



Empowering Young Women Entrepreneurs for Economic Growth in Mizoram, North East India

Chanambam Nalini Devi

Associate Professor, Department of Commerce, Pachhunga University College, Mizoram University, Aizawl (India)

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ABSTRACT

India's economy, currently the fifth largest globally with a GDP of \$3.7 trillion, aims to reach \$5 trillion by 2025 and \$7 trillion by 2030. Achieving this ambitious goal requires innovative contributions from all sectors and individuals. India boasts the world's largest youth population, with over 908 million people under 35, accounting for 66% of the total population. Among them, more than 255 million are aged 15-24. Despite this demographic advantage, the country struggles to effectively harness these human resources, leading to an unemployment rate of 7.6% as of March 2024 (CMIE report). In Mizoram, the unemployment rate is higher at 11.9% as of June 2023, with women facing an even higher rate of 16.4%. To foster economic development both nationally and locally, promoting entrepreneurship among the youth is crucial. In Mizoram, many young women entrepreneurs are expanding their ventures beyond traditional sectors like handloom and handicrafts. This paper, drawing on primary and secondary data, examines the challenges and contributions of young women entrepreneurs in Mizoram's economic development.

Keywords: Economic growth, entrepreneurship, unemployment, youth population, Mizoram

Introduction

India, a developing country, has witnessed robust economic growth over the past few decades. Transitioning from a mixed plan economy to a mixed middle-income developing social market economy, India has strategically enhanced its public sector in key areas (Chaudhuri, 2022). This economic shift has been marked by impressive growth rates, positioning India as a significant player on the global economic stage. According to international organizations and economists, this upward trajectory is expected to continue in the coming years (Rajan & Mukherjee, 2023). The International Monetary Fund (IMF) projects China's economic growth at 4.6% for 2023, with a decline to 3.5% by 2028. In contrast, India's GDP growth is forecasted to exceed China's, reaching 7.5% in 2023 (International Monetary Fund, 2023). To sustain this growth, India has significantly invested in national infrastructure projects, with the manufacturing and service sectors playing crucial roles in bolstering the economy. As of the financial year 2021-2022, the agricultural sector contributed 18.4% to the GDP, the industry sector 28.3%, and the service sector 53.3% (Banerjee & Roy, 2022). The manufacturing sector, which contributed approximately 13% to the GDP in 2022, increased to about 17% in 2023 and is expected to reach 21% in the next six to seven years, aiming for a US \$1 trillion valuation by 2025-26. Despite an annual production growth rate of 4.7% in the manufacturing sector during the financial year 2023, it remains lower than that of the service sector (Singh & Mehta, 2023).

Economic development requires the integration of various production factors such as land, labour, capital, and human resources in a balanced manner to produce goods and services. Additionally, enhancing capital goods, labour skills, advanced technology, and human capital is essential for rapid economic advancement (Sen and Chatterjee, 2023). Economic development encompasses various elements, including the creation of employment opportunities, technological advancement, improved living standards, higher quality of life, industrial and infrastructure growth, and increased GDP and per capita income.

Mizoram, a state in North Eastern India, boasts the second-highest literacy rate in the country at 91.33% (Census, 2011). The male literacy rate stands at 93.35%, while the female literacy rate is 89.27%. Mizoram's economy is one of the fastest-growing in India, with a per capita income of Rs. 308,571 and the second-

highest Gross State Domestic Product (GSDP) growth during the 11th Five-Year Plan in Northeast India at 11%, surpassing the target of 7.8% and the national average of 7.9% (Mizoram Economic Survey, 2023). Agriculture is the primary occupation, with horticulture playing a significant role in the state's economy, encompassing around 4.40 lakh hectares of land. Small and cottage industries also contribute to the state's economic landscape. The main industries include handloom, handicrafts, forest-based industries, food processing, cash crops, and fruit and vegetable farming. Furthermore, many young women entrepreneurs are emerging in new sectors, driving economic diversification and growth (Sharma & Das, 2023).

Literature Review

Research is an integral part of academic and practical life, driving innovation and progress across various fields. In India, the focus on entrepreneurship research began gaining momentum in the 1970s, supported by numerous institutions such as the Small Industries Extension Training Institute (SIET), the Entrepreneurship Development Institute of India (EDII), the National Institute for Entrepreneurship and Small Business Development (NIESBUD), the Economic Development Institute (EDI), the Small Industries Service Institute (SISI), the Science and Technology Institute (STI), the Northeast Regional Institute of Entrepreneurship (NECON), the Indian Institute of Entrepreneurship (IIE), and the North Eastern Council (NEC). Krishnakumar (1997) emphasized the crucial role of entrepreneurship in the industrialization process, noting its significant impact on reducing unemployment and enhancing economic growth. His work highlighted the importance of fostering entrepreneurial activities to stimulate economic development. This perspective aligns with the observations of Shallapan and Venkatapathy (1998), who noted that developed countries tend to have a higher number of entrepreneurs, suggesting a correlation between entrepreneurial activity and a country's economic advancement. This underscores the need for developing countries to bolster their entrepreneurial ecosystems to achieve similar growth.

Building on this foundation, Kasi (2003) conducted a study focusing on the profile of Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs in Andhra Pradesh. This research provided insights into the demographic and socio-economic backgrounds of these entrepreneurs, shedding light on the unique challenges and opportunities they face. Such demographic studies are crucial for understanding the diverse landscape of entrepreneurship in India. Carree and Thurik (2003) further explored the impact of entrepreneurship on economic development, concluding that entrepreneurial activities positively influence economic growth and innovation. Their study supported the notion that entrepreneurship is a key driver of economic progress. This conclusion is reinforced by the findings of Nalini (2006), who investigated the problems and prospects of women entrepreneurs in Northeast India. These findings highlighted the specific challenges faced by women in this region and identified potential areas for policy intervention to support their entrepreneurial endeavours.

Focusing on motivational aspects, Sugantu (2009) analysed the motivational factors for women entrepreneurs in Tamil Nadu. His research provided a detailed examination of the personal and external drivers that inspire women to pursue entrepreneurship, contributing to a better understanding of how to support and encourage female entrepreneurship in the region. This motivational perspective is essential for developing targeted support mechanisms for aspiring entrepreneurs. Lalhunthara (2015) focused on micro-enterprises in the Aizawl district of Mizoram. His study examined the characteristics, challenges, and growth prospects of these small-scale businesses, offering valuable insights into the micro-enterprise landscape in Mizoram. Such studies are critical for identifying the unique needs of micro-entrepreneurs and devising strategies to support their growth. Chaudhari (2020) studied the socio-economic background of women entrepreneurs in small and medium enterprises in Karnal district, Haryana. This research provided a comprehensive overview of the demographic factors influencing women's entrepreneurial activities and the socio-economic conditions that support or hinder their business ventures. Understanding these socio-economic backgrounds is vital for developing inclusive policies that cater to diverse entrepreneurial needs.

Recent studies have further enriched the literature on entrepreneurship in India. For instance, Patel and Mehta (2018) investigated the role of digital technologies in enhancing the performance of small and medium enterprises (SMEs) in urban India. Their findings suggest that the adoption of digital tools significantly improves business efficiency and market reach, highlighting the importance of technology integration in entrepreneurial strategies. In another study, Agarwal et al. (2019) examined the impact of government policies on startup growth in India. They found that initiatives like "Startup India" have substantially increased the number of startups, providing necessary financial and regulatory support to budding entrepreneurs. This demonstrates the critical role of policy frameworks in fostering a conducive environment for entrepreneurship.

Recently, Desai and Kumar (2020) analysed the influence of social networks on entrepreneurial success in rural India. Their research indicated that strong community ties and social support networks are crucial for the sustainability and growth of rural enterprises. This underscores the significance of social capital in entrepreneurial development. Most recently, Rosie and Nixon (2024) conducted a study on the motivational

factors and performance of Mizo women entrepreneurs in Aizawl city, Mizoram. Their research offered fresh insights into the motivations behind women's entrepreneurial activities and assessed the performance outcomes of their businesses. This study contributes to the growing body of knowledge on female entrepreneurship in Northeast India, highlighting the progress and potential of women entrepreneurs in this region.

These studies collectively underscore the importance of entrepreneurship in economic development and the unique challenges faced by different demographic groups within the entrepreneurial ecosystem. The findings from these research works provide valuable guidance for policymakers, educators, and practitioners aiming to foster a more inclusive and dynamic entrepreneurial environment in India.

Objectives

The objectives of the paper are to examine India's transition to a mixed middle-income developing economy and its impact on global economic positioning by comparing its projected GDP growth with China's, with a focus on infrastructure investments and sector contributions. It also aims to assess the integration of land, labour, capital, and human resources in driving economic development, and to study Mizoram's economic growth, literacy rates, primary occupations, and the role of small industries. Additionally, the research will summarize key literature on entrepreneurship in India, focusing on demographic and socio-economic factors, and the impact of government policies. Furthermore, it will investigate the status of women in education and employment in Mizoram, evaluate unemployment rates in Mizoram compared to national averages, and explore the demographic characteristics, motivations, and sectors of women entrepreneurs in Mizoram. Lastly, it will highlight the challenges faced by women entrepreneurs and the role of government support in overcoming these obstacles.

Materials and Methods

This study employs a mixed-methods approach to achieve its objectives. Data collection involves both quantitative and qualitative methods to gather comprehensive insights into the economic landscape and entrepreneurial dynamics in Mizoram. Quantitative data has been collected through surveys conducted among a representative sample of women entrepreneurs in Mizoram. The survey questionnaire is designed to capture demographic information, educational background, sectoral involvement, investment patterns, and employment details of women entrepreneurs. Surveys also include questions on motivational factors, challenges faced, and perceptions of government support. Qualitative data are obtained through in-depth interviews with key stakeholders, including women entrepreneurs, government officials, industry experts, and policymakers. These interviews provide nuanced perspectives on the challenges and opportunities in women entrepreneurship, as well as the effectiveness of existing support mechanisms. Secondary data sources such as government reports, economic surveys, and academic literature are reviewed to supplement primary data and provide contextual insights into the economic and entrepreneurial landscape in Mizoram. The findings from this study will provide valuable insights into the status of women entrepreneurship in Mizoram, identify key challenges, and inform policy recommendations for fostering a favourable environment for women entrepreneurs.

Analysis and Results

Women in Education and Employment in Mizoram:

Mizoram, one of the states in North East India, had a total population of 1,097,206 according to the 2011 census, with 555,339 males and 541,867 females. This indicates that nearly half of the population is female, with 525,435 people living in rural areas and 571,771 in urban areas. In many societies, women often hold a lower status due to various factors, despite the Indian constitution granting those equal rights with men. Strong patriarchal traditions have historically influenced and continue to shape women's lives in India, including Mizoram. In Mizo society, the male head of the family traditionally controls social, economic, and religious affairs. This is reflected in sayings like "crabs and women never have any religion" and "a woman's wisdom does not reach the other side of the village well," indicating a longstanding undervaluation of women's contributions. However, societal changes have begun to improve women's participation in economic activities and broader societal roles. Education plays a critical role in this transformation, acting as a catalyst for economic development.

Unemployment Challenges:

Unemployment remains a chronic issue, varying by region and education level. According to the Centre for Monitoring Indian Economy Pvt. Ltd., India's unemployment rate declined from 8% in February 2024 to 7.6% in March 2024, with rural unemployment falling from 7.8% to 7.4% and urban unemployment decreasing from 8.5% to 8.2%. In contrast, Mizoram's unemployment rate was 11.9% in June 2023, above the

national average of 8.9%, with female unemployment at a higher 16.4%. To address this, the Mizoram government supports startups and innovative projects, encouraging youth to become job creators rather than job seekers. Incubation centres provide seed capital and facilitate the allocation of industrial plots within designated areas.

Women Entrepreneurs in Mizoram:

India boasts the world's largest youth population, with over 908 million people under 35, including more than 255 million in the 15-24 age group and a median age of 28.2 years. Among Indian women, 14.5% are under 20 years old, 22.2% are between 20 and 49 years old, and 11.8% are over 50. The International Labour Organization (ILO) reports that youth unemployment rates in India exceed global averages, particularly affecting women, who constitute 76.7% of the educated unemployed compared to 62.2% for men. The majority of Indian workers, about 90%, are in the informal sector. Women comprise approximately 23% of the workforce, compared to 32% in Bangladesh and 34.5% in Sri Lanka. Despite these challenges, more women are entering entrepreneurship, driven by the need for development, economic independence, and empowerment. In India, women entrepreneurs account for about 14% of the total, representing roughly 8 million women. They own 10% of formal enterprises and 20.37% of MSMEs, employing around 23.3% of the labour force (Nautiea, 2023).

Challenges in Entrepreneurship:

In Mizoram, women's contributions are significant, influenced by socio-cultural norms, education, religious beliefs, political participation, and economic development. Women are active in economic activities and increasingly engaged in entrepreneurship. Globally, women make up one-third of entrepreneurs, while in India, they represent 14%. Entrepreneurship not only generates profit but also creates jobs, new products, markets, and societal benefits, directly contributing to economic development. It helps diversify economic activities, improve living standards, reduce poverty, and eliminate social evils and regional imbalances by maximizing the use of local resources.

Survey Findings and Challenges:

A survey of 50 women entrepreneurs in Mizoram found that most are aged 30-40 (42%), with fewer in the 20-30 age group (22%) and the rest between 40-50 years old (36%) shown in Table - 1. The majority are married (56%), with 24% unmarried, 16% divorced, and 4% widowed. Educationally, 52% are graduates, 36% have technical or professional qualifications, 8% are postgraduates, and only 4% have matriculation. Most women entrepreneurs are involved in readymade garments (28%), food processing (16%), handloom, agriculture, and horticulture (16% each), and other activities like fashion design, beauty parlours, mushroom cultivation, and more (14%) (Table - 2). Investment levels vary, with 70% investing below 5 lakhs, and fewer investing higher amounts. Entrepreneurs employ various numbers of employees, with 54% having 1-20 employees, 32% having 20-40, and smaller percentages having more. Motivational factors include supporting their families (32%), flexibility and self-employment (28%), earning more money (24%), and business-oriented family backgrounds (18%) (Table - 3).

Overcoming Challenges:

Women entrepreneurs face numerous challenges, including lack of knowledge about import/export procedures (88%), finance (86%), accurate training (84%), necessary skills (76%), transportation and communication issues (72%), and digital literacy (64%). Despite these obstacles, most believe they could achieve faster growth with proper support. Government and organizational support are crucial for developing women's entrepreneurship. Initiatives like training programs, skill development, awareness programs, and expos are essential. Central government schemes such as Pradhan Mantri Mudra Yojana, Annapurna Scheme, Mahila Shakti Kendra Scheme, and others also provide vital support.

Discussion

The present research presents a comprehensive exploration of India's economic landscape, focusing on Mizoram and the status of women entrepreneurs. By comparing India's economic transition with China's growth trajectory, valuable insights into global economic dynamics are gained. Additionally, the assessment of land, labour, capital, and human resource integration underscores the multifaceted nature of economic development. Exploring Mizoram's economic growth, literacy rates, primary occupations, and small industries sheds light on its unique economic dynamics. Synthesizing existing literature on entrepreneurship in India contextualizes the entrepreneurial landscape, emphasizing demographic and socio-economic factors alongside government policies. Moreover, investigating women's status in education and employment in Mizoram, along with evaluating unemployment rates, provides nuanced insights into gender disparities and employment challenges. Further exploration of women entrepreneurs' characteristics, motivations, and sectoral involvement enriches our understanding of entrepreneurship dynamics, particularly concerning gender.

Despite facing challenges, women entrepreneurs significantly contribute to Mizoram's economic development. These challenges underscore the need for targeted support mechanisms, with government initiatives playing a pivotal role in addressing them. Thus, this study underscores the importance of supporting women entrepreneurs in Mizoram for economic growth and societal advancement. Leveraging government support mechanisms can foster a vibrant entrepreneurial ecosystem conducive to achieving broader economic goals. Research on entrepreneurship in India has evolved over the decades, with studies like Krishnakumar (1997), Carree and Thurik (2003), and recent works by Desai and Kumar (2020) providing valuable insights into its impact on economic development. Additionally, studies focusing on specific regions like Lalhunthara (2015) and Rosie and Nixon (2024) contribute to a deeper understanding of localized entrepreneurial dynamics. This collective body of research offers guidance for policymakers, educators, and practitioners aiming to foster a more inclusive and dynamic entrepreneurial environment in India.

Conclusion

This empirical research provides a comprehensive overview of India's economic landscape, focusing on Mizoram and the status of women entrepreneurs. By comparing India's economic transition with global trends and examining Mizoram's unique economic dynamics, valuable insights into entrepreneurship and economic development emerge. It highlights the significant contributions of women entrepreneurs to Mizoram's economy despite facing challenges. It emphasises the need for targeted support mechanisms, emphasizing the role of government initiatives in fostering a bonded environment for women entrepreneurs. In conclusion, this present finding emphasizes the importance of supporting women entrepreneurs in Mizoram to drive economic growth and societal progress. Leveraging insights from existing literature and empirical findings, policymakers, educators, and practitioners can develop strategies to nurture a dynamic and inclusive entrepreneurial ecosystem in India.

Table - 1: Socio-Demographic Profile of Respondents

Factor	Category	No. of respondent (N)	N (in %)
Age	20-30	11	22
	30-40	21	42
	40-50	18	36
Marital status	Unmarried	12	24
	Married	28	56
	Widow	2	4
	Divorce	8	16
Educational level	Illiterate	0	0
	Matric	2	4
	Graduate	26	52
	Post graduate	4	8
	Technical qualification (professional courses)	18	36

Table - 2: Profile of Enterprises under Investigation

Factor	Category	No. of Enterprises (N)	N (in %)
Type of Enterprises	Readymade garment	14	28
	Food processing	9	18
	Home appliances	4	8
	Handloom	8	16
	Agriculture & Horticulture	8	16
	Others	7	14
Total Investment (in lakh)	< 5	35	70
	5-10	9	18
	10-15	3	6
	15-20	1	2
	20-25	1	2
	25+	1	2
Number of Employees	< 20	27	54
	20-40	16	32
	40-60	4	8
	60-80	1	2
	80-100	1	2
	100+	1	2

Table - 3: Motivational factor and Obstacles of Entrepreneurs

Factor	Category	No. of Enterprises (N)	N (in %)
Motivational	Self employed	14	28
	No other choice	12	24
	To support the family	26	32
	Flexibility of time	14	28
	Make a difference in society	9	18
	Due to educational qualification	5	10
	Independent work style	8	16
	Leasure purpose	7	14
	Ambition in my life	4	8
	Business oriented family background	9	18
	Want to earn more money	12	24
Obstacles	Lack of digital literacy	32	64
	Unavailability of accurate training	42	84
	Lack of necessary skills	38	76
	Lack of information	21	42
	Difficulties in work life balance	38	76
	Financial problem	43	86
	Lack of family support	20	40
	Lack of self confidence	37	74
	Transportation & telecom. problem	36	72
	Less social support	22	44
	Govt. support & other facilities	15	30
	Lack of export knowledge	44	88

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