

A BRIEF STUDY ON ENTREPRENEURSHIP AS A MEANS OF LIVELIHOOD IN KOHIMA

*Project report submitted to Nagaland University in partial fulfilment
for the award of the degree of Bachelor of Commerce*

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DECLARATION

I declare that the project report entitled “A Brief Study on Entrepreneurship as a Means of Livelihood in Kohima” submitted by me for the award of the degree of **Bachelor of Commerce** of Nagaland University is my own work. The project report has not been submitted for any other degree of this University or any other university.

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CERTIFICATE

I forward this project report to be placed before the examiners for evaluation.

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

The word ‘entrepreneur’ is derived from the French word ‘entreprendre’ which means ‘to undertake’. In the early 16th century the French men who organized and led military expeditions were referred as ‘entrepreneur’. After 1700, the term was applied to other types of adventures, mainly civil engineering like construction of roads, bridges and buildings. The word has an increasing history starting from French language till date.

Baume’s definition of entrepreneurship includes all kinds of opportunity seeking behaviour – in his own words encompassing, for instance, political rent-seeking and “organised crime.”

Entrepreneurship is the act of being an entrepreneur or “one who undertakes innovations, finance and business in an effort to transform innovations into economic goods”. The most obvious form of entrepreneurship is that of starting new business or start up a company. Entrepreneurship plays an important role in economic growth and creates a lot of work for a country. Romer (1994) stated that entrepreneurial activity is the nation's long-term economic growth engine. Entrepreneurship provides a source of income, when the economy cannot provide enough jobs or other alternatives to generate salary and provide a positive social value in place. An entrepreneur is a creator or a designer who designs new ideas and business processes according to the market requirements and his/her own passion. To be a successful entrepreneur, it is very important to have managerial skill and strong team building abilities. Leadership qualities are sign of successful entrepreneurs. Some political economists regard leadership, management ability, and team building skills to be the essential qualities of an entrepreneur. An entrepreneur is an innovator or a creator who introduces something new to the firm or economy. It can be a new method of production, a new product, a new source of material, a new market or any other similar innovation.

Thus, an entrepreneur is an innovator, creator, borrower, purchaser, etc. Entrepreneurs face multiple risks such as bankruptcy, financial risk, competitive risks, environmental risks, reputational risk, and political and

economic risks. Entrepreneurs must plan wisely in terms of budgeting and show investors that they are considering risks by creating a realistic business plan.

This study explores the livelihood strategies of entrepreneurs in Kohima taking into account the various types of enterprise. Entrepreneurship is environmentally sustainable when it maintains or enhances the local and global assets in which livelihoods depends, and has net beneficial effects on other livelihoods. A livelihood is the set of capabilities, assets and activities that furnish the means for people to meet their basic needs and support their well-being. The building of livelihoods reflects and seeks to fulfill both material and experiential needs. Livelihood are not simply a localized phenomenon, but connected by environmental, economic, political and cultural process. Entrepreneurship can also have a significant impact on economic development and poverty eradication. Entrepreneurship has been identified as a major force for innovation and job creation for people in semi-urban areas like Kohima. Entrepreneurship can have an adverse impact on a country's competitiveness, productivity, and growth potentials. However, while economic growth has reduced disparity and improved standards of living, especially in Kohima, such growth although important has not been synonymous with economic equality.

HIGHLIGHT OF CHAPTERS

The first chapter deals with Introduction which includes a brief background of the project, research methodology, objective and scope of the study, problem statement, limitation of the study, chapter scheme. The second chapter deals with Analysis and interpretation various data collected from the respondents in accordance with the objectives of the study and the third chapter deals with the summary of finding, suggestions and conclusion drawn from the overall analysis of the study.

1.2 REVIEW OF LIRTERATURE

Entrepreneurship is an important part of developing countries, as it can help develop and contribute greatly to the country. Unemployment is one of the biggest problems faced by the Indian government every year. "India needs to immediately provide employment to the 7.9% who are in the unemployment rate or 35 million who were not employed in December 2021 and they were actively looking for employment," Centre for Monitoring Indian Economy (CMIE) said in its weekly analysis.

According to the Global Entrepreneurship Monitor (GEM) India Report 2016-17, prepared by Gandhinagar-based Entrepreneurship Development Institute of India (EDI) and its associates, 11 per cent of India's adult population is engaged in "total early-stage entrepreneurial activity (TEA)."

Eleven per cent of adult population in India is engaged in "early-stage entrepreneurial activities", and only 5% of the country's people go on to establish their own business, a survey has found by Global Entrepreneurship Monitor (GEM) survey cycles. These 5% is among the lowest rates in the world, while the business discontinuation rate in India is among the highest at 26.4 per cent, it says.

This problem can be reduced by increasing the number of entrepreneurs themselves who can remove unemployment. The increasingly rampant unemployment in every region has had an impact on the social welfare.

Many students always hope to get a job after graduation, only few manage to think to create their own business. University graduates need to be directed and supported to be not only oriented as job seeker but able and ready to become job creators as well, because the number of entrepreneurs has a big impact on the economy in our society today.

1.3 SCOPE/OBJECTIVE OF THE STUDY

Objectives of this study to undertaken is to determine whether entrepreneurship can be considered as a means of livelihood in Kohima. This study mainly emphasizes the importance of understanding that entrepreneurship can be a means of livelihood and to draw the attention to the view that it supports young entrepreneur candidates to reveal entrepreneurial potential and encourage students to start their own businesses. It is to analyse the influence of entrepreneurship intention by mediating student attitude towards entrepreneurship.

The main objectives are;

- To analyse the potential outcomes in terms of personal and social identity.
- To enhance the possibility for development of skills.
- To develop and strengthen the quality of entrepreneurship.
- To understand the process and procedure involved in setting up small units.
- To learn to support and manage ourselves financially.

1.4 PROBLEM STATEMENT

This research aims to analyse the factors of behaviour that affect entrepreneurship idea in the environment. Entrepreneurship is measured by demographic, gender and parental variables. The education and knowledge in the society are largely based on ruling or dominant in a political or social context and normative ideas of entrepreneurship as an activity conducted to create financial value and wealth by individuals.

The problem can be due to following issues, namely:

- Does our attitude have an effect on potential entrepreneurs?
- Does subjective norm have an effect on entrepreneurs?
- Does perceived behavioural control have an effect on the mindset of potential entrepreneurs?

Limitations of study: Questionnaires alone cannot extract sufficient information. There is limited access of data as collecting every single data for the research will take a lot of time.

1.5 RESEARCH METHOD

1.5.1 STUDY AREA

Kohima is situated in the south at an altitude of 1444m above sea level, occupies pride of place as the capital city of Nagaland. Sharing its borders with Dimapur and Peren District in the West, Zunheboto and Phek District in the East, Manipur State in the South and Wokha District in the North. One of the oldest among the eleven districts of the state, Kohima is the first seat of modern administration as the Headquarters of Naga Hills District (then under Assam). When Nagaland became a full-fledged state on 1st December, 1963, Kohima was christened as the capital of the state.

Kohima is located at 25°40'N 94°07'E 25.67°N 94.12°E. It has an average elevation of 1261 metres (4137 feet) and covers an area of 1,463 sq. km, with a density of 213 per sq. km² Kohima town is located on the top of a high ridge and the town serpentine all along the top of the surrounding mountain ranges.

As of 2011 Census, Kohima district has a population of 267,988. Males constitute 138,966 of the population and females 129,022. Kohima has an average literacy rate of 85.23%, higher than the national average of 74.04 %: male literacy is 88.69 % and female literacy is 81.48 %. In Kohima, 36,286 of the population is under 6 years of age with boys constituting 18,297 of the population and girls, 18,007.

The main indigenous inhabitants of Kohima District are the Angami Nagas. But Kohima being the capital city, it is a cosmopolitan all the tribes of Nagaland as well as mainland India residing here.

1.5.2 METHOD OF COLLECTION OF DATA

- A. Primary data: - This study is entirely based on primary data collected from the entrepreneurs. Primary data was collected regarding the entrepreneurial business, the initial investment, revenue and expenditure incurred during the course of the production and losses occurring during the process of business. The data was collected through phone calls, questionnaire, google form, etc.
- B. Secondary data: - Secondary data is used to supplement the primary data and to support the study. Sources used for the collection of secondary data includes websites like, Entrepreneur.com/inspiration, Inc. Magazine, Forbes.com/Entrepreneur and other publish source.
- C. Questionnaires: - Questionnaires consist of several set of question typed and printed in a defined order in a form or set of forms. In this project, the main source of collecting data was through questionnaires design and filled with the individual respondent.

CHAPTER 2

ANALYSIS AND INTERPRETATION

This chapter deals with the data collected from the respondents in accordance with the objectives of the study and were analysed. The outcome of the present study yields a significant finding with respect to entrepreneurship as a means of sustainable livelihood.

In a landscape like Nagaland, it is the circumstances that have a significant role in the development of entrepreneurs rather than a mere desire to be one, is commonly visible to us. Despite the widespread perception that entrepreneurial ventures are risky, unstable and lack social security benefits as compared to a stable job, many people opt for entrepreneurship. It is considered as a source of self-employment, innovation-oriented business application, self-financing, self-sustainability and incremental economic growth.

2.1 Entrepreneurship as a means of livelihood

2.1.2 General facts

Entrepreneurs play a crucial role in the rural development of the region. Rural development promoters see entrepreneurship as a development strategy. Rural entrepreneurship means the same as a rural industrialization. Rural entrepreneurship can be regarded as an attempt to create the management for risk-taking appropriate to opportunity, as well as to mobilize human, material and financial resources in order to fulfil the project in rural areas. Rural areas are disadvantaged in some ways compared to the urban areas; there is a huge difference in the economic performance between these regions. Entrepreneurs Associates (EA) is passionately working to promote entrepreneurship and develop sustainable livelihood in Nagaland and other North- Eastern states of India for economic development and increase participation of local people in the economic activities of the state for social equality and harmony.

2.1.2 Findings of the study

The success of the entrepreneurs in Kohima as per the respond, is determined by specific environmental circumstances as well as characteristics of the entrepreneur. The following factors distinguish circumstances for entrepreneurs:

1. Location: Distance from denser populated centres is a drawback, since it means smaller market size, poor accessibility to customers, suppliers and institutions. On the other hand, accessible open (towns and cities areas are rather advantageous for businesses
2. Natural resources and landscape: Rich natural resources may present new business opportunities for both manufacturing and recreation. Pleasant surroundings lead to greater work satisfaction, healthier lifestyles and a more ethical office environment, considered attractive to many people.
3. Social capital: Relationships and trust among people created by developed social capital facilitate regional business cooperation and networking that can benefit entrepreneurs. Lack of capital for initial investment also hinders potential business projects.
4. Incentives: Policies introduced by local governance structures are often directed towards promoting entrepreneurship. In Nagaland, rural entrepreneurship is encouraged through some financial-related incentives like, start-up incentives, industrial policy Nagaland.
5. Local culture: Rural entrepreneurs can benefit from using unique local characteristics to differentiate and market their products/services. These can be represented as distinct specialty products, or healthy organic ones. Entrepreneurs believe that “culture economy” is a profitable force of development for rural regions.
6. Infrastructure: Remoteness and high transportation costs make businesses less competitive and attractive to customers, suppliers and employees. Adequate infrastructure is highly desirable and helpful to rural entrepreneurs.
7. Business networks: Due to strong relationships among residents of the location, scholars argue that business networking becomes easier and more efficient. Businesses cooperate based on trust. Better business networks can

together reach larger markets, increase resilience, and give ability for every member to take more risks. In addition, friendship and family relations provide supportive atmosphere inside rural firms.

8. Information and communication technologies (ICT): It is generally acknowledged that ICT opens unprecedented opportunities for the entrepreneurs. Information is easily collectable, market boundaries are broadened, cooperation is assisted, resources are much easier reachable with the help of ICT. All these combat disadvantages imposed on rural areas by distance and small market size.

2.2 Analysis/study/results

2.2.1 Distribution of respondent's involvement in the type of entrepreneurship:

Table 2.1 shows the distribution of respondent's involvement in the type of entrepreneurship. The type of entrepreneurship are categorised into three, viz: farm (33.33%), non-farm (53.33%), and combined (13.33%). Farm category included cropping and livestock engagement; non-farm refers to any form of trading, food business, technical services. Combined referred to having any of farm and non-farm as functions of livelihood. Research has showed that non-farming activity is undertaken more likely. It is not surprising to find the scenario where almost half of the host people were engaged in non-farm activities due to the fact that host people crave for additional income through non-farm activities as they are limitless by weather/season, unlike farm activities. Fig.2.1 shows the chart distribution.

Table 2.1 Distribution of respondent's involvement in the type of entrepreneurship

Type of entrepreneurship	No. of respondent	Percentage (%)
1. Farm	5	33.33
2. Non-farm	8	53.33
3. Combined	2	13.33
Total	15	100

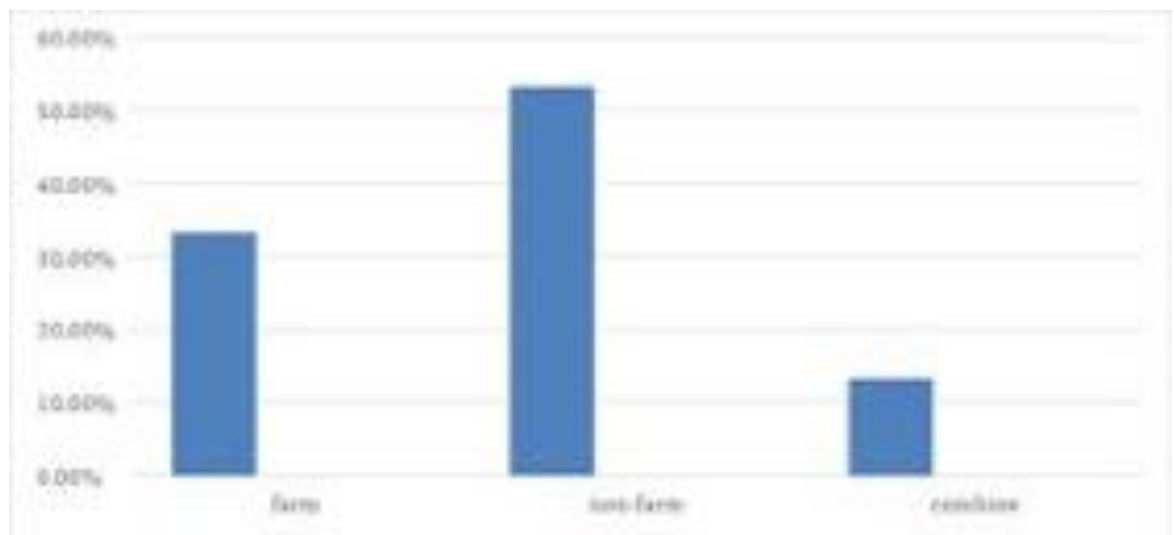


Figure 2.1 Chart showing the respondent's involvement in the type of entrepreneurship.

2.2.2 Relationship between entrepreneurship capitals and livelihood strategies:

According to the research entrepreneurs have different views on starting their own business.

Earning our own money allows us to do what we want with it. It also brings us honour respect because the money proves our contribution. Otherwise, we work like animals, we are never given credit for our contribution and even our own men say that we don't work. When we have our own money we are no longer dependent to the point of being at the other person's mercy. Quoted by Nuvesa Dzudo.

Table 2.2 shows the relationship between entrepreneurs' initial investment and livelihood strategies. If the initial investment invested in the three categories is 100% then, the profits earned in three types of enterprise are 70%, 85% and 80% respectively. The profits earned in the non-farm entrepreneurship are the highest as compared to the other two. If we look at the table and the chart given below the most suitable enterprise as of now in Kohima is the non-farm enterprises that is, trading, food business, technical services, etc because people in the cities and towns in today's life tend to divert their interest into these types of services.

If we look into the risk of the entrepreneurs, it is found that, the farming enterprises involve the highest risk (20%). The risk is higher in farming because agricultural products mainly depend on the weather conditions, fertility of the soil, cropping pattern, natural environment, etc. An entrepreneur should look into the wants and demands of the clients/people in the right time. Another limitation of farm-based enterprise is lack of perfect platform.

Table 2.2 The relationship between entrepreneurs' initial investment and livelihood strategies

	Farm (%)	Non-farm (%)	Combined (%)
Capital	100	100	100
Profit	70	85	80
Risk	20	5	10
Loss incurred	10	10	10

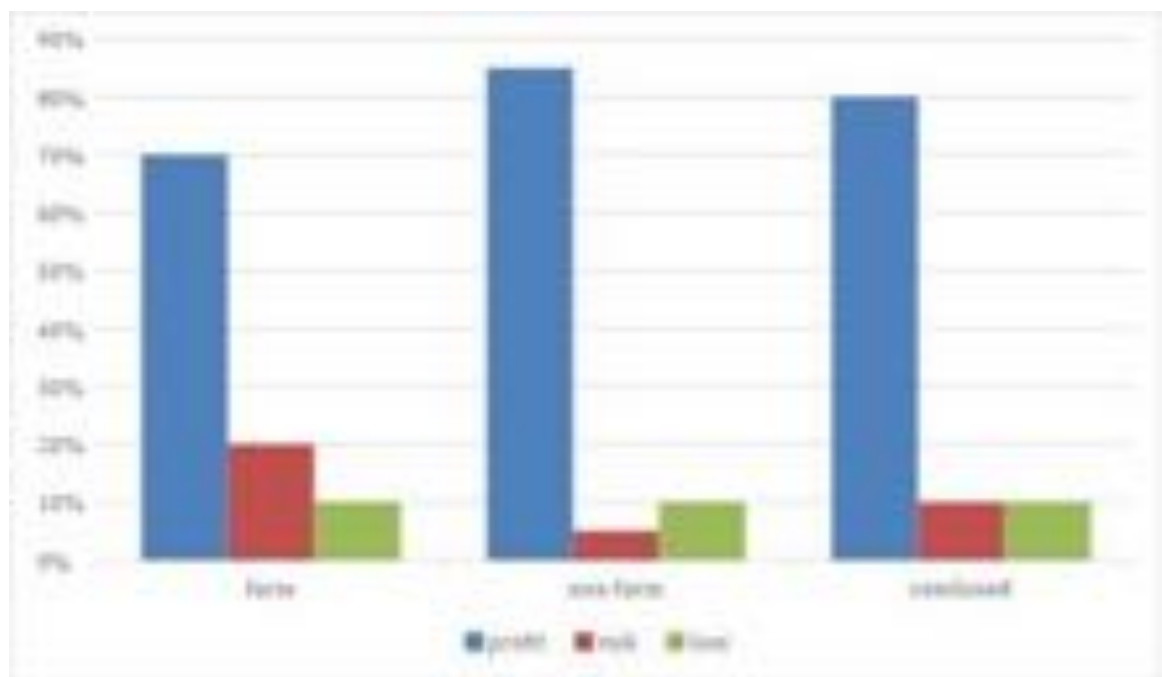


Figure 2.2 Chart showing the profit, risk and loss incurred by the entrepreneurs in the type of enterprises.

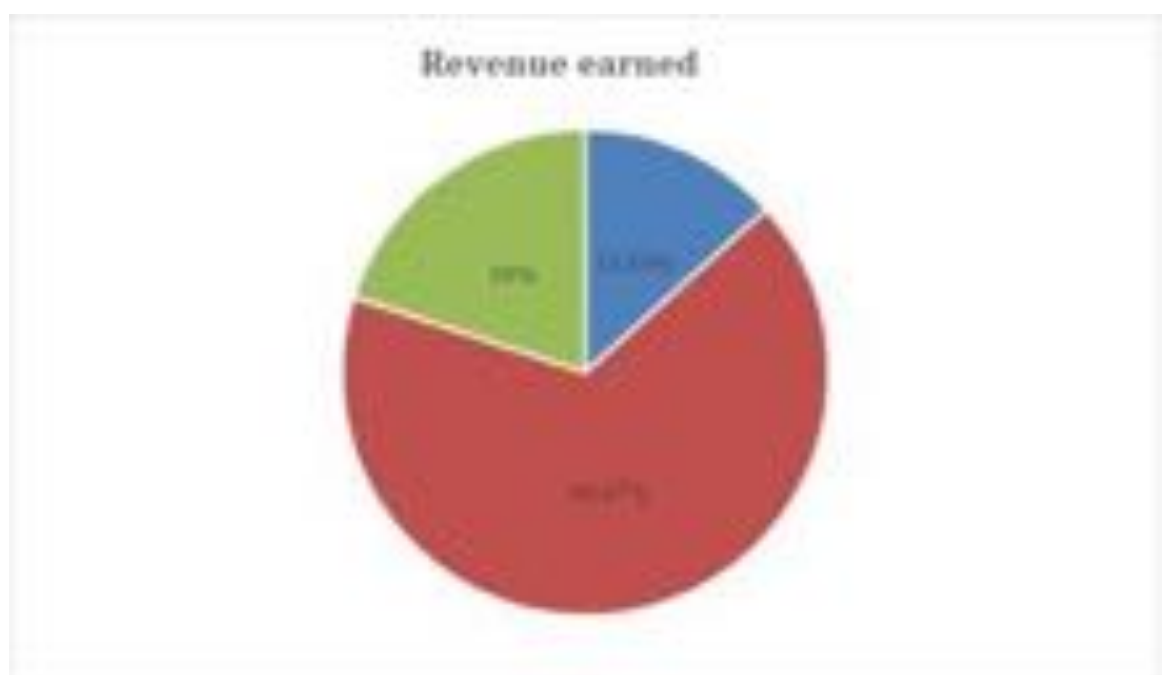
2.2.3 Revenue earned from types of enterprises

The income earned by an entrepreneur is residual in nature as an entrepreneur bears the risk and the reward for bearing the risk is profit. According to the research the income/revenue earned by an entrepreneur approximately per year is as follows:

Table 2.3 shows the revenue earned by entrepreneurs. The majority of the entrepreneurs earned their income between ₹5,00,000- ₹6,00,000 annually.

Table 2.3 The relationship between entrepreneurs' initial investment and livelihood strategies

Revenue earned	No. of respondent	Percentage (%)
₹2,00,000- ₹4,00,000.	2	13.33
₹5,00,000- ₹6,00,000.	10	66.67
₹7,00,000- ₹8,00,000.	3	20
Total	15	100



CHAPTER 3

CONCLUSION

3.1 Findings

1. There are 15 respondents/entrepreneurs involved in studying the topic 'Entrepreneurship as a means of livelihood in Kohima'. The type of enterprise is divided into three categories viz; on the basis of farm-based, non-farm based and combined. It is found that more entrepreneurs are involved in non-farm-based entrepreneurship that is 53.33%.
2. The relationship between entrepreneurs' initial investment and livelihood strategies.
3. Research has showed that due to the fact that host people crave for non-farm-based entrepreneurship is, additional income are earned through non-farm activities as they are limitless by weather/season, unlike farm activities.
4. Higher chances of risk in farm-based enterprises (20%) as compared to non-farm-based enterprises (5%).
5. The average number of respondents i.e., 66.67% of the respondent has an approximate income of between ₹5,00,000- ₹6,00,000 per year.

All these research results and the results obtained from the study point out entrepreneurship training to be provided at various educational levels and types starting from an early age in developing entrepreneurship trends

3.2 Suggestion

According to the study to meet the demand of larger enterprises and to organically improve their net benefits, it is essential to mark the position of micro and small enterprises at the rung of the of supply chain, as indispensable. The co-existence of both small enterprises with large firms nurture the capacity of the supply chain to improve the quantity, quality and price competition. To ensure the sustainability of enterprises in the rapidly emerging economy following measures can be considered;

- assistance favouring growth-oriented and viable enterprises
- giving timely and adequate assistance
- improving the skill base of small firms to upgrade the level of technical and general education of workers.

* If you have one piece of advice to someone just starting out his/her own entrepreneurship, what would it be?

1. I've seen so many entrepreneurs spend hundreds of hours and thousands of rupees, on ideas that won't work. So, if I could only give one piece of advice to entrepreneurs working on an early-stage start-up, it would be this: don't spend a rupee on anything else other than making sure your idea is first perfect in very field! (Ruth Z.Z Lia)
2. One of the important point I have learned is the ability to know how to manage my time correctly. I write daily tasks for myself everyday so I don't go to bed at night if I have not finished them. At the same time, I constantly need to be creative and know how to think of new ideas. (Nuvesa Dzudo)
3. Be practical about money. No matter the situation, starting a new business, particularly one that requires an upfront financial investment. You need to understand financially what it takes in order to pay for necessities like rent, supplies, and inventory (and that doesn't even include your personal expenses). A high level of practicality is necessary for success. (Suhrho Paul)
4. I want to remind first time entrepreneurs is that by starting a business, you have made a decision that does not allow you any time in your first year to do anything but build your business. Time commitment is a must. (CEO enterprise)

(* is a question from the questionnaire)

3.3 Conclusion

Therefore, looking at the above analysis and interpretations and results found, we can conclude that entrepreneurship as a means of sustainable livelihood is possible. Kohima being the capital of Nagaland many people tend to start their own businesses to support oneself but entrepreneurship is not meant for everyone. Base on the finding it is found that non-farm sector is more viable for sustainable entrepreneurial activity because non-farm activities as they are limitless by weather/season, unlike farm activities. It deals more with any form of trading, food business, technical services etc because people in the cities and towns in today's life tend to divert their interest into these types of services. Non-farm activities are of lower risk because it contains various types of goods and services. The cost labour force is lesser as compared to the other types of enterprise. Non-farm activities can also be done through online mode.

Many can be successful while people fail too. To be successful in sustainable business practices often requires entrepreneurship and innovation. This research provides an overview of entrepreneurship and innovation as it relates to sustainable business. The discussion is most relevant to sustainable businesses focused on offering new products and services in response to societal concerns.

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Thank you