

# Emerging Opportunities and Prospects for Entrepreneurship in Tribal Regions: Evidence from Nagaland

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**Abstract:** Entrepreneurship plays a pivotal role in driving socio-economic development, particularly in tribal regions where local initiatives hold the potential to generate employment, foster innovation, and promote self-reliance. This study examines the emerging opportunities and prospects of entrepreneurship within the tribal context, with empirical evidence drawn from Nagaland. A total of 174 entrepreneurs from the trading, manufacturing, and service sectors were surveyed using a structured questionnaire, with respondents selected on specific criteria to ensure authenticity and representation. The collected data were analyzed through factor analysis, which identified seven key factors representing the core prospects of entrepreneurship in tribal regions. These include Social Factors, Managerial Skills, Employee Commitment, Ease and Production, Profitability, Enterprise Resources, and Ability to Execute Government Schemes. The findings provide actionable insights for policymakers, support agencies, and aspiring entrepreneurs, highlighting the strategic areas that can strengthen tribal entrepreneurial ecosystems and contribute to inclusive development, particularly in the post-pandemic recovery context..

**Keywords:** Entrepreneurship, tribal entrepreneurs, Naga entrepreneurs, Nagaland, Opportunities, Prospects, Factor Analysis, North-East India

## Introduction

Entrepreneurship is considered as an important variable in linking the socio-cultural milieu with the rate of economic development (Panda, 2000) and it is seen as one of the key economic components



globally (Minaev, 2016). As Georgieva (2016) stated, entrepreneurship serves as a primary engine of growth and development, while Kuratko and Hodgetts (2007) emphasize that entrepreneurs are individuals who recognize opportunities in the midst of uncertainty and act as catalysts for change. This dynamic role of entrepreneurship is particularly relevant in tribal regions such as Nagaland, where it can generate employment, foster innovation and creativity, and promote financial independence, thereby contributing to wealth creation and economic development.

Over the years, the entrepreneurial scenario of Nagaland has undergone significant transformation (Mpanme, 2016). Various institutions such as the Nagaland Industrial Development Corporation Limited (NIDC), National Small Industries Corporation (NSIC), Small Industries Development Bank of India (SIDBI), National Scheduled Tribes Finance and Development Corporation (NSTFDC), National Minorities Development and Finance Corporation (NMDFC), North East Industrial Development Finance Corporation (NEDFi), and District Industry Centres (DICs) provide support mechanisms for first-generation entrepreneurs are extending entrepreneurial support (Government of Nagaland, 2023). National-level programs like Startup India and the Prime Minister's Employment Generation Programme (PMEGP) have also extended their reach to Nagaland, enabling youth to pursue entrepreneurial ventures (J. S. Kumar & Shobana, 2025). Kumar (2020) also highlighted that PMEGP has been instrumental in helping educated unemployed youth to set up business unit thus, reducing unemployment, and encouraging youth entrepreneurship, though gaps in awareness persist. Within this tribal region, sectors such as sericulture, horticulture, floriculture, small-scale and cottage industries, essential oils and aromatic chemicals, and handlooms and handicrafts present promising avenues for entrepreneurship development in Nagaland (Solo & Nagi, 2017). Traditionally dependent on agriculture and allied activities, the state is now witnessing diversification into new sectors such as trading, manufacturing and services, supported by government schemes, policies and infrastructure improvements. Therefore, the purpose of this study is to highlight sector-specific opportunities and analyze the emerging prospects for entrepreneurship in Nagaland, emphasizing their potential role in fostering the state's socio-economic development.

## Literature Review

The tribal population, considered as the original inhabitants of India, have traditionally lived in close connection with nature, developing social and cultural practices suited to their environment (Mamdani, 2012). Entrepreneurship in these regions rely on rich natural and cultural resources, but development is often hindered by weak infrastructure facilities, limited access to finance, and inadequate institutional support (SETTY, 1990). Studies have shown that most of tribal enterprises continue to remain concentrated in low-return sectors such as handicrafts, handlooms and agricultural products (Sahu, 2021). The tribal region entrepreneurs often struggle to effectively promote and market their products. Due to inadequate packaging, the market value of their products tends to decrease making it difficult to attract and retain buyers. To address these limitations, scholars have emphasized the importance of field-based approaches that engage communities directly and build entrepreneurial capacity (Foster, 1973). Government initiatives, including TRIFED and Van Dhan Kendras, have further been identified as critical in promoting skill development and providing market linkages (Sahu, 2021). Research also suggests that emerging opportunities in agripreneurship, eco-tourism, and value-added sectors hold strong potential for tribal regions (Saxena, 2012).

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Alongside these opportunities, scholars argue that prospects for entrepreneurship can be expanded by encouraging stronger entrepreneurship and academic collaboration, initiating specialized entrepreneurship education, and establishing Entrepreneurial Development Cells with active support from entrepreneurship development institutions and agencies (Chepurensko, 2015). The growing interest of students and youth in service oriented fields such as entertainment, event management, and healthcare also points to expanding opportunities beyond traditional sectors (Lobareva et al., 2018). At the same time, skill development has been highlighted as an important factor in empowering individuals, enhancing employability, and contributing to industrial progress, technological advancement, and overall economic development (L. Sharma & Nagendra, 2016). In Nagaland, the Department of Employment, Skill Development & Entrepreneurship has taken initiatives through its Employment Wing and Skill Development & Entrepreneurship Wing to promote vocational training, apprenticeships, and entrepreneurship-related reforms (Government of Nagaland, 2023). Scholars further suggest that skill development in Nagaland can be strengthened by expanding government led vocational courses and facilities, involving NGOs such as YouthNet and Entrepreneurs Associates and the private sector to deliver industry aligned technical and interpersonal training (L. A. Khongsai, 2025).

Entrepreneurship more broadly is recognized as a driver of socio-economic development, contributing to employment generation, poverty reduction, and growth (Lehal, 2023). Entrepreneurs transform challenges into opportunities through innovation, risk-taking, and perseverance risks (Santhi & Kumar, 2011), while also addressing broader social needs and enhancing welfare (G. Sharma & Kulshreshtha, 2014). Future prospects in this domain are linked to integrating technology, expanding into global markets, ensuring inclusivity, and strengthening education and training systems (Moutray, 2009). Entrepreneurial development thus equips individuals with knowledge, skills, and attitudes essential for innovation and competitiveness (Lichtenstein & Lyons, 2001), while skill development further enhances employability and contributes to national progress (Agrawal, 2014).

The North Eastern Region of India, despite facing persistent challenges such as limited skills, financial constraints, and weak infrastructure, still holds immense entrepreneurial potential owing to its natural resources, cultural diversity, and growing tourism sector (Borah, 2019; J. S. Kumar). Entrepreneurship education and government-led skill development programs have shown encouraging results, providing support for a sustainable entrepreneurial ecosystem (J. S. Kumar & Shobana, 2025). Even amid decades of conflict and underdevelopment, the region demonstrates promise through emerging enterprises and resource-based opportunities (DAS et al., 2021). At a global level, studies highlight that entrepreneurship thrives through industry-academic collaboration, specialized training, and institutional support such as Entrepreneurial Cells (Sonkar, 2021). New opportunities are also emerging in service sectors, driven by growing youth interest (S. Gupta et al., 2022). Moreover, examples such as entrepreneurship among refugees underscore how inclusive models can generate socio-economic value when supported by effective policies and host institutions (Harima et al., 2021).

Collectively, the literature highlights that entrepreneurship, supported by education, skill development, institutional initiatives, and inclusive participation, holds immense potential for economic growth, innovation, and sustainable development in tribal regions such as Nagaland.

### Objective of the Study

The objective of this paper is to highlight sector-specific opportunities and analyse the emerging prospects of entrepreneurship in Nagaland, emphasizing their potential role in fostering the state's development.

## Methodology

The study adopts a mixed-method research design, integrating qualitative thematic analysis with quantitative factor analysis. Secondary data were obtained from government policy documents, official statistical reports, and peer-reviewed journal articles, from which themes related to entrepreneurial opportunities in Nagaland were systematically identified through an extensive literature review. In addition, a primary survey was conducted using the simple random sampling method to assess the prospects of entrepreneurship in the state. The survey data were subjected to factor analysis to statistically identify, group, and validate the underlying dimensions of these prospects, thereby enhancing the reliability and robustness of the findings.

### **Sample size and questionnaire:**

For this study, Naga entrepreneurs from the trading, manufacturing, and service sectors were chosen. They were selected based on specific criteria to ensure that only genuine entrepreneurs, who have been running their businesses properly for some time, were included. The size of the business (small, medium, or large) or the type of sector (trading, production/manufacturing, or service) did not matter.

The entrepreneurs were selected using the following conditions:

They must be Nagas from Nagaland.

Their businesses must have GST registration numbers.

They should have been running their business for at least two years.

They should have at least two employees working under them.

Both male and female entrepreneurs were included.

The questionnaire had three sections: A, B, and C. Sections A and B were close-ended with 16 questions, including multiple-choice, drop-down, and checkbox questions. Section A asked about the entrepreneur's personal information, while Section B focused on enterprise details. Section C looked deeper into the prospects of entrepreneurs, with 22 items under nine headings: 1) Personal Aspects, 2) Financial Aspects, 3) Marketing Aspects, 4) Production and Raw Materials, 5) Human Resource Aspects, 6) Infrastructure Facilities, 7) Technical Aspects, 8) Government Aspects, and 9) Management Aspects.

### **Respondents:**

A total of 174 questionnaires were given to Naga entrepreneurs. Out of these, 110 were males and 64 were females. Among them, 70.1% were married, while 29% were unmarried. In terms of education, there were 10 Matriculates, 26 Higher Secondary pass-outs, 5 Diploma holders, 106 Graduates, 25 Postgraduates, and 6 PhDs. Their ages ranged from 21 to above 50 years: 12.1% were aged 21–30, 53.4% were 31–40, 27.6% were 41–50, and 6.9% were above 50. Out of all respondents, 28 also had another job besides their business, while 146 focused only on their business.

## Emerging Opportunities in Nagaland

### 5.1 Agriculture and Agribusiness

Agriculture remains to be an important mainstay of Nagaland's economy, with more than 60 percent of the population in the state depending on agriculture for livelihood. According to the *Economic Survey 2022–23*, the state experienced scanty rainfall during the initial months of 2021–22, which adversely impacted agricultural activities. As a result, the growth of the Agriculture and Allied Sector remained subdued. However, with improved monsoon conditions in 2022–23, the sector's growth is projected to recover (Government of Nagaland, 2023). In regions like Nagaland, where agriculture and small-scale industries constitute the economic backbone, the state's economy is predominantly sustained by agriculture, handloom, and handicraft sectors (Nagi et al., 2025). These sectors are largely characterized by small scale producers who often have limited access to recognised markets and financial institutions (J. S. Kumar & Shobana, 2025). The agro climatic conditions of Nagaland are conducive to the cultivation of high-value crops, including coffee plant, Naga chilli, cucumber, pineapple ginger, and large cardamom. Export these local produce can be enhanced through organic certification and value added processing. The prospects of entrepreneurship in Nagaland are highlighted in the presence of numerous local ventures, particularly in the sectors of handicrafts, handlooms, agro-products, and processed foods (R. Jamir & Patikar, 2024).

### 5.2 Tourism and Hospitality

Nagaland with its tribal diversity, rich cultural heritage, vibrant festivals, beautiful landscape and warm hospitality has emerged as one of the prominent tourist destination in Northeast India (Thakur et al., 2024). Tourism contributes to generation of income, employment generation, economic growth, infrastructure development, environmental and cultural conservation, and poverty reduction (Ozukum & Aswathy, 2024). The annual lifting of the Protected Area Permit has further boosted the sector's growth and global visibility. Among its key attractions, the Hornbill Festival dubbed the "Festival of Festivals" is organized to promote inter-tribal interaction and preserve Naga heritage. In 2022, the 10-day event at Kisama attracted 140,299 visitors, including 90,860 locals, 48,413 domestic tourists, and 1,026 international visitors, with a record single-day attendance of 22,546. During the same year, 375 restaurants and 145 hotels were registered under the Department of Tourism, along with 30 tourist villages, 33 tourist spots, and 63 paying guest/home stay accommodations (Government of Nagaland, 2023). Eco-tourism, adventure tourism, and cultural tourism particularly events such as the Hornbill Festival attract both domestic and international visitors. According to Panda (2000), the increased emphasis on tourism development indicates a promising future for hotel enterprises in the state. Homestay entrepreneurship, in particular, offers rural communities opportunities for income diversification.

### 5.3 Handicrafts and Handlooms

(L. Khongsai & Varma (2023) states that handicrafts and handlooms form a significant prospect for Nagaland's economic development, supported by its diverse sectors such as agriculture, horticulture, and tourism. The state is known for its bamboo and cane crafts, wooden sculptures, ceramics, woven textiles, and handmade jewelry, which reflect its rich cultural heritage and hold potential for market expansion (I. Jamir & Sridharan, 2017). Sericulture, Horticulture, Floriculture, Small Scale and Cottage Industries, Essential oils and Aromatic Chemicals, and Handlooms & Handicrafts are considered as possible developments in the entrepreneurial scene have good prospects for entrepreneurs in the north-east region (Solo & Nagi, 2017).

#### 5.4 Eco-Friendly Enterprises

Sustainable ventures such as bamboo furniture, biodegradable packaging, and renewable energy installations are gaining traction in line with global environmental trends (Shaikh et al., 2021). Nagaland possesses abundant bamboo resources; there is a high prospect to use bamboo as a source of raw materials for producing high value added products by promoting bamboo based enterprises (Mpanme, 2016). In this context, initiatives that encourage bamboo harvesting, soil conservation, and the promotion of value addition in bamboo crafts, shoots, and related products can further enhance livelihood security while ensuring environmental sustainability (Lokho & Narasimhan, 2019).

#### 5.5 Digital and Service-Based Startups

Digital connectivity has enabled online business services such as E-commerce , online education, ventures targeting both local and external markets (Muhos et al., 2019). The increasing demand for online courses , combined with expanding internet penetration, provides opportunities for innovative start-up in this field (O’Doherty et al., 2018). In Nagaland, the emergence of digital education enterprises such as NagaEd presents a promising avenue for entrepreneurial ventures, particularly in the edu-tech sector. As stated by Sanyu (2022), Nagaland’s emerging market provides fertile ground for nurturing entrepreneurial spirit, risk-taking and exploration of new domains. The relative scarcity of established enterprises creates abundant opportunities for new ventures to thrive, encouraging innovation and experimentation while enabling the development of local enterprises tailored to local challenges and community needs.

**Table 1 Sectoral Opportunities for Entrepreneurs in Nagaland**

Sl. No.	Sector	Key Opportunities
1	Agriculture & Agri-business	Organic farming (Naga chilli, ginger,Cucumber, cardamom), agro-processing, organic exports.
2	Tourism & Hospitality	Eco-tourism, cultural tourism, adventure tourism, homestays.
3	Handicrafts & Handlooms	Traditional textiles, bamboo products, wood-carvings.
4	Eco-Friendly Enterprise	Sustainable food and beverage outlets, cane & bamboo-based products and construction, biodegradable packaging.
5	Digital & Service Startups	IT services, digital marketing, digital education, online education.

#### 6. Data Analysis (*Prospects of Entrepreneurship in Nagaland*)

To evaluate data reliability before the main analysis, a Cronbach’s alpha test was carried out. The results are provided in Table 2, while the acceptable range is outlined in Table 3.

**Table 2 Reliability Statistics (Prospects)**

Cronbach's Alpha	N of Items
.711	22

Source: Researcher's Calculation

**Table 3 Coefficient of Cronbach' Alpha (Prospects)**

Sl. No	Alpha Value	Reliability Range
1.	More than 0.90	Excellent
2.	0.8 -0.89	Good
3.	0.70 – 0.79	Acceptable
4.	0.6 – 0.69	Questionable

Source: Cronbach (1951)

After the reliability analysis, the KMO and Bartlett's test of sphericity was conducted, and the results are presented in Table 4

**Table 4 KMO and Bartlett's Test (Prospects)**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.615
Bartlett's Test of Sphericity	Approx. Chi-Square	891.132
	Df	231
	Sig.	.000

Source: Researcher's Calculation.

The alpha value of 0.711 presented in Table 2 confirms the suitability of the questionnaire items, as it lies within the acceptable threshold of 0.70 suggested by Cronbach (1951) and outlined in Table 3.

After the reliability test, sampling adequacy was examined using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test of sphericity. The KMO value was 0.615, while Bartlett's test was significant at  $p < 0.001$ . According to Kaiser, (1974) criteria, the KMO value falls within the mediocre range; nevertheless, the data was considered appropriate for factor analysis.

Since the data fulfil the pre-requisites for conducting factor analysis, the data was analyzed employing Principal Component Analysis (PCA) of the Exploratory Factor Analysis (EFA) with Varimax rotation method. The analysis from 22 items resulted in extraction of eight factor component which is presented in Table 5. The factor loading benchmark is generally set at 0.50, and the value below

it is omitted for further analysis. Accordingly, rotated component matrix in Table 5 was used for factor extraction. The inclusion of single item for further analysis is inadvisable (Baumgartner & Homburg, 1996; Diamantopoulos & Winklhofer, 2001). Therefore, single item CP1 was omitted for further analysis.

**Table 5 Rotated Component Matrix (Prospects)**

Rotated Component Matrix <sup>a</sup>								
	Component							
	1	2	3	4	5	6	7	
(AP1) There was cooperation from family and friends at the time of establishment	<b>848</b>	.141	.119	.051	.025	.035	.007	.057
(AP2) There is Encouragement by the society	<b>812</b>	.005	.066	.213	.110	.077	.162	.020
(AP3) There is Recognition and appreciation from family and friends	<b>743</b>	.014	.093	.151	.012	.22	.130	.090
(BP1) Generation of income as per expectation	.122	.027	.123	.375	<b>609</b>	.101	.215	.157
(BP2) There was financial support from Family and Friends	.063	.056	.019	.165	.038	<b>.28</b>	.114	.075
(CP1) There is constructive attitude of customers	.183	.223	.102	.098	.168	.00	.086	.748
(CP2) There is good market coverage	.045	.065	.127	.136	.714	.035	.167	.110
(CP3) There is good demand for the product/ service in that area	.009	.159	.389	.247	<b>632</b>	.81	.018	.128
(DP1) Availability of raw materials and resources	.022	.084	.102	.367	.046	<b>.02</b>	.144	.275
(DP2) Easy production process	.045	.150	.172	<b>632</b>	.087	.98	.227	.214

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(EP1) There is cooperative attitude of employees	.059	128	<b>724</b>	014	049	03	.1	159	047
(EP2) There is regularity of employees	.003	070	<b>743</b>	093	006	119	-	026	135
(EP3) It is easy to train employee	.016	.032	<b>671</b>	196	221	024	-	.095	.213
(FP1) There is adequate space for operation	.023	111	032	<b>666</b>	172	84	.0	.017	096
(FP2) The business unit is located in an appropriate location	225	044	133	178	428	23	.1	249	030
(GP1) Easy in repairs and maintenance of machinery involved	087	304	206	<b>657</b>	020	014	-	039	.274
(GP2) Easy to handle online business transactions	061	200	153	056	170	41	.0	495	.484
(HP1) Availability of Government schemes	.003	.001	.010	.036	.118	00	.1	<b>765</b>	166
(HP2) Availability of Government's Entrepreneurship Awareness Programme	208	040	.150	.196	369	<b>81</b>	.5	.039	.119
(IP1) Proper planning skills	.002	<b>913</b>	099	038	116	13	.0	.064	022
(IP2) Proper decision-making skills	.128	<b>886</b>	072	138	040	16	.0	066	099
(IP3) Proper organizing skills	.008	.062	063	103	271	127	-	<b>714</b>	.126
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.									
a. Rotation converged in 11 iterations.									

Source: Researcher's Calculation.

Each component was renamed based on the extracted factors and presented in Table 6.

**Table 6 Naming of Factors Considered as Prospects for Naga Entrepreneurs**

Components	Loaded Factors	New factor name
1	(AP1) There was cooperation from family and friends at the time of establishment	Social factors
	(AP2) There was encouragement by the society	
	(AP3) There was recognition and appreciation from family and friends	
2	(IP1) Proper planning skills	Managerial skills
	(IP2) Proper decision-making skills	
3	(EP1) There is cooperative attitude of employees	Employee commitment
	(EP2) There is regularity of employees	
	(EP3) It is easy to train employee	
4	(DP2) Easy production process	Ease and production
	(FP1) There is adequate space for operation	
	(GP1) Easy in repairs and maintenance of machinery involved	
5	(BP1) Generation of income as per expectation	Profitability
	(CP2) There is good market coverage	
	(CP3) There is good demand for the product/ service in that area	
6	(BP2) There was financial support from family and friends	Enterprise resource
	(DP1) Availability of raw materials and resources	
	(HP2) Availability of government's entrepreneurship Awareness Programme	
7	(HP1) Availability of government schemes	Ability to execute government scheme
	(IP3) Proper organizing skills	

Source: Researcher's Calculation.

The loaded factors in the components are named as 'Social factors', 'Managerial skills', 'Employee commitment', 'Ease and production', 'Profitability', 'Enterprise resource', and 'Ability to execute government scheme'.

As shown in **Table 6**, the entrepreneurial ecosystem in Nagaland is influenced by five key factors government support, financial access, infrastructure, market access, and human capital each playing a critical role in fostering entrepreneurship.

### **Prospects Based on Factor Analysis**

Factor analysis of entrepreneurial components in Nagaland reveals seven critical dimensions that represent the prospects for entrepreneurial growth in the state. These dimensions, when effectively leveraged, can enhance the resilience, competitiveness, and sustainability of enterprises:

**Social Factors:** Social factors emerged as a strong component influencing entrepreneurship in Nagaland. This includes community support, family encouragement, and strong social networks that enable knowledge sharing, customer referrals, and resource mobilisation. These facilitate trust-based business transactions, local market acceptance, and cooperative ventures, especially in rural and tribal areas. Sanyu (2023) opined that Nagaland offers abundant opportunities for entrepreneurs to shape the region's future, preserve and promote its rich cultural identity, and actively contribute to community wellbeing, driven by the people's inherent urge to give back and make a positive impact on their society.

**Managerial Skills:** The ability of entrepreneurs to plan, organize, lead, and control operations is a critical driver of success (Carmeli, 2006). Managerial competence in areas such as financial management, strategic decision-making, and marketing enables business owners to adapt to changing market demands (Levenson et al., 2006). The increasing participation in entrepreneurship training programs in Nagaland reflects the growing awareness of this skill set.

**Employee Commitment:** Committed employees contribute directly to the sustainability of enterprises (Romzek, 1989). In Nagaland's small business environment, where many enterprises operate with limited staff, employee loyalty and adaptability significantly reduce operational risks and improve service quality.

**Ease and Production:** This factor relates to the operational environment, including access to raw materials, ease of setting up production facilities, and supportive infrastructure (Rupp & Boichard, 1999). While Nagaland still faces infrastructure challenges, the emergence of small manufacturing units and food processing clusters reflects improvements in local production ease.

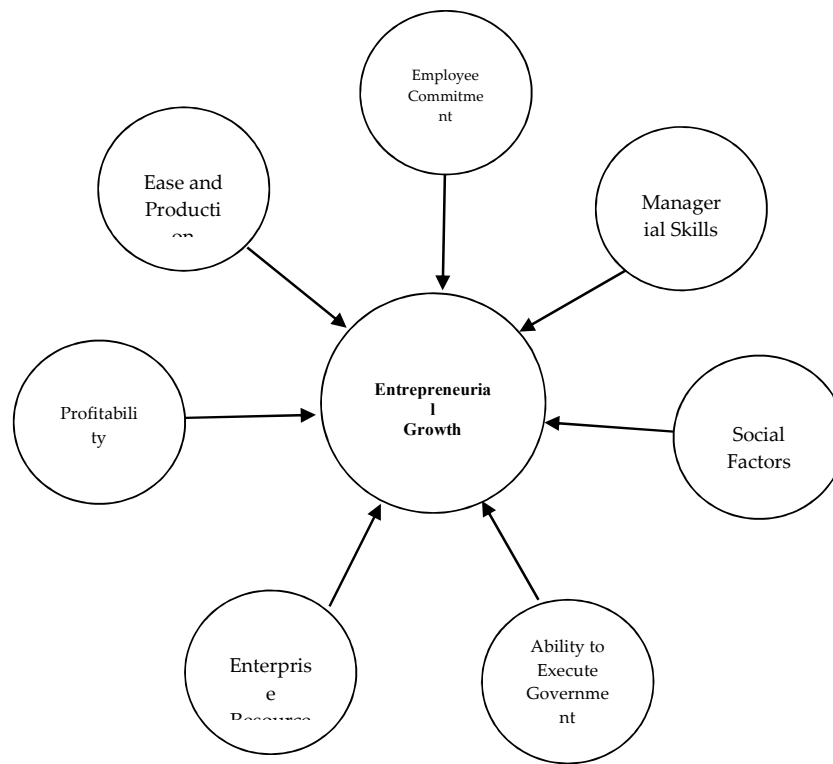
**Profitability:** Profitability remains a central motivator for entrepreneurial activity. Businesses that can generate consistent profits not only ensure the livelihood of the entrepreneur but also create employment opportunities (Tam et al., 2021). In Nagaland, sectors such as agri-business, handicrafts, and tourism have shown promising profit margins when coupled with proper market access.

**Enterprise Resource:** Access to enterprise resources including finance, technology, and market information is essential for growth (Ragowsky & Somers, 2002). The introduction of government schemes, microfinance initiatives, and digital platforms has expanded the resource base for local entrepreneurs, though access to affordable credit still remains a challenge. P. Kumar (2020) states that Nagaland is rich in entrepreneurial resources.

**Ability to Execute Government Schemes:** The capability to effectively access, manage, and implement benefits from state and central government schemes plays a decisive role in scaling businesses and entering new markets (D. Sharma & Gautam, 2020). There is a prospect for numerous start up as the government of Nagaland provides incentives to first-time entrepreneurs (P. Kumar, 2020).

These factors align with the conceptual framework presented in Figure 1, where- Social Capital, Managerial Skills, Human Capital, Enterprise resource, Facilitated Production, Government Schemes interconnect to create a conducive environment for entrepreneurship. Their integration into business planning can position tribal enterprises for competitive advantage in both domestic and international markets.

Fig 1: Prospects for Entrepreneurial Growth in Tribal Regions (A model derived from factor analysis)



## Discussion of Findings

The findings of the factor analysis shows that the entrepreneurial ecosystem in tribal region is multidimensional in nature, shaped by Social Factors, Managerial Skills, Employee Commitment, Ease and Production, Profitability, Enterprise Resources, and Ability to Execute Government Schemes. Social and cultural capital creates a trust among the community and an informal network that support the small emerging businesses. Other studies also shows that community and cultural integration support entrepreneurship in rural and tribal societies (Huggins & Thompson, 2014; Kanitkar, 1994; Singh & Saxena, 2000). Similar to the findings from Tripura, the present study reveals that socio-cultural cohesion, though important, is not enough to sustain entrepreneurial growth unless complemented by managerial skills, training programmes, and institutional support (R. Chatterjee & Mukherjee, 2021).

Managerial skills was observed as vital for the growth of enterprises. Lack of formal training often limits the growth of enterprises, consistent with studies from India and abroad where poor management has been linked to failure of enterprises (P. Gupta et al., 2013; Mishra, 1999). Thus, equipping entrepreneurs with entrepreneurial education and technical knowledge is essential (S. Chatterjee et al., 2006; OCDE, 2014).

The ability to use government schemes effectively is what makes successful entrepreneurs different from others. Our results indicate that institutional literacy is crucial, aligning with prior studies that link corruption, bureaucracy, and lack of awareness with barriers to entrepreneurial growth (Mishra, 1999; Shah, 2013). Chatterjee & Mukherjee (2021) similarly observed that government supports have less impact when they are not effectively communicated or made accessible.

Motivation remains the strongest determinant of entrepreneurship which reaffirms that motivation is the primary individual driver of entrepreneurship, aligning with McClelland (1961) achievement theory and studies in Tripura showing its dominance over other factors. Similar findings from Bangladesh and Ghana also indicates that intrinsic drive plays an essential role in shaping entrepreneurial outcomes (Afrin et al., 2008).

Resource constraints particularly limited access to finance, infrastructure, and land remain as a big challenge for entrepreneurs in Nagaland. Mishra (1999) observed similar difficulties across the North-East, where geographical disadvantages, low productivity, and capital flight hinder industrial growth. Other studies also found that inadequate credit and infrastructure remain major bottlenecks for rural entrepreneurship in India and neighboring countries (Afrin et al., 2008; Banerjee & Duflo, 2013). Unless these constraints are addressed, entrepreneurship will remain informal and survival instead of becoming scalable enterprises.

## Conclusion and Recommendations

Tribal regions like Nagaland present wide range of entrepreneurial opportunities in the sector of agriculture, tourism, handicrafts, eco-friendly ventures, and digital start-ups. With their favourable agro-climatic conditions, rich cultural heritage, and abundant natural resources, such regions hold immense potential for value-added agribusiness, cultural and eco-tourism, and handicraft-based industries as shown in Table 1. The growing emphasis on sustainability and digital connectivity further expands avenues for green ventures and service-based start-ups, enabling innovation and community-driven development. Collectively, these emerging opportunities highlight the potential of tribal regions to transform their traditional strengths into drivers of inclusive economic growth and sustainable entrepreneurship.

Factor analysis of the entrepreneurial ecosystem reveals seven key dimensions, namely Social Factors, Managerial Skills, Employee Commitment, Ease and Production, Profitability, Enterprise Resources, and Ability to Execute Government Schemes, that collectively shape enterprise development in tribal contexts as shown in Table 6 and Fig 1. While traditional strengths rooted in community networks, indigenous knowledge, and cultural trust provide a strong base, the entrepreneurial future of tribal regions depends increasingly on managerial competence, workforce engagement, resource mobilization, and the effective use of policy support.

To harness this potential, the study recommends strengthening value-addition industries in sectors such as bamboo, crafts, and agro-processing; improving access to finance and training; and fostering partnerships between government, private actors, and community-based organizations which

aligns with the study of Saxena (2012). These evolving dynamics position tribal regions to transition toward an innovation-driven and sustainable growth trajectory, with entrepreneurship playing a central role in advancing inclusive development and long-term livelihood security...

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