

## **Mizo Entrepreneurs: Features and Prospects**

Shailaja Sanghamitra Thakur

Mizoram, in India's eastern frontier, offers an interesting case study of the problems encountered while adopting standard development paradigms bereft of socio-cultural content. There is general agreement that stimulus for economic development needs to come from a vibrant entrepreneurial class and cannot depend on external assistance. What is the situation in Mizoram? What are the main features of Mizo entrepreneurs? A state with very high literacy, progressive government and a relatively peaceful environment, yet a state where enterprise has still not taken root. What could be the possible reasons for the lack of entrepreneurship in the state? Are standard prescriptions - promotional policies, financial sops sufficient to stimulate entrepreneurship in the state? Are infrastructure bottlenecks, financial constraints, lack of skills the only possible reasons for such a sorry state of entrepreneurship in the state? Or are the problems more deep rooted and ingrained in the value system and socio-cultural milieu of the Mizos? We set out to explore such questions through first hand interaction with Mizo entrepreneurs in the state and try to relate entrepreneurship in the state to the institutional environment, attitudes and cultural norms of the Mizos. Recognising the importance of these elements, we come up with factors that are expected to influence development of entrepreneurship in the state.

**Keywords:** Entrepreneurship, Mizoram, Society, Attitudes, Institutions.

The classical definition of an entrepreneur revolves around his role in organising and coordinating the other factors- land, labour and capital- in the process of production. He is supposed to bear the risk involved in creating products and is said to be rewarded with profits that emerge from production and sale of these products. Entrepreneurial literature is considerably vast and gives due importance to both economic as well as non-

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The present piece is part of an ongoing study on Mizo entrepreneurs that looks at the impact of economy, society and polity on their behavior and strategies. We have interacted with more than 100 entrepreneurs belonging to the state and obtained their responses to questions that seek to establish these relationships.

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economic factors in understanding the trajectory of the entrepreneurial processes. Though economists have translated the entrepreneurs' objectives in pecuniary terms, there are various other driving forces that do not lend themselves to quantification such as the religious, social and community ethos as well as individual values. These are internalised in the functioning of the entrepreneur and blend with pure economic factors in shaping and moulding the entrepreneur. An interesting interface of these factors can be observed in the functioning of entrepreneurs in indigenous societies such as that in the state of Mizoram. These societies have their own unique social, economic, cultural and political institutions (ILO, 1991) that influence various spheres of their activities, including their entrepreneurial behavior. That the Mizo entrepreneur needs to be understood through the combined prism of political, socio-cultural and economic factors, is what we strive to explore and establish through this commentary based on first hand interactions with entrepreneurs of the state.

We trace the beginnings and briefly describe the changing contours of Mizo society, polity and economy in Section I since it has a reflection on the evolution of the Mizo entrepreneur. We look at the various features and issues confronting enterprises in Mizoram in Section II and profile the typical Mizo entrepreneur in Section III. Section IV endeavours to present a perceptive analysis of the individual and social attitudes that play a role in moulding the Mizo entrepreneurs. Section V looks at the future prospects of Mizo entrepreneurs in the state by delineating, according to our perception, the factors that can be construed as encouraging and those that can be thought to be impeding the development of entrepreneurship in the state. These factors are expected to influence the future trajectory of enterprise in the state to some extent. Section VI concludes.

## **Section I**

It was in 1894 that the first missionaries came to Mizoram and gave an exposure of modern civilisation to the Mizos who were actually a group of various tribes, inhabiting the Lushai hills and following animist traditions. The British missionaries converted the Mizos to Christianity and gave them the gift of education. They left the state in 1968, but the influence of Christianity is still very strong among the Mizos. Though the missionaries and later the British administration, tried to do away with most of the traditional institutions of the Mizos like chieftainship and *zawlbuk*<sup>1</sup>, the Mizo code of ethics termed *Tlawmngaihna* still dominates the thinking and psyche of the Mizos. It acts as a compelling moral force for the Mizos, teaching them to be hospitable, kind, unselfish and helpful to others. The Mizos are a close-knit society with no class distinction and no discrimination on grounds of gender. Traditionally and even today, the Mizos have strong community bonding so much so that villages and communities within the cities exist like a big family. Birth of a child, marriage in the village and death of a person in the village or a community, are some of the important occasions in which the whole community gets involved, coming together to help the affected family both physically and financially.

The traditional occupation of the Mizos is farming, of the *Jhum* (slash and burn) or shifting cultivation. Even at present 32% of the cultivable land is under *jhum* cultivation and around 80% of the population is dependent on this form of agriculture (Economic

Survey of Mizoram, 2012/13). These traditional methods, to a large extent, are responsible for the low productivity of agriculture in the state which continues to be of the subsistence kind. Other than agriculture, trading has been a natural occupation for the Mizos for a long time. In their traditional lives, each household was more or less self sufficient in all its requirements. It had its own plot of land which it cultivated for its subsistence consumption; own poultry and piggery and even its own tool making units. Similarly, the village was self sufficient, but as time passed and tastes evolved, all the requirements could not be met within the village and trade began with people of the neighbouring regions such as Assam, Bengal, Bangladesh and Myanmar. Though cash consciousness took root quite soon among the Mizos, exchange in these societies primarily took place through barter, which dominated their social relations as well. Mizos preferred to give things as gifts, rather than trade. Even during the missionary times, missionaries brought salt and gave it to Mizos in exchange for vegetables. Such exchange relations continued for a long time and even if not in practice today, the institution of barter affects the mentality of Mizos. Formal trading, in some sense, began around 1910 when the first vegetable market was established (ginger was the most important commodity to be traded). Mizos then moved from only farming to trading of agricultural goods.

The political and constitutional framework governing the state has also changed significantly since independence. Democracy was introduced in this region and traditional chieftainship was abolished. It was in 1952 that this region was granted an autonomous district council status and renamed the Mizo district of the state of Assam in 1954. In 1966, Mizoram became a highly disturbed and volatile area following declaration of independence by a section of Mizos. Unrest continued for the next two decades till the signing of the peace accord in 1986 and formation of the full fledged state of Mizoram. It is then that fortunes began changing for this region and currently, Mizoram is one of the most peaceful states of the north east region.<sup>2</sup>

These are important milestones in the history of Mizoram and in each of these phases, Mizoram as a state and Mizos as a society underwent significant political and economic changes. Economic development, primarily pumped by government money and aid has brought about changes in Mizo social values as well. People began losing touch with their villages and moved to bigger cities like Aizawl. The old timers feel that Mizos are going against their grain - becoming more materialistic and individualistic rather than doing things together or for the community. More emphasis is being given to individual preferences and choices. There is also increasing stratification of the society on the basis of wealth. Yet, at the same time, on social functions and festivals such as Christmas, the rich and the poor are seen to be eating, singing and dancing together, with no visible sign of discrimination.

## **Section II**

Enterprise in Mizoram is relatively very young. The state itself is only two and a half decades old and is at a very early stage of industrialisation. The economy is highly skewed towards agriculture and there is predominance of agro based industries using raw materials such as bamboo, cane, timber and fruits such as passion fruit and pineapples. The state though relatively more peaceful than other north eastern states is extremely remote and lacks connectivity with the rest of

the country. There is very poor infrastructure in the state, poor roads, serious power and water shortage. Despite various promotional measures and financial as well as fiscal benefits, entrepreneurs in the state feel that they are being treated shabbily by the central government and most of the benefits meant for the north east are actually being cornered by Assam.

The traditional industries of the state are high cost and are run using primitive technologies. The entrepreneurs face unavailability of proper marketing platforms and are not aggressive marketers themselves. Local market is their primary target, though there are a few progressive entrepreneurs who are looking beyond the state. For example, some entrepreneurs dealing with bamboo processing are manufacturing bamboo incense sticks for exporting out of the state, primarily to south Indian states such as Tamil Nadu and Karnataka.<sup>3</sup> Another entrepreneur has been producing Tofu<sup>4</sup> after learning the techniques of production from Koreans in Pune. He faced the challenge of introducing the taste of tofu to the Mizos and has proved to be an excellent marketer. He arranged 'paid' interviews for himself on the local channels to highlight the dietary importance of tofu, especially since there is high incidence of blood pressure and diabetes among the Mizos. Subsequently, he proceeded with a trial run of his product and distributed it to influential people in the society. Now he has a well established business in Aizawl and wants to expand beyond the state to other parts of the country and also to other countries. He is confident of his product and says that the tofu he manufactures is much better than what is available even in other metros of India. He has a novel way of publicising his product. He gives his contact details printed on a leaflet that has recipes using tofu, also highlighting the health benefits.

Mizoram is categorised as a 'no- industry state' and there is predominance of tiny, household and small scale enterprises in the state. The industrial base is quite narrow and operates in a rather interesting paradigm wherein raw materials, labour as well as technology are all obtained from outside the state. This paradigm puts a question mark on the sustainability of industrialization in the state. Despite high unemployment in the state, the Mizo entrepreneurs are working with labour from Silchar, Bihar and even Myanmar, since they find local labourers lazy and quite averse to manual work. This is contrary to how the Mizos have been traditionally - hard working and taking pride in their work. The entrepreneurs are unanimous in stating that the present state of affairs has much to do with the government policies towards the state. The people have been pampered with government jobs and are obviously not keen to take up strenuous jobs. Another problem that is faced vis-à-vis local labour is the lack of skill development. The entrepreneurs opine that though the local labour is literate, it lacks the required skills. Hence, a need is felt for vocational training and skill development institutes in the state. Mizo labour though traditionally skilled in blacksmithy, carpentry and handloom is not willing to work in these sectors owing to better opportunities for them in other sectors such as the government. Working with labour from outside the state is accompanied by another problem faced by the small entrepreneurs of the state - that of obtaining the inner line permit.<sup>5</sup>

The traditional industries also suffer from the problem of not evolving with the times. The entrepreneurs are very much dependent on government support and do not feel the need to learn about new designs and technologies concerning their product. They claim

that the consumers prefer the regular designs and hence, there is no need to evolve new product designs. The government officials claim that they do try to provide a better exposure to entrepreneurs by taking them to trade fairs and expos, but the entrepreneurs apparently have not been able to capitalise on these opportunities. They do receive orders from outside the state, but are not very upbeat about taking up these up since they face a capacity constraint and admit that given the present conditions, they can supply just enough for the local markets. It was also noticed that these entrepreneurs do not have a pro active approach towards marketing. It is generally the dealers and customers from outside the state who seek them out and not the other way around. Very few entrepreneurs have a dealer network in place even for accessing different districts of Mizoram. There is little emphasis on advertising, with promotions through local newspapers and local TV channels being the only avenues. The entrepreneurs rely more or word of mouth marketing. In case of many products, government is an important buyer- printing materials, flexes, signages, furniture, storage tanks etc. This being the case, links that entrepreneurs might have with influential political persons and bureaucrats becomes an asset. Many entrepreneurs cited cases where they have been helped by relatives in the government to get contracts and product orders.

Internet is the main source of information for the Mizo entrepreneurs. Though there are many industry bodies<sup>6</sup> and trade related associations, the members do not find the membership to be very effective. Many of the entrepreneurs interviewed were neither the members of any of these industry associations nor showed any intention of joining one soon. Even the President of one of these associations admitted that the body does not have much voice in government decisions and policies.

Though the major industries are those that use locally available raw materials, there is a growing tendency among the entrepreneurs to move towards other mainstream industries such as readymade garments, steel fabrication, plastic manufactures, utensils and printing. It is interesting to note that the printing industry is doing very good business in Mizoram. There is almost total literacy in the state and hence there is great demand for printed matter including newspapers and books. We met a few respondents who had their own printing press and also their own newspapers. There is high newspaper readership in the state fed by local correspondents, but all printing material- paper, ink, chemicals etc are imported from other states. In addition to newspapers, there are a high percentage of people who write and want to get their books/ articles published. So, the printing industry is a profitable industry in the state. Other mainstream industries that are coming up are learning from the experience of industries set up elsewhere, in terms of technology and processes. They are able to get information from the entrepreneurs involved in similar business elsewhere in the country.

Significantly more important than manufacturing sectors is the retail segment in the state. Craving for good life, fashion and belief in the philosophy of living for the moment give a natural fillip to this segment. The attitude of the Mizos to enjoy every moment without thinking about the future has a dampening effect on their entrepreneurial attitude to some extent. They do not have a strategic vision for the future and even shirk any attempts for developing such an attitude. Nearly everything available and sold in Aizawl is imported from other states (mainly Assam) and from other countries (Thai

land, China, Hong Kong and Korea). These shops are manned primarily by women who show exemplary negotiation skills and enterprise when they go to the neighbouring countries to buy their wares (mainly clothes and shoes) without knowing anybody there or even knowing the local language or even English for that matter. They proudly told us that all they need to strike deals is a calculator in which they punch in the figures and begin negotiating. This can be thought to be a very adventurous and enterprising way to do business. The Mizos admit that women as such and entrepreneurs in particular, are smarter and more hard-working than the men.

### **Section III**

The typical Mizo entrepreneur is a first generation entrepreneur. Their earlier generations were agriculturists and if in business, were involved mainly in trading activities. Their enterprises are mainly sole proprietorships where the proprietor along with his family members manages all aspects of his business himself - right from product development to finance, marketing and human resource management. The work culture is marked by cooperation rather than hierarchy. This very much follows the tribal ethos where equality is one of the most important values. Majority of the entrepreneurs in the state have had no formal business education. It is not the lack of such education that is a significant point; rather it is the dismissive attitude that they have towards such courses that is interesting. They are of the view that in conditions as prevailing in Mizoram, formal business tools would have little efficacy. Yet there are a few entrepreneurs who expressed the desire of taking some workshops/lessons on human resource management, marketing and financial accounting, but such respondents were in very small numbers.

Though finance is one of the major constraints that the entrepreneurs face, they show much greater reliance on own sources of finance rather than institutional sources. They seem to be more comfortable with grants rather than loans and are even embarrassed in admitting that they have availed of loans from institutional sources. There are various policies and preferential treatment is meted out to the north eastern states in terms of institutional finance, but the entrepreneurs feel that the checklist required to be fulfilled for accessing loans is quite huge and even unreasonable at times. More so because documentation is not a strong point for the Mizo entrepreneurs. Most of the transactions are in cash and accounting procedures are not systematic. Poor implementation of government policies and high level of corruption have been cited as other major problems faced by the entrepreneurs in the state.

The Mizo entrepreneurs seem to show a positive attitude towards work and want to be on their own in business. Though they are comfortable exchanging ideas with each other and even with entrepreneurs from outside the state, they are apprehensive about any formal collaboration. They seem to be enjoying a respectable position in the Mizo society as entrepreneurs especially if they are able to contribute physically and financially to the community and to the church. They exhibit a strong commitment towards family and community and try to blend their business practices and professionalism within the existing socio- cultural fabric.

Another interesting observation that could be made about their business paradigm is

that they prefer a diversified portfolio rather than concentrating on their areas of core competence. Most of the entrepreneurs were seen to be running two to three parallel businesses. There can be an economic logic to this tendency as well. The small market size forces them to take up whatever lucrative comes their way, rather than having a long term vision dictating their business decisions. The diversified portfolio can be an asset for the emerging business in Mizoram since it leads to varied exposure for the entrepreneurs. On the other hand, it hampers the development of expertise. Their market is highly localised- not even spreading to other districts of the state, let alone venturing out of the state. The typical Mizo entrepreneur is not integrated with the global economy through formal channels, though there is a high degree of informal trade with Bangladesh and Myanmar. High cost of production and lack of capacity make him pessimistic about export possibilities. Thus concentrating on the domestic/local market is a rational strategy for the Mizo entrepreneurs, yet their apprehension to go even beyond Aizawl to other parts of the state does indicate a myopic business view and fear of exploring new territories.

#### **Section IV**

The main objective of entrepreneurs in Mizoram, as was observed during the interactions, is that of making profits. Among the other important objectives that the entrepreneurs seek to achieve through their business are creating employment for fellow Mizos and helping the community and family members. Being Christians, they have to donate 10% of their profits to the Church (called 'tithes'). This is a voluntary contribution that they need to make, but at the same time they are ostracised to some extent if they fail to make this contribution. Some of them also undertake other philanthropic tasks, for example donating money to orphanages and schools. Hence, their membership in the community plays an important role in their business decisions. They, themselves feel that in this aspect they are quite dissimilar to other entrepreneurs. Some of them also expressed the desire to be successful in their business so as to have the capability to undertake more community work and contribute more money to the Church. Some have in fact left government jobs to start their own business in order to be able to devote more time to social activities. There were those who lamented the inability to devote time and money to the Church and social commitments. Though there are certain obligations that the entrepreneurs have to meet, they feel that satisfying the same makes them better Mizos and gives them greater credibility in the society and also helps them in their business- for example in marketing their products locally.

At the same time the younger generation entrepreneurs feel that too much of church activities and community work interferes with the work culture of the place. The custom, as discussed earlier, that whenever there is birth, death, marriage in their locality, all are supposed to be there to attend and cooperate in organising the function is a big irritant for entrepreneurs who are working with local labour, since no amount of pending work can excuse them from such social commitments.

Some of the observations that were made during the course of interviews were quite contrary to those expected. Tribal values of hard work, cooperation and equality were assumed to influence the attitude of the entrepreneurs and affect their business deci-

sions, but the shift in these values was quite discernible in our discussions. As regards hard work, we have seen earlier there is a general aversion to hard work since cushy government jobs have become the first choice for the Mizos. Secondly, one would have expected tribal societies such as that of Mizos to be egalitarian and hence have a natural instinct towards cooperative forms of management and enterprise. The situation, however, is quite the opposite. The entrepreneurs are weary of forging collaborations or other alliances with fellow Mizos. They are suspicious of each other and also feel, maybe rightly so, that there is not much to gain by collaborating with each other. Some of them also go to the extent of not letting the identity of their unit known. No boards or signage identifying the units located in residential areas, were seen in a few cases. One of the prime reasons for such suspicious behavior is the small size of the market that they all vie for. Since they are all going to rely on same inputs, input sources, technology and markets- they are justified in having such an approach. Some entrepreneurs went to the extent of saying that they are more comfortable doing business with outsiders rather than with fellow Mizos. The Mizo entrepreneur though competitive, is not aggressive. In some cases, one saw entrepreneurs having a cooperative attitude towards competitors- lending machines, sharing experiences with respect to technology, referring customers when they themselves cannot fulfill the expectations of the customers.

Egalitarianism, on the other hand, is still one of the important tenets of the Mizo society and does find a reflection in business management in the state. Hierarchy, stratification are not established practices in the society. Seeing the poor with the rich, commoners with the powerful sharing the same food, following the same customs and talking to each other on their own terms; is a common sight. This kind of social egalitarianism is a big confidence booster for the entrepreneurs. They do not have any inhibitions interacting with even very powerful people and are quite forthright with their views. This can be seen as an asset that they possess to face the challenges of business.

The spirit of enterprise, if can be defined as adventurousness, outgoing attitude, ability to take risks, networking and ability to seek out opportunities; is still at a very incipient stage in Mizoram. Most of the entrepreneurs whom we met, especially those belonging to the younger generation, are comfortably ensconced in the local economy. Their maximum interaction is with states of the north-east India, especially Assam, and Kolkata. One could sense a feeling of resignation among the entrepreneurs, especially those belonging to the younger generation. Though many of them have been educated outside the state and are returning with professional degrees, they do not see themselves as able competitors vis-à-vis outsiders. Though there are economic reasons for the same, their fear of facing the world outside is also lingering in their sub-conscience. Interestingly, they feel more welcome and safe in southern states of the country than places like Delhi where they regularly face racial discrimination.

In terms of objective thinking, business acumen and negotiation skills, the Mizo entrepreneurs can be compared with other mainstream entrepreneurs; but there is significant dissimilarity when it comes to business education, communication skills, aspiration levels and commitment to community. Most of the entrepreneurs felt that their lack of fluency in Hindi comes in way of their negotiating with mainland entrepreneurs. This becomes a greater problem since most of their labourers are from Assam and Bihar, who



do not understand Mizo, but can understand Hindi.

### **Section V**

The entrepreneurs are quite sceptical about the help that they get from the government. They feel that the government neither has the expertise nor the initiative to help business in Mizoram. There are a number of government schemes that aim at helping fledgling enterprise in Mizoram, but implementation of these policies seems to be a problem. The entrepreneurs went to the extent of stating that if one wants to do business in Mizoram, it should be done without government support. The failure of the government in providing requisite infrastructure for industrial development is also very apparent. On a scale of 10, the average ranking given by the respondent entrepreneurs to the attitude of government towards business is 4. Government schemes and institutions to that extent have not been able to fulfill the expectations of the entrepreneurs in the state. The government officials have a different take on this issue. They feel that the entrepreneurs themselves have been unable to utilise the government support. They do not have the proper paper work in place and seem to be more interested in getting support without putting in required effort. Officials in financial institutions (FI) such as North East Development Finance Corporation (NeDFI) gave an insight into the psychology of the entrepreneurs who decide their trade based on the subsidy schemes of the government. This naturally implies that there is very little, if any, homework done by the prospective entrepreneurs thus resulting in high sickness and high default rates on loans disbursed by these FIs. Moreover, problems of connectivity within the state make monitoring the use of funds difficult and small loans therefore become unviable.

There is a general feeling among the officials, especially those coming from outside the state that industrialisation in the state can be encouraged only with outside help. Investors' Forums and meetings have been organised to encourage outside investment in the state. Such participation of outsiders in the industrial development of the state is not particularly resented by the local entrepreneurs; but at the same time they have a hidden fear that they would be soon be overpowered by them. Though there is no denying the fact that there is much to learn from entrepreneurs outside the state, yet local sensitivities need to be acknowledged if predominance is given to this paradigm of industrialisation. Even for the outsiders, doing business in Mizoram has not been very comfortable. They have to procure all their raw materials, technology and machines from outside which obviously has a high cost. Moreover, they are not very happy with the attitude of the local labourers and of the local people who resent their presence. Moreover, there is restriction on land use by outsiders since they are prohibited from buying land and can only take land on lease for 30- 50 years. Another interesting aspect that was pointed out was that since the state has not seen operation of large scale industries, there is lack of awareness of the procedures, permissions and policies involved in setting up such units. Hence, the first large scale unit that is coming up in the state (steel industry being promoted by a successful entrepreneur from Guwahati), had to literally educate the government officials about the industrial policies and procedures by sharing with them the policies that are prevalent in other states. Large scale industry is just emerging in Mizoram, with the first steel industry being set up by outside investors. The experience of these

investors in other north eastern states such as Meghalaya and Tripura has been better than in Mizoram so far.

## **Section VI**

On the basis of our interaction with Mizo entrepreneurs, we were able to delineate some of the factors that seem to be encouraging and those that come in way of entrepreneurial development in the Mizo society. It is the mutual interaction of these factors that is expected to chart out the future trajectory of entrepreneurship in the state, according to our perception and analysis. Following are the factors that can be construed as possible assets for the emerging Mizo entrepreneurs.

1) **Increasing desire to be independent- ‘being on their own’**: Some of the entrepreneurs proudly say that they do not want to work under anyone or anybody. Rather, they want to take charge of their own affairs and be independent. This tendency can be seen as being a move to the intrinsic values of tribals who have always been fiercely independent and self reliant.

2) **Drying up of government jobs**: There is recognition of the fact that government jobs cannot be generated ad nauseum. The literate youth therefore have to look for other profitable options for employment. Being an entrepreneur is slowly becoming a preferred option for the Mizos since industry and enterprise is at a very initial stage and hence there is a significant scope for anyone who comes up with new ideas.

3) **Literacy and IT skills among the Mizos**: Almost total literacy and high degree of proficiency in computer skills is a qualification of significance for the Mizo entrepreneurs. The Mizos are very comfortable with computers, and internet is their prime window to the outside world. Enterprises making use of such skills are coming up and are expected to come up in a big way in Mizoram in the near future.

4) **Increasing activity towards entrepreneurship development in the state**: The government as well as industry bodies are working towards entrepreneurship development in the state through Entrepreneurship Development Programmes (EDPs). Agencies such as Small Industries Development Bank of India (SIDBI) are being roped in to train entrepreneurs in the basics of business- importance of market analysis, documentation, targeting of markets and customers. Also, the increasing presence of outside investors who are established businessmen is expected to have some spillover effect on the local entrepreneurial capabilities. Since there is a rule that no outside investment can take place without local partner, the latter is expected to gain from this cooperation unless he chooses to play a mere passive role in the business. The government also acknowledges the fact that there is lack of business skills among the Mizo people and technical workshops are being conducted in FIs such as NeDFI to expose the entrepreneurs to some products, processes and management of business.

5) **No dearth of possibilities**: This is an exciting aspect of the Mizo economy. Since most of the products available are actually imported from outside the state, there is great potential of developing domestic industries. A more supportive government infrastructure could help in this trend. There are various virgin areas looking promising for the future such as tourism. The state is endowed with natural beauty and beautiful climate, but sadly it has not been able to project itself as a tourist destination. Travel agencies are

slowly coming up, but they are mainly servicing outbound tourists. Setting up of hotels, better roads and other infrastructure should be aimed at, if private participation in the tourism sector is to be encouraged.

6) **Growing market:** Though entrepreneurs cite the smallness of the market as one of the biggest deterrents in expanding their business, yet this market is growing. The growing inequalities in the economy and the increasing percentage of youth in the population can be taken as pointers towards this trend. The impact of a growing market can be seen very clearly in the construction sector. There are lots of development works that are in the pipeline and this is creating a significant demand stimulus for the construction industry. At the same time, increasing proportion of white collar jobs is also pumping in more money in the economy and creating demand in the local economy.

7) **The New Land Use Policy (NLUP):** In a bid to reduce the practice of jhum farming and motivate the farmers to follow a more settled profession, the government has initiated a new land use policy wherein alternate occupations (trades) are being offered to the jhum cultivators, by giving them land and training to undertake the same. This move would also be helpful in promoting entrepreneurship in the state.

Though there are some favourable factors for entrepreneurship development in the state, at the same time there are certain issues that dampen the spirit of entrepreneurship among the Mizos.

8) **Desire for a good lifestyle, without putting in hard work:** The Mizos have got used to a good westernised lifestyle, with good food, clothes and homes. They are not in the habit of saving and use their earnings mainly to sustain their lifestyles. Saving and accumulation are prime attributes of an entrepreneur and these not being a part of the Mizo psychology, is a difficult trait to handle. At the same time, Mizos are not very hard working and this also goes against their evolution to being successful entrepreneurs.

9) **Lack of vision and strategic thinking:** The attitude of living for today and not thinking about the future also dampens the spirit of entrepreneurship among the Mizos. They follow adhoc policies and take momentary decisions without considering the long term perspective. An entrepreneur, on the other hand, has to take a much longer term view and then place his short term decisions in that framework.

10) **Too much involvement in the family and community:** Mizos are basically community beings. The main spirit of *Tlawmngaihna* is the common thread that unites the Mizos together and they take a lot of pride in it. Despite the fact that any entrepreneur who lives in a community ought to project himself as a responsible corporate citizen, yet at the same time too much emphasis on community living and involvement in all aspects of common living does deter people from the actual objective of their business. It leaves them little time and energy to pursue their business in a rational manner.

11) **Lack risk appetite and innovativeness:** The typical Mizo entrepreneur is not risk loving. He likes to follow traditional paths, is not very upbeat about leaving the state and exploring opportunities elsewhere and lacks the spirit of innovativeness. Be it his community life, or religious factor or communication problem together with his physical uniqueness; he does not want to settle in any place other than this home state. This also dampens the adventurous entrepreneurial attitude.

12) **Heavy influence of other cultures, mainly Korean Culture:** The youth are

heavily influenced by the Korean culture. Korean serials, movies and songs are very popular in Mizoram and most of them are also dubbed in the local language. Commonality in terms of physical attributes, and also in terms of culture, has brought the Mizo youth identify themselves more with the Korean youth. This in itself is not a matter of concern, but the problem is that the Mizo youth are imbibing the 'negative' aspects of the Korean culture such as overindulgence in vices such as drinking, smoking, lack of respect for elders etc. On the other hand, attributes such as hard work, punctuality and civic sense that should also become a part of the value system, are easily ignored by the Mizo youth. Increasing consumerism and blind aping of such culture can also be seen as roadblocks in the emergence of entrepreneurship in the state.

**13) Presence of outside investors in the state:** This could be a factor working both in favour of and against the evolution of local entrepreneurship in the state. If the local collaborator is an active participant, he would surely be able to hone his entrepreneurial skills through such an alliance. On the other hand, if he is satisfied being a 'sleeping partner', then there would not be much value addition. In order to sustain the tempo of entrepreneurship development in the state, efforts should be made to enhance the spill over effects of outside investment.

**14) Policies lacking social perspective:** There is a plethora of government policies and programmes, but the intended beneficiaries do not seem to have much faith in the same. As a result, though significant amount of money of being pumped into the system, its efficacy is in doubt. Policies also follow a more or less adhoc approach and do not deal with the actual problems that entrepreneurs are facing. Mizo entrepreneurs also get a sense of 'alienation' when dealt with by agencies that are manned by outsiders. They do not feel comfortable interacting with them and are generally on the defensive. The social norms and ethos of the people has to be kept in mind while formulating and implementing policies in the state. The policy makers and executors have to understand the sensitivity of the people, by even employing sociologists for proper implementation of their schemes. The Mizos are fiercely independent and also feel that they are quite self sufficient and need no advice from others. Hence, the approach towards their development has to be highly nuanced. Interestingly, some of the Chambers of Industry are even involving social organisations such as the YMA (Young Mizo Association) in their meetings on business matters. Steps such as these would help in increasing the social credibility of government policies.

**15) Poor infrastructure coupled with high level of corruption:** There is no denying the fact that the infrastructure available in the state, be it the roads, power, water, is of very poor quality. If entrepreneurship worth its name has to develop in the state, these are some of the minimum prerequisites that should be provided by the government. There are a couple of industrial estates and clusters in Aizawl itself, but the state of infrastructure is grossly inadequate. For infrastructure to develop it is not only finance that is important; rather accountability needs to be ensured. Pumping of money in the name of various schemes is an established practice in the north eastern states, but most of it pilfers out and the problem continues to be grave. The state also needs much better connectivity with the rest of the country through road, rail and air. This would also enhance the horizon of the Mizo entrepreneurs.

## Section VII

Entrepreneurship in Mizoram is seen to be an interesting mix of tradition and modernity. Though the Mizo trader is one of the oldest professionals in the state, evolution to a manufacturing entrepreneur has been an extremely slow process. Emphasis on trading could be one of the reasons for slow development of manufacturing in the state. Absence of raw materials, poor connectivity and poor infrastructure are the other important reasons. Though these are valid issues, the more difficult issues to handle relate to the blending of policies within the social structure and cultural milieu of the Mizos. First hand interaction with entrepreneurs gave us indications that the Mizos are evolving with greater exposure to the outside world. Despite moving away from some of the established norms of their society, there are other tribal attributes such as egalitarianism that are still very important for them and have been playing a very important positive role in their entrepreneurial behavior. Moreover, we were able to appreciate that it is not possible to understand entrepreneurial behavior through a standard definition and that we need to develop a broader vision to make meaningful comparisons between entrepreneurship present in different socio-cultural setups. On this basis and considering the performance of the Mizo entrepreneurs as discussed in this study, we can hypothesise that though they cannot be termed 'successful' in a conventional sense, yet if entrepreneurial behavior is seen in a more holistic manner taking into consideration the socio-cultural norms, then the rating is not too unfavourable for the Mizo entrepreneur.

## Notes

<sup>1</sup> Zawlbuk or the bachelors' dormitory was the abode of all young Mizo boys where they were trained and oriented towards the ways of Mizo life.

<sup>2</sup> For the contribution of the Kukis of Manipur in Mizoram movement see Seilen Haokip (2013: 89-105).

<sup>3</sup> There is no demand for incense sticks in Mizoram since they are Christians and their form of worship does not require incense sticks.

<sup>4</sup> Cottage cheese made of soya milk.

<sup>5</sup> According to this provision, any person working in Mizoram who is not an original inhabitant of the state has to obtain a permit from the concerned authorities. This applies to all working in the state except government officials.

<sup>6</sup> Some important industry and entrepreneur associations in the state are the Mizoram Chamber of Industries and Commerce, Mizoram Industries Association and Mizoram Entrepreneurship Network

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