

Profile and Ownership Characteristics of MSME Entrepreneurs in Mizoram: An Empirical Analysis

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) play a significant role in generating employment, promoting entrepreneurship, and contributing to regional economic development. This study examines the socio-economic profile and ownership characteristics of MSME entrepreneurs in Mizoram based on primary data collected from 440 entrepreneurs across the state. The study analyses demographic variables such as age, gender, marital status, educational background, family size, occupational engagement, income levels, and household income. It further examines ownership patterns, enterprise establishment periods, geographical distribution, family involvement, asset ownership, enterprise classification, and major business categories.

MSME entrepreneurship in Mizoram is predominantly concentrated among individuals aged 30–50 years, with a slight dominance of female entrepreneurs. Most enterprises are micro enterprises operating under sole proprietorship ownership structures and are concentrated in rural areas. The service sector dominates enterprise activities, while moderate income levels characterize majority of entrepreneurs. The study highlights the importance of MSMEs in supporting livelihoods and suggests policy interventions aimed at enhancing enterprise growth, diversification, technological adoption, and access to finance.

Highlights

- Entrepreneurs aged 30–50 years constitute the majority (65.4%) of MSME owners in Mizoram.
- Female entrepreneurs (51.4%) slightly outnumber male entrepreneurs.
- Micro enterprises (98.6%) and sole proprietorships (95.9%) dominate the MSME sector.
- Rural-based enterprises (59%) and service-sector activities (53.4%) play a significant role in Mizoram's entrepreneurial landscape.

Keywords: MSMEs; Entrepreneurship; Socio-Economic Profile; Ownership Structure; Women Entrepreneurs; Rural Entrepreneurship; Enterprise Development

INTRODUCTION

The Micro, Small and Medium Enterprise (MSME) sector is widely recognized as an important engine of economic growth, employment generation, and poverty reduction. In a geographically isolated and predominantly tribal state like Mizoram, MSMEs serve as a crucial source of livelihood and economic diversification. Understanding the demographic and socio-economic characteristics of entrepreneurs, along with the ownership structure and operational features of enterprises, is essential for designing effective policies and support mechanisms.

The state has been experiencing a growing emergence of a young enterprises, there is a marked increase in entrepreneurial activity since the implementation of the Entrepreneurship Development Scheme in 2017. This study investigates the profile of MSME entrepreneurs and examines the ownership patterns and enterprise characteristics prevailing in Mizoram.

REVIEW OF LITERATURE

In Indian economy, MSME is very much diverse and regional heterogeneity persists in all the states. Year by year working enterprises whether manufacturing or services are increasing and its share in national or state GDP has also shown increasing trend with some fluctuations. *(Manna P. & Mistri, T. 2017)* Despite the various challenges it has been facing the MSME sector has shown admirable innovation, adaptability and to survive the recent economic down turn and recession. *(Pattankar, Mahendrakumar 2017)* MSMEs has shown consistent growth in terms of number of EM-II filed every year. As India is improving in its 'Ease of Doing Business' it is time to take an explicit stand on Foreign Direct Investment and take steps on norms on 'sourcing' locally. *(Gurjar, Purushottam and Sudindra VR. 2016)* About 12% of the changes in MSMEs development can be explained by the independent variables (Finance, knowledge empowerment mid capacity building). This implies that others not involving the government in MSMEs activities accounted for about 88%. *(Uchegara, FO. 2017)*

Participation in khadi and village industries has helped women to be financially independent, gain the ability to make decisions, and improve their social status *(Rani & Sundaram, 2021)*. Indian women are not only educated, talented, confident, ambitious, career oriented but they also know their minds. *(Ahmed, N. Md Faiyaz 2017)*

The MSME sector in India is highly heterogeneous in terms of the size of the enterprises, variety of products and services produced and the levels of technology employed. While one end of the MSME spectrum contains highly innovative and high growth enterprises, more than 94 per cent of MSMEs are unregistered, with a large number established in the informal or unorganized sector. *(Sekhar, Chandra & N. Radha 2019)*.

Gender disparities are also evident, with female unemployment rates significantly higher than those of males *(Devendiran, 2015)*.

Although several programmes have been undertaken by the Government for promotion of MSMEs but new MSME application registration has remained very low in the North Eastern region compared to the Southern and Western part of the country. *(Gautam, Hem Chandra 2017)* Despite facing challenges, women entrepreneurs significantly contribute to Mizoram's economic development. *(Devi, CN 2024)*. The number of entrepreneurs engaged in activities like manufacturing, printing/publications, food processing, handlooms, tailoring etc are found to be abundant in Aizawl district of Mizoram. Almost 75% of the registered enterprises (2027 out of 2718) are located in Aizawl district. *(Lalhunthara 2018)*

Objectives of the Study

1. To examine the socio-economic characteristics of MSME entrepreneurs in Mizoram.
2. To analyse the demographic profile of entrepreneurs in terms of age, gender, marital status, educational attainment, and family background.
3. To examine the ownership structure and operational characteristics, asset ownership patterns of MSMEs.
4. To suggest measures for strengthening the MSME sector in Mizoram.

RESEARCH METHODOLOGY

The research is primarily based on primary data collected directly from entrepreneurs operating MSMEs across the state. Information was gathered through a structured survey conducted among registered and operational MSMEs located in different districts of Mizoram to examine the socio-economic profile and ownership characteristics of MSME entrepreneurs.

The collected data were systematically organized, classified, and analysed using various statistical techniques. Frequency distribution and percentage analysis were employed to understand the distribution of responses. In addition, appropriate inferential statistical techniques were applied wherever necessary to examine relationships and draw meaningful conclusions from the data.

Results and Interpretation

Socio-Economic Profile of Entrepreneurs

The socio-economic profile of MSME entrepreneurs in Mizoram reveals important demographic and social characteristics that influence entrepreneurial participation and operations. The age distribution indicates that 36.8% of entrepreneurs belonging to the 30–40 years age group and 28.6% falling within the 40–50 years category. Entrepreneurial activities are predominantly undertaken by individuals in their prime productive years who possess greater experience, managerial capabilities, and risk-bearing capacity.

The gender composition of the respondents shows a slight predominance of female entrepreneurs, who constitute 51.4% of the sample, while male entrepreneurs account for 48.6%. This reflects the significant participation of women in entrepreneurial activities and highlights their growing contribution to the economic development of Mizoram. Majority of entrepreneurs (62.5%) are married, while unmarried entrepreneurs account for 33.4% of the respondents.

Scheduled Tribe entrepreneurs constitute 99.8% of the sample, and an equal proportion (99.8%) belong to the Christian community. This indicates the extensive participation of indigenous tribal communities in MSME activities and demonstrates the important role of entrepreneurship in supporting local economic development.

The educational profile of entrepreneurs reveals that 57.3% possess school-level education, while 31.4% are graduates and 8.9% hold postgraduate qualifications. Only a small proportion possess technical diplomas or technical degrees.

Table No.1 Age Group Distribution of Entrepreneurs

Age Group	Frequency	Percent
20-30	95	21.6
30-40	162	36.8
40-50	126	28.6
50-60	45	10.2
Above 60	12	2.7
Total	440	100.0

Table No.2 Gender Composition of Entrepreneurs

Gender	Frequency	Percent
Male	214	48.6
Female	226	51.4
Total	440	100.0

Table No.3 Marital Status Profile of Entrepreneurs

Status	Frequency	Percent
Unmarried	147	33.4
Married	275	62.5
Widow	3	0.7
Divorced	15	3.4
Total	440	100.0

Table No.4 Social and Cultural background

Category	Frequency	Percent
ST	439	99.8
Others	1	0.2
Christian	439	99.8
Other	1	0.2

Table No.5 Educational Background

Qualification	Frequency	Percent
Illiterate	1	0.2
School	252	57.3
Graduate	138	31.4
Post graduate	39	8.9
Diploma	9	2.0
Technical Degree	1	0.2
Total	440	100.0

Family and Income Characteristics

The analysis of family size reveals that majority of entrepreneurs (61.6%) belong to families consisting of 4 to 6 members, followed by 20.2% with 7 to 9 members and 16.1% with up to 3 members. Agriculture is the most common supplementary occupation, accounting for 21.1% of families, followed by involvement in other businesses (19.3%) and government employment (19.1%). Private sector employment contributes 17.7%, while smaller proportions are represented by retired or pensioned individuals and other occupations.

The enterprise income profile indicates that the largest proportion of entrepreneurs (33.9%) earn between ₹20,000 and ₹40,000 per month from their businesses. Another 25.5% earn between ₹40,000 and ₹1,00,000, while relatively smaller proportions fall within higher income categories. Similarly, the household income

distribution reveals that 35.7% of entrepreneurial families earn between ₹40,000 and ₹1,00,000 per month, followed by 25.2% earning between ₹20,000 and ₹40,000. Higher income categories account for comparatively smaller proportions, while only a limited number of families fall within the lowest income group.

Table No.6 Distribution of Family Size

Member	Frequency	Percent
Upto 3	71	16.1
4 to 6	271	61.6
7 to 9	89	20.2
More than 9	9	2.0
Total	440	100.0

Table No.7 Family Occupational Engagement

Occupation	Frequency	Percent
Agricultural workers	93	21.1
Other Business	85	19.3
Government Employee	84	19.1
Retired/ Pension	28	6.4
Not other than enterprise	53	12.0
Private sector	78	17.7
Others	19	4.3
Total	440	100.0

Table No.8 Enterprises Income Levels

Income	Frequency	Percent
Less than 10000	14	3.2
10000 - 20000	84	19.1
20000 - 40000	149	33.9
40000 - 100000	112	25.5
100000 - 200000	45	10.2
200000 - 500000	31	7.0
More than 500000	5	1.1
Total	440	100.0

Table No.9 Household Income Pattern

Household Income		Frequency	Percent
Valid	10000 - 20000	26	5.9
	20000 - 40000	111	25.2
	40000 - 100000	157	35.7
	100000 - 200000	75	17.0
	200000 - 500000	60	13.6
	More than 500000	11	2.5
	Total	440	100.0

Ownership Pattern and Enterprise Characteristics

The analysis of the year of establishment reveals that the largest proportion were founded between 2011 and 2020, making up 50% of the total sample (220 out of 440 units). Equal and smaller proportions of 18.2% (80 out of 440 units) each are observed for enterprises established both during 2001-2010 and from 2021 till date. Enterprises established before 2000 account for 13.6% (60 out of 440 units). This distribution underscores a significant upsurge in MSME formation during 2011-2020, likely reflecting enhanced policy support and entrepreneurial activity in that period.

The ownership structure of enterprises is overwhelmingly dominated by sole proprietorships, which account for 95.9% of all units. The geographical distribution of enterprises shows that 59% are located in rural areas, while 41% operate in urban areas. This highlights the important role of MSMEs in generating employment opportunities and stimulating economic development in rural regions of Mizoram. Family involvement in business operations is observed in 36.1% of enterprises, indicating that family participation remains a significant support mechanism in entrepreneurial activities.

From the primary data analysis, the classification of enterprises by size shows that micro sector dominates the MSME sector, accounting for 98.6%, while only a small proportion falls within the small enterprise category. Sectoral analysis indicates that service enterprises constitute 53.4% of the sample, whereas manufacturing enterprises account for 43.4%. Approximately 56% of entrepreneurs own the land on which their businesses operate, while the remaining enterprises function on rented premises.

The analysis of enterprise categories reveals that wholesale and retail trade is the most prominent activity, representing 25% of all enterprises. This is followed by garment making (12.7%), food processing (10.9%), and hotels and restaurants (8%).

Figure 1: Year of Establishment

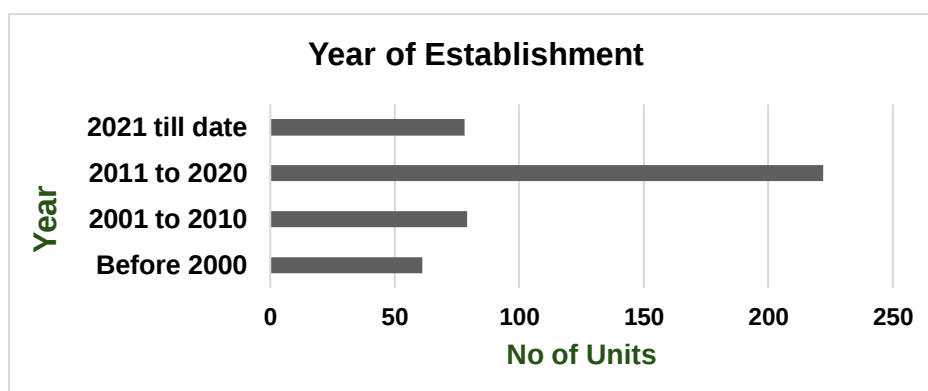


Figure 2: Geographical Distribution and Site of Enterprise

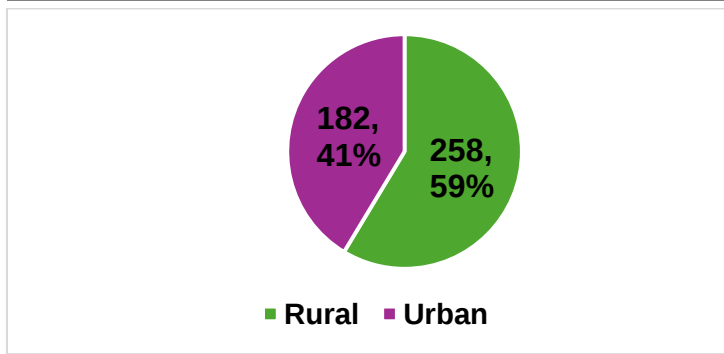


Figure 3:Enterprise Size and Type Classification

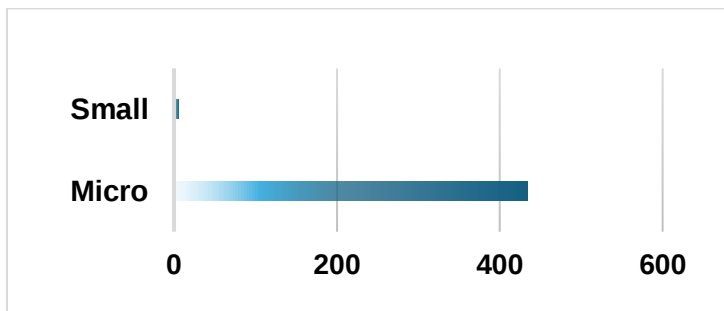


Figure 4: Industry Sector and Economic Classification

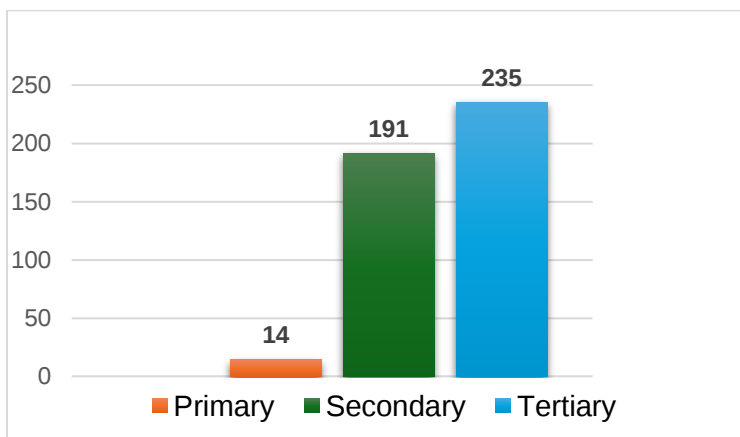
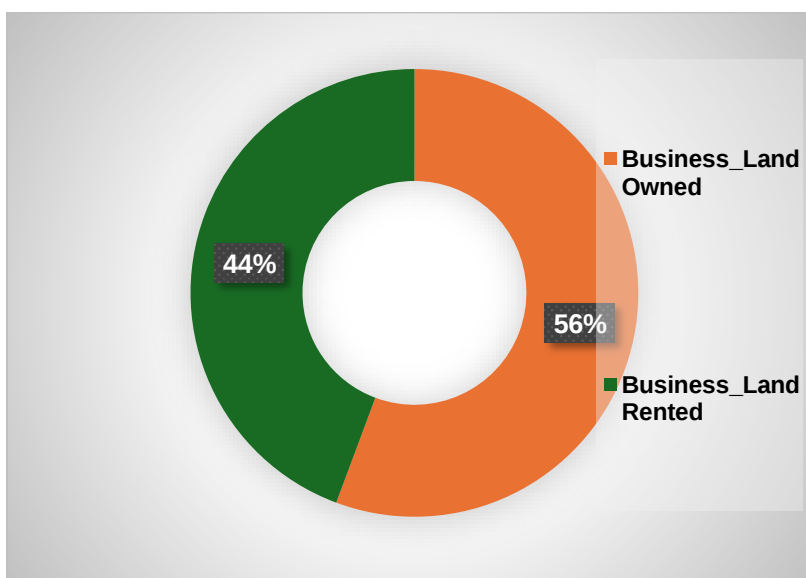


Figure 5: Asset Ownership



A pie chart illustrating the composition of the U.S. economy by sector. The chart is divided into two segments: a green segment representing the Services sector at 57%, and an orange segment representing the Manufacturing sector at 43%. A legend at the top identifies the colors: orange for Manufacturing and green for Services.

Sector	Percentage
Manufacturing	43%
Services	57%

Occupation	Percentage
Wholesale and ...	95%
Garment making	55%
Food Processing	45%
Hotel &...	35%
Carpentry	32%
Repair &...	30%
Parlour	25%
Printing	18%
Handicraft	12%
Handloom	11%
Steel fabrication	11%
Others	10%
Construction	8%
Education	7%
Manufacturing	4%
Videography	4%
Quarry & Mining	4%
Dairy	4%
Communication	4%

The study found that MSME entrepreneurship in Mizoram is predominantly concentrated among individuals aged between 30 and 50 years, indicating that entrepreneurial activities are mainly undertaken by people in their economically productive years. Female entrepreneurs slightly outnumber male entrepreneurs, reflecting the active participation of women in the MSME sector.

Agriculture, government employment, and other business activities serve as important supplementary sources of family income. Most entrepreneurs earn moderate monthly incomes from their enterprises, while household incomes are generally concentrated in the middle-income categories.

Majority of MSMEs were established during the period 2011–2020, indicating significant entrepreneurial growth during the decade, and sole proprietorship is the dominant form of ownership. Since primary data covered all

districts within the state, a larger proportion of enterprises are in rural areas, highlighting the contribution of MSMEs to rural economic development and employment generation.

The findings further show that micro enterprises dominate the MSME sector in Mizoram, and service sector enterprises are more than those of manufacturing enterprises, indicating the growing importance of service-based economic activities. Majority of entrepreneurs operate their businesses on self-owned land, while the remainder operates on rented premises. Among various categories of entrepreneurship, wholesale and retail trade constitute the largest category of enterprises, followed by garment making, food processing, and hotel and restaurant businesses.

SUGGESTIONS AND CONCLUSION

The study demonstrates that MSMEs constitute an important pillar of economic development in Mizoram. The sector is characterized by active participation from middle-aged entrepreneurs, active participation of women in entrepreneurship, predominance of sole proprietorship ownership. Most enterprises operate as micro units and are concentrated in service-oriented activities. It is recommended to enhance access to institutional finance and credit facilities to support the growth and sustainability of MSMEs in Mizoram. Entrepreneurship development programmes should be strengthened, particularly for youth and women, to encourage wider participation in entrepreneurial activities.

The findings underscore the critical role of MSMEs in employment generation, income creation, and local economic development. Entrepreneurs should be encouraged for the transition of successful micro enterprises into small-scale enterprises through appropriate financial and policy support. Hence, strengthening financial access, skill development, technological adoption, and market linkages can significantly enhance the growth of MSMEs in Mizoram, enabling them to contribute more effectively to economic development.

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