start with relatively small absolute amounts of funds and rely on self-financing, access to informal ventures, and capital from the family.<sup>4</sup>

Through group interviews with the non-Nagas, the study found out that it is difficult for outsiders to get loans from the bank, as loans are mostly not given to outsiders unless they have a Naga benefiter who is working in a government sector and who is willing to become the guarantor for the non-Naga to get a loan for business purpose.

Another cause of the financial problem is a lousy partnership; Mr. Sajid, age 36, running an electronic shop, mentioned the bad partnership that has affected the business; the respondents revealed that *"I first started my business with a mobile repairing shop, I have run the business for three years, and later I collaborated with my distant family and started the electronic business, during the first few years the business was doing well, but the problem started because of my partner's addiction to alcohol leading to stealing money, selling the market goods much below the market rate, consistently trying to take every profit earned from the business to buy more alcohol, time and again creating problems for the employees who were hired to look after the business, leading the employees to leave the jobs and ultimately leading to fewer customer which later affected the business financially."*

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<sup>4</sup> Mirjana Radovic Markovic, The Perspective of Women's Entrepreneurship in the Age of Globalization, 2007,p.44

### **3. Managerial Problem:**

An organization's success, whether big or small, depends mainly on how an individual manages it. The size of the organization also decides on the number of individuals; if the size of the firm is big, the management of the enterprise is handled by more people; the more significant the organization, the more several individuals; it can be employees or managers or business partners that are assigned to follow and work on the role assigned to them, that will help the business to function correctly. In contrast, in a small enterprise, the entrepreneurs are the only one who starts and takes responsibility; it depends solely on the entrepreneur's duty on how one wants to nurture the enterprise until the enterprise wants to expand to a more extensive establishment.

According to the Department of Business and Innovation in the UK (2013), Reports<sup>5</sup>, the management skill of the enterprise owner, the managers, and employees plays a role in operating the business to a success rate. It is skills that positively affect labor productivity and improve innovative activity. Twenty-eight percent of Small and Medium Enterprises (SME) employers reported that a scarcity of skills while running a business is one obstacle to success. Hence, the ability to overcome the barriers in business equally depends on the entrepreneurs, the managers, and the employer's management skills, as these skills positively affect labor productivity.

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<sup>5</sup> George Njenga King'ori, Fridah Simba Theuri, The role of entrepreneurship training and education in enhancing the growth of small and medium enterprises in Kenya: A case study of Mombasa County, 2016, p.102.

**Table 4.1**  
**Managerial problem**

<b>Attributes</b>	<b>Naga</b>		<b>non-Naga</b>	
	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
Poor business knowledge	54%	46%	40%	60%
Lack of communication skills	8%	92%	27%	73%
Lack of decision-making skill	57%	43%	49%	51%
Lack of proper planning	67%	33%	50%	50%

**a) Poor business knowledge:** The data shows that 54 per cent of the Naga and 40 per cent of the non-Naga faced a managerial problem due to poor understanding of business management; many entrepreneurs mention that starting a business without no much knowledge puts them, entrepreneurs, in many difficult situations where the entrepreneurs are unable to cop up with the other fellow competitors. For any business to succeed, there is a need to have a piece of business knowledge, as without the knowledge, there is a high failure rate due to the inability of the entrepreneurs to lack poor business knowledge.

**b) Lack of communication Skills:** The data reveals that 8 per cent of the Naga and 27 per cent of the non-Nagas lack communication skills. For any business to continue to exist or grow up, communication is essential; for an entrepreneur to handle the enterprise and accomplish something, one needs to have several networks with numerous business partners, peer groups, suppliers, customers, and financial partners. There is a need for good communiqué skills to deal with diverse networks to run the enterprise. To know how to make a plan and carry out the venture while considering all the factors like resources, beginning expenses, source of human resources, machinery, land, and building that are necessary to run a business. The entrepreneur must work

with good communication effectively. If whichever problem arises, one ought to be able to contain the spirit to settle on each point to run the business without any hindrance.

**c) *Lack of decision-making skill:*** Lack of decision-making skill is another problem entrepreneurs face while managing a business. The data reveals that 57 per cent of the Naga and 49 per cent of the non-Naga have faced problems due to a lack of making the correct decision or delaying the decision when the entrepreneurs face business-related issues. Entrepreneurs are the main driver of economic growth and prosperity in societies. One of the most essential entrepreneurial functions to achieve goals is decision-making, which is the backbone of all entrepreneurial activities. The study found that lack of information on the market or their particular business is one of the reasons why entrepreneurs delay making a decision which ultimately affects the business. The rising competition among entrepreneurs has put them under a lot of stress and pressure; thus, the fear of making the wrong decision delays their decision-making. Decision-making is selecting a particular technique to decipher a specific problem. Decision-making is of two types: the first type is regular and well-planned decisions made under customs, rules, or detailed measures, and the second is unanticipated, unexpected, and unforeseen decision-making that deals with odd issues and problems. Therefore, an entrepreneur's decision has enormous importance as deciding for the enterprise is a sensitive and significant action for a manager or an entrepreneur as these decisions can bring success or add more obstacles to the business.<sup>6</sup>

**d) *Poor business plan:*** Proper business plan is needed to run a business efficiently; a lack of proper planning can lead to several problems. Entrepreneurs need to have a "to-do" list to run the business smoothly as it will help not only the entrepreneur but can

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<sup>6</sup> Pouria Nouri, *Kambeiz Talebi*, Abdolah Ahmadi Kafeshani, Identifying the primary individual factors influencing entrepreneurial decision-making biases: A qualitative content analysis approach, 2014.

keep the employee well informed of the necessary actions that are to be done and the business organized well. The data give an insight that 67 per cent of the Naga and 50 per cent of the non-Naga faced management problems due to the failure to plan in business as without planning, it can lead to several damages like financial crisis leading to bankruptcy, unnecessary losses in business, late payment to the suppliers thus leading to cutting off the supply of goods, employees leaving the job because of not getting paid on time. The study found that many entrepreneurs enter into entrepreneurial activity without any proper plan, ultimately leading the business to shut down quickly. Business is more or less becoming like a fashion to the youths in Nagaland; many tend to take an interest in business and are setting up a business, and where many are doing well in business and are going far beyond, but many start a business without any proper plan or proper knowledge thus even before the business flourish many faced bankruptcy. The study also reveals that many non-Naga entrepreneurs failed to maintain their business because of buying excessive products without knowing the customer's demand in the market, by focusing only on how to sell the product leading to failure in establishing good relationships with the customers, ultimately losing potential clients, and loss of reputation in business because of improper planning. Therefore there is a need to have accurate preparation to run a business as a plan means a need for a manager or entrepreneur to have in mind the goals of the enterprise as the plan allows the business to long-standing goals that are put into best practices to achieve these objectives.<sup>7</sup>

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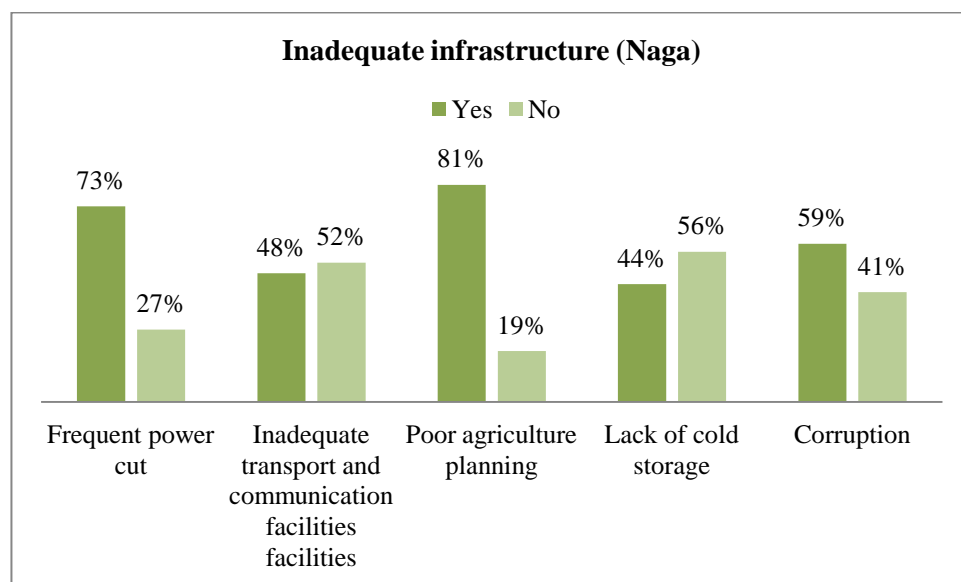
<sup>7</sup> *ibid*



#### 4. Infrastructure problem:

Poor infrastructure is the reason for the slow growth of entrepreneurship in Nagaland. For economic development, adequate infrastructure facilities are needed, as infrastructure provides a fundamental accommodating base to enlargement impulses in all productive sectors of the economy.<sup>8</sup> A report by India Today (2005) reveals that among 10 (ten) small states in India, Nagaland occupies only the 7<sup>th</sup> position in the field of physical infrastructure development. In 1963 which was initiated as statehood day was the year several efforts for economic growth were put forward; as such, the infrastructural sector has thus gained momentum to grow, although at a slow pace.<sup>9</sup> Even though infrastructure development has been initiated and is undergoing better outcomes, it continues to fall behind, thus hindering the development of entrepreneurship in Nagaland.

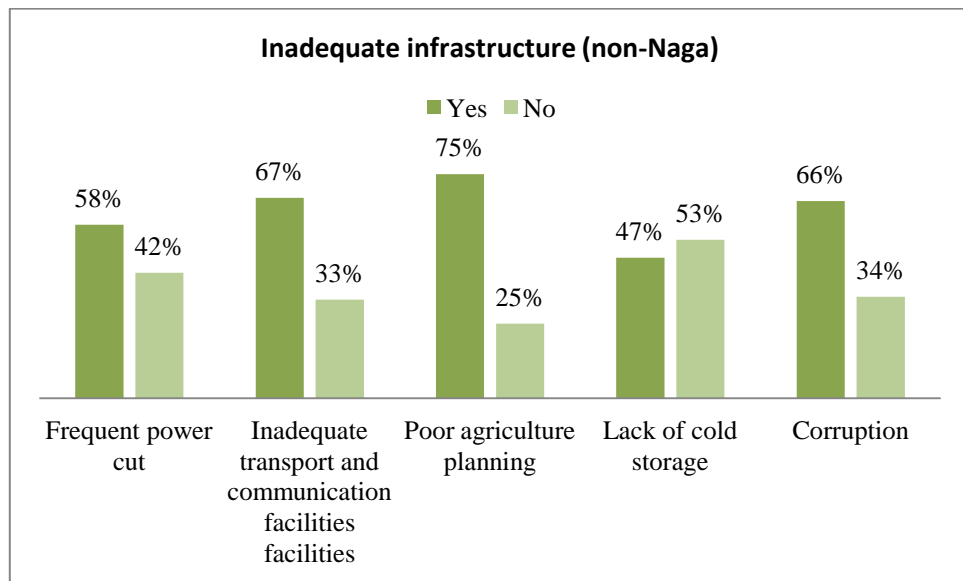
**Figure 4.3**  
**Infrastructure Problem (Naga)**



<sup>8</sup>Akali Sema, Sebastian sbd AJ, Savino. N, Economic Development in Nagaland Prospect and constraints, 2006,p.235.

<sup>9</sup> *ibid*

**Figure 4.4**  
**Infrastructure problem (non-Naga)**



**a) Frequent power cut:** The data reveals that 72 per cent of the Naga and 58 per cent of the non-Naga agreed that inadequate power supply affects the business. Regular power cut supply is another problem that could be improved in business in Nagaland. The study found that enterprises need a stable power supply to run business; businesses like beauty salons, cafes, and steel fabrications, require a constant regular power supply; thus, fluctuating power supplies have led to the spoiling of electronic machines that are used chiefly in cafes and beauty salons leading entrepreneurs to buy new devices that are necessary to run the business. The study also reveals that many small enterprises cannot afford a generator or an inverter; thus, frequent power cut supply has hindered many business entrepreneurs.

**b) Inadequate transport and communication facility:** The data reveals that 48 per cent of the Naga and 67 per cent of the non-Naga said insufficient transportation and communication hamper entrepreneurship. The unavailability of the proper road on the National Highway has turned out to be a shortcoming for entrepreneurs; due to the improper road, there is a soaring transport cost, and the high unit cost of transportation

raises the expenditure structure for all businesses. Nagaland has a hilly terrain; there is a need to develop a proper infrastructure because the infrastructure will help the economy of the state to create. The roads represent the largest transport agency and are intimately connected with the enlargement of the state economy. However, bad roads affect the business that brings the bulk of commodities; the price of the merchandise becomes costly. Many disadvantages are faced during the monsoon season, where landslides dislocate the whole transport system in the state, where many of the necessary supplies are left hanging and sometimes leading the entrepreneurs to face crises in the business. For economic development to progress the railway plays a very prominent role; however, in Nagaland, the district of Dimapur is the only district with only one rail station connecting with the rest of India, which is still negligible. The extension of the railway route is taking place, but it is still yet to be operated.<sup>10</sup>

**c) *Poor planning on Agriculture:*** The data reveals that 81 per cent of the Naga and 75 per cent of the non-Naga said poor planning on agriculture affects entrepreneurship. There is a need for a good link with other states. Still, poor transport planning has caused the state to remain physically and emotionally isolated. At the same time, the Naga society needs to encourage the farmers to put more effort into cultivation activities and stop the community from depending only on imports bought from the other state. Farmers also demand jobs instead of agriculture requirements and irrigation facilities during elections.<sup>11</sup> Thus, more information is needed, such as proper training in agriculture activities and encouragement. Entrepreneur Associates (EA)<sup>12</sup> Points out the need to promote entrepreneurship in the agri-sector, as the pandemic 2020 was a mirror that showed Nagaland the fragility of the state's economy; it has given a clear insight

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<sup>10</sup> Yelhi Vero, Nagaland Economy, Its Elementary Features, 2018, p.35.

<sup>11</sup> The Morung express, Lack of Infrastructure in the state of Nagaland, October 11, 2018.

<sup>12</sup> A Quarterly Magazine of Entrepreneurs Association. Vol.First Quarter 2022, p.5,p 11,p.14.

into the need to build up food and economic security. It has clarified the depth of Nagaland's reliance on the aid of the central government and given a clear picture of the frail market infrastructure. The cause of the pandemic was a substantial financial loss, as the market economy was at its worst; it was found that 91% of the street vendors needed capital to re-launch their businesses. EA thus started with the 'Trees for Wealth movement,' EA is working hard to educate the farmers on the importance of planting trees, educating farmers on the advantages of planting fruit trees, and the benefits of how the trees will bring income flows once the trees begin to grow and bear fruits. EA as a whole is working by motivating more farmers to take part in this Trees for Wealth movement as Nagaland's climate is enormous, and the scope of planting varieties of fruits trees will bear a good seed in years to come; EA is also encouraging farmers to inter-cropping; inter-cropping is planting fruit trees, and vegetables can be grown in the same crop. The inter-cropping will provide quick incomes to the families while they wait for fruit trees to bear fruit.

**d) Lack of cold storage:** The study indicated that 44 per cent of the Naga and 47 per cent of the non-Naga agreed that lack of cold storage is one of the infrastructural problems hampering entrepreneurship. There is a need to cultivate farmlands and boost the production rate of the state. However, it can only be achieved if the state can provide cold storage that can store the perishable vegetables from far-flung areas and reach markets in Dimapur. Providing cold storage will also motivate the farmers to be interested in producing more production goods.<sup>13</sup> By providing cold storage, the EA that has started the movement of trees for wealth will succeed; the trees that bear fruits can be preserved for a more extended period, providing economic development for the state.

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<sup>13</sup> The Morung Express, Cold storage facilities urgently required in Nagaland, March 25, 2022.

**e) Corruption:** The data shows that 41 per cent of the Naga and 66 per cent of the non-Naga said that political instability is another infrastructural problem in Nagaland. The political instability in the state has adversely affected the growth of entrepreneurship and the all-round economic development of the state. The funds that are put up for the development of the state have lowered because of the corruption leading to an effect on the state's infrastructure. The Municipal and town councils are found to be actively participating in collecting tax in the check that does not fall under their jurisdiction. Extortion in check gates has become common, and the Naga council, which should be working against illegal tax collection, was also involved in this activity. Thus, the illegal tax collection on commercial vehicles through corrupt means has affected the growth of entrepreneurship.<sup>14</sup> Therefore the government needs to imply strict rule in these sectors as illegal tax collected does not help the growth of entrepreneurship; the more tax is collected, the price of the consumer's products also increase as every businessmen's main objective is to gain profit, but with the increased in taxed, the burden is always shifted to the consumers by inflating prices.<sup>15</sup>

Therefore, poor infrastructure is the reason for the slow growth of entrepreneurship in Nagaland. Even though infrastructure development has been initiated and is undergoing better results, it continues to stay caught up, thus hindering the development of entrepreneurship in Nagaland.

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<sup>14</sup> T Zarenthung Ezung, Corruption and its impact on development, 2012.

<sup>15</sup> *ibid*

The test statistic is given by

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

$\chi^2$  = chi-squared

$O_i$  = observed value

$E_i$  = expected values

Test criteria: if the value of the  $\chi^2$  is greater than the tabulated value of  $\chi^2$  at a 5% significance level with a certain degree of freedom, then we reject the null hypothesis  $H_0$ ; otherwise, not.

### Hypothesis:

**$H_0$  (Null hypothesis):** Inadequate infrastructure support has not hampered entrepreneurship in Nagaland

**$H_1$  (Alternate hypothesis):** Inadequate infrastructure support has hampered entrepreneurship in Nagaland.

**Table 4.2**  
**Naga respondent data (Observed frequency)**

Infrastructure problem	No of respondents (Yes)	No of respondents (No)	Total
Inadequate power supply	109	41	150
Inadequate transport and communication facilities	72	78	150
Poor agriculture planning	122	28	150
Lack of cold storage	66	84	150
Corruption	88	62	150
<b>Total</b>	<b>457</b>	<b>293</b>	<b>750</b>

Naga Respondent data (Expected frequency)

$$E(109) = \frac{457 \times 150}{750} = 91.4$$

The expected frequency of the data 'yes' will be 91.4

$$\text{Again } E(41) = \frac{293 \times 150}{750} = 58.6$$

The expected frequency of the data ‘No’ is 58.6

**Table 4.3**  
**Table for calculation of  $\chi^2$ (non-Naga)**

$O_i$	$E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
109	91.4	309.76	3.389059081
72	91.4	376.36	4.117724289
122	91.4	936.36	10.2446326
66	91.4	645.16	7.058643326
88	91.4	11.56	0.126477024
41	58.6	309.76	5.286006826
78	58.6	376.36	6.422525597
28	58.6	936.36	15.97883959
84	58.6	645.16	11.00955631
62	58.6	11.56	0.197269625
63.83074062			

Calculated  $\chi^2$ , i.e., the test statistic is  $\chi^2_{cal} = 63.83$

Degree of freedom (df) = (5-1)\*(2-1) = 4 d.f

Now, the tabulated value of  $\chi^2$  at a 5% significance level with 4df = 9.488

Thus it can be concluded that the calculated value of  $\chi^2$ , i.e.,  $\chi^2_{cal} = 63.83$ , is greater than the tabulated value of  $\chi^2_{tab} = 9.488$  at the 5% significance level with 4 d.f, we reject the null hypothesis. Thus we conclude that inadequate infrastructure support has hampered entrepreneurship in Nagaland, according to the data obtained by the Naga respondents.

**Table 4.4**  
**Non-Naga Respondent data (Observed frequency)**

Infrastructure problem	No of respondents (Yes)	No of respondents (No)	Total
Inadequate power supply	86	64	150
Inadequate transport and communication facilities	100	50	150
Poor agriculture planning	112	38	150
Lack of cold storage	70	80	150
Corruption	99	51	150
<b>Total</b>	467	283	750

Expected frequency for non-Naga respondent data

$$E(86) = \frac{467 \times 150}{750} = 93.4$$

Therefore the expected frequency for the data 'Yes' is 93.4

$$\text{Again, } E(64) = \frac{283 \times 150}{750} = 56.6$$

Therefore the expected frequency for the data 'No' is 56.6

**Table 4.5**  
**Table for calculation of  $\chi^2$ (non-Naga)**

$O_i$	$E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
86	93.33	54.76	0.586295503
100	93.33	43.56	0.466381156
112	93.33	345.96	3.704068522
70	93.33	547.56	5.862526767
99	93.33	31.36	0.335760171
64	56.67	54.76	0.967491166
50	56.67	43.56	0.769611307
38	56.67	345.96	6.112367491
80	56.67	547.56	9.674204947
51	56.67	31.36	0.554063604
			29.03277064

Therefore  $\chi^2$  = i.e the test statistic of  $\chi^2_{cal} = 29.03$

Degree of freedom (df) = (5-1)\*(2-1) = 4 d.f

Now, the tabulated value of  $\chi^2$  at a 5% significance level with 4df = 9.488.

Thus it can be concluded that, since the calculated  $\chi^2$  is greater than the tabulated, i.e.,  $\chi^2_{cal} > \chi^2_{tab}$  ( $\chi^2_{cal}$  lies in the rejection region) at a 5% level of significance with 4d.f, we reject the null hypothesis, therefore according to the data obtained from the non-Naga respondents, we can conclude that inadequate infrastructure support has hampered entrepreneurship in Nagaland.



## **5. Human resource:**

Human Resource Management (HRM) is related to people working in different organizational activities. It involves the management of people in business that includes people in planning, organizing, staffing, leading or directing, controlling, and coordinating different workforce activities within an enterprise; according to the needs of the organization, the managers try to skill the employees in the particular fields that are needed in the firm.<sup>16</sup>

HRM is managing people in organizations by hiring people, pay and perks setting, and managing people in the form of a collaborative relationship between management and employees. Human resource management is a management function that helps entrepreneurs or a manager that recruit employees according to the needs of the enterprise; with the selection, these employees are trained in different activities that are required, and this ultimately develop organization members; it is the efforts taken by the entrepreneur or the managers in making well-organized, proficient and effective use of human resources to achieve set goals.<sup>17</sup>

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<sup>16</sup> Neha Narula & Nirmala Chaudhary, Human Resource Management as Entrepreneurial Tool: A literature review, 2018.

<sup>17</sup> *ibid*

**Figure 4.5**  
**Human resource (Naga)**



**Figure 4.6**  
**Human resource (non-Naga)**



**a) Lack of knowledge of human resource development:** The data shows that 47.33 per cent of Naga entrepreneurs and 18.66 per cent of non-Naga entrepreneurs face human resource problems due to poor knowledge of managing human resources. Human resource is essential, and without proper human resource management, the employees are likely to be dissatisfied with their job, resulting in employees seeking a job elsewhere. Proper human resource management is vital as the employees play the most

prominent role in business success. It is the employee's effort that today, many companies/big enterprises gained success in their field of business. Thus it is important to keep an excellent human resource development as, without it, the number of employees quitting will increase, bringing negative impacts like business losses.

***b) Skilled employees leave the job after experience:*** The data reveals that 77.33 per cent of the Naga and 59 per cent of the non-Naga entrepreneur met issues like skilled employees leaving the job after gaining experience. The study found that many employees leave the establishment after being appropriately trained. The employees are always waiting for a pay raise, and when demand is not fulfilled, the employees leave the job. The study further indicated that many young Naga employees also seek a position where the work is less; they search for jobs primarily in fancy places even if the pay offer is less. The trained employees who have already adapted to the business and this very employee leaving job led the entrepreneurs into trouble, a burden to find another employee and train them from the starting point. Further, it is found that many entrepreneurs fail to understand the employee's capability, thus leading to wrong decisions by assigning jobs that are not suitable for the employees, which makes the hired individual lose interest in the job. Therefore, entrepreneurs need to properly know and understand the interest and abilities of the hired employees and assign the job that is best suited according to the individual's skills.

***c) Non-Availability of skilled employees:*** The data shows that 68 per cent of the Naga and 45.33 per cent of the non-Naga entrepreneurs faced the non-availability of skilled labor. The non-availability of skilled employees is what many entrepreneurs are facing; keeping an unskilled employee has its challenges; the time investment in training the employees, the unskilled employees are limited to some particular area of work only and lack multitasking. Many newly joined employees have zero knowledge about

business; therefore, even though employees are needed in the business, hiring unskilled employees sometimes becomes an extra burden when the hired employees are slow learners and have no skills in running the enterprise. The common problem faced by the Naga and the non-Naga entrepreneurs is that many employees who freshly join the enterprise assume that they are qualified to get a salary of Rs 15,000 – Rs 20,000 per month without even having basic business skills, and thus, many are unwilling to work where the salary starts from Rs 6000 to 7000 per month. Many youths are not willing to work where the pay is less; thus, even if the jobs are available many lack interest in the jobs offered. Another human resource problem is the temporarily hired employees wanting their job to be permanent even if the qualification is not enough and even though many do not show any improvement. Hiring an employee can sometimes put the business at risk if the employees are not skilled enough to run the enterprise; thus, the entrepreneurs primarily seek employees with 3 to 4 years of experience as experienced employees tend to be a less burden for the business owner.

## **6. Cultural constrained on the development of entrepreneurship:**

Culture can be defined as man-made objects such as arts, beliefs, values, and norms; culture is the human activity within a community or a social group; culture is learned in society and passed down from one generation to the other. In the Naga society, entrepreneurship was never a tradition from the start. Even though changes are happening in the present community, people still prefer to stay in the comfort zone of government jobs.

Culture is an essential factor that influences entrepreneurship in society. Culture is the combination of attitudes, beliefs, values, and lifestyles. All of them contribute to shaping an individual's orientation toward entrepreneurship. Individual behavior is an

essential factor influencing whether a person goes on to create a new venture. It is also true that cultural values and social context influence one's cognition.<sup>18</sup>

There are two lines of theoretical interpretation about how culture affects business. The first is rooted mainly in psychological literature and assumes that culture directly manifests in the behavior of people belonging to a specific culture. It influences the personal values and behavior of individuals. Thus, national culture can support or prevent corporate behavior at the individual level. From this perspective, a culture that promotes entrepreneurship allows more people to exercise entrepreneurial potential and, in turn, increases business activity. The second line, based mainly on institutional theory, assumes that culture, as an informal institution, is the basis of the formal institution. Therefore, in some countries, institutional conditions are adapted to support business activity, for example, a free and competitive market, protection of private property, and an open and innovative educational system, producing more business activity in these countries. As a model "culture-institution-enterprise," this line is based heavily on Institutional Economic Theory, which includes culture as a so-called informal factor and, along with the approach of several investigations, one of the key factors to entrepreneurial activity. This theory suggests that the social and cultural context influences the individual, in this case, the entrepreneur, who is the agent responsible for the creation of new companies and changes in the environment.<sup>19</sup>

Society has significantly contributed to developing entrepreneurial skills in individuals at all levels through the active participation of all concerned corners. It is necessary that every segment of society provide confidence and constant support to individuals aspiring to establish a business; society can help by showing business concerns and making way for economic opportunities available. Society should be on

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<sup>18</sup>Sushil Kumar Pant, Role of The Family in Entrepreneurship Development in Nepali Society,2015, p.37.

<sup>19</sup>Marysol Castillo Palacio, Rosa M Batista Canino, Alexander Zuniga Colazos. The relationship between culture and Entrepreneurship: From the cultural dimension of the globe project, 2017.

condition to provide supportive cover through an advanced educational structure that will make it easier for individuals to see the sights of their capabilities and can discover the best match between their skills and entrepreneurial opportunities around them. It is necessary for social leadership in the form of government to work and to make sure that the legal sound system efficiently shelters the existing and potential entrepreneurs.<sup>20</sup>

**i) Role of family in Entrepreneurship:**

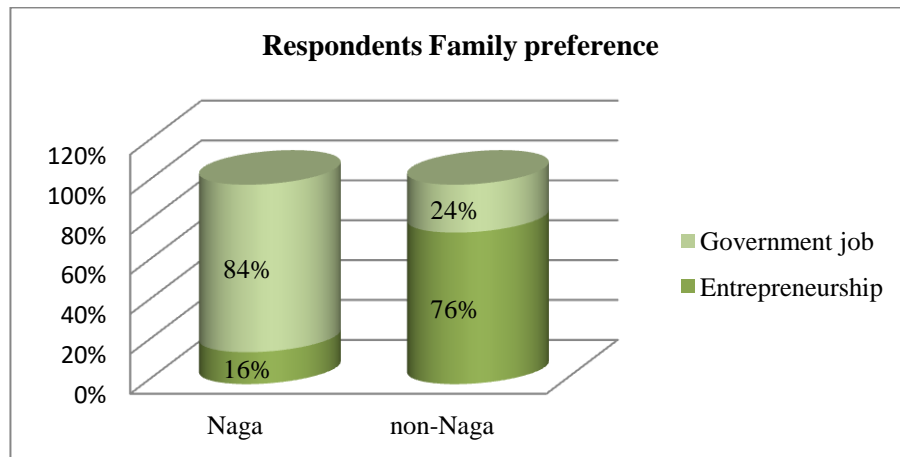
Bourdieu's (1986) sociological theory on intergenerational cultural capital transmission points out that environmental, intra-familial factors from parents are the key source in shaping an individual's personality in different ways, together with education and occupational choice. The parent's socioeconomic status plays a vital role in developing and determining the children's personalities, on the social level and in their career choices. Bourdieu argues that children inherit their parental cultural capital through occupation and social status. Consequently, Bourdieu believes that parental cultural capital, be it in the profession or social status, is inherited by their children; a stance on cultural capital can be interpreted as an intergenerational transmission of parental cultural capital that facilitates persistence in the social mobility of offspring and accelerates motivation to choose a parental pathway as their occupational choice. Considering that those cultural and social aspects of capital also have economic value, the cultural capital theory is relevant for this research to understand the reasons behind cultural capital transmission from parents to children. The background of the entrepreneurial parents can be of particular importance for enabling a transfer of cultural capital from parents to their children in their occupational choices to enter a family business or to start and run their own.<sup>21</sup>

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<sup>20</sup> Syed Shabib-ul-Hasan, Syed Tariq Izhar, Hasan Raza, The Role of Society in Nurturing Entrepreneur in Pakistan, 2012, p.64.

<sup>21</sup> Balaussa Azubayeva, The Impact of cultural capital on Development of Entrepreneurship in Wales, 2021, p.3.

**Figure 4.7**  
**Respondent's family preference in the employment sector**



The data shows that 16 per cent of the Naga and 76 per cent of the non-Naga family prefer entrepreneurship as their profession, whereas 84 per cent of the Naga family and 24 per cent of the non-Naga family prefer government jobs. The overall mindset of the Nagas is to practice the culture of wanting and seeking government jobs; this mindset has been imprinted in almost every household. It has become a practice followed by one generation after another. The people wanting a secured job and a stable monthly salary are the wants of many Naga people; therefore, entrepreneurship becomes the second choice. The study shows that many Naga families prefer to pursue their children for higher studies so that the children can seek government jobs or any other professional job rather than entrepreneurship; the Naga families are never ready to take the risk involved in the entrepreneurial venture is another reason why many parents are unwilling to let their children take business as their profession. Mrs. Eliza mentioned, *“My parents have always encouraged me to study hard and get a government job, but I was never encouraged or got advice from my family/relatives to take up entrepreneurship as my profession. When I wanted to start a business, my family was not supportive as they believed that business is not a good profession, so my family was unwilling to invest any money in it. I think it is not only me; I am sure many Nagas must*

*have experienced this. I have observed that many Naga parents are willing to borrow money and invest in their children's education so that they can get in a government job. Still, when it comes to investing in the business, many are unwilling to invest”.*

Take the example of the Marwari family's success in the business line, where the entrepreneur's families give support and motivate the children by encouraging them towards entrepreneurship, thus providing the environment that helps entrepreneurship to flourish as most Marwari are from a business background, unlike the non-Marwari, who prefer wanting their children as doctors and engineers rather than choosing entrepreneurship.<sup>22</sup>

According to the Nagaland Vision 2030, The Naga youth comprised 30 per cent of the population in Nagaland, with 6.82 lakh youth falling under the age group of 15-29 years. Suppose the state can tie together the productive potential of the youth. In that case, it can drastically strengthen the state's economic growth as the only avenue that can be exploited for the youth is the private sector. The youth have to think not only about self-employment but also about creating employment opportunities for the other youths of the society by focusing on entrepreneurship development. According to the Naga Students Federation (NSF), there are 68,200 plus Naga youths who are unemployed in the state and are unemployed in the state; illegal immigrants are employed in every nook and corner.

Thus, there is a need to spread more awareness and educate the Naga families on the importance of entrepreneurship, as this will help the families to board out their minds in the entrepreneurial field; it will help the Nagas to know that family motivation plays a vital role to the growth of entrepreneurship and family and they can play their

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<sup>22</sup> Sami Uddin, Entrepreneurship Development in India, 1989.



part by creating a positive entrepreneurship environment, by creating this chain it will bring about a change in society.

## **ii) Role of youths in entrepreneurship:**

UN defines people aged 15-24 years as youth, while in 2003, the National Youth Policy (Government of India) defined the youth as people in the age group of 15-34 years. However, the year 2014 National Youth Policy, through its modifications, described youth as people falling in the age group of 15-29 years. Youths are the backbone of every nation. Youths can use their advanced knowledge and innovation, and, with their potential, they can establish successful undertakings that decrease unemployment, thereby contributing to economic wellness.<sup>23</sup> According to the Nagaland Vision 2030, The Naga youth comprised 30 percent of the population in Nagaland, with 6.82 lakh youth falling under the age group of 15-29 years. Suppose the state can tie together the productive potential of the youth. In that case, it can drastically strengthen the state's economic growth as the only avenue that can be exploited for the youth is the private sector. The youth have to think not only about self-employment but also about creating employment opportunities for the other youths of the society by focusing on entrepreneurship development. According to the Naga Students Federation (NSF), there are 68,200 plus Naga youths who are unemployed in the state and are unemployed in the state; illegal immigrants are employed in every nook and corner.

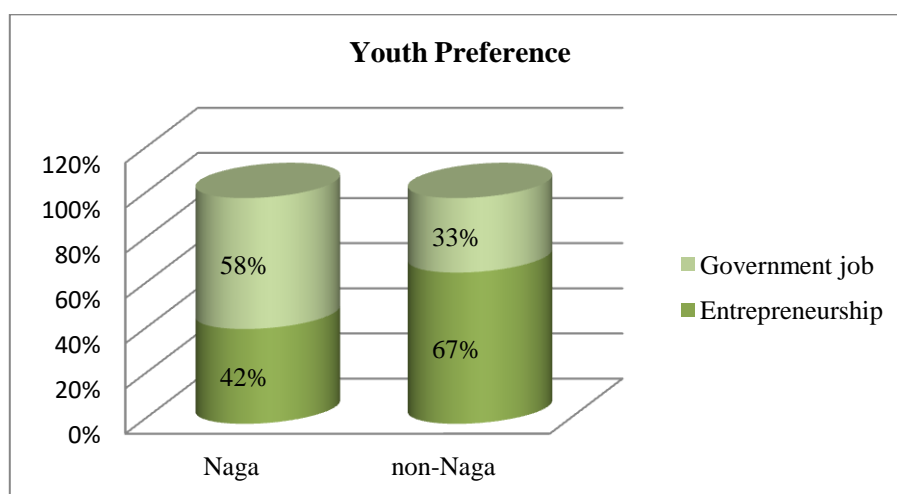
The Ecological Systems Theory by UrieBronfenbrenner (1999) believes the development of a person's career depends on the heterogeneity in which they live as individuals are best adjusted, comfortable, and contented in environments that are equivalent to their attitudes, values, goals, and experiences; that is, they are additionally satisfied when a fit exists that connects themselves and their environment. Being

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<sup>23</sup> Kavita Chauhan & Aashu Aggarwal, *Youth Entrepreneurship: The Role and implications for the Indian economy*, 2017.

harmonious with one's parents on career matters reflects a fit likely to foster career development. Incongruity or lack of fit creates a feasible external hindrance to career development. Therefore, the theory states that a child's career is developed or influenced by their parents through interactions, relationships, and expectations. This approach helped recognize how parental occupation affects the career development of youths.<sup>24</sup>

**Figure 4.8**  
**Youth Preference in the employment sector**



According to the data, figure 4.8 reveals that 58 per cent of the Naga youth prefer entrepreneurship, and 42 per cent of the youth prefer government jobs. The figure reveals that many youths prefer government jobs over entrepreneurship. On the other hand, 33 per cent of the non-Naga prefers government jobs, and 67 per cent of the respondents prefer entrepreneurship. According to Doulo (2020), the Naga society has become poor because the Nagas are not participating in entrepreneurial activities. In contrast, the outsiders, legal or illegal, prosper in business, controlling the economy of Nagaland massively. When the Nagas youths are putting more focus on acquiring jobs in different government sectors, the non-locals are working and tolling upward,

<sup>24</sup> Mathatha Viola, Ndhlovu Daniel, Influence of parental occupation on career development of youths with intellectual disabilities in selected skills training institutes in Zambia, 2019.

controlling the business in Nagaland, and it will not be long before the Nagas start losing the grasp of the business opportunities by letting the outsider freely occupying the business opportunities. In the state of Nagaland, for decades, one can witness that the Naga society prefers to look up to the person in a Government job and look down on the person employed in the private sector or self-employed.

According to Kikhi (2006), *“the most desired of youth is to get in the organized sectors, i.e., government jobs, as it provides constancy and security of tenure with assured levels of wages and the society is attractive towards glamour, prestige status, and importance is given to the government sectors.”* The parental pressure to succeed in the academic field with high expectations on the youths to secure government jobs is one of the factor that has deteriorated the youth's minds towards entrepreneurs. Most Naga parents are too focused on their children's academic performance only, as, according to them, getting a secure salaried job is the most satisfactory. Therefore, the parents ignore the social skills and compassion of the children that have the potential to become an entrepreneur. Every parent aims to provide the best for their children. Every Naga parents wish their children to secure a respectable job in a society that will make the parents contented. This respectable job is a government job, thus never encouraging their children to go for the business profession, and individuals who are interested in taking entrepreneurial career are also de-motivated without the support of the family, ultimately losing the enthusiasm of setting up a business. Therefore, this mentality has a ripple effect on the youth, pressuring them to join Government jobs or work in any big companies outside Nagaland.<sup>25</sup> Even though Nagas are aware that the state economy is in the hands of non-local, the Nagas are still struggling to set foot into the entrepreneurial arena, and it has become the most significant drawback, which has

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<sup>25</sup> Avitho Loucii, *The ugly duckling of the Nagas*, 2021, p. 8.

affected the growth of entrepreneurship in Nagaland. Family and society play an essential role; youths take inspiration from their family members and the surrounding society while choosing a profession.

Thus, it is essential to promote youth entrepreneurial culture as youths can break the traditional norm, bring social change and development in society, create employment opportunities, and provide sustainable growth and social development. Therefore, it is the parents. The Naga society can take steps by imprinting entrepreneurial values in the children's mindset, which later results in the children reinforcing those values during adolescence and providing financial and other support during adulthood.

Culture plays a vital role in the development of entrepreneurship in society, and it is the family and community that play a role in contributing to the growth of entrepreneurship, as individuals get inspiration from the family and society while choosing a profession. Parents of children have the biggest upon the career they choose; parents with entrepreneurial backgrounds imprint business values in their children, which motivate the children to consider entrepreneurship as a profession and a job provider.

The test statistic is given by

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

$\chi^2$  = chi-squared

$O_i$  = observed value

$E_i$  = expected values

Test criteria: if the value of the  $\chi^2$  is greater than the tabulated value of  $\chi^2$  at a 5% significance level with a certain degree of freedom, then we reject the null hypothesis  $H_0$ ; otherwise, not.

### Hypothesis:

**$H_0$  (Null hypothesis):** Cultural differences do not impact on the nature of entrepreneurship in Naga society

**$H_1$  (Alternate hypothesis):** Cultural differences have an impact on the nature of entrepreneurship in Naga society.

**Table 4.6**  
**Respondents observed frequency**

Employment preference	Family Preference No of respondents	Youth Preference No of respondents	Total
Government job	126	87	213
Entrepreneurship	24	63	87
Total	150	150	300

Expected frequency

$$E(126) = \frac{213 \times 150}{300} = 106.5$$

$$E(87) = \frac{213 \times 150}{300} = 106.5$$

$$E(24) = \frac{87 \times 150}{300} = 43.5$$

$$E(63) = \frac{87 \times 150}{300} = 43.5$$

**Table 4.7**  
**Calculation for  $\chi^2$**

$O_i$	$E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
126	106.5	380.25	3.57
87	106.5	380.25	3.57
24	43.5	380.25	8.74
63	43.5	380.25	8.74
<b>Total</b>			24.62

Therefore  $\chi^2$  = i.e the test statistic of  $\chi^2_{cal} = 24.62$

Degree of freedom (df) = (2-1)\*(2-1) = 1 d.f

Now, the tabulated value of  $\chi^2$  at 5% level of significance with 1df = 3.841

Thus it can be concluded that the calculated value of  $\chi^2$ , i.e.,  $\chi^2_{cal} = 24.62$ , is greater than the tabulated value of  $\chi^2_{tab} = 3.841$  at the 5% significance level with 1 d.f, we reject the null hypothesis. Thus we conclude that cultural differences impact the nature of entrepreneurship in Nagaland.

### iii) Role of Parental occupation on entrepreneurship:

Bourdieu's culture capital theory supported that culture significantly impacts entrepreneurship. Parental occupation, skills, taste, and mannerisms impact their children; children at a younger age start adapting to the parent's lifestyle till their adolescence; their entrepreneurship has grown more in families that an entrepreneurship background, the entrepreneurial culture that the parents adopted ultimately gives ways for their children towards the same profession. According to Bourdieu, if the parents are in the entrepreneurship profession, the children are more likely to follow in the footsteps of the parent profession by becoming self-employed or by inheriting the parent's enterprise set up by the individual family.<sup>26</sup>

**Table 4.8**  
**Role of Parent's Occupation on Entrepreneurship**

Fathers Occupation	Naga	non-Naga	Mothers occupation	Naga	non-Naga
Businessmen	17%	66%	Businesswomen	7%	43%
Farmer	7%	18%	Farmer	9%	15%
Service	71%	16%	Service	61%	8%
Politician	3%	0%	Politician	0%	0%
Others	2%	0%	Others	23%	34%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>100%</b>

The comparative study reveals a vast difference between Naga and non-Naga entrepreneurs. It is clear that the majority of the Naga respondent's father is in

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<sup>26</sup> *ibid*

government service (71 per cent), but when compared with the non-Naga majority of the non-Naga father is working in the entrepreneurial arena (66 per cent).

The study revealed a massive gap between the occupation of the Naga and non-Naga entrepreneurs when the non-locals parents are mainly in the profession of entrepreneurial activities; on the other hand, the Naga parents are mostly in government service. The study also reveals that in the role of the mother's occupation, the majority of the Naga respondent's mothers were in government service (61 per cent). In contrast, data on the non-Naga respondent's mothers indicated that majorities were in the entrepreneurial arena (43 per cent) and housewives (34 per cent).

The parent's occupation plays a role in selecting the children's careers. The environment in which the child is brought up influences the child's development; thus, parental occupations in the business profession ultimately motivate the children toward entrepreneurship as the child learns and takes an interest in business at a younger age. Parents are role models for their children and significantly impact career development; parents play the role of building self-confidence in their children, and it impacts social skills in the child's development. Thus, parents' occupation has a great influence in enhancing the children to pursue their careers. Parental support is crucial, as individuals who want to start a business need emotional and financial support from their parents; thus, parents supporting entrepreneurs can provide guidance and feedback that will help the entrepreneurs run their businesses better and also help in solving a particular problem.

In a businessman's house, the parent's working styles ultimately train the children towards self-reliance and independence. The profession of the parents inspires, motivates, and inclines a person to become an entrepreneur. The family plays a significant role as parents with a business background family provide early socialization

that encourages a person toward entrepreneurship (see Chapter 2, figure 2.6). The habits of the people around them and religion are some of the factors in socialization. Normative behavior influences a person's behavior that one adopts in life. These norms are produced by numerous factors that persuade an individual from childhood. The most influential forces are the family unit and the society. A child born into a family with a business background automatically develops a positive mindset toward business, and they tend to develop an interest in a business career; these children also get support and assistance from family members.<sup>27</sup> Therefore, family and peer groups are an essential part of the culture, as an individual with a family business culture or a person surrounded by a peer group with entrepreneurial background has more chances to have innovative thoughts and help build a great business empire or vast wealth.<sup>28</sup>

## **7. Importance of early entrepreneurship education:**

Harvard Business School was the first to introduce the importance of entrepreneurship education and has since gained popularity. It is taught widely across developed countries like the United States, the United Kingdom, Germany, and the Netherlands. Educating on the importance of entrepreneurship in schools, colleges, and universities has shown a positive result. The prepared entrepreneurship courses have a more significant role in influencing students and young individuals to be interested in entrepreneurship. Thus the government and the policymakers have come to believe that this can be a step to offer more employment to more people and create more opportunities for the many youths that are unemployed.<sup>29</sup>

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<sup>27</sup> Khundrakpam Devananda Singh and Ditalak Mpanme, 2017, Bamboo-based Entrepreneurship in Nagaland, p160-161.

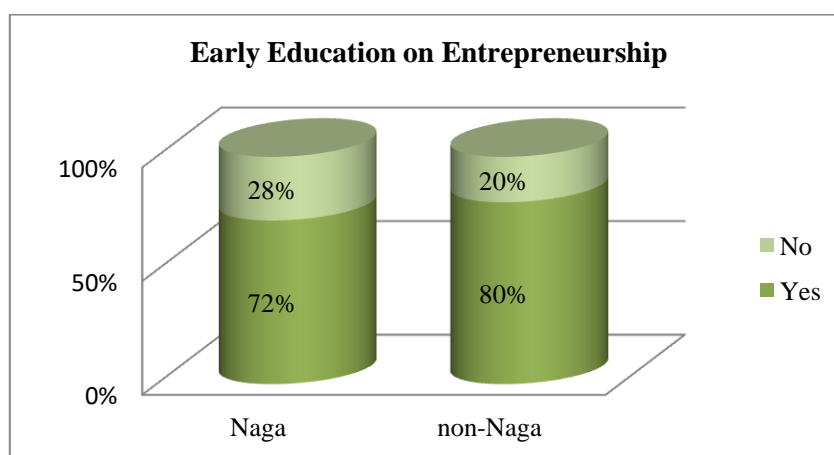
<sup>28</sup> Sushil Kumar Pant, Role of The Family in Entrepreneurship Development in Nepali Society, 2015, p.38.

<sup>29</sup> Abderrahman Hassi, Effectiveness of early entrepreneurship education at the primary school level: Evidence from field research in Morocco. Citizenship, Social and Economics Education, 2016.



Exposure to entrepreneurial activities can help the students in instilling entrepreneurial spirit. Several successful examples of entrepreneurship education programs, particularly in the United States, aim to enhance children's skills, such as "The Mini Society" and the "Entrepreneurs in Kentucky Initiative." Marilyn Kourilsky highlighted that students at the age of 8 and 12 years have more benefits as if the students at this early age get entrepreneurial education, their knowledge of entrepreneurial concepts will shape their attitudes toward entrepreneurship. In the Netherlands, the BizWorld program educates entrepreneurial studies to children aged 11–12 years, as it believes that early education can help promote an entrepreneurial career in primary schools through the learning approaches.<sup>30</sup>

**Figure 4.9**  
**Early education on entrepreneurship**



Entrepreneurship education includes all activities aiming to foster entrepreneurial mindsets in the students at an early age, developing the students' skills and training them to have ideas about the start-up process of the enterprise, the growth, and the pros and cons of the entrepreneurial area. The data also shows that 72 per cent of the Naga and 80 per cent of the non-Naga believed that early education is essential as this will give the children early exposure to entrepreneurial activities and help the

<sup>30</sup> *ibid*

student visualize the importance of entrepreneurship. However, 28 per cent of the Naga and 20 per cent of the non-Naga did not agree with it.

The primary level can be a platform for the children to build towards entrepreneurship, and slowly by implementing and inputting ideas during the secondary level of education as during this stage, the children are more in the formative. Entrepreneurship can be taught in the vocational stream, making it possible by introducing entrepreneurship as part of the curriculum. By introducing the curriculum, the students can take the initiative to learn entrepreneurship education. Therefore teaching early education on entrepreneurship in primary schools, colleges, or universities can generate awareness among the students, give a clearer view, and advance the spirit of entrepreneurship skills.<sup>31</sup>.

Fostering early education can provide students with innovativeness, fosters job creation, and improves global competitiveness. It can help in providing knowledge that will later be useful to the individual in the future.<sup>32</sup>. IMF's World Economic Outlook (2019) stated that India is the fifth largest economy in the world, and entrepreneurs are the country's most prominent economic contributor. Entrepreneurs are the ones whose work effortlessly has led to the upliftment of the current growth of economic achievement; hence, the need to promote up-and-coming entrepreneurs by starting more programs in entrepreneurship education.<sup>33</sup>

## **8. Motivation factor towards the growth of entrepreneurship:**

The primary and secondary schools syllabus should be modified to enable the children to build up respect for the dignity of labor and, in the future, choose innovative

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<sup>31</sup> Ilayaraja S and S.K.G.Ganesh, Entrepreneurship education in India and motivation for students to become entrepreneurs, 2016.

<sup>32</sup> Ashwini Sharma, Opinions: Why India needs to accelerate focus on Entrepreneurship Education. 2020.

<sup>33</sup> D.N.SKumar, D . How Entrepreneurship Education Helps in the Growth of the Indian Economy,2020.

activities like business and can be self-reliant.<sup>34</sup> Strengthening the educational system by including an entrepreneurship syllabus that will help the students to get early knowledge on the importance of entrepreneurship can be one of the factors that can help the upcoming generation to take up entrepreneurship as their profession. Suitable environment and intuition in grasping the essential fact (Schumpeter,1961).Status mobility system where status is attained through outstanding performance, initiative, industriousness, foresight through self-reliance, and achievement training (Levine, 1966). Creative personality; High achievement, need order and autonomy; Fairly widespread, creative problem-solving ability and tendency to use it; positive attitudes towards manual and technical labor, physical world (Haggen, 1971). A supportive community is a self-image that gives meaning, value, and status to an entrepreneurial career (Nandy,1973). The traditional system of occupational culture facilitates the process of modernization, special opportunities, motivation, experience training, or knowledge, and traditional belief and value system are flexible to allow for reinterpretation with changing conditions (Singer, 1973).<sup>35</sup>

**Table 4.9**  
**Motivation factor that can help motivate the upcoming generations**

<b>The factor that can help motivate the upcoming generations</b>	<b>Naga</b>	<b>Non-Naga(%)</b>
Early exposure to entrepreneurship by setting up programs in high school & higher secondary level.	56%	50%
Successful entrepreneur as a role model, guiding, motivating, and attracting the upcoming generation into the business.	54%	67%
An appropriate environment where entrepreneurship can grow and flourish.	40%	74%

Table 4.9 points out that 56 per cent of the Naga and 27 per cent of the non-Naga believes that there is a need for the younger generation to have early exposure to

<sup>34</sup> Sami Uddin, Entrepreneurship Development in India, 1989.

<sup>35</sup> E.Thangasami,2014, Entrepreneurship Development in Nagaland: A Case study, pp. 22-23.

entrepreneurship by setting up different programs, workshops, and seminars in high school as well as higher secondary level as there is a lack of government job in the state. Naga society is still lacking in entrepreneurship; though entrepreneurship is coming of age, the state has yet to progress. The absence of the Nagas in economic policy has given birth to the influx of immigrants in the state; the Naga's unable to monopolize the main commercial hubs in Kohima and Dimapur districts has crippled the economic development. Hence, promoting entrepreneurial culture among the youth in schools and colleges is one step towards a better tomorrow. Social media can be another platform to educate the youth, as most are active on social media. Social media influencers can also participate by initiating the concept of youth entrepreneurship by addressing the awareness of business opportunities and economic development.

The need for successful entrepreneurs to help motivate the upcoming generation is another vital factor. The data reveals that 54 per cent of the Naga entrepreneurs and 67 per cent of the non-Naga entrepreneurs believe that successful entrepreneurs should come forward and motivates the younger generation to take up entrepreneurship as their profession as this will help boost up the spirit of the youths and motivate the people to take an interest in the business arena. The respondents mentioned that youths wanting to start up business lack motivation, mentorship, information, and confidence. Individuals with no business background lack vital information regarding the profession they want to undertake or the enterprise they want to set up. This becomes a significant setback in the path to success; therefore, successful entrepreneurs can inspire by interacting with the youths and be role models in building an environment conducive to growth and development.

Lastly, the data shows that 40 per cent of Naga entrepreneurs and 74 per cent of non-Naga believe there is a need for an appropriate environment where

entrepreneurship can grow and flourish. The Naga families are primarily job oriented. Therefore, they do not welcome entrepreneurship; many families do not appreciate, value, or understand, nor are they supportive of the entrepreneurial career; this culture brings a negative mindset and overwhelming feelings to the potential youths who aspire to start a business. This culture builds up a hostile environment which affects the growth of entrepreneurship. Hence, it is the responsibility of the Naga society to try to reduce this negativity that is hampering entrepreneurship, and the community should work together to bring and create a strong entrepreneurial environment in the state.<sup>36</sup>

#### **9. Improper use of trade license:**

Even though Nagas are aware that trade under the hands of outsiders and business is the way to boost the economy of Nagaland, the Nagas are yet to cop up with the outsiders in business. According to the Morung Express (October 5, 2017), there is a growing dependency on non-locals, especially manual workers and plumbers, and even many Nagas prefer non-Nagas shops rather than their local shops. Business Association of Nagas (BAN) expressed concern that illegal immigrants have taken control of almost all aspects of the business. With the help of local 'dadas' and Naga underground factions, stated illegal immigrants have established powerful business syndicates, which do not give space to local businessmen. 60-70% of trade licenses in the hands of illegal immigrants bear Naga names. Distrust among the Naga people has allowed illegal immigrants to thrive and urged for long-term strategies to tackle this menace.

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<sup>36</sup> Rameshwari Pandya (2016), Skill Development and Entrepreneurship in India, 2016.

**Figure 4.10**  
**Improper use of license**

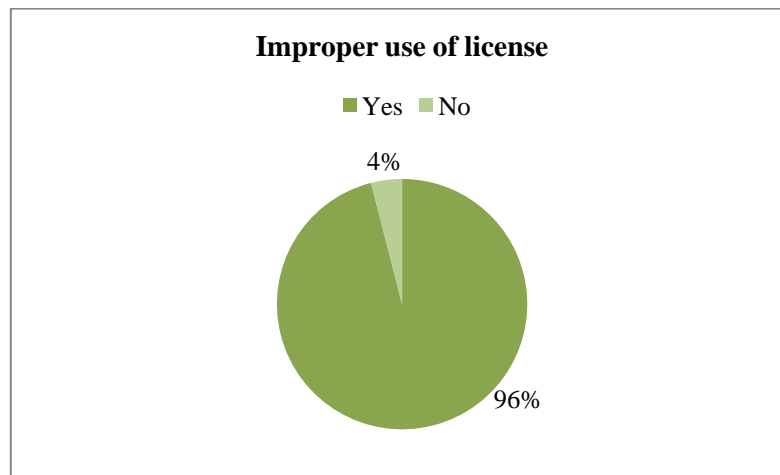


Figure 4.10 reveals that 96 per cent of the Naga have agreed that the improper use of trade license used by outsiders in the name of the Naga would create a problem that will become difficult to dislodge later. A trade license is a document or certificates the state or government issued to start a business. The study found that many non-Nagas running a business in Nagaland are using the name of the Nagas in their trade license, and many big enterprises run by the non-locals are under the name of the Nagas; the main reason behind this issue is the taxation paid by the Nagas are less when compared to the non-Nagas, many non-Nagas are unwilling to deal with the fractional groups thus using the name of the Nagas in the trade license becomes easy for the non-local.

Mr. John, age 45, running a hardware and electronic shop, said, *“Nagas are willing to partner up with the non-Nagas to run business; in Nagaland, especially in Dimapur, the big businesses run by the non-Nagas are mostly in partnership with the Nagas, and thus even though the enterprise is looked after by the non-Naga the trade license is in the name of the Naga. I have asked a friend who is in a partnership with the non-Naga, and when I asked him why he is willing to partner up with an outsider, his answer was, I do not have to invest my whole time in business as my partner is ready to*

*look after it, my partner has employed trusted employees who are looking after the business well when any problem arises I go to check as the business is under my name”.*

Another problem is the growing intermarriage between the Naga woman and the non-local; this is another reason businesses carried out by the non-local use the name of the Naga wife to run the business. The study found that the marriage taking place between the local girl and the non-local is becoming a problem to the Naga society, as after marriage, their children are born using the surnames of the Naga mother instead of using the father's, and these children after adulthood can easily take up their parents business which is already in the name of the Nagas, they can easily get trade licenses in under the name of the Naga to run businesses in Nagaland. The study further reveals that the businesses/enterprises with signboards in the name of the Nagas are run mainly by non-locals. Therefore, it poses a threat to the later generation to help safeguard the future; there is a need for government officials to take strict measures by checking and canceling the trade license of the defaulters.

## Chapter 5

### CONCLUSION AND SUMMARY

#### 1. Introduction:

Entrepreneurship plays a significant role in boosting the economy of every region. Nagaland is a state where the culture of entrepreneurship was not practiced in the early years, resulting in outsiders occupying and filling the gap that the Nagas have left out. With the growing population and the growth of unemployment in the state, there is a need for the Naga society to put their focus on entrepreneurial activities the need to start taking part in business, which will not only boost the economy of the state but provide more employment opportunities in the state of Nagaland. For several years the state of Nagaland has stayed grim in entrepreneurial activities. Still, one witnessed the growth of entrepreneurial activities among the Nagas, which shows a positive sign of a better future for the upcoming generation. Even though the change is slow, and the entrepreneurial activities are still operated almost all by the non-Nagas, the Nagas are slowly breaking the culture of seeking or wanting jobs only in government sectors. The current chapter entitled "Findings and Suggestions" conveys the research study's findings and offers some practical suggestions based on the research findings.

This study drew a sociological understanding of the entrepreneurial activities occurring among the Nagas and non-Nagas. Given the above statement and the specific objectives and hypothesis in mind, as stated in chapter one, the research study has been conducted to discover the different stages of entrepreneurship run by Naga and non-Naga entrepreneurs. Drawing from the research gap, from the literature review, the statement of the problem, the research objective, and finding the solution to the issues were carried out to frame the research study.



## **2. Major Findings:**

- The hypothesis of the study proved that inadequate infrastructure had hampered the growth of entrepreneurship in Nagaland.
- The hypothesis of the study proved the lack of entrepreneurial culture is hampering the growth of entrepreneurship in Nagaland.
- The study found that there is an immense inflow of legal and illegal immigrants that are taking place in the state of Nagaland; the study indicated that the majority of the non-Naga migrated to Nagaland as the business opportunity were immense, the earning was better, thus providing better economic life.
- Based on the age-structured of the research study, the study found that non-Naga entrepreneurs embarked on the entrepreneurial arena at 15-20 years (50.66 per cent), which is much earlier when compared to the Naga entrepreneurs who start the enterprises at the later age of 25-30 years (42.66 per cent).
- The research study found that Nagas are primarily focusing on education which has become the reason for entering the business at a later age; many of the Nagas are either graduating or post-graduating, which shows the lack of entrepreneurial culture among the Naga society, but when compared with the non-Nagas, many of the non-Nagas have started business at an early age as the entrepreneurs family has set up the business.
- The study found that 58 per cent of the Naga respondents work for 4-8 hours, and another 38 per cent work for 8-12 hours per day; on the other hand, when compared with the non-Naga most of them work for 8-12 hours (35%) and another group for 12 hours (39%) per day. The study found that the non-Nagas spent more hours in their business than the Nagas.

- The study indicated that non-Nagas have more working experience than the Nagas, and it gives clarity that non-locals have been working and earning in Nagaland for the last few decades.
- The study indicated that when it comes to yearly income, the non-Nagas are earning much better. The study reveals that 12 per cent of the Naga entrepreneurs fall under the annual income of 1 lakh to 2 lakh, whereas for the non-Nagas, 30 per cent fall under this category. Coming to the highest income range, 24 per cent of the Naga earn a yearly income of 2 lakh and above, whereas 42 per cent of the non-Nagas earn an annual of 2 lakh or above.
- The study indicated that the prosperity of the outsiders doing well in the business affected the state's economy as the money the outsiders made did not circulate in Nagaland. It goes outside the state, which does not benefit the Naga society.
- The study found that 11 per cent of the Naga and 42 per cent of the non-Naga entrepreneurs have been in the entrepreneurial arena before starting their current business.
- The study found that the majority of the Nagas have searched for jobs before starting the business, whereas the majority of the non-Nagas have prioritized business careers.
- The study found that both the Nagas and non-Nagas prefer to employ non-Naga employees because of their sincerity, and work satisfaction, making it easier to work with the non-Nagas. In contrast, the Naga employees only stick around a particular job if it's a government job; thus, they prefer employing non-Nagas.
- The study found that location of business is one important factor as location can be a deciding factor for the success and failure of the business.

- The study found that family support and the success of the entrepreneurs for both the Naga and non-Naga is positively correlated, meaning that these variables tend to increase together. This shows that family support has the most prominent role in succeeding in the entrepreneur's business.
- The study found that 88 per cent of the Naga and 91 per cent of the non-Naga entrepreneurs agreed that non-locals are more competitive in business. The study symbolized that considering the outsider engaging more in entrepreneurial activities in Nagaland every coming year and doing well in business, the Naga and non-Naga entrepreneurs feel that the non-Naga are more competitive.
- The overall success rate of the entrepreneurs reveals that the majority of the non-Nagas are succeeding more in business when compared with the Nagas.
- The study found that paying monthly rent, working longer hours, high cost living credit system and taxation are some of the major challenges faced by the Naga and non-Naga entrepreneurs in Nagaland.
- The study found that most of the entrepreneurs in Nagaland faced managerial problems due to poor knowledge in business, lack in decision making skill and lack of proper planning.
- The study found that Naga's parental pressure of wanting children to search for jobs in the government sector and never encouraging them in the entrepreneurial arena. This mindset has psychologically affected the present generation; thus, the progress of entrepreneurship is slow.
- The study found that the majority of the Naga family prefers government jobs rather than entrepreneurship.

- The study found that most of the Nagas parent's occupation falls under government job, whereas most non-Nagas parents are engaged in entrepreneurial activities.
- The study found that there is a need to bring a change in the community that entrepreneurship is a good profession, and it is not for wealthy people only.
- The study found that both the Nagas and the non-Naga faced a financial crisis in their business.
- The study found that most of the Nagas and non-Nagas faced human resource problems due to difficulty finding skilled employees.
- The study found that introducing entrepreneurship education in Nagaland is an excellent way to promote entrepreneurship. Entrepreneurship enlargement will not create job opportunities but will also boost the state's economic development.
- The study found that the majority of the Nagas agreed that the improper use of trade licenses by outsiders in the name of the Naga would create a problem that would become difficult to dislodge later.

In conclusion, the study focused on understanding the different types of businesses run by Naga and non-Naga entrepreneurs in Nagaland. The Research study focuses on the need to work more in the field of entrepreneurship and the need to create awareness about the entrepreneurial opportunities in the Naga society. As such, nature will contribute the knowledge and information on entrepreneurial activity that will lead to the development of the state and promote entrepreneurship in Nagaland; this will help the present generation and the betterment of the upcoming generation. Far and foremost is to stop looking down on the business profession as this will only discourage the youths towards entrepreneurship that will be future generations of the

Naga society; this mindset needs to be changed as only entrepreneurship can improve the state's economy; it is the only solution that can help reduce the rise of unemployment in the state.

### **3. Limitation of the study:**

The following were some of the limitations of the study:

- **Language barrier:** The inability of the non-Naga respondents to understand the questionnaire provided by the researcher was one of the limitations. On this note, the researcher had to ask every question that was addressed in the questionnaire in simple English or Nagamese.
- **Time management:** The time management of the respondents was crucial to the study because the respondents were interviewed on the spot, and some of the respondents had to reschedule the interview.

### **4. Suggestion:**

Based on careful observation and the data gathered from the field, the following points are suggested and recommended for the benefit of the Naga society at large:

- Entrepreneurship should be taught in every school, college, and university; it should be taught in a full-fledged course.
- Teaching faculties should be trained in entrepreneurship to nurture the students for better understanding.
- Organizing different entrepreneurial programs on the importance of entrepreneurship study and discussing the job opportunities that will help students not depend on white-collar jobs and prepare to be self-reliant and self-employed.

- Successful entrepreneurship can help educate students on a better understanding of entrepreneurship, and they can inspire the younger generation.
- Government and NGOs should put focus on organizing entrepreneurial programs in school institutes.
- A need to open up financial cells where people can get easy access to finance, be it in various financial institutes or banks that will boost up people to take entrepreneurship as their profession
- Motivate and change the mindset of social attitudes toward entrepreneurship by setting up programs in different parts of Nagaland.
- Proper marketing strategies should be implemented to give hope and a broader view to the present entrepreneurs and the upcoming generation.
- The government should provide more cold storage to preserve the vegetables bought for the long run and will boost the farmers to participate in entrepreneurial activities in food production.
- Residents should start organizing programs, seminars, and street plays to help people know about the importance of entrepreneurship and economic growth.
- Local entrepreneurs and the local working force should be encouraged and supported as this can pave the way for the other locals to take an interest in the business.
- Inner Line Permit should be enforced strictly among the immigrants, and anybody breaking the rules should be dealt with according to the law.

- The government should promote more 'Made in Nagaland' products to encourage the Nagas to be more innovative and interest them in using their talents and contributing more to business activities as the state is still lacking because of unable to provide the required identification of local products 'made in Nagaland.'
- Handloom and handicraft, weaving, and basket making should be given more importance as the scope of making these industries in these sectors exists.
- Youthful Naga has the scope to carry on the traditional Naga fashion across borders as Nagaland has several small-scale lodges and medium-scale diligence that produce fine products of the state's traditional art in weaving, embroider, basketry, making different traditional jewelers, bamboo works, mats of Nagaland, crockery of Nagaland, Nagaland essence work.
- Farmers should be encouraged to groom natural products; cold storage should be provided as this will motivate the farmers to produce more.
- Society can take part by encouraging by promoting entrepreneurial culture among the youths, as the youths are the backbone of the state, and stop giving importance to white collar jobs only, which are the key source to de-motivating the individual to take the business profession.
- Parents should stop expecting and pushing their children to pursue other jobs rather than entrepreneurship.
- The government should provide appropriate infrastructure leading to poor connectivity.

- The government and the non-governmental organization should work to provide more financial schemes for entrepreneurial activities, as the growth of entrepreneurship can
- Nagas lack participation in the industrial labor force, while educated individuals are not ready to engage in labor and focus mainly on Government jobs. Therefore, this mentality needs to be changed for industries to grow in the state.
- There is a need to provide entrepreneurial skills and technical know-how, including management skills, as lacking entrepreneurial skills is the main reason for the failure of constructed industries like the Sugar Mill and the Paper Mill apart.



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## Illustration



**Source:** Field work Blue Market (Kohima) occupied by the non-Nagas





**Source:** Field work, Hazi Park (Dimapur) occupied by the non-Nagas





**Source:** Field work, New Market (Dimapur) occupied by the non-Nagas



**Source:** Field work, Jail colony, Departmental store run by the Nagas.





**Source:** Field work, Sokhriezie Market in Kohima run by the Nagas.



**Source:** Field Work, TYO Bamboo Market run by the Nagas

## APPENDICES

## Ph.D QUESTOINNAIRE

*“A Sociological Study of Entrepreneurs in Nagaland”*

Dear respondent,

I am a research scholar, pursuing my research study in the Department of Sociology, Nagaland University, under the supervision of Dr.Athungo Ovung, on the above stated topic. The main objective of my research study is to explore the status of the entrepreneurs, to examine the nature of business run by the Naga and non-Naga entrepreneurs and to find out the constraints faced by the entrepreneurs in Nagaland.

Therefore I kindly request you to give your views and opinions, as this will help me to complete my research study. The data collected will be kept confidential and will be used as a source of research and not for any other purposes.

**Kelevino**  
Research scholar  
Reg. No: Ph.D/SOC/00052  
Contact No: 7640854301

## Set A

## Naga Entrepreneurs in Nagaland

## A. Personnel Identification:

1. Sex
  - a. Male [    ]
  - b. Female [    ]
2. Marital status:
  - a. Married [    ]
  - b. Unmarried [    ]
  - c. Divorced [    ]
  - d. Widow [    ]
  - e. Widower [    ]

Contact no: \_\_\_\_\_

## 3. Family occupation:

Father occupation	Please tick	Mother occupation	Please tick
Business		Business	
Service		Service	
Cultivator/Farmer		Cultivator/Farmer	
Politician		Politician	
Others		Others	

4. What is your family preference in job career?
  - a. Government job [    ]
  - b. Entrepreneurship [    ]

5. According to the youths (age 18-25) in your family, what job do they prefer?
- a. Government job [   ]
- b. Entrepreneurship [   ]

**B. Economic Status**

1. Education Qualification

Qualification	Please tick
No formal education	
Under matriculation	
Matriculation	
Under graduate	
Graduate	
Post-Graduate	
Post-Graduate and above	

2. Type of business:\_\_\_\_\_
3. What is your age at the time of establishment of your business?
- a. 15-20 year [   ]
- b. 20-25 year [   ]
- c. 25- 30 year [   ]
- d. 30- 35 year [   ]
- e. 35- 40 year [   ]
- f. 40 years and above [   ]
4. For how long have you been working in this profession?
- a. 1-5 years [   ]
- b. 5-10 years [   ]
- c. 10-15 years [   ]
- d. 15-20 years [   ]
- e. 20 years & Above [   ]
5. How many hours do you spent on business?
- a. 4-8 ours [   ]
- b. 8-12 hours [   ]
- c. 12 hours [   ]
- d. Above [   ]
6. How many workers have you employed under you?
- a. 1-5 [   ]
- b. 5-10 [   ]
- c. 10-15 [   ]
- d. 15 and above [   ]
- e. None [   ]

6. Yearly income:

Income range	Please tick	Income range	Please tick
60000-70000		90000-100000	
70000-80000		100000-200000	
80000-90000		200000 & above	

**C. Business related information**

1. Did you have any other past business experience before starting up your now present business?
- a. Yes [ ]
- b. No [ ]

2. Did you look for any other job before you started up your business?
- a. Yes [ ]
- b. No [ ]

If yes, what type of job?..... .

If no, why? .....

3. Premises used for your business?
- a. Own constructed house [ ]
- b. Rental house [ ]
- c. Clan house [ ]
- d. Community house [ ]
4. Did you get any training before starting up your business?
- a. Yes [ ]
- b. No [ ]

5. Did you get family support while establishing your enterprise?
- a. Yes [ ]
- b. No [ ]

If no, what type of problem.....

6. What was your key driving force to become an entrepreneur?
- a. Interest in business [ ]
- b. Financial liberty [ ]
- c. Self confidence [ ]
- d. Out of compulsion [ ]

Any other, please specify.....

7. What made you choose this type of business?
- a. Family business [ ]
- b. One's own interest [ ]
- c. Inspired from other fellow friends [ ]
- d. Advice from family/ relatives [ ]



Any other, please specify.....

8. With the current business are you able to sustain the needs of your family?
- a. Yes [ ]
- b. No [ ]

If no, why?.....

#### D. SUPPORT

1. Whom do you prefer to employ in your business
- a. Nagas [ ]
- b. Non- Nagas [ ]
2. Do you think selection of your location will help the entrepreneurs in operation of production and marketing?
- a. Yes [ ]
- b. No [ ]
3. Did you faced any financial problem?
- a. Yes [ ]
- b. No [ ]

If yes, please specify.....

.....

4. In your opinion in which areas an entrepreneur need to be given effective training? Please tick (√)

Attributes	Yes	No
Financial management		
Time management		
Marketing skills		
Opportunity identification		
Management skills		
Awareness and Motivation		
Planning on future growth		
Personality development		

#### E. MARKETTING

1. Do you think for any business to grow or to gain profit, customers satisfaction is very important, as the goods that are produced in the market decides the success and failure of all business?
- a. Strongly disagree [ ]
- b. Disagree [ ]
- c. Slightly disagree [ ]
- d. Slightly agree [ ]
- e. Agree [ ]
- f. Strongly agree [ ]

2. How do you manage customer and supplier relationship especially with different language or different business practice models?

Attributes	Yes	No
Learn language		
Developed trust		
Ready to tackle any new changes		
Friendly environment with the customer and supplier		
Positive attitude		

Any other, please specify.....

3. Which of the following do you think is more competitive in business here in Nagaland?

a. Nagas [ ]

b. Non- Nagas [ ]

## F. CHALLENGES

1. What major challenges are you facing right now in your business activities?

Challenges	Yes	No
High rent		
Working longer hours		
High cost living		
Credit system		
Taxation		

Any other please specify:

.....  
 .....

2. Do you think that outsiders doing business, taking the name of the license given to the Naga would create problem which will be very difficult to dislodge at the later stage?

a. Yes [ ]

b. No [ ]

3. According to you what are the main factors of infrastructural problem?

Infrastructural Problems	Yes	No
Inadequate power supply		
Inadequate transport and communication facilities		
Poor agriculture facilities		
Lack of cold storage		
Corruption		

4. Do you face any human resource problem as an entrepreneur? Please tick (✓)

Human resource problem	Yes	No
Non availability of skilled employees		
Skilled employees leave the job after getting experience		
Poor knowledge of human resource management		

Any other, please specify:.....  
 .....

5. Do you face any managerial problems as an entrepreneur? Please tick (✓)

<b>Managerial problems</b>	<b>Yes</b>	<b>No</b>
Poor business knowledge		
Lack of communication skills		
Lack of decision-making skill		
Lack of proper planning		

Any other please specify: .....  
 .....

6. What are the major factors that can help motivate the upcoming generation to take up entrepreneur as their profession?

- a. Early exposure on entrepreneurship, by setting up programmes [    ]  
and designing at higher secondary school level
- b. Successful entrepreneur as a role model, by guiding, [    ]  
motivating and attracting the upcoming generation into  
business
- c. Appropriate environment where entrepreneurship can grow [    ]  
and flourish

7. Can you please rate the overall success of your business?

<b>Attributes</b>	<b>Please tick</b>
Extremely unsuccessful	
Unsuccessful	
Moderate unsuccessful	
Neither success nor unsuccessful	
Moderate successful	
Successful	
Extremely successful	

## Appendices

### Ph.D QUESTOINNAIRE “A Sociological Study of Entrepreneurs in Nagaland”

Dear respondent,

I am a research scholar, pursuing my research study in the Department of Sociology, Nagaland University, under the supervision of Dr.Athungo Ovung, on the above stated topic. The main objective of my research study is to explore the status of the entrepreneurs, to examine the nature of business run by the Naga and non-Naga entrepreneurs and to find out the constraints faced by the entrepreneurs in Nagaland.

Therefore I kindly request you to give your views and opinions, as this will help me to complete my research study. The data collected will be kept confidential and will be used as a source of research and not for any other purposes.

**Kelevino**

Research scholar

Reg. No: Ph.D/SOC/00052

Contact No: 7640854301

### Set B

#### Non-NagaEntrepreneurs in Nagaland

#### A. Personnel Identification:

1. Sex
  - a. Male [    ]
  - b. Female [    ]
2. Marital status:
  - a. Married [    ]
  - b. Unmarried [    ]
  - c. Divorced [    ]
  - d. Widow [    ]
  - e. Widower [    ]

Contact no: \_\_\_\_\_

#### 3. Family occupation:

Father occupation	Please tick	Mother occupation	Please tick
Business		Business	
Service		Service	
Cultivator/Farmer		Cultivator/Farmer	
Politician		Politician	
Others		Others	

4. What is your family preference in job career?
  - a. Government job [    ]
  - c. Entrepreneurship [    ]

5. According to the youths (age 18-25) in your family, what job do they prefer?

- a. Government job [    ]  
b. Entrepreneurship [    ]

**B. Economic Status**

1. Education Qualification

Qualification	Please tick
No formal education	
Under matriculation	
Matriculation	
Under graduate	
Graduate	
Post-Graduate	
Post-Graduate and above	

2. Type of business

:\_\_\_\_\_

3. What is your age at the time of establishment of your business?

- a. 15-20 year [    ]  
b. 20-25 year [    ]  
c. 25- 30 year [    ]  
d. 30- 35 year [    ]  
e. 35- 40 year [    ]  
f. 40 years and above [    ]

4. For how long have you been working in this profession?

- a. 1-5 years [    ]  
b. 5-10 years [    ]  
c. 10-15 years [    ]  
d. 15-20 years [    ]  
e. 20 years & Above [    ]

5. How many hours do you spent on business?

- a. 4-8 ours [    ]  
b. 8-12 hours [    ]  
c. 12 hours [    ]  
d. Above [    ]

6. How many workers have you employed under you?

- a. 1-5 [    ]  
b. 5-10 [    ]  
c. 10-15 [    ]  
d. 15 and above [    ]  
e. None [    ]

7. Yearly income:

Income range	Please tick	Income range	Please tick
60000-70000		90000-100000	
70000-80000		100000-200000	
80000-90000		200000 & above	

**C. Business related information**

1. Did you have any other past business experience before starting up your now present business?

a. Yes [ ]

2. Did you look for any other job before you started up your business?

a. Yes [ ]

b. No [ ]

If yes, what type of job? .....

If no, why? .....

3. Why did you choose Nagaland to operate your business and not your own state?

a. More business opportunities [ ]

b. Better earning [ ]

c. Better economic life [ ]

d. All of the above [ ]

Any other, please specify: .....

4. Premises used for your business?

a. Own constructed house [ ]

b. Rental house [ ]

c. Clan house [ ]

d. Community house [ ]

5. Did you get any training before starting up your business?

a. Yes [ ]

b. No [ ]

6. Did you get family support while establishing your enterprise?

a. Yes [ ]

b. No [ ]

If no, what type of problem: .....

7. What was your key driving force to become an entrepreneur?

a. Interest in business [ ]

b. Financial liberty [ ]

c. Self confidence [ ]

d. Out of compulsion [ ]

Any other, please specify: .....

8. What made you choose this type of business?
- |                                       |       |
|---------------------------------------|-------|
| a. Family business                    | [   ] |
| b. One's own interest                 | [   ] |
| c. Inspired from other fellow friends | [   ] |
| d. Advice from family/ relatives      | [   ] |

Any other, please specify:.....

9. With the current business are you able to sustain the needs of your family?
- |        |       |
|--------|-------|
| a. Yes | [   ] |
| b. No  | [   ] |

If no, why?.....

#### D. SUPPORT

1. Whom do you prefer to employ in your business
- |               |       |
|---------------|-------|
| a. Nagas      | [   ] |
| b. Non- Nagas | [   ] |
2. Do you think selection of your location will help the entrepreneurs in operation of production and marketing?
- |        |       |
|--------|-------|
| a. Yes | [   ] |
| b. No  | [   ] |
3. Did you faced any financial problem?
- |        |       |
|--------|-------|
| a. Yes | [   ] |
| b. No  | [   ] |

If yes, please specify.....  
 .....  
 .....

4. In your opinion in which areas an entrepreneur need to be given effective training? Please tick (✓)

Attributes	Yes	No
Financial Management		
Time management		
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Opportunity identification		
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  - c. Slightly disagree [   ]
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Developed trust		
Ready to tackle any new changes		
Friendly environment with the customer and supplier		
Positive attitude		

Any other, please specify:

.....

3. Which of the following do you think is more competitive in business here in Nagaland?
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## F. CHALLENGES

1. What major challenges are you facing right now in your business activities?

Challenges	Yes	No
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Working longer hours		
High cost living		
Credit system		
Taxation		

Any other please specify:.....

2. According to you what are the main factors of infrastructural problem?

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Inadequate transport and communication facilities		
Poor agriculture facilities		
Lack of cold storage		
Corruption		



3. Do you face any human resource problem as an entrepreneur? Please tick (✓)

Human resource problem	Yes	No
Non availability of skilled employees		
Skilled employees leave the job after getting experience		
Poor knowledge of human resource management		

Any other please specify: .....

4. Do you face any managerial problems as an entrepreneur? Please tick (✓)

Managerial problems	Yes	No
Poor business knowledge		
Lack of communication skills		
Lack of decision-making skill		
Lack of proper planning		

Any other please specify: .....

5. Do you thing early education on entrepreneurship can help the growth of entrepreneurship?

- a. Yes [   ]  
b. No [   ]

6. What are the major factors that can help motivate the upcoming generation to take up entrepreneur as their profession?

- a. Early exposure on entrepreneurship, by setting up programmes and designing at higher secondary school level [   ]  
b. Successful entrepreneur as a role model, by guiding, motivating and attracting the upcoming generation into business [   ]  
c. Appropriate environment where entrepreneurship can grow and flourish [   ]

7. Can you please rate the overall success of your business?

Attributes	Please tick
Extremely unsuccessful	
Unsuccessful	
Moderate unsuccessful	
Neither success nor unsuccessful	
Moderate successful	