The Micro, Small and Medium Enterprises (MSMEs) have been playing a predominant role in the socioeconomic development of the country. Their high priority is due to their employment generation potential, low capital requirement, short gestation period, utilisation of local resources and promotion of balanced regional development. MSME sector (except in India, in rest of the world it is called SME sector) is considered as growth engine that prompt development process. Especially, micro enterprises allow the marginalised and vulnerable sections of the people, women and the landless to generate incomes, to acquire entrepreneurial ability and to obtain economic independence. Economic independence is an effective tool to break vicious circle of poverty. Thus, micro enterprises are the nursery for the development of entrepreneurial talent and are being accepted as a key to sustainable economic growth.

However, in any society the weaker needs to be protected against the stronger ones. MSMEs are considered to be less privileged than the big corporates, and therefore we need to have an effective policy framework and instruments in order to protect and strengthen the MSMEs. Despite such importance this sector suffers from a variety of problems. An examination of the recent data provided in the context of the India MSME Darshan 2011, an MSME communication initiative of the Institute of Small Enterprises and Development, Cochin suggests sickness among MSMEs have come down. On the other hand, the business birth rates have remained largely stagnated. In other words, business start ups getting stagnated which means that there is not much incentives to invest in new ventures.
MSME statistics, in an international setting, tells us almost the same story, in terms of their contribution to GDP, and the percentage share in employment. But MSMEs in India and China play a significant role in the manufacturing sector which essentially means an enhanced level of value addition (Mathew PM, “MSME: No Small Task”, The Hindu Survey of Indian Industry, 2012, pp.285-289). According to the Fourth Census of MSMEs (2006-07), out of 2.61 crore units in the country, 28 per cent are manufacturing units. The same situation prevails in China. However, the major world economies show a trend towards recession. The global trend tends to evince a half pessimistic and half optimistic position. The European and American regions are expected to continue with uncertainties. The drivers of employment growth in the US economy are generally the small businesses. However, they have been slow to recover due to recession. The EU’s economic prospects exhibit the same picture. In India since the introduction of new economic reforms, the MSME sector has experienced both positive and negative impact on their exports. For example, the share of MSME’s exports in India’s total exports was 31.52 per cent in 1991-92 and varied between 30 – 36 per cent during 1992-93 to 2007-08. This share declined to 26.37 per cent in 2009-10. MSMEs in India face many bottlenecks. The data available from the RBI provide some interesting results. Credit delivery remains retarded because of two reasons namely poor penetration of delivery network and poor credit delivery per se. Out of 261 million enterprises in the sector, only 36 millions are under the umbrella of institutional credit, constituting 13.79 per cent. According to the Fourth Census of MSMEs, only 5.18 per cent of the total MSMEs used finance from institutional sources; the share of non-institutional sources is 2.05 per cent. The remaining 92.77 per cent of the units either do not use credit or self finance their businesses.

Mizoram, a small state in India’s North East being a landlocked state with predominantly agricultural economy, lags far behind than the rest of the country so far as industrial development is concerned. Mizoram is a tribal
dominated state and more than 60 per cent of the population depends on agriculture for their livelihood. The state has no major industries worth mentioning and the entire state has been notified as industrially backward due to non-existence of large or medium industry. In this context, micro and small enterprises play an important role in the industrial scenario of the state. The present study is an attempt to explore different dimensions of entrepreneurship among the micro entrepreneurs in Aizawl district, Mizoram which reflects the entire state. This research work was undertaken soon after the enactment of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

This study is divided into seven chapters. Chapter – 1: Introduction presents an overview of entrepreneurship and economic development, review of literature, objectives of the study, research methodology and limitations of the study.

Chapter – 2: Economic Landscape of India’s North East: A Focus on Mizoram outlines different dimensions of the North Eastern economy in terms of infrastructure, entrepreneurship development initiatives, industrialisation, government policy etc. It further focuses on the geographic, historical, social and demographic perspectives of Mizoram state in addition to the economic and infrastructure perspectives.

Chapter – 3: Entrepreneurship and MSME Sector in Mizoram highlights the entrepreneurship development programmes and practices initiated to strengthen the MSME sector in Mizoram. Moreover, the recent initiatives taken by the Ministry of MSME for the promotion of enterprises have also been discussed.

Chapter – 4: Socioeconomic Characteristics of Entrepreneurs tries to identify the sources of entrepreneurship in Aizawl district of Mizoram by the
socioeconomic characteristics of the micro entrepreneurs such as age, period of establishment, annual income, education, marital status, family size, gender, rural/urban background, and father’s occupation.

Chapter – 5: Motivational Factors of the Entrepreneurs intended to study the motivating forces behind entrepreneurship.

Chapter – 6: Problems Faced by Entrepreneurs analyses the various constraints faced by the entrepreneurs in the course of managing their business with regard to marketing, raw materials, power, labour, finance and internal management.

Chapter – 7: Summary of Findings and Suggestions summarises the major findings of the study and offers suggestions. The schedule administered for soliciting information from sample entrepreneurs is given in Annexure followed by Bibliography.