

CONSTRAINTS AND CHALLENGES OF BUSINESS IN NAGALAND: A STUDY OF LOCAL AND NON-LOCAL BUSINESSES IN DIMAPUR

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Abstract

Business enterprises encounter numerous constraints and challenges that collectively interfere in the profitability of a business and influence its competitive position in the market. In this study we have dealt with various constraints and challenges faced by the business community in Dimapur. The constraints we have identified are: multiple taxations, conditions of road connectivity, lack of production and manufacturing units and lack of storage facilities. The challenges identified are: financial management, hiring employees, time management, self-dedication and discipline and marketing strategy. Our study result shows that the constraints faced by local and non-local business owners in Dimapur are not the same and to compete with non-local businesses is not the challenge for local business owners in Dimapur. Our study also reveals that the main hindrance for the growth of business in Dimapur is multiple taxations.

Key words: *Business, constraints, challenges, local, non-local, hindrance, growth.*

Introduction:

In economic terminology, business may be defined as any activity which leads to the creation of utility, in the form of goods and services to satisfy human wants. The most important characteristics of the business is the freedom of the individuals to start a business, to work for business, to buy and sell the stock of a business they own (Joubert and Akinnusi 1993, 115).

Business, no doubt, is an economic activity with the object of earning an income, i.e., profit and thereby, accumulating wealth or purchasing power. This activity always involves an element of risk or loss or uncertainty. Venturing into business might seem scary and risky but this unpredictable venture cannot be side-lined for any society to grow. Entering the unknown

battlefield of business is probably the only way that people who want to become independent and self-reliant can change their own circumstances and become successful in contributing to the growth of the society and the economy at large. In earlier days, profit maximization was the sole objective of business and money chasing was the primary aim of any economic activity. However, in modern days this chasing concept of business has changed and business has become a social and economic institution (Amin and Banerjee 2007, 217).

Business enterprises serve as an important base for economic development of any state. They are the seedbed for future development; they provide employment avenues and to a great extent promote the standards of living of the

people. In Nagaland, though the growth of local businesses has started late, many forms of enterprises owned by Naga people have come up at a quick pace in the last decade or so in every part of the state. One of the main reasons for this surging growth in business enterprises by the Naga people is the change in the mind-sets of the young population who are bringing the change in the society, breaking the barriers and making a niche for themselves in the paths of business ventures. It is evident now that in all parts of Nagaland, there is side by side growth of business enterprises owned by local and non-local people though the number of non-local business enterprises is still comparatively large. Despite their major role in economic empowerment and development, business enterprises encounter numerous constraints and challenges. As business grows, different problems and opportunities demand different solutions and strategies. Recognizing and overcoming the common pitfalls associated with growth is essential if a business is to continue growing and thriving (Reddy 2007, 306).

Dimapur in particular is the commercial centre of Nagaland. It is the only city connected with rail and airways making it the gateway to the rest of the country and thereby bringing in people of different interests from all over the country. The population composition in Dimapur city is of heterogeneous nature for which it is also known as 'mini India'. It has been long known that the business in Dimapur was shaped by the non-locals and that they hold the greater share of the business enterprises with only few numbers of locals participating in the trade. But with the passage of time one can see an increasing number of local people participating in business.

Business Constraints and Challenges:

Anything that interferes with the profitability of a business endeavour is considered an entrepreneurial constraint as well as a challenge. That is to say, every business enterprise has its own unique set of constraints and challenges that collectively influence its profitability and competition in the market. However, by business constraints we meant those external forces which are exogenous to the enterprise. In other words, business constraints are generally the external forces that are beyond the control of an entrepreneur but face and try to contend in order to improve their profitability. On the other hand, business challenges are those forces which are endogenous to the enterprise that threatens to hinder or derail a business's pursuit of success. Challenges are within the control of an entrepreneur which can be overcome by sheer commitment and dedication.

Literature Review:

In this section, we have reviewed some of the related important works done on the constraints and challenges of business in India and abroad by various authors and researchers. In the last part of this section, we present the summary of the findings and research gap.

A study on the business constraints faced by micro and small enterprises in underdeveloped Uganda by Ishengoma and Kappel (2008) revealed that small and medium enterprises (SMEs) growth potential is negatively affected by limited access to productive resources like finance, high taxes, investment obstacles and lack of market accessibility. Similarly, in Malawi, Chilipunde (2010) found that unless the operational challenges such as lack of finance, training and business skills and prevalence of unethical conduct amongst some stakeholders

are resolved through the provision of an appropriate regulatory and legislative framework, small medium and micro enterprises (SMMEs) in Malawi will continue to experience poor growth and competitiveness. A similar conclusion has been found in the case of Nigeria by Essien (2014) who investigated the effects of seven important growth constraints of micro and small scale manufacturing industries in Akwa Ibom State,. The constraints were: power, strict rules on credit, high interest rates on loan, multiple taxation, absence of tax holiday, trade liberalization and poor patronage of made in Nigeria goods. The study found that the problem of infrastructure, inaccessibility of credit, high interest rate on loans, and multiple taxation were the major constraints.

In the same manner, a study on business constraints and potential growth of small and medium enterprises in Tanzania and the world, Mashenene and Rumanyika (2014), concluded that strategic training programs need to be designed and implemented in order to provide SMEs with adequate entrepreneurial knowledge, skill and attitude. In Ghana, a study on constraints to growth of micro and small-scale enterprises by Mensah et al. (2016), also recommends that policy interventions should aim at addressing managerial constraints or financial constraints or both.

An attempt was made to find out the challenges experienced by small businessmen in the city of Tshwane in South Africa by Visser et al. (2019). They identified the problems such as lack of effective business support, lack of technical and business skills, lack of financial support, lack of technological devices, high transport costs etc. Their study reveals that lack of financial support

was the main constraint followed by high transport costs. In a similar study conducted by AL-Mahafadi (2019), on the challenges faced by small businesses in Lebanon concluded that a businessman should continue trying to make the challenges easier as it is the challenges which bring people into starting a business in the first place.

Analogously, focussing on four major reasons that slowed the small and medium-sized enterprises in Asia which includes (i) lack of finance (ii) lack of comprehensive databases (iii) low level of research and development expenditure and (iv) Insufficient use of information technology, Yoshino and Hesary (2016), found that in Asia SMEs face problems such as lack of financial and technological resources, high transaction costs, inability to compete against larger firms in terms of research and development expenditure etc. In order to mitigate these challenges, the authors suggest the development of credit guarantee schemes by the government, provision of grants, contracts and loans by the government and providing training to SMEs about IT in their businesses. In a similar vein, Haider (2018), also identified that some of the constraints faced by low- and medium-income countries in Asia are high interest rates, inability to meet collateral requirements, insufficient financial records and infrastructural bottlenecks.

In India, on the challenges faced by new entrepreneurs, Kanchana et al. (2013) found that an entrepreneur's most important challenges are to develop vision and business ideas, raising capital for start-up, finding business team etc., and keeping up with industrial changes and trends. In a similar study on the marketing

challenges faced by MSMEs in India, Dutta (2014), suggests that concerned government agencies, NGOs and artisans together should take up corrective measures collectively so as to ensure proper utilization of resources through the use of modern technologies and frame appropriate marketing strategies with a long term vision. Mathai (2015) also examined the emerging issues posing serious challenges to the MSMEs in India and suggested that there is an urgent need for sufficient credit availability, training and development programmes with proper research and development so as to make MSMEs a vibrant and dynamic component of the economy.

On the problems and challenges faced by women entrepreneurs, Nyangarika (2016) revealed that in spite of women entrepreneurs making important contributions to the industrial development in Tanzania, they face a variety of constraints such as poor access to market information, technology and finance, poor linkages with support services and an unfavourable policy and regulatory environment. In India, though women are considered as Shakthi (source of power) and constitutional provision of gender equality is ensured, they continue to suffer from gender inequality, problem of finance and low-level risk taking attitude (Siddiqui (2012). Similarly, according to Malyadri (2014), many women entrepreneurs in India are found having limited access to key resources like land and credit coupled with legal and socio-cultural environment acting as serious impediments. In another similar study by Chavan and Murkute (2016) on the role of women entrepreneurship in Indian economy, the authors opined that though the transition from homemaker to

entrepreneurship is not so easy, there is necessity of moulding and shaping the women entrepreneurship with the entrepreneurial traits and skills to enable the women to adapt with the changing trends in both the domestic and global markets and built up competencies enough to sustain and strive for excellence.

In Nagaland, Jamir and Sridharan (2017) found that unsatisfactory bank overdraft facilities, non-availability and ignorance of capital subsidy from the government were the urgent problems faced by entrepreneurs. The authors further suggested that entrepreneurial training and skill development programmes need to be conducted at regular intervals involving banks.

Research Gap: From the above review, we notice that researchers have dealt with the issues of a large number of variables on the constraints and challenges of business. Also, we observed that most of the studies have been conducted on national level and less number of studies on state or local specific level. Further, we find that the most common and important variables which were analysed in these studies were: managerial constraints, financial constraints, marketing strategies, high interest rates, balancing quality and growth etc. Little attention has been devoted to the constraints such as multiple taxation, conditions of road connectivity, absence of production and manufacturing units, lack of storage facilities etc. On the count of challenges, we find that the variables which we have spelled out such as financial management, hiring employees, time management, self-dedication and discipline are rarely dealt with by other researchers. The central issue addressed in this study is thus, local specific to match the context of Nagaland state.

Study Area:

Dimapur is the largest city in Nagaland having a population of 122,834 as per 2011 census. It is located in the plain borders of Assam state along the Dhansiri River. Its railway station is the second busiest station in northeast India. Dimapur being the gateway of Nagaland has made it into a business hub with people coming from all over the country mainly for business purposes. For a long time business in Dimapur was dominated and controlled by the non-local business community but with the passage of time we can see the rise in the local businesses though still a long way to go in terms of competition.

Due to its proximity to Assam and geographical convenience in trading activities with the rest of the country, Dimapur has officially obtained two landmark achievements before attaining the statehood of Nagaland in 1963. It was constituted as a town on August 8, 1954 with the promulgation of the Constitution of Town Committee Rules, 1954, when Nagaland was under Assam state administration as Naga Hills District. In 1961 Dimapur again attained the status of an urban area when the census records designated it as a town (Census of India, 1961). Dimapur district was inaugurated as the eighth district of Nagaland in December, 1997, through a Government of Nagaland, Home Department notification no. GAB-5/29/78(pt) dated 02-12-1997. Earlier it was a sub-division under Kohima district. The Dimapur Municipal Council was established through the Nagaland Municipal Act passed by the state assembly in 2001. According to the 2011 Census Report, in Dimapur Municipal area, there are 27165 households under 23 wards consisting 87 colonies with a population density of 4809.47 Sq.km.

For an in-depth and comprehensive coverage, we have selected five main market areas in Dimapur, namely: New Market Area, City Tower Area, Supermarket Area, Purana Bazaar Area and Marwari Patti area. 20 samples were randomly selected from each area making it a total sample size of 100 combining all the areas.

Objectives: Our study objectives are:

1. To examine the constraints faced by the business community in Dimapur.
2. To look into the challenges faced by the business community in Dimapur.

Research questions: Our study is intended to find the following:

1. Are the constraints faced by both local and non-local businesses in Dimapur the same?
2. Is the prevalence of multiple taxations the main hindrance for the growth of business in Dimapur?
3. Whether the challenge for the local business people is to compete with non-local business people.

Data and Methodology:

The study has been fully based on primary data which has been collected during January – March 2020 through personal interviews and questionnaires to gather information on the issues of constraints and challenges confronting the business community in Dimapur. The 100 samples, with 20 samples each from 5 different main market areas were selected through random sampling. Tables, charts and percentages are used for the study.

Results and Discussion:

1. Business Scenario in Dimapur

Ever since its constitution as a town in 1954,

Dimapur has been experiencing rapid flow of a heterogeneous mix of people from all over the country dealing in all kinds of trade. Though business in Dimapur has been dominated and controlled by the non-local business community

since the beginning of its township, the present composition of business ownership in Dimapur by locals (Nagas) and non-locals (All Non-Nagas) shows a positive sign in favour of the former (Table 1).

Table 1: Composition of Business Ownership in Dimapur

Market Places	Local	Non-Local	Total
Super Market	55	45	100
Marwari Patti	10	90	100
City Tower	20	80	100
Purana Bazaar	30	70	100
New Market	40	60	100
Total %	31	69	100

Source: Field Survey

As per the data, except in the Super Market area, the non-local businesses are dominating in all the other main market areas. According to our data, the overall ownership of business enterprises in Dimapur consists of 69% of non-locals and the rest 31% of locals at present. Electronics, groceries, hardware, engineering goods, garments, jewellerys, pharmacies and medical equipment, stationeries, interiors, iron and steel, book stores, repairing works, etc., are some of the trades owned and dominated by the non-locals. Wholesale of any item is still a monopoly of non-locals. Traditional handlooms, printing press, carpentry, garments, couriers and other services, saloons, flowers, restaurants, second hand, hospitality services etc., are some of the trades which local businesses are taking up.

2. Constraints of Business

Business constraints are generally the external forces beyond the control of an individual

business enterprise that every business concern faces and tries to contend with in order to improve their profitability. Some of the particular constraints identified in our study context that affect the business activities in Dimapur are: (1) the problem of multiple taxations, (2) the problem of road connectivity for transportation of goods, (3) absence or lack of production and manufacturing units, (4) lack of financial markets and (5) lack of storage facilities. Each of these constraints has been assessed on 3-point scale as: 1 - least, 2 - average and 3 - most affected constraints. The study reveals that there are contrasting results on the effects of various constraints on local and non-local business owners (Table 2). Here, we analyse the results of the data collected on various variables of business constraints and their comparative effects on local and non-local business owners.

Variables	Affects	Percentages (%)		
		Local Business	Non-Local Business	Business in Dimapur
Multiple Taxation	Least	17	16	16.5
	Average	58	47	52.5
	Most	25	37	31
	Total %	100	100	100
Road Condition	Least	39	46	42.5
	Average	25	37	31
	Most	36	17	26.5
	Total %	100	100	100
Absence or lack of production &	Least	48	62	55
	Average	32	25	28.5
manu. Unit	Most	20	13	16.5
	Total %	100	100	100
Lack of financial markets and institutions	Least	39	42	40.5
	Average	45	48	46.5
	Most	16	10	13
	Total %	100	100	100
Lack of storage Facilities	Least	66	76	71
	Average	28	15	21.5
	Most	6	9	7.5
	Total %	100	100	100

Source: Field Survey

(a) Multiple Taxations: Imposition and collection of multiple taxations on the business community in Nagaland in the form of both legal and illegal taxes has been one of the greatest problems plaguing the economy of the state. Taxation and extortion by several insurgent

groups have been a way of life for people in Nagaland, so much so that refusing to comply with such illegal tax imposition will not only risk the fate of business enterprises but even the very lives of the owners. In such a situation, many business owners were even hesitant to disclose

that they are severely affected by such impositions. However, the data shows that only a very low percentage of business owners feel that multiple taxations are not a problem. A high majority of businesses feel that multiple taxation affects their business to some extent and a comparatively higher percentage of the businesses feel that multiple taxations are the greatest constraints of business in Dimapur (Table 2).

Comparing the responses of the local and non-local businesses in Dimapur, both the communities have more or less the same attitude towards multiple taxations. A comparatively low percentage of local and non-local business owners feel that multiple taxations can be ignored. More than half of the local business owners and nearly half of the non-local business owners feel that effects of multiple taxations are bearable. Whereas, a considerable percentage of both feel that multiple taxation is the greatest constraint hampering their business profitability and growth (Table 2).

(b). Road Conditions: Good road connectivity is vital for any business to grow but it becomes a severe business constraint if there are no good road conditions or road passages are not freely open for transporters. Being located in the plain area adjoining the plains of Assam, road conditions in and around Dimapur may not represent the actual condition of roads in Nagaland. As such, a higher percentage of both local and non-local business owners in Dimapur feels that road conditions do not affect their business at all. A comparatively low percentage of business owners of both the community take the existing road conditions as bearable and an average business constraint. However, on the

count of road conditions as a serious business constraint, the data reveals that there is a drastic difference between the local and non-local business owners. A high 36% of local business owners feel that the existing road conditions are the bottlenecks for their business whereas only 17% of the non-local business owners take existing road conditions as a serious business constraint (Table 2). This huge difference in treating the existing road conditions between local and non-local business owners could be due to the fact that non-locals' businesses are mainly concentrated in Dimapur and that they are not much affected by the road conditions beyond Dimapur.

(c). Lack of Production and Manufacturing Units: Business can only grow and function successfully if there is a certain amount of production and manufacturing units existing in a locality and it is on this count where Dimapur or rather the whole of Nagaland state lacked. Except for some small units producing plastic and rubber products like flower pots, water pipes, wood and quarry products, there are no other big production and manufacturing units worth the name in Nagaland. However, the study reveals quite an opposite perception on this matter. Higher percentage of both local and non-local business owners and their combined 55%, i.e., majority of the business owners in Dimapur, feel that lack of production and manufacturing units is not a constraint for their business (Table 2).

A comparatively much lesser percentage of both local and non-local business owners feel that lack of production and manufacturing units is a serious constraint for their business. Whereas, a still higher percentage of both local and non-local business owners feel that lack of

production and manufacturing units is an average or not a necessary problem for their business (Table 2).

In spite of huge market potentials, a lackadaisical attitude amongst the business community towards the lack of production and manufacturing units in Dimapur could be due to the following reasons: (i) Prevalence of multiple taxations. (ii) Difficulty in acquiring land due to high cost. (iii) Erratic and no secured power supply (iv) Financial constraints (v) Lack of raw materials and (vi) Lack of skilled manpower.

(d). Lack of Financial Markets and Institutions: Finance is the greatest factor that is required for the smooth functioning of the economy. It is the heart or the engine of any business venture and activates the activity of production, buying and selling in the economy. Financial markets, from the name itself, are a type of market that provides an avenue for the sale and purchase of assets such as bonds, stocks, foreign exchange, commodities and derivatives. On the other hand, financial institutions provide a wide variety of deposit, lending, and investment products to individuals, businesses, or both. Some of the important types of financial institutions are: Central banks, Retail and Commercial banks, Internet banks, Credit Unions, Savings and loan Associations, Investment Banks and Companies, Brokerage Firms, Insurance Companies, Mortgage Companies etc.

In Nagaland, due to lack of developed financial markets and institutions there has always been a problem for the businesses to get financial assistance from the financial institutions which poses a severe obstacle for the business to grow. However, the study reveals that a comparatively

higher percentage of the business community in Dimapur considers lack of financial markets and institutions as an average or a bearable constraint for their business. On the other hand, a low percentage of both local and non-local business owners feel that lack of financial markets and institutions poses a serious and grave problem for their business. Also, a much higher percentage of both local and non-local business owners take the lack of financial markets and institutions as least affected or that it does not affect the running of their business (Table 2).

There could be several reasons for a high percentage of business owners not considering lack of financial markets and institutions as a constraint for their business. Firstly, the fact that people are still ignorant about the facilities and services the various financial markets and institutions provide cannot be written off in this regard. Secondly, the complacency attitude of the business owners for mere survival due to unfavourable situations. Thirdly, the popular notion that only those who have (capital) can venture into business, still exists.

(e). Lack of Storage Facilities: Storage facilities are facilities designed and built for storing goods such as raw materials and other materials, equipment, manufactured products, and the like. Storage facilities can be either government provided or privately owned and lent on lent or hire basis. From Table 2, it is evident that for the majority of the businesses in Dimapur, lack of storage facilities is not a problem for their business. On the other hand, a very low per cent of both local and non-local business owners feel that lack of storage facilities poses a serious and grave problem for their business. Also, a higher percentage of both

local and non-local business owners take the lack of storage facilities as least affected or that it does not affect the running of their business.

There could also be several reasons for a high percentage of business owners not considering lack of storage facilities as a constraint for their business. Firstly, the size and volume of the majority of the business enterprises are small. Secondly, most of the commercial buildings have a traditional design of two room norm – show room and a store room, such that the majority of business enterprises were established according to the size of the room. Thirdly, since there is absence of production and manufacturing units, non-requirement of storage facilities for storing raw materials, equipment, manufactured products, and the like can be justified.

3. Business Challenges:

In the business world, a challenge is a situation that threatens to hinder or derail a business' pursuit of success. Starting a business

is an achievement in itself, but maintaining one is the larger challenge. Business challenges are internal obstacles which fall within the control of the business enterprise that can be overcome by sheer hard work and dedication. There are many common challenges that every business face and overcoming any challenge is what sets a good business apart from its competitors. Some of the challenges that affect businesses in our study context are: (1). Financial management, (2). Hiring employees (3). Time management (4). Self-dedication and discipline (5). Marketing strategy. Each of these challenges has been assessed on a 3-point scale: 1 - least, 2 - average and 3 – most difficult challenges. The study reveals that there are varied results on the difficulty level of facing the various challenges by local and non-local business owners (Table 3). Here, we analyse the results of the data collected on the variables of business challenges and the comparative difficulty level faced by local and non-local business owners in Dimapur.

Table 3: Comparative Difficulty Level of Business Challenges in Dimapur between Local and Non-Local Business Owners (In percentages)

Variables	Difficulty level	Percentages (%)		
		Local Business	Non-Local Business	Business in Dimapur
Financial Management	Least	63	36	49.5
	Average	30	43	36.5
	Most	7	21	14
	Total %	100	100	100
Hiring Employees	Least	50	48	49
	Average	40	34	37
	Most	10	18	14
	Total %	100	100	100

Time Management	Least	50	83	66.5
	Average	40	14	27
	Most	10	3	6.5
	Total %	100	100	100
Self-dedication and discipline	Least	50	74	62
	Average	23	23	23
	Most	27	3	15
	Total %	100	100	100
Marketing Strategy	Least	43	43	43
	Average	33	46	39.5
	Most	24	11	17.5
	Total %	100	100	100

Source: Field Survey

(a) Financial Management: Sound financial management is at the heart of every business, no matter how big or small. Without it, even viable and potentially profitable businesses will fail. The key to business success is not just driven by the number of customer transactions, but also the way the business handles financial matters like cash flow, profit margins, reducing costs, credit management etc. Financial management involves setting goals, having a practical budget, tracking expenses and income, and making smart investment decisions. When business owners have smart financial plans they can always ensure that the business is on track to make a profit.

With hardly any professional agencies providing financial management consultancy services in Dimapur, the popular assumption is that the difficulty level of financial management will be high for a larger number of business owners. But

contrary to our presumption, the study reveals that financial management is the least difficult challenge for the larger number of business owners in Dimapur (Table 3). The data reveals that a higher percentage of both local and non-local business owners take financial management as the least difficult challenge they face in running their business. Comparatively, for a lower percentage of locals and a higher percentage of non-local business owners, financial management is not much of a problematic challenge in running their business. Only a very low percentage of both local and non-local business owners take financial management as the most difficult challenge they face in running their business (Table 3).

Further, the following two comparative observations can be made on the difficulty levels of financial management faced by local and non-local business owners: (i) A high percentage

(63%) and a very low percentage (7%) of local business owners considering financial management as not a challenge at all and the most difficult challenge respectively, could be due to the fact that the size and volume of majority of their business enterprises are small. (ii) In the case of non-local business owners, the percentage of difficulty levels of financial management ranging from 20%– 44% (i.e., neither high nor low) could be due to erratic and unpredictable cash flow because of sales on credit.

(b) Hiring Employees: Without exception, one of the biggest business challenges is staff – finding the right staff, right skills and competencies, retaining them, and ensuring they buy into the vision of the business. Due to the changing business environment, businesses are struggling to find the right talent with the right skills for their business. However, our study reveals that for an average percentage of both local and non-local business owners hiring employees is not a challenge at all and those considering it as the most difficult challenge constitute a very low percentage (Table 3). This could be due to the fact that the size and volume of business enterprises are not large enough to accommodate more employees beyond family management.

(c) Time Management: In business, good time management is critical for meeting deadlines, improving productivity and reducing unnecessary stress. With effective time management, one can prioritize tasks, streamline one's schedule and work on what matters rather than what's most convenient. In contrast, if one doesn't know how to organize one's time, one could complete work late and struggle with poor performance.

As expected, the study reveals a huge difference between local and non-local businessmen considering the difficulty levels of time management. For local businessmen the percentages of those who consider time management as, not a challenge at all, a challenge to some extent and most difficult challenge, are 50%, 40% and 10% respectively. Whereas, for non-local businessmen the percentages of those who consider time management as, not a challenge at all, a challenge to some extent and most difficult challenge, are 83%, 14% and 3% respectively (Table 3). This huge difference in facing the challenges of time management could be due to the fact that non-local businessmen are devoted to their business as a sole occupational job and the only difficulty they face is moving from one location to another where they have business establishments. But for local businessmen, difficulty in time management could be due to the fact that besides their business they tend to have lots of other socio-religious obligations.

(d) Self-dedication and Discipline: A businessmen's life is not enviable, at least in the beginning. It is extremely easy to get discouraged when something goes wrong or when one is not growing as fast as one would like. Self-doubt creeps in, and one may feel like giving up. Being able to overcome self-doubt is a necessary trait for every businessman.

On the other hand, in business everyone struggles to be more successful and the temptation to do whatever it takes to get ahead occurs every day. Many business owners and employees succumb and start to feel like lying a little, or stealing a little or deceiving others, is just “a part of business”. These practices erode the trust that needs to exist between employers

and employees, between business partners, between business and customers. Without trust, the business will not be able to compete effectively and it will eventually fail.

On these counts, our study reveals a very encouraging result in the case of non-local businessmen but not a very encouraging result in the case of local businessmen. Hardly 3% of non-local businessmen consider self-dedication and discipline as the most difficult challenge whereas a much higher 27% of local businessmen consider it to be the most difficult challenge they face in the execution of their business. Though the percentage of those who consider self-dedication and discipline as only an average challenge is the same for both local and non-local businessmen, those who take it as not an issue is much higher in the case of non-local businessmen at 74% compared to 50% in the case of local businessmen (Table 3).

The resultant outcome of not very encouraging differences can be attributed to the passionate nature of people. The hours, the work, and the constant pressure to perform wear off much faster in the case of local businessmen than non-local businessmen. Moreover, unlike non-locals, local businessmen simply lack passion to grow in a slow and steady process.

(e) Marketing Strategy: Marketing strategy refers to a business's overall game plan for reaching prospective consumers and turning them into customers of their products or services. Marketing strategy is also defined as a process in which a business tries to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. It highlights the role of marketing as a link between the business and its customers. Thus, figuring out the right marketing

channels is the key for any business to succeed.

Unlike other variables of business challenges discussed above, the study result on the difficulty levels of marketing strategy considered or faced by the business community is as expected. The data reveals that only 43% of both local and non-local business owners consider the challenge to market to potential customers effectively and retain the existing customers as the least difficult challenge they faced. Comparatively, for a lower percentage of local (33%) and a slightly higher percentage of non-local (46%) business owners, setting marketing strategy is not much of a problematic challenge they face in running their business. Also, for a comparatively higher percentage of local (24%) and a lower percentage of non-local (11%) business owners consider the challenge of facing the unknown best way to market their products and services as the most difficult challenge they face in running their business (Table 3).

4. Hindrances for the Growth of Business:

Besides analysing the various constraints and challenges, we have also dealt with some factors that hinder the free and smooth growth of business in our study context. A business that is not growing is dying. Staying in the same position in a dynamic environment means the business is declining. There are several external factors like inflation, new competition; new products and changing demand conditions that necessitate every businessman to remain on their toes. The factors that we have identified in our analysis as the greatest hindrances for the growth of business in Dimapur includes: corrupt business situations, lack of risk-taking capacity, lack of family support and the two deliberately repeated factors- multiple taxation and lack of finance to cross-check the response (Table 4).

**Table 4: Factors Hindering Business Growth in Dimapur
(In percentages)**

Variables	Percentages (%)		
	Local Business	Non-Local Business	Business in Dimapur
Corrupt business situations	17	15	16
Lack of risk-taking Capacity	11	9	10
Lack of family Support	5	2	3.5
Multiple taxation	42	68	55
Lack of finance	25	6	15.5
Total	100	100	100

Source: Field Survey

(a) Corrupt business situations: If the business situations and the environment are not very supportive and corrupt for the businessmen, it acts as one of the top hindrances to business growth. A corrupt business situation is where there are inconsistent laws, stringent compliances and enforcement of regulations that are unhealthy and negative in their approach coupled with bribery and rampant corruption in their enforcement. It is evident from the above table (Table 4) that among the factors hindering the growth of business in Dimapur, 17% of the local and slightly lower 15% of non-local business owners consider corrupt business situations as the greatest hindrance for their business growth. That is, from among the given factors, for the local and non-local business owners, corrupt business situations rank in third and second position respectively as the greatest hindrance for their business growth.

(b) Lack of risk-taking capacity: Business activity always involves an element of risk or

loss or uncertainty. It is said that businessmen never sail in safe waters and are never confined to their comfort zones. Lack of risk-taking capacity is a psychological mind-set and perspective towards the business and acts as one of the major hindrances to business growth. However, those who are into business have already taken the risk and our study result reveals that the percentage of both local and non-local business owners considering lack of risk-taking capacity as the greatest hindrance is very low at a combined percentage of 10% only (Table 4).

(c) Lack of family support: Family is the best support system for anyone, and it is more so for the business owners. If family does not support the business, then it becomes a hindrance for the business to grow. Our study reveals that family support is very strong for the business community in Dimapur. Hardly 5% of local and a mere 2% of non-local business owners consider lack of family support as the greatest hindrance for their business growth (Table 4).

(d) Multiple taxation: The results obtained on multiple taxation as the greatest hindrance for the growth of business in Dimapur is consistent with the result obtained under multiple taxation as one of the constraints of business in Dimapur. A low percentage of both local and non-local business owners consider multiple taxation as the least (can be ignored) constraints of business (Table 2). Analogously, a combined percentage of 55% of local and non-local business owners consider multiple taxations as the greatest hindrance for the growth of their business (Table 4). Hence, our study further reveals that imposition of multiple taxations is the greatest hindrance for the growth of business in Dimapur.

(e) Lack of finance: For the local business owners, lack of finance comes second as the greatest hindrance for the growth of their business, and it is found consistent with the constraints of business. In the case of non-local business owners too, the results found are consistent. The percentages of non-local business owners who consider the lack of financial markets and institutions as the greatest constraint and the percentages of those who consider lack of finance as the greatest hindrance for the growth of their business are both very low at 10% (Table 4) and a mere 6% (Table 4) respectively.

Discussion:

Identifying the various variables of business constraints and analysing their comparative effects, we found that except for the constraint variable of lack of financial markets and institutions, there are overall contrasting results on the effects of various other constraints on local and non-local business owners. Hence, we found that the answer to our first question is 'No'

i.e., 'the constraints faced by local and non-local businesses in Dimapur are not the same'.

In our analysis, the results under multiple taxations as one of the constraints of business and multiple taxations as one of the factors hindering business growth in Dimapur (Table 2 and Table 4) are consistent. That is, the majority of the business owners consider multiple taxations as the greatest hindrance for the growth of their business. Hence, we found that the answer to our second question is 'Yes' i.e., 'the main hindrance for the growth of business in Dimapur is multiple taxations'.

On the analysis of the various variables of challenges of business and their difficulty levels, our study gives the same overall result for local and non-local business owners. The results obtained on the comparative difficulty level faced by local and non-local business owners are similar. Hence, we found the answer to our third question is 'No' i.e., 'the challenge of local businesses is not to compete with non-local businesses'.

Conclusion:

Tackling and facing the constraints and challenges of business is a part of business activity itself which one cannot avoid if plunged into any type of business. In our present study, we have dealt with some business constraint and challenge variables along with the factors of business hindrances identified in our study context and analysed their comparative effects on local and non-local business owners. We have obtained mixed answers in concurrence with our research questions. Among the given variables of business constraints, our analysis results show that the adverse effects of multiple taxation and lack of storage facilities are more in the case of

non-local business owners. Whereas, the adverse effects of road condition, lack of production and manufacturing units and lack of financial markets and institutions are more in the case of local business owners.

On the analysis of the variables of challenges of business, our study reveals that there are varied results on the difficulty level of facing the various challenges by local and non-local business owners. Among the given variables of business challenges, our result shows that facing the challenges of financial management and hiring employees are more difficult for non-local business owners than local business owners. Whereas, local business owners find it more difficult in facing the challenges of self-dedication and discipline, marketing strategy and time management.

On the question of factors of business hindrances in Dimapur, our result shows that for both local and non-local business owners, there is comparatively low level of corrupt business situations and that the family support system for business is very strong for both local and non-local business communities. For the factor, lack of finance as a hindrance for the growth of business, it is found consistent with the constraints of business for both local and non-local business owners though stronger in the case of local business owners. Our results also reveal that imposition of multiple taxations by various government agencies and non-governmental

organisations is the greatest hindrance plaguing the growth of business in Dimapur.

Suggestions:

From the above discussions the following are suggested to address the business constraints and challenges in Dimapur:

1. In order to tackle the menace of multiple taxations there is an urgent need to firmly implement the supportive legislation to create an enabling environment for the business community as it does not only affect the businesses but also equally affects the consumers.
2. There should be an upgrade in the storage facilities, road conditions and transport facilities, as it has a tremendous effect on the growth of business and could make a remarkable difference in easing the plight of the business community.
3. Authorities should give priority to the development of professional financial markets and institutions to provide adequate financial assistance and support for the growth of business in the state.
4. Professional training on business management should be organised at regular intervals outsourcing resource persons from outside the country to impart knowledge and skills to enable businessmen run their business profitably and in a sustainable manner.

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