Rise Of Entrepreneurship in Nagaland: Challenges, Prospects, And the Changing Aspirations of Naga Youth

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***Abstract*—The youth of Nagaland, who traditionally looked for government jobs, are now increasingly turning to entrepreneurship as an alternative career option. A number of factors, including the expansion of higher education, digital connectivity, entrepreneurship courses, government programs, and the increasing importance of local enterprises, are gradually changing the goals of Naga young people. The essay is qualitative and thematic in nature and it is based on secondary literature, government reports, policy documents, official statistics and relevant studies on entrepreneurship, women entrepreneurs, entrepreneurship education, informal finance and start-up development. The discussion illustrates how the entrepreneurial aspirations are increasing, but the transition from aspiration to a sustainable enterprise is still constrained by a lack of funding, poor mentorship, inadequate infrastructure and logistics, weak market connections, uneven entrepreneurship education, and the continued social preference for stable government employment. However, there are plenty of opportunities in businesses such as food processing, agribusiness, tourism, handicrafts, creative industries, digital services and green entrepreneurship. The paper suggests that young entrepreneurship is better understood as a wider cultural shift in ideas about work, independence, success and economic engagement, not just as an employment strategy. Thus, for strengthening entrepreneurship in Nagaland, an integrated ecosystem of education, finance, incubation, digital infrastructure, market access, mentorship and culturally sensitive regulations is needed.**

Index Terms*—Entrepreneurship, Naga youth, entrepreneurial aspirations, start-up ecosystem, entrepreneurship education, youth employment, women entrepreneurs, Economic diversification.

I. INTRODUCTION

The advent of entrepreneurship in Nagaland is a new phase. This is evident in the growing number of young people who are trying to start a small business or begin a start-up, but also in the language in which young people often articulate their futures. The conception of a successful career is changing from government work to a varied range of options, such as businesses, freelance careers, creative jobs, digital careers, food businesses, tourism, fashion, handicrafts, agribusiness and technology-based businesses. This doesn't indicate that the government sector has ceased being attractive as an employer. Instead, it suggests that there is a new entrepreneurial vision that is beginning to take shape in parallel with the traditional longing for a stable public-sector job.

II. OBJECTIVES AND METHODOLOGY

The article aims to study the changing entrepreneurial aspirations of the Naga youth, identify the major institutional, structural and sociocultural barriers to entrepreneurship, assess new opportunities and recommend ways to improve the entrepreneurial ecosystem of Nagaland.

After reviewing the literature thematically along four dimensions: aspiration, capability, ecosystem and constraints. The researcher focuses on developing businesses such digital services, tourism, agribusiness, and creative industries, as well as shifting career goals, entrepreneurship education, access to capital, skills, infrastructure, market connections, mentorship, and gender-related issues.

To provide current context, recent government data on employment and entrepreneurship was also taken into consideration. Instead of providing primary estimates, the study synthesizes and critically assesses the available secondary information because no primary survey or interviews were carried out.

III. ASPIRATIONS TO ENTREPRENEURIAL POSSIBILITIES

The changing aspirations of the Naga youth can be understood within the context of formal and especially government job significance. Entrepreneurship, on the other hand, has been characterized with uncertainty and sometimes seen as a small trading or petty business or as a family's means of livelihood, not a source of innovation and professional success. The evidence reviewed indicates that this cultural hierarchy is changing in the new.

Tep and Sethupathy's study of college students in Dimapur revealed that the source of introduction to entrepreneurship among college students was mainly through the educational institutions, 84.5 percent of the respondents in the study reported their source of entrepreneurial awareness to be through the school/college.

There was also a lack of awareness regarding entrepreneurship and awareness regarding support organizations, indicating that awareness about the idea of entrepreneurship does not necessarily mean awareness of financing and institutional support (Tep & Sethupathy, 2020).

The desire to change the aspiration is also linked to the quest for autonomy. The lure of entrepreneurship may be its ability to gain a sense of self-employment, to build a brand around one's product or service, and to remain engaged with one's community. A quiet transition is described in the short commentary by Asangba Tzudir where young people are increasingly viewing the start-up space as a means for change and as an economic route.

The transition should not thus be romanticized as a complete rejection of the government jobs. Rather, it can be termed as aspiration diversification. This is an important sociological finding given the role of aspirations in educational decision making, migration and family expectations and willingness to take risks. The state employment survey 2025 also backs the significance of the diversification because of the pressure for the youth to find other means of engaging in economic activities due to their long-term unemployment and lack of employment opportunities.

IV. THE EMERGING ENTREPRENEURIAL ECOSYSTEM IN NAGALAND

The institutionalization of the entrepreneurial environment in Nagaland has become visible as a result of the past 10 years. One of the significant events was the Nagaland Start-up Policy 2019, laying down a policy framework with the aim to fast-track the entrepreneurship in the region and build a start-up ecosystem in the state. The Department of Industries and Commerce is identified as the nodal department and fiscal incentives like reimbursement of stamp duty and reimbursement of GST for eligible start-ups are listed in Start-up India (2026).

Since then, the policy direction has been complemented by activities in the areas of incubation, entrepreneurship development and entrepreneurship awareness. As per the current definition in the Department of Industries and Commerce, Start-up Nagaland is a financial assistance program for early-stage, innovation-driven start-ups, which includes provision of incubators, training, mentoring and handholding. As of now, it has 366 registered start-ups, an estimated 1200 people with combined annual revenue of ₹58 crores from Nagaland start-ups. Agriculture, food processing, tourism, handicrafts, biotechnology, logistics, waste management and STEM education/robotics are the sectors supported by the department (Department of Industries & Commerce, Nagaland, 2026).

Education is also a key factor. The documents examined reveal that entrepreneurship education has grown in various areas such as colleges, training programmes, seminars, workshops and entrepreneurship-development centres. Entrepreneurship was also introduced as a tool to transform youth from being job seekers to job creators in a 2025 state awareness programme in Pughoboto. In December 2025, a Start-up Innovation Challenge was held at Kisama where the students from six colleges were given a chance to launch their products in the market before pitching them.

The establishment of the Nagaland Skill & Entrepreneurship Development Mission in 2025 is another sign of policy effort to link education, skills and employment in Nagaland. There is an increasing acceptance that the employment of youth is not only for government recruitment, and this is reflected in the

mission's emphasis on market-relevant skills, self-reliance and private enterprise.

V.YOUNG ENTREPRENEURS ARE FACING A NUMBER OF SERIOUS CHALLENGES

In spite of this all the good movement, the entrepreneurial landscape in Nagaland is still fragile. First challenge is access to finance. Lack of investment is consistently cited by the reviewed studies as a significant challenge. The study of women entrepreneurs in informal sector of Kohima revealed that financial facilities were inadequate and in some instances were not reaching the intended beneficiaries (Longkumer & Jamir, 2020). The present study on microfinance for 2025 follows a similar approach to identify the constraints of the Naga women entrepreneurs in accessing microfinance in the source set.

Secondly, mentorship is still imbalanced. Other gaps identified in the concept note are low number of incubators at the district level, low mentorship, and lack of funding and angel investors at the early-stage level in the district of Nagaland. Grants are not a viable solution to create a start-up ecosystem. Entrepreneurs must have access to individuals who can help them with accounting, tax, branding, IP, product development, human resource, procurement and scaling.

Thirdly, structural disadvantages are created by infrastructure and logistics. There is a high cost of production due to the topography of the state of Nagaland, transportation cost, distance from the markets, and the uneven connectivity. This is especially important for companies that rely on brick-and-mortar supply chains. A local firm could have a good product, but not be able to establish a competition to larger urban firms due to the higher cost of inputs, packaging, machine and shipping.

Fourthly, the local market is fairly small. A business that relies solely on the demand in one town can easily become saturated. Thus, the growth of the entrepreneurship is often possible only in the regional, national or international markets in the state of Nagaland. Digital commerce can do its bit but only if backed by a reliable logistics system, payment systems, product standards, packaging and branding and customer service.

Fifth, entrepreneurship education is not yet comprehensive in depth and prevalence. The reviewed studies clearly demonstrate that students can be exposed to the concept of entrepreneurship, but, at the same time, they are not aware of the support institutions. Kumar and Shobana (2023) point out several issues, which includes the lack of awareness and the financial barriers and infrastructure constraints, in support of entrepreneurship education in Northeast India. Students should have hands-on experience with problem identification, researching customers, prototyping, accounting, and managing failures and negotiating.

Sixth, social attitudes can be against taking risks. Government jobs still have a lot of security in terms of families. A youth who takes the risk of leaving a stable pathway to the labour market to launch a business could be viewed as needlessly taking a chance and may be seen as a risk taker, which can adversely affect their social and economic status, particularly if the business fails as they start out. The entrepreneurial shift is thus not just an economic shift, but also a shift of family expectations and ideas of respectable work.

VI. INNOVATION & FUTURE INDUSTRIES

The first is the Creative economy. The culture, textiles, music, food, design, festivals, indigenous knowledge and craft traditions of the Nagas can be transformed into unique products and experiences without trivialising culture to just a commercial decoration. The creative economy concept note on the state identifies the following areas as having the potential for engaging youth and generating jobs: traditional crafts, design, music, agro-enterprise, digital content and tourism.

Second, food processing and agribusiness provide good options as it relates to local resources and value addition. Instead of selling raw agricultural products, the young entrepreneurs can create packaged foods, processed products, specialty products, cold-chain services and digital marketing models. These are types of activities that can establish rural-urban linkages.

Thirdly, tourism is still a good sector as Nagaland has unique cultural and ecological resources. Youth entrepreneurship can also be diversified from the traditional tourism products to homestays, local guiding, event management, culinary products, digital storytelling and handicrafts, and destination

marketing. This opportunity is particularly strong if tourism is based on participation not just on external ownership.

Fourth, digital entrepreneurship is reducing the barriers for some youth to become entrepreneurs. Services such as social media management, content production, online sales, graphic design, education, software and digital marketing may run with relatively little physical resources. The digitalization of payments and platforms, as well as the entry of smartphones, enable small businesses to build market identities beyond their local reaches.

Fifth, green entrepreneurship is gaining greater significance. New economic opportunities and solutions to environmental issues could be created in waste management, recycling, ecological products, sustainable agriculture and energy-related services. The 2025 Agripreneur and Green Start-up Connect in Dimapur serves as a testament to the state's commitment to fostering the linkage of green start-ups and enterprises with funding and technical assistance.

VII. WOMEN AND THE ENTREPRENEURIAL IMAGINATION: BROADENING OF THE ENTREPRENEURIAL IMAGINATION BY WOMEN

It's impossible to talk about the growth of entrepreneurship in Nagaland without talking about women. There has always been a contribution of women in all areas of household economy and market activities such as vending and retailing, food production and small-scale trading. But their contribution to livelihood activity and recognised entrepreneurship has sometimes gone unnoticed due to the difference between the two.

There are references to continuity and change in the literature sampled. While limited access to finance and weak institutional support are barriers for women entrepreneurs, the studies of Naga women entrepreneurs also reveal that women are active economic actors and lack of recognition and burden on combining domestic work with business are some of the factors which affect them. The findings of the review study conducted by Sethupathy and Ao (2024) indicate that education, self-confidence, commitment, risk taking and perseverance are the factors that are associated with the success of Naga women entrepreneurs.

The changing generation is the most significant. Young women with higher educational attainment are increasingly moving into professions like fashion, beauty, food, design, professional services, and digital commerce and creative businesses. This can impact not just the household's income but also the gender norms in relation to work and economic decision making. An entrepreneur with college education and an entrepreneur who sells in the market at Dimapur can have completely different setbacks.

VIII. IMPLICATIONS FOR POLICY AND WAY FORWARD

First, entrepreneurship education must be made cross-disciplinary and not confined to business administration only. Students of sociology, sciences, humanities, agriculture, engineering and arts can become entrepreneurs too. Entrepreneurship education must be experiential involving business simulation, prototyping, internships, project work, marketing trials and mentorship.

Second, district level incubation must be encouraged. The state level ecosystem will fail when dealing with a geographically scattered population. District level incubation centers and entrepreneurship centers can offer locally based support especially to youth living in rural and semi-urban areas.

Third, diversification of the sources of finance should be done. Besides traditional bank lending, Nagaland requires improved seed capital, micro-equity, angel networks, credit guarantees and blended finance. Financial literacy should accompany finance in order to make young entrepreneurs knowledgeable about cash flow, debt obligations, tax liabilities and investments.

Fourth, market access must be made a policy priority. The government departments, educational institutions and public sector organizations can open up local market opportunities through procurement, exhibitions and vendor development programs. However, the firms should also be assisted to meet quality, packaging and regulatory requirements in order to access external markets.

Fifth, mentorship networks should link successful Naga entrepreneurs with both students and first-time entrepreneurs. Diaspora networks could add knowledge, investment and market linkages as well.

Such networks will offer types of social capital that money alone will not buy.

Sixth, special attention must be paid to women and marginalized sections. An entrepreneurship policy needs to distinguish between necessity-based micro-enterprises and innovation-driven start-up activities and accordingly intervene appropriately.

IX. CONCLUSION

Entrepreneurship has become an increasingly legitimate option to the age-old notion of government jobs as young people experience long-term unemployment and a changing job market driven by technology. This shift can be seen in the growing importance of entrepreneurship education, start-ups, government schemes, incubation centers, women-owned ventures, and creative or digital businesses.

However, as shown by the literature above, aspiring to be an entrepreneur is not enough. Capability, finance, mentoring, infrastructure, and market linkages are required. The real task before Nagaland is not to develop more entrepreneurs but to develop an ecosystem for entrepreneurship survival and success.

Naga youth is becoming more and more interested not only in 'Where do I find a job?', but in 'What can I invent?' and 'How can I build it?'. If the policy and institutions can adequately answer these questions, entrepreneurship can become more than just a reaction to unemployment. It can become a way of economic diversification, expression of culture, youth Promote empowerment and equitable and sustainable development in Nagaland.

In conclusion, the future of entrepreneurship in Nagaland hinges on the ability to synergize education, finance, mentorship, and infrastructure with market opportunities for the youth, including women, to make their aspirations a reality and sustainable.

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