



## NORTH EAST INDIA, NOT AVERSE TO ENTERPRISE

Northeast India's community focused entrepreneurship ecosystem is unique but requires the urgent attention of the Union and State Government as well as the private sector

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In the rural heartland of Meghalaya, about 30 kms from Jowai in Jantia hills, there is a group of women who run a venture to cook and sell smoked fish. They came together a few months ago and have acquired a machine that allows healthy and environment-friendly smoking of fish. Two years ago when I had visited the same village, these women spent almost five hours a day smoking fish individually. Today, they do this jointly, and spend only two hours to generate double the volume. What made these women come together? What gave them the incentive to learn new skills, invest in a machine and respond to the market's demand? In my travels across the Northeast of India in the past decade and in my interactions with entrepreneurs from the region, I have failed to notice this famed reluctance to entrepreneurship, so widely cited.

On the contrary, I have found a drive for enterprise and immense potential for entrepreneurship, as observed in these women from Jantia hills. The social structure and way of life in the Northeast is different from other states of India. There is much more focus on community, clan, and tribe but there also exists the desire for a secured government job. But that does not equate to a lack of enterprise in local people

and should not be concluded as reluctance to entrepreneurship.

### The Right Mix

I believe that Northeast India with its rich traditions, high literacy rates, young demographics, large number of working women, abundant natural resources and an aspirational society, provides fertile ground for an economic model propelled by enterprises that care for nature and communities – a true next practice of economic growth the world is desperately seeking.



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Many entrepreneurs in the eight states are already moving in this direction. Quite a few of them are building e-tailing models that bring handicraft products to a national and global consumer base. Then there are those who are manufacturing food products from their states and building restaurants that serve cuisine from the region. Some are engaged in creating education and skilling enterprises for both urban and

rural youths. Many are setting up value chain models to bring fresh produce from the farmers directly to the consumers. All these are models of modern enterprises that bring growth to the business and the community and are not predatory on the environment. Yes, they face challenges, but these challenges are not very different from those faced by entrepreneurs everywhere. The first and foremost of them being - access to finance.

### Held Back by Lack of Funds

Due to a scarcity in getting funds beyond the banks, the entrepreneurs in the Northeast are sometimes left with bank borrowing as the only option for business finance. This is limiting in many ways as it builds high finance costs in the business early on and with the community owned-land practice, collaterals are difficult. There are some options under Mudra Bank, Stand Up India and NEDFi, but they are hardly any replacement for a dynamic, private sector-led angel network, seed funding and venture capital provider community.

It is the private sector financial institutions and funds that need to start looking at the opportunities Northeast start-ups provide. There is also huge potential for attracting impact investors who are looking at business investments leading



This is 'Mei Ram-ew' café, or the 'Mother Earth' cafe in Nongtraw in East Khasi Hills. The concept of a 'Mother Earth' café is simple but powerful – it links the local natural produce to tasty, wholesome food on the table. Northeast India provides fertile ground for an economic model propelled by enterprises that care for nature and communities

to social, community and environmental impact. For this, the governments and entrepreneurs from the region must approach national and global networks of a start up finance ecosystem and present their case. More often, it is the lack of awareness that keeps a provider away and not the lack of interest or intent.

### Building an Infrastructure

Governments can play a major role in partnership with communities and the private sector in building a logistics infrastructure, another major challenge. A road, or a bridge or a waterway, if developed in partnership with a local community can be hugely successful and efficient. A supply chain network of warehouses, distribution companies and cold storage units can be developed by providing training, exposure and seed finance to entrepreneurs. This entails the governments to transform themselves from being

providers to facilitators.

Access to electricity and communication are as essential to a business as are water and food to a human being. The states in the Northeast suffer from an acute shortage of both. Here again, there can be models of private sector and government coming together in building off-the-grid, community-level models of power generation. For digital connectivity, the technology available has many options but the initial infrastructure is financially prohibitive in disconnected geographies. A financial contribution from the Union Government for this initial infrastructure development can allow private sector companies to give affordable solutions based on a shared model.

### Land of Possibility

All these are some solutions to the challenges that prevent the economic development of a region whose people are its core strength.

The people of the Northeast have shown outstanding resilience. Rising from conflict, defeating geographical disadvantages, coping with an absent private sector, they have built economic activity of value and impact. Even today, they are aspiring to create entrepreneurship where none seemed possible to others. Let us not continue to cite them as enterprise averse; we do them grave injustice this way. Let us recognize their inherent drive for self-reliance and facilitate co-creation of a holistic, sustainable, environment-friendly and community focused entrepreneurship ecosystem in the region. If we do this without further delay, then it is certain that the next practice of economic growth in the world will trace its roots to the enterprises and entrepreneurs of the Northeast of India.

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