

**RURAL ENTREPRENEURSHIP IN MIZORAM: A COMPARATIVE
STUDY OF LUNGLEI AND KOLASIB DISTRICTS**

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CERTIFICATE FROM SUPERVISOR

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The thesis is submitted towards the partial fulfillment of the award of Degree of Doctor of Philosophy in Management, Mizoram University.

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DECLARATION

I T.H. Lalrokhawma, hereby declare that the subject matter of this thesis is the record of work done by me, and the content of this thesis did not form basis of the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the thesis has not been submitted by me for any research degree in any other University / Institute.

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LIST OF ABBREVIATIONS

DIC	District Industries Centre
NLUP	New Land Use Policy
NBMSME	National Board for Micro, Small and Medium Enterprises
MSME	Micro, Small and Medium Enterprises
NCEUS	National Commission for Enterprises in the Unorganised Sector
SSIB	Small Scale Industries Board
NABARD	National Bank for Agriculture and Rural Development
RBI	Reserve Bank of India
DRIP	District Rural Industries Project
REDP	Rural Entrepreneurship Development Programme
SIDO	Small Industries Development Organisation
SSI	Small Scale Industries
SISI	Small Industries Service Institute
RTC	Regional Training Centre
NSIC	National Small Industries Corporation Ltd
TSC	Technical Service Centre
EDII	Entrepreneurship Development Institute of India
NI-MSME	National Institute for Micro, Small and Medium Enterprises
NIESBUD	National Institute for Entrepreneurship and Small Business Development
IIE	Indian Institute of Entrepreneurship
SIDBI	Small Industries Development Bank of India
NBMSME	National Board for Micro, Small and Medium Enterprises

KVIC	Khadi and Village Industries Commission
MGIRI	Mahatma Gandhi Institute for Rural Industrialisation
IIT	Indian Institute of Technology
R&D	Research and Development
NISIET	National Institute for Small Industry Extension Training
PMMY	Pradhan Mantri Mudra Yojana
NBFC	Non-Banking Financial Companies
RRB	Regional Rural Bank
MFI	Micro Finance Institution
SFC	State Financial Corporation
SSIDC	State Small Industries Development Corporation
TCO	Technical Consultancy Corporation
EDP	Entrepreneurship Development Program
NGO	Non-Government Organisation
ICSI	Indian Council of Small Industries
LUB	Laghu Udyog Bharti
CGTSI	Credit Guarantee Fund Trust for Small Industries
FASII	Federation of Associations of Small Industries of India
WASME	World Association of Small and Medium Enterprises
FICCI	Federation of Indian Chambers of Commerce and Industry
IT	Information Technology
ASSOCHAM	Associated Chambers of Commerce and Industry of India
CII	Confederation of Indian Industry
FIEO	Federation of Indian Exporters Organisation

RSBDC	Rural Small Business Development Centre
SBI	State Bank of India
MRB	Mizoram Rural Bank
IDBI	Industrial Development Bank of India Ltd
IFCI	Industrial Finance Corporation of India Ltd
ICICI	Industrial Credit and Investment Corporation of India Ltd
ESCAP	Economic and Social Commission for Asia and Pacific
UGC	University Grant Commission
UNIDO	United Nations Industrial Development Organization
ILO	International Labour Organization
EU	European Union
EDC	Entrepreneurship Development Centre
PGDM-DS	Post-Graduate Diploma in Management Development Studies
PGDM-BE	Post-Graduate Diploma in Management Business Entrepreneurship
IIC	Indian Investment Centre
SEEUY	Self-Employment to Educated Unemployed Youth
IRDP	Integrated Rural Development Programme
SIDCO	Small Industries Development Corporation Ltd
ITI	Industrial Training Institute
ZIDCO	Zoram Industrial Development Corporation Ltd
MKVIB	Mizoram Khadi Village Industry Board
ZOHANCO	Mizoram Handloom and Handicraft Development Corporation Ltd
MAMCO	Mizoram Agricultural Marketing Corporation Ltd
ZENICS	Zoram Electronics Development Corporation
MIFCO	Mizoram Food and Allied Industries Corporation Ltd

PMEGP	Prime Minister Employment Generation Programme
RICS	Rural Industrial Centre Service
ITC	Industrial Training Centre
MSE-CDP	Micro and Small Enterprises Cluster Development Programme
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
CGTMSE	Credit Guarantee Fund Scheme Assistance to Micro and Small Enterprises
VAT	Value-Added Tax
MNC	Multi-National Company
ICT	Information and Communication Technologies
NEIIPP	North East Industrial and Investment Promotion policy
NLUP	New Land Use Policy
UT	Union Territory

ABSTRACT ON
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1. Introduction

Rural entrepreneurship is important for the development of rural community and for checking the rate of migration to larger towns and cities. The establishment of industries and other business units in rural areas creates employment, which in turn improves the living standard of the people. The outcome of promoting rural entrepreneurship is positive especially in developing countries like India. Entrepreneurship in rural areas is usually community based with strong extended family linkages, which has large impact on rural community. Rural entrepreneurship helps in developing the backward regions while trying to remove poverty. Rural entrepreneurs play vital role in the development of a country's economy.

Mizoram is a hilly state with most of its population living in hilly areas. The only means of transportation for rural areas is by road. This is one of the major obstacle in the attraction of large industries in the state. In the traditional Mizo society, agriculture was the main source of livelihoods. Recently, with the increase in the number of population, many small enterprises were established in all districts of Mizoram. Mizoram is an agricultural state with majority of the population depending on agriculture and its allied sector. Rice is the major food crop of Mizo society. Almost all parts of rural areas practice jhum or shifting cultivation. The Government of Mizoram is trying its best to shift this practice to modernised permanent farming system. According to Economic Survey 2020-21, the state's Gross State Domestic Product (GSDP) was estimated at ₹26,502.56 crores in 2019-2020 as against ₹22,287.41 crores in 2018-2019, thereby registering an increase by 18.91 per cent with respect to the previous year.

Development of a country is depending on both rural and urban areas. Both of them were two different sides of the same coin of economic development (Saxena, 2012). Nowadays, rural development and entrepreneurship were connected more than ever before. Entrepreneurship is seen as strategic development interference that accelerates rural development process. There seems to be a general agreement on the importance of entrepreneurship (Smallbone, 2009; Saxena, 2012).

Besides, there seems to be a general agreement on the importance of locating businesses in rural areas; the interest of having firms locate in a specific area is a pervasive consideration in economic development. Rural areas have great difficulties to attract new businesses. On the other hand, there is a desperate need to create jobs (Falcone & Wilson, 2006). Importance of rural development has been questioned in the Government Communication on sustainable development (2012). Larsson et al. (2003) also sees a solution to unemployment problem in rural development and location of small businesses.

The rural areas were usually rich in natural resources. These resources available at the rural areas needed to be utilized for the development of rural community. So, to do this, rural entrepreneurship is very much necessary. The entrepreneur will automatically generate employment by starting a business, which will improve the standard of living of their employees. This will later prevent rural people from migrating to urban areas by bringing regional economic development. The production of rural entrepreneurs will reach various parts of the country as well as other country. This will bring economic development for the nation and bring national self-reliance while providing goods for the people at affordable prices.

It is known that India is a large nation with the second highest population in the world. Due to the large population, it is clear that employment cannot be provided to all by the government. Also, many people from rural areas were migrating to urban areas in search of employment and better standard of living. This results in over-population in many urban cities having adverse effect on the prices of commodities and even house rent. All these problem leads to the need for rural entrepreneurship, which will be useful in solving various problems like – utilization of idle capital and local natural resources, generate employment opportunities, minimize migration of rural population, checking the problem of unbalanced growth between rural and urban areas, promotion of traditional artistic activities, improve standard of living in rural areas by decreasing poverty and bringing new technology.

The study showed the socio-economic status of the rural entrepreneurs in the select districts in terms of their educational qualification, marital status, gender, age group, income from the enterprise and also their relevant work experienced. The institutional supports available for the entrepreneurs were highlighted through various sources like Central Government, State Government, Non-Government support system and DICs. Also, the supports and schemes availed by the entrepreneurs in both the district were mentioned in the study. The growth and development of rural entrepreneurship in the two districts were compared using various parameters like year of establishing enterprise, background of entrepreneurs before starting their business, capital invested in the business, turnover of the business, main source of capital, number of employment generated, profit margin from the business and impact of government schemes on their entrepreneurship. The last chapter deals with the problems faced by rural entrepreneurs in both the selected district of Mizoram. The entrepreneurs faced a lot of challenges and problems in running their business. Some of the major problems

faced are financial, technical, general problems like bad road connectivity, telecommunication problem, power shortages, etc. They also faced problems on marketing their products and finding efficient employees for their business.

It can be seen that rural entrepreneurship in Mizoram state is in its developing stage. There is transition in the livelihoods activity of the people of Mizoram from agriculture to entrepreneurship. As new entrepreneurs who are more educated and equipped with technical advantages entered the entrepreneurship world, the traditional practise of running a business have changed its face and the customers are given higher importance. There is a great belief that rural entrepreneurship will not only bring economic development in the backward communities but will also bring all round development in the state of Mizoram.

2. Significance of the study

This study compares different factors involved in rural entrepreneurship like the traditional practices, current scenario, and types of enterprises, different kinds of problems faced, various government interventions, and also suggest various ways of solving their problems. This study cannot deal with all types of rural enterprises found in different parts of the state. So, it will be limited to enterprises registered under District Industrial Centre that were currently functioning at select districts.

From review of past studies, it can be known what were the various problems and prospects of rural entrepreneurship and also how to solve such problems. But it is important to note that the type of enterprises and ways of performing entrepreneurial activities depends on various factors like demography, geographical locations, culture, etc. So, the problems, challenges and prospects of entrepreneurs at different places

differ from one another. Thus, this study tries to highlight the exact status of rural entrepreneurship in Mizoram and it might be a useful source of information for the government for taking-up further interventions.

3. Research gap

Many studies have been undertaken by various scholars relating to rural enterprises at international, national, regional and even district level, but a few studies have been found relating to this sector in backward and hilly regions like Mizoram which highlights the socio-economic condition, institutional supports available, growth and development of rural enterprises and problems of these enterprises in such areas. This study covers two important districts of Mizoram and the sample collected from only those entrepreneurs registered under DIC in both the district were taken into consideration. So, there is a huge gap for further research works to be taken inside Mizoram. This is a challenge for researchers to explore and make the best use of it.

4. Research design

This study is descriptive in nature examining the various data collected from select districts – Lunglei and Kolasib. It is concentrated on the information collected from District Industrial Centre (DIC), interactions with the entrepreneurs and also from the concerned government officials.

The universe/population of the study consists of all the enterprises registered under DIC at Lunglei and Kolasib. This total population includes 264 enterprises at Kolasib district and 425 enterprises from Lunglei district. Though the study consists of all the enterprises registered under DIC at Lunglei and Kolasib districts, the actual scenario

is different because there were some enterprises that were not functioning at the time of study. So, for this study, all the enterprises that were functioning continuously for the past five years were considered. Hence, the sample of the study is 291, in which 150 registered enterprises were from Lunglei district and 141 registered enterprises were from Kolasib district. The imbalance in the number of sample collected was due to the difference in the number of functional enterprises in the two districts (Cochran's Formula = 247).

This study relies on data collected from primary and secondary sources. The primary data is collected directly from the selected entrepreneurs by providing them with structured questionnaire and through personal interview as well as personal observation. Secondary data is collected from reports, journals, books, documents, published reports of government and semi-government bodies and the internet.

5. Findings

5.1 Socio-economic background of rural entrepreneurs

The socio-economic background of rural entrepreneurs was analysed based on different parameters such as Educational qualification, Age group of the entrepreneurs, Gender, Marital Status, Source of Capital, Relevant work experience, Monthly profit earned at the starting of business and current situation, Occupation before starting the enterprises and finally the year of starting the enterprise.

5.1.1 District-wise analysis of the entrepreneurs

- a. Number of the entrepreneurs and Main source of capital – In Lunglei district, the maximum entrepreneurs (44.7%) started their enterprises using funds from

Family. This is almost equal to the entrepreneurs (42.6%) depending on Banks for their source of capital. There were only 2.7% entrepreneurs having Investors for finance. There were 10% entrepreneurs using friends, relatives and Government supports for starting their business.

In Kolasib district, 47.5% entrepreneurs use Family financing and 41.8% rely on Banks for financing. 2.8% entrepreneurs depend on Investors whereas 7.9% entrepreneurs have the benefits of friends, relatives and Government supports for starting their business.

- b. Relevant work experience and Main source of capital – In Lunglei district, the maximum entrepreneurs (39.1%) have more than 3 years of experience. Among them, 52% rely on Family finance. The least number of entrepreneurs have 1 year of relevant experience in which majority of them depends on family finance. It can be seen that there were no entrepreneurs depending on Investors having 3 or more years of experience. But, there were 3 entrepreneurs relying on Other source of financing with 3 or more years of experience.

In Kolasib district, the entrepreneurs were having relevant experienced of 2 or more years in the business. Almost all the entrepreneurs use Family and Banks as their source of capital.

- c. Marital status and Age group at starting the enterprise – There were more married entrepreneurs compared to unmarried entrepreneurs in both the district. Also, the maximum entrepreneurs in both districts were above 35 years of age. The minimum number of entrepreneurs were below 20 years in the two districts.

- d. Gender and Current profit margin from the business – There were more female entrepreneurs compared to male entrepreneurs in both the district. In both the district, the maximum number of entrepreneurs earn a profit of ₹50,000/- above per month. The least number of entrepreneurs earn a monthly profit of ₹20,000/- below.
- e. Present Age group and Current profit margin from the business – The maximum entrepreneurs in both district were of 40 years and above with current monthly profit of ₹50,000/- above. The minimum entrepreneurs were less than 20 years old with a monthly profit of less than ₹20,000/-.

5.1.2 Educational background of the entrepreneurs

- a. District-wise analysis of the entrepreneurs based on their Educational qualification - The maximum number of entrepreneurs (46) in Lunglei district were of Higher Secondary standard, whereas in Kolasib district, the maximum entrepreneurs (42) were Under matriculation standard. The difference in number of entrepreneurs between Under matriculation and Higher Secondary in Kolasib district is only 1. The minimum number of entrepreneurs in both the district were Graduate and above.
- b. District-wise analysis of the entrepreneurs based on Educational qualification and Age group of the entrepreneurs – The maximum entrepreneurs in Lunglei district were above 35 years with Under matriculation qualification. Whereas in Kolasib district, the maximum entrepreneurs were above 35 years of age with matriculation qualification.
- c. District-wise classification of entrepreneurs based on Educational qualification and gender of the entrepreneurs - In Lunglei district, there were more female entrepreneurs (82) in all categories than male entrepreneurs (68). This explains

that female take more interest in starting an enterprise than male. The minimum number of entrepreneurs (18%) lies in the category graduate and above. This shows that rural entrepreneurship has no direct relationship with the educational background of the entrepreneur, that is, it is not necessary to be highly educated to start rural enterprise.

In case of Kolasib district, there were more male entrepreneurs (96) than female entrepreneurs (45). The maximum number of entrepreneurs (43.3%) belongs to matriculation category whereas the minimum entrepreneurs (12.1%) were graduate and above. There were more male entrepreneurs in each category than female entrepreneurs. This makes it clear that males were more interested in rural entrepreneurship than their females' counterpart.

- d. District-wise analysis of the entrepreneurs based on Educational qualification and Initial profit from the enterprise - Majority of the entrepreneurs (14%) from Lunglei district were under matriculation standard earning below ₹20,000/-. There were only 7 entrepreneurs earning above ₹50,000/- in the district. The number of entrepreneurs decreases with the increase in the profit margin earned from the business.

In Kolasib district, there were 55 entrepreneurs earning below ₹20,000/- and only 13 entrepreneurs earning above ₹50,000/-. There were 13.5% entrepreneurs who were under matriculation and earning below ₹20,000/-. Entrepreneurs who were graduate and above were only 17% of the total entrepreneurs and majority of them earn below ₹30,000/-.

5.1.3 Occupational background of the entrepreneurs

- a. District-wise classification of the entrepreneurs based on their Occupation prior to business and Age group - In Lunglei district, the maximum numbers of entrepreneurs (63.5%) were general labours with the age group of 35 years above (26.7%). The entrepreneurs belonging to service sector represents the lowest number (5.3%) with the age group of above 30 years. It is good to see that the student category is the second largest category (20%) with the age group of 20 years and above.

In Kolasib district, there is one respondent belonging to service category who is below 20 years of age. General labours were the majority entrepreneurs with the age group of more than 35 years. There were 27 student entrepreneurs with the majority age group of 25-30 years.

- b. District-wise classification of the entrepreneurs based on Occupation prior to business and Gender - In Lunglei district, there were 150 entrepreneurs out of which 68 were male and 82 were female. Majority of the male entrepreneurs (37) and female entrepreneurs (56) were from general labour sector. There were only 3 female farmers and 2 females from service sector. On the other hand, the minimum number of male entrepreneurs belongs to service (7) and student (8) sector. It is important to note that the numbers of female entrepreneurs (82) were more than male entrepreneurs (68), which is a good sign for women empowerment and rural development.

In case of Kolasib district, the number of male entrepreneurs (96) is more than their female (45) counterpart. In category-wise, the general labour represents the largest number with 73.8%. The farmer category occupies 17% and the student category takes up 5%. The least category of the entrepreneurs comes from service

sector with a total of 4.3%. In case of gender-wise, there were 69 male entrepreneurs which is the highest number and one male entrepreneur in service sector which is the minimum number for male entrepreneurs. Whereas, there were 35 female entrepreneurs in general labour which is the largest number and 2 female entrepreneurs in student category which is the lowest number.

- c. District-wise classification of the entrepreneurs based on Occupation prior to business and Marital Status - In Lunglei district, there were 104 married entrepreneurs and 46 unmarried entrepreneurs. There were 73 married entrepreneurs who were general labour and 7 male entrepreneurs in service category. There 22 female entrepreneurs in both general labour and student category. There were only 1 female respondent each in farmer and service category.

In Kolasib district, there were 103 married entrepreneurs and 38 unmarried entrepreneurs. The maximum number of entrepreneurs (61%) belongs to General Labour category in which 70 entrepreneurs were married and 16 were unmarried entrepreneurs. The least number of entrepreneurs (6.4%) belongs to Service category in which 8 were married and 1 unmarried entrepreneur. There were 18 married entrepreneurs in Farmer category and 1 unmarried respondent. In case of Student category, there were 7 married entrepreneurs and 20 unmarried entrepreneurs in the category.

5.1.4 Community background of the entrepreneurs

District-wise analysis of the entrepreneurs on the basis of caste and religion - the total entrepreneurs in both the districts belong to Christian religion and they were of Scheduled Tribe. This is because Mizoram is the land of the Mizo tribe who were ST

and 100% Christian. But based on the Census 2011, 87% of the population in Mizoram were Christian, 8.5% were Buddhist belonging to Chakma tribe, and 2.7% of Hindus and Muslim settling in Mizoram.

5.2 Institutional support for entrepreneurship development

There were four main levels of institutional support system for the development of entrepreneurship in India. These levels were: Central Government, State Government, Non-Government Support System and District Industries Centres (DIC). There were number of institutions under each level providing support to entrepreneurship development.

Here, only the supports available through the Mizoram state government will be highlighted. These institutions were shown below:

1. Zoram Industrial Development Corporation Limited (ZIDCO) - It was set up in 1978 to aid, council, assist, finance, protect and promote the interest of the entrepreneurs in the state. The corporation provides term loans under the refinance schemes of the Small Industries Development Bank of India (SIDBI) and Industrial Development Bank of India (IDBI), Mizoram Khadi Village Industry Board (MKVIB) was established in 1982 to provide financial assistance to the traditional khadi, village and cottage industries and to create self-employment for the people.

2. Mizoram Handloom and Handicraft Development Corporation Limited (ZOHANCO) - It was set up in 1988. The main aim of ZOHANCO is to develop the age old handlooms and handicrafts sector in the state. The Congress Ministry back in 31st December 2015 dissolve three PSU – ZOHANCO, MAMCO and ZENICS to minimize Government’s spending. The MNF Ministry on February 2019 revive ZOHANCO as it tries to revive this sector through its SEDP flagship program.
3. Mizoram Food and Allied Industries Corporation (MIFCO): It was established in 1989 to look after the development promotion and improvement of the processing and preservation of food, milk, fish, fruits and vegetable etc. The corporation has started food processing plant at Sairang, ginger oil and oleoresin plant at Sairang, maize milling centre at Khawzawl, food preservation factory at Vairengte and fruits juice concentrate at Chhingchhip.
4. Mizoram Khadi and Village Industry Board (MKVIB): Mizoram KVI Board is established in March 1986 by an act of Assembly (MKVI Act 1982). This Board is a statutory and promotional body but have the power to take up trading and business activities for the benefit of its registered village industries units. At the state level, PMEGP Scheme is successfully implemented through Mizoram Khadi and village Industries Board (MKVIB), District Industries Centre (DICs) and Commercial Banks. Besides the PMEGP scheme, the KVIB rendered various service and conduct entrepreneurship training for the entrepreneurs. Various training centre were set up in the state of Mizoram. Providing technical support and marketing support is also the main function of MKVIB. Mizoram KVI Board provides Rural Industrial Centre Services (RICS) facilities for the benefit of entrepreneurs and artisans by opening RICS at Main Office. The entrepreneurs

can approach the RICS in respect of preparation of project report; can ask guidance in implementation of project, support service from various organization and local authorities, supply of raw materials and machinery procurement, necessary inputs for the projects, help in quality control, packaging and designing and marketing support etc.

5. Industrial Training Centre (ITC): The government of Mizoram has also introduced Industrial Training Centre (ITC) for the people. Where the prospective entrepreneurs can take various course of study, and get trained to impart various skills and to become employable.
6. District Industries Centre (DIC): There were District Industries Centres in eight district of Mizoram state. These DICs were responsible to carry out two main activities:
 - i. Registration of entrepreneurs.
 - ii. Disbursal of Various Incentive Subsidy – There were number of subsidies available for entrepreneurs such as:
 - a) Grant-in-Aid to Rural Artisan.
 - b) State Incentive Subsidy like Subsidy on cost of project report, Land subsidy, Factory rent subsidy, Man power subsidy, Interest subsidy, Power subsidy, Power-line subsidy, State transport subsidy (on plant and machinery).
 - c) Central Incentive Subsidy like Transport subsidy, Central capital investment subsidy, Central interest subsidy, Subsidy on cost of ISO & ISI certification.
 - iii. PMEGP Loan – DICs were appointed as Nodal Department for Implementation of the programme.

- iv. Human Resources Development – Under this programme, various activities like Computer course, weaving training, Knitting and Tailoring training, Craft training, Industrial development centre, etc. were provided based on the demand of entrepreneurs within the covered district.

Besides the above mentioned institutions and schemes, there were other schemes implemented by the Ministry of MSMEs through different agencies in the state of Mizoram were as follows:

- a. Cluster Development Programme (MSE-CDP): The Industries Department is the Nodal Agency of CDP in the State of Mizoram. There were three approved Cluster in Mizoram and another promising Clusters were diagnosed and proposal were submitted to the Ministry of MSME. The corpus fund for each Cluster is up to ₹15 Crores.
- b. Scheme of Fund for Regeneration of Traditional Industries (SFURTI): The KVIC directly implemented the scheme of SFURTI in the state of Mizoram. The maximum investment for any single unit under this scheme is ₹8 Crores.
- c. Credit Guarantee Fund Scheme Assistance to Micro & Small Enterprises (CGTMSE): The scheme is directly implemented by Nationalized Banks in the State of Mizoram. A maximum limit is up to ₹1 Crore for single Unit.
- d. New Industrial Policy, 2012: In view of the large-scale change in global Industrial scenario, the Govt. of Mizoram feels necessary to announce new Industrial Development Policy for accelerated economic development of the State. The Government recognizes that lack of technical, managerial and entrepreneur skill among the people is one of the major problems in the process of Industrialization. Impetus will be given for skill development training and for improvement of training facilities in the State. An Empowered Committee

will be set up under the Chairmanship of Industries Minister; Secretaries of all concerned department of this policy will be a member and Secretary. This Committee will continuously monitor the progress of implementation of the resolutions under this policy.

According to the New Industrial Policy, Mizoram 2012, The Government will consider formulation of up-front loan scheme with 2 per cent to 5 per cent interest for those MSME in the thrust sector. The state government had allowed all the materials used as raw material and manufactured by manufacturing Micro and Small Enterprises will be exempted from VAT for a period of 7 years from the date of commercial production in general and 10 years for thrust sector enterprises. Such exemption will be subject to fulfilment of the following conditions and other condition prescribed by the Govt. from time to time - (i) the raw materials procured and goods manufactured by the unit should be that listed in the EM - II and accepted by the DIC; (ii) the unit should be registered under Mizoram VAT Act; (iii) the unit should invariably file returns on purchase of raw material and productions both at DIC and Taxation Department.

As per the Industrial Survey 2012 report, there were 1198 registered and 454 unregistered units in Mizoram, out of which 1234 units were located in urban areas, 413 units were located in rural areas where only 9 units were in semi urban areas. It can be observed that the majority of the units 54.11 per cent were engaged in manufacturing, and 45.89 percent were from the service sector. Aizawl district has the maximum concentration of small-scale enterprise units in the state of Mizoram, the district accounts 40.217 per cent to the total MSME units. The second largest distribution of small-scale enterprise units come to Lunglei district that constitute 17.21 per cent of the total units.

5.3 Comparative growth and development of rural entrepreneurship

The growth and development of rural entrepreneurship in the two district of Mizoram were analysed and compared through various parameters. These were shown below:

5.3.1 Comparison on the pattern of registration of enterprises

There were 88.7% and 89.3% 1st generation entrepreneurs in Lunglei and Kolasib district respectively. This shows that the people of the two district started to enter entrepreneurship world, which is a good sign for development of rural economy. As more and more people enters this profession, it will create more employment opportunities in the area, which will improve the living standard of the people.

In both the district, the number of entrepreneurs who were 2nd generation entrepreneurs were less than entrepreneurs who were 3rd and above generation.

5.3.2 Comparison on capital invested in the business

The number of percentage change in the investment in Lunglei district is more than Kolasib district, that is, from 25 entrepreneurs at the initial investment of above ₹200,000/- to 92 entrepreneurs at the latest capital investment.

This shows the growth and development in the rural entrepreneurship. Higher the invested capital in the business, greater is the chance of improvement and expansion of the business.

5.3.3 Comparison on turnover of the business

From the analysis of collected data regarding turnover from the business, there is 63.8% increase in the turnover of the business in Kolasib district, which is more than

the turnover percentage of 62.7% in Lunglei district. There were 17.4% entrepreneurs in Lunglei district having monthly turnover of above ₹200,000/- and 18.5% of entrepreneurs in Kolasib district with monthly turnover of above ₹200,000/-.

This indicates a positive sign in the business of rural areas. The increase in turnover also shows the increase in the availability of money in the rural community and can as well depict the increase in the spending power of the rural community.

5.3.4 Comparison on the business background of the entrepreneurs before starting business

The number of entrepreneurs belonging to Business family were less (28.2%) in both the districts. There were more number of entrepreneurs from business family in Lunglei district (34.6%) compared to entrepreneurs from Kolasib district (21.3%). The number of entrepreneurs not belonging to business family were more in Kolasib district (78.7%) compared to entrepreneurs from Lunglei district (65.4%).

These figures have positive implication in rural entrepreneurship development as more people were entering the entrepreneurship environment from non-business family background. This shows an improvement in the development of rural entrepreneurship paving way for new people to enter into this sector.

5.3.5 Comparison on the main source of capital for the business

The maximum number of entrepreneurs (46%) rely on their family for sourcing their capital requirements. But what is an important sign showing the growth and

development of rural entrepreneurship is that 42.3% of the total entrepreneurs depend on financial institutions like Banks for sourcing their capital needs.

For any kinds of business to grow and develop further, one of the most important thing is finance. It is not always possible for everyone to get finance from Banks and other financial institutions. But where there is positive coordination with the banks, development is expected to happen. In case of rural entrepreneurship, it is difficult and may be seen as impossible to raise their capital requirements like big MNCs and large organizations. But with the positive and strong relationship with banks in their locality, the rural entrepreneurs can grow and expand their business.

5.3.6 Comparison on the number of employees in the business

There were more entrepreneurs (61.6%) in Lunglei district with employees less than 5 compared to entrepreneurs (59.3%) in Kolasib district. There were 56 entrepreneurs with employees between 5-10 in both the district and only one respondent each with employees more than 10.

However, the real interest is in the percentage change in the current number of employees in both the district. In Lunglei district, there were 18 entrepreneurs having currently more than 10 employees whereas there were 15 entrepreneurs in Kolasib district with this number of employees. There is a better increase in the percentage of employees between 5-10 in Kolasib district (54.7%) than Lunglei district (52%).

The increase in the number of employees in the two district indicates that the business is improving and growing steadily in the past years. This is a good sign not only for the business but for the community as the number of employment generated by these enterprises increases bringing economic development in the community.

5.3.7 Comparison on monthly profit from the business

There is a drastic change in the monthly profit earned by entrepreneurs at the initial running of the business compared to the current earnings. This indicates a growth in the business of rural entrepreneurs.

There is a larger increase in the profit margin in Lunglei district compared to Kolasib district. This can be seen from the analysis table, which shows that the number of entrepreneurs earning a monthly profit of above ₹200,000/- rises from 7 at the initial stage to 51 entrepreneurs at the current stage. Whereas in Kolasib district, there is an increase from 13 entrepreneurs at the initial stage to 43 entrepreneurs at the current stage.

The increase in the number of entrepreneurs in the two higher profit margin and decrease in the number of entrepreneurs in the lowest profit margin from initial stage to current stage clearly indicates a growth in the business of rural entrepreneurs.

5.3.8 Comparison on government schemes and supports

There were more entrepreneurs who were aware of Government schemes and supports in Lunglei district (88.7%) than entrepreneurs in Kolasib district (83.7%). This is good for entrepreneurs in rural areas of Mizoram as there were large number of rural entrepreneurs in other states that were not even aware of the supports and schemes available for them. It is commonly said that without the awareness of schemes and plans, it is not possible to enjoy the benefits.

Also, through the analysis of data, it can be seen that at the time of starting the enterprise only 7.3% of the entrepreneurs out of 150 entrepreneurs from Lunglei

district and only 5.6% of the entrepreneurs out of the total 141 entrepreneurs from Kolasib district avail the benefits of Government schemes and supports.

But, analysing the current situation of entrepreneurs availing these benefits, there is clearly a huge increase in the number of beneficiaries availing these schemes and supports. The number of entrepreneurs availing these benefits increases to 42.7% in Lunglei district and 42.5% in Kolasib district respectively.

This result shows clearly the growth and development within the past years. It is expected that the beneficiaries will rise to 60% in the next 5 years. Through the interview of the entrepreneurs and discussion with the Government officials, the common activities received by entrepreneurs can be highlighted as follows:

- a) State Incentive Subsidy like Land subsidy, Power subsidy, State transport subsidy (on plant & machinery)
- b) PMEGP Loan through various Banks authorised within their located district.
- c) Weaving Training – This is usually conducted for a duration of 1 year. The trainees must be at-least Class-VIII standard. The trainees were provided a monthly stipend of ₹500/- throughout the training courses. This training is provided only in Lunglei district.
- d) Knitting & Tailoring Training – Though the name is given as Knitting & Tailoring training, knitting training is not provided anymore as it is seen to be outdated. Tailoring training is usually for 6 months and the trainees were selected through interview. The trainees receive a monthly stipend of ₹500/- in addition to sewing machine at the time of successful completion of the course.

- e) Craft Training – The duration of this training is usually 1 year. The trainees were provided a monthly stipend of ₹500/- during the training courses. This training is provided only in Lunglei district.

Besides these benefits, the selected beneficiaries receive other benefits in the form of cash and kind from the Government of Mizoram through its flagship program called NLUP. All the beneficiaries under the business sector were supported through Commerce & Industries Department, Government of Mizoram.

5.3.9 Impact of government schemes on development of rural entrepreneurship

a. Availing government schemes and sales volume from rural enterprises

It is evidently clear from the test that entrepreneurs availing and not availing government schemes experience significantly no difference in the amount of sales from their enterprises. Sig (2 tailed) = .275, t (289) = 1.094, p = .275 at 95 % confidence level.

b. Availing government schemes and capital invested in the business

It was found that the test that entrepreneurs availing as well as not availing government schemes experience significantly no difference in the amount of initial capital invested in their enterprises. Sig (2 tailed) = .770, t (195.6) = .293, p = .770 at 95 % confidence level.

c. Availing government schemes and number of employment generated in the business

It was found from the test that entrepreneurs availing as well as not availing government schemes experience significantly no difference in the number of employment generated in their enterprises. Sig (2 tailed) = .853, $t(289) = .185$, $p = .853$ at 95 % confidence level.

Hence, it can be concluded that the availing of government schemes does not have much significant impact on the entrepreneurs' sales volume compared with those entrepreneurs not availing these schemes. Also, the beneficiaries of government schemes do not have much effect on the amount of capital invested in their business. Lastly, entrepreneurs availing government schemes do not generate significantly different number of employment than those entrepreneurs not availing these government schemes. Finally, the various government schemes may have positive impact on many other parameters of running a business other than those mentioned above. Although, it may not provide huge capital to entrepreneurs, it is believed to provide great assistance to rural and small entrepreneurs who were lacking these benefits. The training programmes conducted by the government were also expected to have positive impact on the entrepreneurs' business.

5.3.10 Impact of development of rural entrepreneurship on status of rural areas

Pearson correlation is used for this parametric test for measuring the relationship between the two variables- Number of employment generated and monthly profit margin from business. This test was used as the data available here is interval. The analysis shows a positive relationship between the two variables - number of employment generated and monthly profit margin from business, $r(289) = .189$,

$p < .001$). Using cross-tabulation for finding the relationship between the two variables, it can be seen that the number of employment generated by rural entrepreneurs increases with the increase in the monthly profit margin earned from their business.

The findings from the bar chart, the correlation table as well as the cross-tabulation all shows that there is positive relationship between number of employment generated in the business and the monthly profit margin earned from the business. Although the relationship may be weak but it does not deny the relationship between the two variables. This test is used to find the impact of rural entrepreneurship development on the status of rural community. From the result of the above analysis, it can be concluded that the increase in the monthly profit margin of rural entrepreneurs makes it possible to generate more employment in their business. The generation of employment will increase the number of earning individual in the rural community which will improve the living standard of the rural community. Thus, it can be mentioned that the increase in the number of salaried individual in the community will have positive impact on the lifestyle of rural communities.

5.4 Problems faced by rural entrepreneurs

In this section an attempt is made to show the various problems faced by rural entrepreneurs in the two district currently studied. The result of this section will be highlighted based on the analysis of data collected from the entrepreneurs through questionnaire and discussion.

5.4.1 Conduct business research before starting the business

It is always important for any start-up entrepreneurs or existing entrepreneurs who were expanding their business to go for detailed research about the business they wanted to start. But, in the case of rural entrepreneurs, it is not easy to go for detailed research as it requires time and money as well as technical knowledge.

This may be one of the reasons behind the failure of many rural enterprises in various parts of the world. It is always important to have some knowledge about the type of enterprise we want to start and see whether there is demand for our products and services in the community.

It can be seen that 53.9% of the total entrepreneurs perform basic research on their business before starting their enterprises. This is a very promising sign for rural entrepreneurship development as majority of the rural entrepreneurs were aware of the basic principle in business start-up. The table also shows that entrepreneurs from Lunglei district (56.7%) were more aware of this principle compared to entrepreneurs from Kolasib district (51%).

It is also important to note that there were 43.3% of entrepreneurs from Lunglei district and 48.9% of entrepreneurs from Kolasib district who were not conducting research before setting-up their enterprises.

5.4.2 Finding good employees in the business

There were always efficient and good employees behind the success of every business. So, it is very important to have a good employee in a business.

But, in the case of rural areas, it is often difficult to find employee with the right set of equipped knowledge for employment. There were many reasons for the scarcity of good employee like lack of proper education in rural areas, lack of proper

connectivity, migration of people to larger towns and cities, minimal amount of salary affordable by rural entrepreneurs compared to bigger business organizations.

The analysis shows that majority of the entrepreneurs (68%) were having the problems of finding good and efficient employees for managing their business. There were 68.7% entrepreneurs from Lunglei district and 67.3% entrepreneurs from Kolasib district having the problems of finding good employees for their business.

5.4.3 Credit sales of products/services

In rural areas, especially in various parts of Mizoram state, it is a common practice to sell their products/services by credit. This practice has dual effect on the functioning of the business. The positive side is the increase in the sales of products/services by the entrepreneur. It is not always possible for customer to do payment immediately as the earning patterns of customers were not the same. For example, it may be more practical for people with monthly salary to purchase items through credit and repay them at the time of getting salary. But for person getting daily salary/wages, it may be more convenient to do payment purchase.

The negative side of going for credit sales is the slow flow of cash in the business. It is important for entrepreneurs to analyse the financial strength of the business before going for credit sales of their products/services. Without proper financial management, it is difficult to be successful in running a business.

The analysis shows that there were 54.7% of the total entrepreneurs facing difficulty due to credit sales of their products/services. As explained above, the improper management of funds by the entrepreneur to go for credit sales is a serious problem in rural entrepreneurship. In this study, entrepreneurs from Lunglei district (57.3%) were affected more than entrepreneurs from Kolasib district (51.8%).

5.4.4 Attending formal training after starting a business

It is known fact that learning makes a person perfect. There can be no individual who knew everything in this world. It is also commonly taught to children that a person should continue learning until the expiry time is reach. This is very true in business world due to the continuous change in the business environment. It is not possible for any particular business unit to withstand the challenges from their competitors without improving their business.

So, one of the best way to face the challenges in the business is to be able to practice new strategy by learning through various training programmes.

It can be seen that only 19.9% out of the total entrepreneurs attended training programme after starting their business. This is not a good sign for rural entrepreneurship development. The percentage of entrepreneurs not attending training programmes in both districts is almost the same with a minimal difference of 1.3%.

5.4.5 Problems on government schemes and support for rural entrepreneurs

In larger cities and towns, many of the entrepreneurs rely on various Government schemes and other support system for running their business. Most of the MNCs and large companies apply for various subsidies, relaxation and supports from the Government.

However, in the case of rural areas, it is less likely that majority of the entrepreneurs applied for these benefits. It is somehow seen and belief that these schemes and supports can be availed only by those having good connection with higher authorities.

It is clearly visible that majority of the entrepreneurs (71.8%) were finding it unfair in the selection process of the Government schemes and supports for rural entrepreneurs.

In case of Lunglei district, there were 73.3% who thinks the Government is not performing fairly in selection of beneficiaries. Likewise, there were 70.2% from Kolasib district finding it unfair in the selection of beneficiaries for schemes and other supports.

In the table-11, it can be seen that the number of entrepreneurs (42.6%) availing Government schemes and supports were less than those not availing (57.4%) these schemes and other Government supports. In Lunglei district, there were 57.3% entrepreneurs not getting supports which were almost similar with Kolasib district, where there were 57.5% entrepreneurs not availing these supports.

To conclude, though the number of entrepreneurs who were aware of Government schemes and supports were more in both the districts, the actual numbers of entrepreneurs availing these benefits were quite less in both the districts. This is a big problem for rural entrepreneurs in these districts of Mizoram.

5.4.6 Major problems faced by rural entrepreneurs in both the district

There were various problems associated with rural entrepreneurship. Through the analysis of the data collected through structured questionnaire using Likert scale distributed to rural entrepreneurs, it can be clearly state that the major problem faced by rural entrepreneurs in both district is financial constraint. Under this Financial problem, there were variables like shortage of working capital, shortage of fixed capital, delay in getting finance, difficulty due to credit sales. This problem alone stands for 50% of the total problem faced by rural entrepreneurs in the two district.

The second major problem is lack of technical knowledge and technologies for rural entrepreneurs. This problem includes suitable machineries and lack of technical

training. This constraint stands for 25% of the total problem faced by rural entrepreneurs.

The third major problem is the general problem which includes poor connectivity in terms of road condition and telecommunication, power shortage and finding sites for establishing business. It is important to note that a business will not be successful in all the available location. So, it is necessary for entrepreneurs to find suitable site for establishing their business.

Then comes the production and marketing problems which include low demand of products, poor sales promotion and competition from larger business players. The last problem is labour which include shortage of skilled labour.

5.5 Conclusions

- i. Socio-economic condition of rural entrepreneurs: -
 - a. There were more entrepreneurs in Lunglei district (11.3%) starting their enterprises before the year 2000 and continuously functioning their business compared to Kolasib district (7.9%).
 - b. There were more entrepreneurs depending on their family as a source of capital in Kolasib district (47.5%) than in Lunglei district (44.7%). Whereas, there were more entrepreneurs from Lunglei district (42.6%) approaching banks for finance compared to Kolasib district (41.8%).
 - c. There were more entrepreneurs having working experienced prior to starting their business in Lunglei district (39.1%) than in Kolasib district (35.7%).

- d. The percentage of married and unmarried entrepreneurs were almost identical in both the districts.
- e. The average age of entrepreneurs in Kolasib district were higher (older) compared to Lunglei district.
- f. There were more entrepreneurs from Lunglei district (34%) earning a monthly profit of above ₹50,000/- compared to Kolasib district (30.5%).
- g. Entrepreneurs from Lunglei district were more educated compared to entrepreneurs from Kolasib district.
- h. Majority of the entrepreneurs from both the districts were job seekers prior to starting of their enterprises.
- i. All the entrepreneurs belong to ST category and they belong to Christian religion.

ii. Institutional supports for entrepreneurship development: -

In case of institutional supports, the entrepreneurs from both the districts were not very aware of benefits available for them. They mainly rely on DIC and Government flagship program for benefits. They registered their enterprises in DIC and few of them go for PMEGP loan which were provided through banks. Entrepreneurs from Lunglei district received training based on their trades like weaving, knitting & tailoring, craft training as well as computer training. But, these training were not given in Kolasib district due to the down-grading of DIC in Kolasib district. Some of the entrepreneurs from both the districts also availed state incentive subsidy on land, power and transportation.

- iii. Comparative growth and development of rural enterprises: -
- a. The number of registered enterprises who were functioning continuously increases as the year goes on. The growth rate of registered enterprises during 2000-2010 were higher in Lunglei district (38%) compared to Kolasib district (30.5%). But, after 2010 onwards, the growth rate was higher in Kolasib district (65.9%) compared to Lunglei district (60.7%).
 - b. There were more First Generation entrepreneurs in Kolasib district (89.3%) compared to Lunglei district (88.7%). But, entrepreneurs with third or more generation were higher in Lunglei district (9.3%) than in Kolasib district (8.6%).
 - c. There were more entrepreneurs with a start-up capital of above ₹200,000/- in Kolasib district (18.5%) than in Lunglei district (16.6%).
 - d. Entrepreneurs from Kolasib district had higher monthly turnover from the business than Lunglei district.
 - e. The number of employment generated between 5-10 was more in Kolasib district than in Lunglei district. However, employment generation of above 10 employees were more in Lunglei district.
 - f. There were more entrepreneurs earning a monthly profit of more than ₹50,000/- in Lunglei district compared to Kolasib district.
 - g. Entrepreneurs from Lunglei district (88.7%) were more aware of government schemes than Kolasib district (83.7%).
 - h. 30% of entrepreneurs from Lunglei district availed government schemes compared to 27.6% from Kolasib district at the time of starting of their business. Currently, 42.7% of entrepreneurs from Lunglei district and 42.5% of entrepreneurs from Kolasib district availed government schemes.

- iv. Problems faced by rural entrepreneurs: -
- a. 14% of entrepreneurs from Lunglei district faced difficulty in registering their enterprises compared to 13.5% in Kolasib district.
 - b. 29.3% of entrepreneurs from Lunglei district faced difficulty due to their products choice (seasonality of products demand) compared to 23.4% of entrepreneurs from Kolasib district.
 - c. 17.8% of entrepreneurs from Kolasib district faced difficulty in procurement of their goods/products compared to 12% of entrepreneurs from Lunglei district.
 - d. 49% of entrepreneurs from Kolasib district does not perform market research prior to starting of their business compared to 43.3% of entrepreneurs from Lunglei district.
 - e. 68.7% of entrepreneurs from Lunglei district felt difficult to find competent employees compared to 67.3% of entrepreneurs from Kolasib district.
 - f. 36.8% of entrepreneurs from Kolasib district find it difficult to maintain quality standards compared to 36% of entrepreneurs from Lunglei district.
 - g. 57.3% of entrepreneurs from Lunglei district had problem due to credit sales compared to 51.8% of entrepreneurs from Kolasib district.
 - h. Majority of the entrepreneurs from both the districts do not attend formal training on entrepreneurship management.
 - i. Majority of the entrepreneurs from both the district felt it unfair in the selection of beneficiaries on government schemes.
- v. Through the analysis of data collected for the growth and development of rural entrepreneurship, it can be found that there is an increase in the amount of

capital invested in the business which shows a growth in rural entrepreneurship. The monthly turnover of the business from the two district is also increasing with many entrepreneur earning more than ₹2,00,000/- in monthly turnover. It can also be seen that although majority of the entrepreneurs (46%) depend on their family for capital requirement, there were 42.3% of entrepreneurs depending on financial institutions like banks for sourcing their capital needs. There is substantial increase in the amount of monthly profit earned by rural entrepreneurs which can be seen through the analysis of data, in which the number of entrepreneurs earning above ₹2,00,000/- rises from 7 persons at the initial stage of the business to 51 persons in Lunglei district and from 13 persons to 43 persons in Kolasib district at the current stage.

The number of employment generated by rural entrepreneurs is also increasing with time, which is a good indicator of development for rural areas. The increase in the number of salaried person will gradually increase the circulation of money within that area, thereby improving the living standard of the local people.

Also, the background of entrepreneurs shows that there were less than 28% of entrepreneurs coming from business family. And there were above 88% entrepreneurs who were first generation entrepreneur. These figures have positive implication in rural entrepreneurship development as more people enters the entrepreneurship world. This clearly shows that there will be development and improvement in the status of rural areas as the number of business increases and the number of income generation rises with the development of rural entrepreneurship.

Pearson correlation is used for this parametric test for measuring the relationship between the two variables- Number of employment generated and monthly profit margin from business. This test was used as the data available here is interval. The analysis shows a positive relationship between the two variables - number of employment generated and monthly profit margin from business, $r(289) = .189$, $p < .001$). Using cross-tabulation for finding the relationship between the two variables, it can be seen that the number of employment generated by rural entrepreneurs increases with the increase in the monthly profit margin earned from their business.

The findings from the bar chart, the correlation table as well as the cross-tabulation all shows that there is positive relationship between number of employment generated in the business and the monthly profit margin earned from the business. Although the relationship may be weak but it does not deny the relationship between the two variables. This test is used to find the impact of rural entrepreneurship development on the status of rural community. From the result of the above analysis, it can be concluded that the increase in the monthly profit margin of rural entrepreneurs makes it possible to generate more employment in their business. The generation of employment will increase the number of earning individual in the rural community which will improve the living standard of the rural community. Thus, it can be mentioned that the increase in the number of salaried individual in the community will have positive impact on the lifestyle of rural communities.

- vi. Through the analysis of data, it can be seen that there were only 7.3% and 5.6% of entrepreneurs availing Government schemes and benefits from Lunglei and Kolasib district respectively. Also, it can be seen that the amount

of income and employment generated at the initial stage of their business is quite low. Also, the availing of government schemes does not have much significant impact on the entrepreneurs' sales volume compared with those entrepreneurs not availing these schemes. And the beneficiaries of government schemes do not have much effect on the amount of capital invested in their business. Lastly, entrepreneurs availing government schemes do not generate significantly different number of employment than those entrepreneurs not availing these government schemes. Finally, the various government schemes may have positive impact on many other parameters of running a business other than those mentioned above. Although, it may not provide huge capital to entrepreneurs, it is believed to provide great assistance to rural and small entrepreneurs who were lacking these benefits. The training programmes conducted by the government were also expected to have positive impact on the entrepreneurs' business.

6 Suggestions

There can be various suggestions through the findings of this study. But only few important points were highlighted as follows: -

a. Suggestions to the rural entrepreneurs

- i) Rural entrepreneurs need to be pro-active and have positive vision so that they may be able to for-see the challenges ahead and prepare a plan to face those challenges.

- ii) It is important to have awareness to the entrepreneurship environment not only around their community but also look at a bigger perspective.
- iii) It is always important to have a thorough research on the type of products and other necessities before starting an enterprise.
- iv) It is important to study financial management before starting an enterprise since the major problems faced by the entrepreneurs if financial related problems.
- v) It is necessary to be aware of government schemes, rules and regulations and other institutional supports available for rural entrepreneurship.
- vi) It is important and a must to get registered under DICs for availing government and institutional benefits.
- vii) It is essential to attain training programmes on entrepreneurship development for better management and functioning of the enterprise.
- viii) It is important to have a solid stand on the vision as success may not come at the initial stage of running the business.
- ix) It is always important to belief in oneself and not to rely so much on external support system.
- x) It is time for entrepreneurs especially the youth to concentrate fully and use entrepreneurship as their main source of livelihoods. This will automatically generate the hunger to grow and be successful. As long as entrepreneurship is treated as second source of livelihoods, it is not possible to offer maximum efforts leading to slow growth of the business.

b. Suggestions to the Government

- i) The government may instruct banks and other financial institutions to provide loans to rural entrepreneurs as they bring economic development in the state.
- ii) The government may introduce more benefits and support system for the development of rural entrepreneurship in Mizoram.
- iii) The present schemes and support system created by the government are availed by a few entrepreneurs and the benefits provided through these schemes are minimal compared with other parts of the country.
- iv) The entrepreneurs were facing problems on registration of their enterprises which need to be shorted out by the concerned department.
- v) It is seen that awareness on government schemes and benefits for rural entrepreneurs is poor, which need to be fixed by the government.
- vi) The government may simplify the norms set for availing benefits under its schemes for rural entrepreneurs.
- vii) The government may conduct regular training programmes for the development of entrepreneurship in the state of Mizoram. They may appoint efficient officials for monitoring the various activities of these rural entrepreneurs and to provide technical training programmes and supplying updated technologies to them.
- viii) The government may develop better monitoring system for rural entrepreneurship at the ground level. They may maintain proper and reliable records regarding the functioning of rural entrepreneurship in Mizoram.
- ix) It is important to create service centre for rural entrepreneurs which functions 24/7 for growth and development of entrepreneurship in the state.

- x) It is necessary to improve connectivity in rural areas like providing all weather road and strong network communication facility.
- xi) It is utmost necessity for the government to conduct regular and effective trade fairs and other exposure opportunities to create marketing platform for rural entrepreneurs.

c. Suggestions to the general public

- i) The general public may have to encourage rural entrepreneurs by giving positive feedback, motivating and showing respect to them.
- ii) The general public are the customers of these entrepreneurs. So, they may create a positive environment towards rural entrepreneurs by making prompt payment and creating demands for their products.
- iii) The rural entrepreneurs create employment opportunities in their community. Thus, it is the wise of the general public to support these entrepreneurs by raising their voice for the better development of entrepreneurship in their areas.

d. Suggestions to banks and other financial institutions

- i) Banks may take a proactive action and should create a friendly environment for rural entrepreneurs to be approached.
- ii) Through the study, it was found that the number of entrepreneurs availing bank loans were quite low which makes it necessary for banks to improve in their disbursal of loans.
- iii) Banks may provide regular and effective financial literacy campaign so that the various bank products can be well versed by the entrepreneurs.

- iv) It is important to simplify the loan process for rural entrepreneurs and increase the amount of loans provided to them.
- v) It is vital to sort-out plans for rural entrepreneurs to avail bank loans and create affordable payment plans for them.
- vi) It is necessary for financial institutions to create a friendly environment and possessed friendly behaviour towards rural entrepreneurs so that they can have the best utilization of their schemes.
- vii) It is important to highlight regularly the updated schemes and benefits for rural entrepreneurs.

7 Limitations

This study is limited to rural entrepreneurs registered under DIC in Lunglei and Kolasib district of Mizoram state, which indicates that there will be many shortfalls in the study. Some of them were mentioned below:

- i. The projected results may not be universal, as only restricted sample field i.e. Lunglei and Kolasib districts were considered and the chances of getting 100 % similar results may not be assured.
- ii. Statistical analysis is conducted on self –reported statements. Though the entrepreneurs were assured of confidentiality and were requested to be frank in their responses, chances of possible bias cannot be denied on the account of the individuality.
- iii. This study is descriptive study and hence the information of the entrepreneurs may not be depicted as were meant to be.

- iv. The study of comparing of rural entrepreneurship is restricted to certain dimensions, hence the effect of other factors not mentioned in the study out of the scope of this study cannot be ruled out.
- v. This study has been conducted on rural entrepreneurs registering under DIC in Lunglei and Kolasib districts. So, the result found from this study and the information provided by them may not be the same in other parts of the state as the mind-set of people differs from place to place.

8 Future Area of Research

This study is limited to two districts of Mizoram state – Lunglei and Kolasib. Thus, it is clear that there are many areas of doing further research in the same field. Some of these areas are mentioned below: -

- i. The new research work can be done by comparing districts in other states of India.
- ii. The new research work can be done by comparing two or more states of India.
- iii. The new research work can be carried out by comparing two or more other countries.

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