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Training Programmes for Development of Micro-enterprises in the Cottage and Small Sector in Nepal

M. M. Gurung

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Preface

Development experiences in most of the mountain areas of the Hindu Kush-Himalayan Region, over the past decades, have shown that the prevailing predominant mode of their economies – subsistence agriculture – is becoming increasingly unsustainable both economically and ecologically. Diversification of economic activities into products and services, for which these areas offer a comparative advantage, through enterprise-based production for the market is considered necessary for sustaining livelihoods and alleviating the poverty of the rapidly increasing population. It is in this context that ICIMOD established a programme on 'Development of Micro-enterprises in Mountain Areas' with the objectives of identifying constraints and opportunities and developing policy, programme, and training guidelines for enterprise development in hill and mountain areas of the HKH region. As part of this programme, the Centre has commissioned a number of studies in different countries and areas of the HKH region with a view to documenting experiences of development and functioning of enterprises covering different aspects such as comparative advantages of products, processes, and factors in enterprise development, technology, credit, marketing, and development of entrepreneurial skills as well policies and programmes by government and non-government agencies for promotion of enterprises.

The present paper 'Training Programmes for Development of Micro-enterprises in the Cottage and Small Sector in Nepal' by M. M. Gurung is one in this series of studies. It is being published with the hope that it will be found useful by those engaged in research and development, policy-making, programme formulation, and implementation for the promotion of enterprises, as well as by the present and potential entrepreneurs in their respective activities.

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Head, Mountain Enterprises and
Infrastructure Division

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M.M. Gurung

Abstract

Training for entrepreneurship development has been recognised for over one and a half decades as an essential ingredient in the development of small and micro-enterprises in Nepal. Currently, several organizations are engaged in entrepreneurship development programmes, training about 1,500 persons annually. The present study examines various aspects of the training programmes carried out by different organizations and attempts an evaluation of their effectiveness, particularly on the basis of a sample survey carried out among recent trainees in Kaski and Tanahu districts. While most organizations follow a more or less similar format for the selection of trainees and contents and the delivery of training, post-training backup and support provided by these organizations vary. Overall, about 35 per cent of the trainees have set up enterprises after receiving training, the rate of course varies, depending on the organization imparting the training and the location; the success rate among women trainees is lower than that among men trainees. The present study also identifies training-related and post-training factors that lead to a relatively low success rate.

The study suggests a more specific group approach for training rather than the general one being followed by most organizations. Groups could be location-specific, i.e., mountains or plains, rural or urban, as well as product specific. It also stresses the need to coordinate the training with other inputs and services such as credit, consultancy, and marketing information. The study recommends that the various organizations should also coordinate their programmes with each other in order to maximise the benefits from the available training resources.

THESE ARE THE ABBREVIATIONS OF THE ORGANIZATIONS

IEDI Industrial Enterprises Development Institute

MLD Ministry of Local Development

NBC New Business Creation

NBL Nepal Bank Limited

NGO Non-Government Organization

PBI Planning and Business Information

PCRW Production Credit for Rural Women

RBB Rastriya Banriya Bank

SBPP Small Business Promotion Project

SBC Small Business Consultancy

SII Services to Institutions

Acronyms/Abbreviations

ADB	Asian Development Bank
ADB/N	Agricultural Development Bank of Nepal
CCS	Complementary Credit Schemes
CDO	Chief District Officer
CEFE	Creation of Entrepreneurs and Formation of Enterprises
CIDA	Canadian International Development Agency
CSI	Cottage and Small Industries
CSIDB	Cottage and Small Industries' Development Board
DDC	District Development Committee
DCSI	Department of Cottage and Small Industries
EEC	European Economic Council
FAO	Food and Agricultural Organization
FNCSI	Federation of Nepal Cottage and Small Industries
GDP	Gross Domestic Product
GTZ	German Technical Cooperation
HMG/N	His Majesty's Government of Nepal
IEDI	Industrial Enterprises' Development Institute
MLD	Ministry of Local Development
NBC	New Business Creation
NBL	Nepal Bank Limited
NGO	Non-Government Organization
PBI	Planning and Business Information
PCRW	Production Credit for Rural Women
RBB	Rasriya Baniyya Bank
SBPP	Small Business Promotion Project
SBC	Small Business Consultancy
STI	Services to Institutions

TRE Training for Rural Employment
TRUGA Training for Rural Gainful Employment Project

UNDP United Nations Development Programme

WDD Women's Development Division

WEAN Women Entrepreneurs' Association of Nepal

ADB
 ADBN
 CCS
 CDO
 CEF
 GDA
 CSI
 CSID
 DDC
 DCSI
 EEC
 FAO
 FNCSI
 GDP
 GTX
 HMGVN
 IEDI
 MLD
 NBC
 NBL
 NGO
 PSI
 PCRW
 RRB
 SBP
 SBC
 STI

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Chapter 1

Introduction

Background

Nepal is a small land-locked country covering an area of about 147181 sq.km. and with a population of about 20 million. The country has three distinct geographical regions—the mountains, the hills, and the *terai*. The high mountains and the hills occupy 77 per cent of the land area and represent 53 per cent of the population. The *terai* region, subtropical flatlands in the southern area, accounts for about 23 per cent of the total land area and represents 47 per cent of the population.

Nepal's economy is predominantly agrarian. Agriculture contributes about 42 per cent to the GDP and employs over 80 per cent of the economically active population. Employment in secondary and tertiary sectors has not expanded enough to reduce the pressure on farmland. The agricultural sector itself has grown slowly in real terms; it has been growing at a rate nominally higher than the population growth in the past decade.

As the economy is agriculture based and more than 50 per cent of the people live below the poverty line, underemployment and open unemployment are common. The majority of the poor live in the mountains or in the Himalayan region of the country. The search for sustainable increases in income lies in diversification of economic activities from subsistence agriculture to off-farm activities (ICIMOD 1996). Cottage and Small Industries (CSIs) are important for developing both the entrepreneurial culture and the industrial base. Therefore, the emphasis should be on developing and upgrading entrepreneurship and managerial and trade skills in the CSI sector.

Manufacturing comprises a relatively small sector of the economy. It accounts for about 10 per cent of the GDP and employs only about two per cent of the labour force. The pace of industrialisation has been slow, mainly because of inadequate infrastructure, e.g., roads and power, and also because of the lack of a skilled work force, capital, technology, and entrepreneurial and managerial skills. The industrial sector is dominated by cottage and small industries (CSI), whether indigenous resource-based or imported raw-material based. Ninety-five per cent of industrial units and 90

per cent of industrial employment are in the CSI sector. There are more than 90,000 units registered in the CSI sector. It has been estimated that only about 30 per cent of these units are actually operational.

The registration of CSIs in recent years has shown an increasingly upward trend. Table 1.1 shows the number of CSI registrations along with investment, production and employment estimates for the years from 1992/93 - 1995/96. The figure shows that about 7,000 to 10,000 cottage and small enterprises were registered each year during this period. The categories of cottage and small enterprises registered in the year 1994/95 are as given in Table 1.2.

Table 1.1: Trends in Registration of CSIs (1992/93 -- 1995/96)

Year	Units	Investment (Rs. in million)	Production (Rs. in million)	Employment
1992/93	6,781	3,150	8,900	82,176
1993/94	9,489	5,727	19,795	153,000
1994/95	8,519	5,376	19,439	75,091
1995/96	9,650	7,224	14,711	92,586

Source : Industrial Promotion Statistics DCSI

Table 1.2: Types of Cottage and Small Enterprises 1994/95

Types	Nos.	Types	Nos.
Rice flour & oil mills	2025	Bricks and tiles	126
Food processing	513	Cement / cement products	64
Agro and livestock	54	Mining / stone aggregates	24
Forest based	34	Metal products (brass/copper)	341
Beverages	8	Other manufacturing (n.e.s)	775
Tobacco	16	Gold - silver ornaments	10
Textile weaving	275	Electricity & gas	14
Hosiery	95	Construction services	716
Carpet making	111	Hotels, restaurants & bars	161
Ready-made garments	229	Transport & transportation	159
Furniture (wooden)	279	Travel & trekking	94
Sawmills	75	Cold storage	4
Printing publications	130	Real estate	86
Stationery (includes paper)	101	Consultancy	255
Soap and detergents	16	Advertising	129
Chemicals	20	Training	474
Rubber and plastics	53	Entertainment / cultural	59
Drugs and medicines	3	Health services	13
Leather / leather products	41	Workshop	251
Ceramics	9	Other service oriented	677
TOTAL			8519

Source: Industrial Promotion Statistics DCSI

Table 1.2 shows that rice flour and oil mills, construction services, food processing, textile weaving, carpets, garments, and metal products are prominent CSI enterprises. Out of the total CSI units registered, over 80 per cent represent small enterprises and the remaining 20 per cent are cottage-scale units (DCSI 1996). Cottage industries are traditional industries, e.g, carpet weaving, potteries, and hand-made paper. The industries, other than traditional, with investments not exceeding Rs 10 million in fixed capital, are classified, as per the Industrial Enterprise Act 1992, as small-scale industries.

Entrepreneurship development in the CSI sector is a recent phenomenon in Nepal. It has a history of over one and a half decades. About 1,500 persons each year receive training from the various agencies that provide training in entrepreneurship development. There are several such programmes conducted by the various government, semi-government, and private agencies. The Cottage and Small Industries' Development Board (CSIDB), the Small Business Promotion Project (SBPP) of the Industrial Enterprises' Development Institute (IEDI), the Women Development Division (WDD) of the Ministry of Local Development (MLD), the Federation of Nepal Cottage and Small Industries (FNCSI), and the Women Entrepreneurs' Association of Nepal (WEAN) are the main organizations that carry out entrepreneurship development programmes. For various reasons, these organizations have been able to meet the training objectives only to a limited extent. The installation ratio is low, i.e., only about 30 per cent of those trained set up an enterprise. It shows that a mere increase in the number of entrepreneurship training programmes may not serve the purpose. Programmes would need to be at different locations and for different groups selected on the basis of location and products. The more important need is to increase training effectiveness so that it induces the skills for new enterprises and/or expansion of existing enterprises and linkages with other inputs and support services.

The Present Study: Objectives and Scope

The present study was carried out with the following objectives.

- To review existing training programmes in terms of content, location, relevance of local potential to product lines, and improving available skills
- To present a profile of the characteristics of the trainees of selected programmes in terms of their household and socioeconomic background, education, occupation, previous business experience, and other previous training.
- To examine the effectiveness of training programmes in terms of placement of or setting up of business by the trainees
- To examine the linkages of training with provisions of input, credit, and marketing as a part of the package, or as a separate arrangement

- To analyse the above aspects in the case of women trainees separately and in comparison with men trainees
- To suggest appropriate policy and programme packages for effective training

Methodology

The study uses information collected from selected training organizations and from a sample of trainees. The information on training programmes carried out by the selected institutions in different sectors—government, semi-government, NGO, or INGO—are obtained from published and unpublished documents and through interviews and discussions with individuals and institutions. The questionnaire used for this purpose is in Annex 1. Specifically, information collected from these institutions includes: i) training content, ii) participant characteristics obtained from entry forms, iii) feedback on training effectiveness, and iv) information and feedback on pre-training, in-training, and post-training activities. The following organizations were selected for detailed study of other training programmes.

- Cottage and Small Industries' Development Board (CSIDB)
- Industrial Enterprise Development Institute (IEDI)
- Federation of Nepal Cottage and Small Industries (FNCSI)
- Women Entrepreneurs' Association of Nepal (WEAN)

CSIDB and IEDI are prominent institutions in terms of the number of persons trained. WEAN's focus is on developing women entrepreneurs and the FNCSI has recently introduced an entrepreneurship development programme into its regular training activities.

A field survey of ex-trainees who were trained by different institutions was carried out in two districts. The survey was undertaken with a view to examining the effectiveness of training in terms of post-training placement. The survey covered about 50 per cent of the trainees who were trained under the entrepreneurship development programme in the two districts selected in the last two to three years. A survey questionnaire used for this purpose is given in Annex 2.

For the field survey, the district offices of the IEDI and CSIDB in Kaski and Tanahu districts in the Western Development Region and the FNCSI and WEAN in Kathmandu Valley were selected. The districts were selected based on training services provided by these institutions, availability of necessary infrastructure and institutional support for micro-enterprise development, availability of skills, and the industrial potential of the district.

Limitations

There are many factors that determine the effectiveness of a training programme. The entrepreneurship development programme (EDP) training assumes that

entrepreneurship can be developed through proper training and guidance. The effectiveness of the training lies in the utilisation of knowledge, skills, and competence, and in the behavioural changes that individual trainees gain through the training process; in the case of the EDP, the effectiveness is in being able to start a new business or expand and diversify the old one. Although the effectiveness of the EDP is examined in terms of post-training placement of the trainees, it was not possible to go into details of the learning and utilisation of knowledge, skills, behaviour, and competency that they acquired from the training.

The profiles of 123 trainees trained in Tanahu (79) and Kaski (44) districts in the last two to three years were obtained from available entry forms or basic data sheets. A sample survey of 42 trainees (17 trainees from the CSIDB district office in Tanahu, 15 trainees from the IEDI branch office in Kaski, and 10 trainees from the FNCSI in Kathmandu) was carried out through the direct interview method. The trainees were difficult to trace partly because of their change in location (address) and partly because of the time involved in visiting trainees in surveyed areas. No proper records of trainees were maintained by the respective training organizations.

The current employment or placement status of the trainees was examined based on direct personal interviews with the trainees and indirect reporting by them on fellow participants in the same batch. Feedback on the effectiveness of the EDP training was also sought from the training organizations concerned.

An entrepreneur is a person who mobilises capital, utilises natural resources, creates markets, and conducts business. The entrepreneur combines talent, ability, and drive to transform resources and opportunities into profitable ventures. Potential entrepreneurs can be oriented, motivated, and induced to set up a business (SBPP-NBC-CEFE, no date). A distinction between self-employment and entrepreneurship is made in order to get clarity in the purpose of training. Entrepreneurship has a broader meaning than self-employment. An entrepreneur is defined as one who employs at least one person other than himself, adds value to the product or service being provided, and is involved in marketing, purchasing, and conversion of materials or services (APCTI 1995).

It is basically with this perspective that a number of organizations has been engaged in the training for entrepreneurship development in Nepal, as has been indicated in the last chapter. This chapter attempts to present the salient features of the EDPs under various organizations.

Main Organizations

IEDI is a semi-autonomous body under the Ministry of Industry, HMG/N. It has developed out of the Small Business Promotion Project (SBPP), a joint project of HMG/Nepal and the GTZ, Germany, in 1988 with a view to promoting entrepreneurship.

Chapter 2

An EDP for the CSI Sector

Introduction

Entrepreneurship is recognised as the engine of economic change in any country, whether developed or developing. Therefore, any effort aimed at economic advancement of the rural community must include development of entrepreneurship among rural people as a significant tool for their empowerment. In recent years, there have been some programmes that are focussed on entrepreneurial awareness, training, and credit reach for rural people, particularly in the context of micro and small enterprise development.

An entrepreneur is a person who mobilises capital, utilises natural resources, creates markets, and conducts business. The entrepreneur combines talent, ability, and drive to transform resources and opportunities into profitable ventures. Potential entrepreneurs can be oriented, motivated, and induced to set up a business (SBPP: NBC-CEFE, no date). A distinction between self-employment and entrepreneurship is made in order to get clarity in the purpose of training. Entrepreneurship has a broader meaning than self-employment. An entrepreneur is defined as one who employs at least one person other than himself, adds value to the product or service being provided, and is involved in marketing, purchasing, and conversion of materials or services (APCTT 1995).

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Main Organizations

Industrial Enterprise Development Institute (IEDI)

IEDI is a semi-autonomous body under the Ministry of Industry, HMG/N. It has developed out of the Small Business Promotion Project (SBPP), a joint project of HMG/Nepal and the GTZ, Germany, in 1984 with a view to promoting entrepreneurship

and small businesses in the country. The project has developed several approaches towards introducing effective methods of micro, cottage, and small industries' development in the country. Among the main focuses of its activities are:

- entrepreneurship development training,
- industrial potential study and research, and
- technical advisory and consultancy services.

The SBPP has been supporting entrepreneurship development and small business promotion based on its following core programmes which are designed to meet the needs of the small business sector.

- New Business Creation (NBC)
- Small Business Consultancy (SBC)
- Services to Institutions (STI)
- Planning and Business Information (PBI)
- Complementary Credit Scheme (CCI)

The Industrial Enterprise Development Institute (IEDI) has given a new dimension to improving the service delivery in the small enterprise sector based on the SBPP approach to enterprise development. The IEDI has become a national-level institution in the field of entrepreneurship and management skills' development.

Cottage and Small Industry Development Board (CSIDB)

The CSIDB was established in 1982 with the aim of developing, expanding, and strengthening cottage and small industries in the country. It has extended its services to 48 districts, mainly in the hill and mountain regions of the country. Apart from training and promotional activities, it has been undertaking industrial administration of CSIs in these districts since 1992. It provides the following services:

- skill development training,
- exhibition of CSI products,
- industry and industry sub-sector development studies,
- preparation and distribution of an industrial scheme,
- design, development, and technical consultancy, and
- industrial registration and facilities.

Training is one of its most important activities. The government has emphasised skill development training for the promotion of self-employment in rural areas. The CSIDB operates 50 different types of skill training programmes. It has carried out entrepreneurship development training since its inception. The Department of Cottage and Small Industries (DCSI) provides industrial administration, promotion, technical consultancy, and training (skill development) services in 27 districts, other than those covered by the CSIDB. These are located mainly in the *terai* region of

the country. The Training for Rural Gainful Employment Project (TURGA), which was succeeded by the TRE - Training for Rural Employment Project, has also supported the imparting of skill development programmes for promotion of self-employment or wage-employment opportunities in the rural areas of the country (TRE 1995).

Federation of Nepal Cottage and Small Industries (FNCSI)

The FNCSI was formed in 1990 with the aim of protecting and promoting the interests of cottage and small industries' (CSIs) entrepreneurs by providing various promotional and industrial extension services. It has over 20,000 general members (the CSI units), grouped under district committees in 60 districts, and 13 institutional members – the associations representing sectoral interest of CSIs.

The main focus areas of FNCSI are:

- training, seminars, and symposiums,
- consultancy services,
- information and business services, and
- sales' promotion services.

The FNCSI is represented in various committees of the government and institutions, such as the Industrial Promotion Board, Export Promotion Board, Tariff Board, CSIDB Exhibition Committee, and the Industrial Enterprise Development Institute (IEDI).

Training is one of the priority areas. It has conducted various programmes on entrepreneurship development, management, and technical skills for CSI entrepreneurs.

Women Entrepreneurs' Association of Nepal (WEAN)

WEAN was set up in 1987 by a group of women entrepreneurs. Its aim is to create a network among women entrepreneurs to share and exchange experiences, views, and information to help them discover their potential. In addition, it assists other women entrepreneurs in promoting new or existing businesses.

The WEAN has a primary objective to assist women entrepreneurs to enable them to be in the forefront of economic activities through a service package that consists of training, information and networking, and marketing and credit.

WEAN set up a Cooperative in 1992. This is a marketing outlet with its own collection and marketing mechanism for promotion of products made by Nepalese women entrepreneurs. It has more than 100 members who are mainly involved in handicraft production as well as food processing and other agro-based products (WEAN 1996).

As a priority activity, WEAN carries out different types of training for women entrepreneurs in skill development, technical skills, entrepreneurial development, and marketing strategy. It has focussed its activities mainly in Kathmandu Valley and the surrounding rural areas. It has also carried out small entrepreneurship development training in Nepalgunj and also in Syaphrubesi, a remote northern region in Rasuwa district.

Women's Development Division (WDD).

Recognising the importance of women's participation in national development, a special programme focussed on raising the status of rural women was introduced in the Sixth Plan (1980-85). This eventually led to the establishment of the Women's Development Division (WDD) in the Ministry of Local Development (MLD). The WDD aimed to improve the quality of life of rural women and their families by integrating them into the development process and by addressing their needs, priorities, and interests.

The focus of the programme activities of the WDD was on institution building, training, income-generating opportunities, community development, environment, and appropriate technology. In 1982, a project on production credit for rural women (PCR^W) was launched. The project aimed to improve the social and economic situation of rural women by extending support facilities such as credit, extension services, drinking water, health, various time- and labour-saving technologies, and skills' development (WDD 1995).

Training was one of the main activities of the WDD. It provided different types of training to rural women. The training was carried out in a rural setting in which rural women could participate and share experiences easily. Training on skill development and income generation was held as per the needs of the credit group members. The WDD has also provided entrepreneurship development training to rural women in order to help them acquire the entrepreneurial and managerial skills required for the establishment and operation of micro or small enterprises.

Contents of EDP Training

This section deals with the contents of EDP training held by various organizations. The five organizations mentioned above have carried out EDP training in one form or another. The focus and approach in the design and delivery of the training may differ for different organizations. Nevertheless, they all have one common purpose, i.e., to develop potential entrepreneurs so that they can venture into establishment and operation of micro and small enterprises. Table 2.1, at the end of this chapter, shows the comparative situation of EDP in different organizations.

The Industrial Enterprise Development Institute (IEDI)

The IEDI organizes EDP with the aim of developing knowledge, skills, and attitudes among prospective entrepreneurs that are necessary to start businesses. The regular

Table: 2.1: Comparative Situation of EDP Training and Its Content by Different Organizations

Organization	IEDI (semi-government)	CSIDB (semi-government)	FNCSI (NGO)	WDD (Government)	WEAN (NGO)
Main focus of small enterprises & developing CSIs through EDP-developing women's Training	Small enterprise and entrepreneurship development	Develop CSI through training on EDP and SDP. EDP is one of its several activities.	Develop CSIs through training on EDP and SDP. EDP is one of the several activities.	EDP is one of the several programme activities for rural women.	Develop women entrepreneurs through EDP. EDP is one of its several activities.
Duration of EDP Training	4 - 5 weeks	2 weeks	2 weeks	1 week	4 - 5 weeks (1) 2 weeks (1)
Number of Trainees (Participants)	15 - 25	15 - 25	20 - 25	20 - 25	20 - 25
Per programme essential eligibility requirements of participants	Age : 20 yrs & over Education : class 10 at least	Age : 18 yrs & over Education : literate at least	Age : 20 yrs & over Education : class 8 at least	Age : 18 yrs & over Education : literate at least, training exclusively for women	Age : 18 yrs & over Education : literate, varies by target groups, training exclusively for women
Selection Criteria (of trainees)	Entrepreneurial characteristics, goal clarity, financial capability, family support, family background.	Willing to set up a new or expand existing business, bank's / industry recommendation, inquisitiveness, business skills & resourcefulness.	Owners or staff of CSI enterprise, preferably married in the case of women trainees, selection / recommendation by FNCSI's district offices.	No fixed criteria, selection based mainly on training needs' survey in pre-identified location or village areas, priority to group women-potential entrepreneurs.	Having entrepreneurial potentials, started or planned to set up new enterprise.
Trainers /Resource Persons	In-house professional trainers, resource persons from related line agencies invited as per requirement.	Mainly in-house professional trainers are involved, trainers /resource persons are also called on from outside	Trainers / resource persons are invited from outside preferably from IED, CSIDB or EDP ex-trainees elsewhere.	Women development officer, chief women workers, resource persons from within districts line agencies work as trainers / resource persons.	Staff/members from within, trainers from different agencies, like, IED, CSIDB, MAN, NASC and freelance trainers.
Main Course Content	New Business Creation (NBC) for potential entrepreneurs and Small Business Management (SBM) and other specific courses such as marketing for existing ones. It has developed own course design and training manual. Focus on promoting small business enterprise.	EDP for potential entrepreneurs and specific management course for existing enterprise. It has developed own EDP course design and training manual. Focus mainly on imparting basic skills for identifying CSIs having prospects for promotion and for business operation.	EDP for potential entrepreneurs and specific management course in book keeping, salesmanship, and costing / pricing for existing enterprise.	Develop entrepreneurial and managerial skills for setting up and operating micro- and small enterprises for rural women. Two types of training for promoting rural entrepreneurs: Entrepreneurship Development Training and Business Operation Training.	New Business Creation (NBC) for potential entrepreneurs and Micro-Enterprise Assistance (MEA) and other specific courses such as bookkeeping for existing ones. It has NBC courses for women in rural communities and for housewives, and fresh graduates in urban areas.
Main Funding Source	GTZ, Germany & HMG/N Grants.	Entirely from HMG/N.	Mainly from INGOs: FNF, ZDH, DED, etc.	Mainly from INGOs & Donor agencies.	Mainly from INGOs & donor agencies.

Table 2.1: Comparative Situation of EDP Training and Its Content by Different Organizations (Cont'd)

Organization	IEDI (semi-government)	CSIDB (semi-government)	FNCSI (NGO)	WDD (Government)	WEAN (NGO)
Location of Training	Mainly urban, semi-urban areas and district headquarters	Mostly in district headquarters and nearby areas, major market centres and resource pocket centres in almost all hilly and mountain areas/districts.	Mainly urban / market centres in different areas where FNCSI has district offices. EDP was initially held in Kathmandu and Biratnagar.	Mainly in rural village areas.	Mainly in urban areas/ market centres and limited in rural areas.
Monitoring & Evaluation	Once in every three months for one year, and once in a year for two years.	First one in 15 days and second one after three months and then last one at the year end.	No regular follow-up.	No regular follow-up.	No regular follow-up.
Major Issues, Problems, & Constraints	Upgrading trainer skills in specialised field, achieving cost effectiveness in EDP training, over dependence on external funding.	Inadequate training budget, lacking proper incentives and facilities for trainers, upgrading trainer skills.	Lack of funds for training.	Lack of funds for training, need for developing training manuals.	Creating sufficient funds for providing micro-enterprise loans to needy people.

new business creation (NBC) programme is known through the GTZ programme, CEFE (Creation of Entrepreneurs and Formation of Enterprise), in different countries of the world. NBC training is generally a four-to five-week programme: three to four weeks are devoted to classroom activities and one to two weeks to business planning and practical field work. The classroom activities consist of lectures, group exercises and discussion, simulation, role-play, audio-visual, case studies, and presentations. The training is conducted for different target groups that include unemployed, vocational and technical graduates; unemployed university graduates; retired government personnel; ex-service personnel; and professional and other groups having entrepreneurial potential in different rural and urban areas.

Whenever EDP training is to be organized in a location, it is advertised using posters, banners, pamphlets, circulars as well as through the media, e.g., newspapers, radio, and television, wherever possible. In addition, personal contacts of the organizers and trainers with support institutions and targetted participants are encouraged. Experience shows that adequate promotion and publicity efforts during one month attract more than 40 and up to 100 applicants.

There is an especially designed application form for the programme and it seeks relevant information about an applicant. The information is used to evaluate the entrepreneurial potentials of the candidates. The completed applications are carefully evaluated by a panel of evaluators comprised of trainers, local support institutions, and credit agencies. The short-listed candidates go through the interview process for final selection based on the pre-determined selection criteria. The minimum qualification for candidates is to have a Class 10 education. Criteria for selection and their usual weightage points are as follow:

Entrepreneurial characteristics	20
Goal clarity	20
Financial capability	25
Options and family support	20
Entrepreneurial history/family background	15

The IEDI has 40 professional trainers and small business consultants. The resource persons from relevant government and non-government organizations are involved as per the needs of the training programme. The trainees are provided with necessary training materials during the training period.

The IEDI/SBPP operations are funded by GTZ, Germany, and HMG/Nepal. The EDP is supported mainly by GTZ, Germany. There is a nominal fee for the participants in the regular NBC programme, and this is charged as a commitment fee. In addition, it has organized EDP training for various agencies on a cost-sharing basis.

The course content of the NBC training has been designed in five modules: a) competency development of entrepreneurs, b) business identification and selection, c)

business management skills, d) business plan preparation and presentation, and e) appraisal.

Entrepreneurship development is considered in the totality of essential elements of micro and small business development, i.e., support of promotional bodies, credit availability and accessibility, entrepreneurship and management training, and extension services. It is supported by the complementary credit programme (CCP) which has a revolving fund (of Rs.12.5 million) maintained for credits of up to Rs 200,000 for new and existing entrepreneurs. The fund is administered by the Agricultural Development Bank of Nepal (ADB/N). This revolving fund requires collateral from entrepreneurs. Post-training follow-up is to be carried out for up to three years from the completion of the training programme.

Cottage and Small Industry Development Board (CSIDB)

The CSIDB provides a 15-day training programme on entrepreneurship development for rural entrepreneurs. This programme is considered very important and useful for promoting rural entrepreneurs and CSI enterprises in rural areas. It has placed an emphasis on developing the knowledge, skill, behaviour, and competency required by the rural entrepreneurs for establishing and operating industrial enterprises. The purpose of training is to develop local entrepreneurs with the aim of mobilising local labour, skills, and resources to achieve self-reliance in rural areas (CSIDB 1995).

The training is targetted at different groups of people with interest and aptitude for venturing into new industries or for improving the existing industries in the CSI sector. The training is conducted in district headquarters and locations nearby. The selection of training locations, other than district headquarters, is made by taking the following factors into account: a) availability of banks and financial institutions, b) physical and social infrastructure prerequisites, c) presence of government or non-government organizations promoting income generation, d) availability of a proper market system, and e) assessment of and feedback on training needs.

The number of participants in training by the EDP could vary from 15 to 25 persons. Publicity and promotion of the training programme are usually made through advertisements and personal contacts. The potential entrepreneurs, who are above 18 years of age and at least literate, are eligible to undergo this training programme. A six to seven member selection committee is formed in respective districts to facilitate selection of trainees. Selection criteria and weightage points are as follow.

Education	10
Personality	10
Inquisitiveness	10
Bank recommendation	10
Industry recommendation	10
Business skills	20
Resourcefulness	30

The CSIDB has 20 trainers to carry out training under the EDP in different districts. They are all trained as EDP trainers by the IEDI/SBPP. They are working as temporary staff. Most permanent staff who are trained as EDP trainers are either working as chief officers in the CSIDB district offices or are involved in training management.

The CSIDB operates entirely on government funding. Therefore, the training activities are totally dependent on fund allocations from the government. The CSIDB has supported agencies such as WEAN and the FNCSI through its NGO fund programme. They are supported to carry out training programmes either on a cost-sharing basis or by providing partial inputs to the training, for example, the services of trainers or instructors.

The CSIDB has developed a training manual for EDP and this is used as a basic guideline for the trainers. The course content is designed in five modules: a) achievement motivation techniques, b) project identification and selection, c) project planning and preparation, d) industrial management aspects, and e) entrepreneurs' social responsibility.

The CSIDB provides institutional support to cottage and small enterprises in the form of skill training, credit assistance, product marketing (by facilitating entrepreneurs' participation in CSI product exhibitions), and technical consultancy. In addition, it also undertakes follow-up of EDPs, both during the training and at different periods for up to two years.

The Federation of Nepal Cottage and Small Industries (FNCSI)

The FNCSI introduced a two-week training programme on entrepreneurship development in 1995. It has organized two training programmes on entrepreneurship development—one in Kathmandu and the other in Biratnagar—for women entrepreneurs. The main objectives of carrying out training under the EDP by FNCSI are: i) to reinforce the positive attitude of entrepreneurs towards integrated business management concepts, ii) to develop entrepreneurial qualities in the participants, iii) to impart knowledge on markets and marketing aspects, iv) to provide the basics of production management, v) to emphasise the importance of record keeping and maintaining simple accounts, and vi) to provide basic knowledge on financial management (FNCSI 1996).

There are 20-25 participants in each training session under the EDP carried out by the FNCSI. Participants are selected from the central office or district committees. The training is carried out through participatory and action-oriented methods that include individual and group exercises, discussions, simulation exercises, and lectures.

The selection criteria set by the FNCSI for EDP trainees include education of up to at least the 8th class level, over 20 years of age, entrepreneurs or staff from the FNCSI member industries, and marital status—preferably married for women trainees. However,

there is a fair amount of flexibility in the selection of trainees. For example, participants without a formal education but literate are also considered.

The FNCSI plans its training activities on the basis of requests from its district committees and institutions, as well as on the basis of possible collaboration with agencies interested in supporting the training programme.

Altogether 19 members/staff of the FNCSI have received training of trainers (TOT) in the Entrepreneurship Development Programme (EDP) from the IEDI/SBPP. Only two of them are working as trainers. As per the need, trainers are hired from relevant institutions or freelance trainers and resource persons are used.

The course content of the EDP training of the FNCSI is similar to that of the IEDI/SBPP. The courses are adjusted according to the level of participants. It is structured into five modules: i) entrepreneurial competency development, ii) market and marketing, iii) production management, iv) record keeping, and v) financial management. The subjects covered in the FNCSI's training on entrepreneurship development are listed below.

- Participants' expectation and course orientation
- Characteristics of a successful entrepreneur
- SWOT analysis
- Marketing concept, segmentation, marketing mix, market survey, market simulation
- Production management concept, flow-chart, and plant layout
- Inventory management
- Book-keeping: day book, cash book, sales' book, and purchase and expense book
- Fixed assets, profit and loss statements, balance sheets
- Working capital management
- Costing/pricing
- Break-even analysis and ratio analysis
- Industrial visits

Women Entrepreneurs' Association of Nepal (WEAN)

WEAN organizes entrepreneurship development training for women entrepreneurs. There are mainly two programmes: New Business Creation (NBC) and Micro-Enterprise Assistance (MEA), each of four weeks' duration.

The target groups are mainly women from rural communities and housewives or new women graduates from urban areas. The NBC training at the grass roots' level, i.e., for rural women entrepreneurs, is of three weeks' duration. It is planned on the basis of a household survey and needs' assessment at predetermined locations. In urban areas, the pre-training publicity is carried out through advertisements in leading

newspapers. The educational level for NBC trainees in urban areas should be at least an SLC, while for MEA trainees should have started a business as well. The average number of participants in a training programme ranges from 20 to 25 (WEAN 1996).

WEAN has carried out training programmes mainly through financial support from various government and non-government agencies or donors. The expansion of WEAN's activities depends on the ability to generate INGO or donor-supported projects. It has launched a project with training and credit components for women entrepreneurs in the following districts: Kathmandu, Bhaktapur, Lalitpur, Gorkha, Dhading, Rasuwa (Saphrubeshi), and Banke (Nepalganj). WEAN's EDP course contents are similar to those of the IEDI/SBPP and CSIDB. However, they are adjusted to suit different target groups. There is no systematic follow-up or evaluation of post-training activities.

WEAN has three of its staff members working as trainers. The trainers or resource persons are hired from different government agencies, such as, the IEDC/SBPP, CSIDB, banks, and private sector consultancy and training institutions, as and when required.

The Women's Development Division (WDD)

The WDD's training on EDP is aimed at imparting entrepreneurial and managerial skills to rural women for the establishment and operation of micro- or small business enterprises. There are two types of EDP training: one is for entrepreneurship development and the other is for business operations.

The women development officers and chief women workers in the district or those from line agencies serve as the main trainers. Wherever possible trainers from the CSIDB or SBPP are also involved in the training programmes. The trainees are provided with hand-outs and other training materials written in simple and easy to understand language. The training programmes are carried out as a part or component of projects related to women's development with financial and technical assistance from INGOs and donor agencies.

The schedule of training programmes is largely determined by identification of needs based on household surveys carried out by WDD district offices and the budget allocations for training for different districts. The WDD has a one-week training programme on entrepreneurship development. The contents of this training course as per the session plan design are as follow.

- Participants' expectation and orientation
- Women and business enterprise
- Goal setting
- Characteristics of a successful entrepreneur
- Traditionally-oriented business constraints/difficulties and improvement aspects
- Business opportunity-identification and basis

- Importance of markets in business selection
- Market segmentation
- Types of customers and selling techniques
- Marketing plan
- Production exercise
- Production plan and production costs/expense
- Cost and price fixation
- Profit and loss
- Preparation of project schemes and basis
- Market survey
- Presentation/discussion
- Institutions that support business operations
- Simple book-keeping techniques

Training under the EDP is not a regular activity of WEAN and the WDD, but it is carried out according to the availability of funding and support from INGOs and donor agencies.

Impact of the EDP on Employment and Income Generation

The IEDI/SBPP sources reveal that over 5,312 people were trained in entrepreneurship development and small business management from 1984 to 1996 (Annex 4). About 51.7 per cent of the trainees were trained in New Business Creation (NBC) courses held in various locations. It is reported that NBC has facilitated the creation of 350 to 400 new enterprises a year, as a result of 15 NBC courses per year (with an average number of 18 participants) and with an average success rate of 44 per cent (SBPP 1995). The type of enterprise created by entrepreneurs trained in NBC programmes have an average of five employees and capital investments of from Rs 0.4 - 0.5 million. The placement ratio (or success rate) of SBPP trainees is relatively better in food-related and allied industries as well as in family businesses in general. It is noteworthy that trainee women with grown-up children, widowed or divorced women, and people having limited options have also shown a relatively high placement rate.

As regards the EDP training by the CSIDB, it trained more than 9,000 persons in different districts of Nepal from 1983/84 to 1996/97 (Annex 4). There was no detailed information on post-training placement of CSIDB trainees; the overall placement ratio of trainees was 28 per cent for the year 1994/95.

As far as the FNCSI is concerned, the EDP training is in great demand among its member enterprises. The EDP training by the FNCSI is largely dependent on the fund available from partner and institutional collaborators. The number of trainees trained in the EDP by FNCSI is so far limited (only 42 trainees in 1995) because it began training under the EDP only recently. It has yet to introduce post-training follow-up and monitoring of these training sessions to assess the placement status of trainees.

WEAN organizes training programmes on EDP exclusively for women. It carries out training based on support from various government and non-government agencies or donors. The EDP training has become increasingly popular amongst women entrepreneurs. WEAN trained more than 250 women entrepreneurs in the period from 1987 to 1996. It has yet to introduce post-training follow-up and monitoring of the training programme. However, WEAN has carried out an overall assessment that has rated their EDP training sessions as successful. It is reported that about 50 per cent of the trainees have succeeded in setting up new businesses or in improving their existing businesses.

Problems and Constraints of Entrepreneurship and Enterprise Development

Entrepreneurship development is planned in order to identify potential entrepreneurs, develop them through a training process, and help them start their enterprises through continuous guidance and support services. Potential entrepreneurs are persons who possess or show evidence of possessing certain traits. The participants selected for training on entrepreneurship can be classified broadly into three groups: a) those having previous experience in starting a business and being highly motivated to pursue it; b) those having no previous experience in business but having clarity about what they intend to do; and c) those uncertain about a product line, with no previous experience in business, but who are keen to launch an independent business. The last two categories of trainees require special follow-up support and guidance over a relatively longer period. There are also trainees who attend training out of curiosity or as a pastime. Careful selection of target groups must be made to focus the EDP on those who possess an obvious potential for becoming entrepreneurs.

One of the common problems faced in entrepreneurship and enterprise development in the CSI sector is the lack of effective delivery of package support services to resolve general or specific issues of micro- and small businesses. The package service may contain different components such as finance and credit assistance, marketing, technology, technical consultancy, and training (for entrepreneurial, managerial, and trade skills' development). There are many such small entrepreneurs who, despite training in EDP, could not implement their business plan mainly because of the lack of post-training support and guidance. In some cases, the entrepreneurs, managed to start a new business, but faced problems in operating the enterprise effectively because of various reasons. Therefore, institutional services need to be strengthened to provide post-training guidance and support services in an integrated and coordinated manner to enterprises run by EDP trainees. Problems relating to finance and credit have affected many trainees adversely in promoting their business plan. Some trainees, particularly women, also face difficulty in pursuing a business because of lack of family confidence, particularly when it comes to providing jointly-owned collateral to secure bank loans.

The problems in selection of training location, selection of trainees, training course design, producing standard training manuals and materials, and improving trainers' skills are also observed in varying degrees by different institutions. Likewise, the

organizations have experienced that inadequate training budget, lack of proper incentives and facilities for trainers, and lack of opportunities for trainers to upgrade their skills in specialised fields pose problems for entrepreneurship training. In addition, training needs' assessment, post-training follow-up, monitoring and evaluation, and support services' programmes are mostly lacking from such programmes.

the training programme. However, WFA has carried out an overall assessment that has rated their EDP training sessions as successful. It is reported that about 50 per cent of the trainees have succeeded in setting up new businesses or in improving their existing businesses.

Problems and Constraints of Entrepreneurship and Enterprise Development

Entrepreneurship development is planned in order to identify potential entrepreneurs, develop them through a training process, and help them start their enterprises through continuous guidance and support services. Potential entrepreneurs are persons who possess or show evidence of possessing certain traits. The participants selected for training on entrepreneurship can be classified broadly into three groups: a) those having previous experience in starting a business and being highly motivated to pursue it; b) those having no previous experience in business but having a strong desire to start a business; and c) those uncertain about a product line, with no previous experience in business, but who are keen to launch an independent business. The last two categories of trainees require special follow-up support and guidance over a relatively longer period. There are also trainees who attend training out of curiosity or as a pastime. Careful selection of target groups must be made to ensure the EDP on those who possess an obvious potential for becoming entrepreneurs.

One of the common problems faced in entrepreneurship and enterprise development in the CS sector is the lack of effective delivery of post-course support services to resolve general or specific issues of micro- and small businesses. The post-course support services are an integral component of the training process and should include financial, technical, and managerial assistance, and training for entrepreneurial management and trade skills development. There are many such small entrepreneurs who, despite training in EDP, could not implement their business plan mainly because of the lack of post-training support and guidance. In some cases, the entrepreneur indulged in a new business, but faced problems in operating the enterprise effectively because of various reasons. Therefore, institutional services need to be strengthened to provide post-training guidance and support services in an integrated and coordinated manner to enterprises run by EDP trainees. Problems relating to finance and credit have affected many trainees adversely in promoting their business plan. Some trainees articulated a major problem in pursuing a business because of lack of family confidence, particularly when it comes to providing jointly-owned collateral to secure bank loans.

The problems in selection of training location, selection of trainees, training content design, including standard training manuals and material, and provision of training skills are also observed in varying degrees by different institutions. Likewise, the

Chapter 3

Case Studies on EDP Selected Organizations: The IEDI and CSIDB

Introduction

This chapter presents the general characteristics of trainees and assessments carried out by trainees on the EDP of IEDI and CSIDB in Kaski and Tanahu districts.

The IEDI and CSIDB are the leading institutions in entrepreneurship development in the small business sector in Nepal. The CSIDB ran four- to five-week training sessions on entrepreneurship development until 1993/94. It was then redesigned to the present two-week programme. Although the CSIDB focus is mainly on trade skill development for rural areas, (for a list of trades in which CSIDB conducts skill development training, see Annex 5), it has placed due emphasis on EDP training in the hill regions. The IEDI is a pioneering institution in entrepreneurship development and in bringing improvement and innovation to training design. It has a regular NBC course for potential entrepreneurs which was re-designed to run currently as a four- to five-week programme.

Both the IEDI and CSIDB have their own office networks for organizing EDP training in different areas. For the present study, field survey and observation of EDP trainees were carried out in two selected districts, Kaski and Tanahu. The profiles of EDP trainees have been studied on the basis of information available from entry forms and basic data sheets made available by the IEDI office in Kaski district and the CSIDB office in Tanahu district. This, in addition to information collected through interviews with relevant officials and a sample survey of EDP trainees, provided material for analysing the socioeconomic characteristics of trainees and for a commentary of training activities. The commentary on training activities relates to the content, coverage, selection criteria, linkages with input and support services, follow-up and evaluation, and the trainees' opinions and about the programme. In addition, a general assessment of the overall effectiveness of training programmes and the current employment status of trainees is also made.

Coverage: Number of Trainees

Altogether 228 people received NBC training in Kaski district during the period from 1985 to 1996, i.e., about 20 people annually on an average. The NBC training is usually for potential entrepreneurs. An additional 363 people received training in small business management during the same period (an average of 33 people each year). The training on small business management is provided mainly for existing enterprises.

The CSIDB has provided EDP training to 84 people in Tanahu district during 1994/95 and 1995/96. There has been an increase in the number of EDP trainees in recent years. There were 65 trainees in 1995/96 compared to the 19 trainees in 1994/95. Some programmes have been conducted exclusively for women entrepreneurs. In addition, the CSIDB has trained 942 people in Tanahu district in different trade skills during the period from 1983/84-1995/96, i.e., about 72 persons annually on an average. Profiles of 123 trainees, who received EDP training (79 by the CSIDB, 44 by the IEDI) in Tanahu and Kaski districts, in terms of socioeconomic characteristics are given below.

Socioeconomic Characteristics of EDP Trainees

Entry Form / Basic Data Sheet Analysis

The profiles of the most recent batch of EDP trainees in Kaski and Tanahu district show that women outnumber men. About 37.4 per cent of the trainees were male and 62.6 per cent female (Table 3.1). Women exceed men because three of the six training programmes were conducted for women entrepreneurs. In the general training batches, there was a relatively small, 20 to 30 per cent, representation of women entrepreneurs.

The overall age distribution shows that almost two-thirds of the trainees were in the age group of from 20-30 years. About 19 per cent were in the age group of from 16-20 years. The mean age of the trainees was estimated at 25.5 years (26.0 years for men and 25.2 years for women). The caste and ethnicity distribution of trainees is presented in Table 3.2.

Table 3.1: Age & Sex Distribution of EDP Trainees

Age (Years)	Male		Female		Total	
	Nos.	%	Nos.	%	Nos.	%
16 – 20	7	15.2	16	20.8	23	18.7
20 – 30	32	69.6	48	62.3	80	65.1
30 – 40	4	8.7	13	16.9	17	13.8
40 +	3	6.5	-	-	3	2.4
Total	46	100.0	77	100.0	123	100.0
%	37.4		62.6		100.0	

Source: Field Survey (refer to Annexes 6 and 7)

Table 3.2: Caste and Ethnicity Distribution of EDP Trainees

Caste & Ethnicity	Male		Female		Total	
	Nos.	%	Nos.	%	Nos.	%
<i>Brahmin / Chhetri</i>	25	54.3	36	46.8	61	49.6
<i>Newar</i>	13	28.3	15	19.5	28	22.8
<i>Gurung / Magar</i>	5	10.9	17	22.1	22	17.9
Others	3	6.5	9	11.7	12	9.7
Total	46	100.0	77	100.0	123	100.0

Source: Field Survey (refer to Annexes 6 and 7)

It has been observed that about one-half of the trainees was from the *Brahmin/Chhetri* community followed by 22.8 per cent from the *Newar(s)*; *Gurung(s)* and *Magar(s)* communities contributed about 18 per cent of the trainees. There is a variation in caste and ethnicity distribution so far as the gender participation in EDP training is concerned. Although the female trainees made up per cent of the total, but both male and female were in sizeable proportions from the *Brahmin/Chhetri* and *Newar* groups (41 and 46% respectively). Among the trainees from the *Gurung/Magar* communities and other groups, men constituted less than one-fourth of the trainees.

Most trainees (about 64%) had a middle-level education (Secondary, SLC, or Intermediate). Only about six per cent were graduates and 11 per cent were merely literate. There were gender-specific variations in the educational status of the trainees. Among the males, 63 per cent had SLC and a higher-level education, while among the females, the percentage of trainees with similar educational levels to those of the men was only 40 per cent. Similarly, the educational level of trainees varied depending on the training institutions. Among the CSIDB trainees in Tanahu, about 51 per cent had primary to secondary school education, 29 per cent were SLC, four per cent were intermediate and graduates (see Annex 6). The rest, around 16 per cent of the trainees, were only literate. In the case of IEDI trainees in Kaski district, about 25 per cent had lower to secondary school education, 36 per cent SLC, and 39 per cent were from the intermediate level and graduates. There was not a single trainee with less than primary level education (see Annex 7).

Table 3.3: Distribution of EDP Trainees by Education

Education Level	Male		Female		Total	
	Nos.	%	Nos.	%	Nos.	%
Literate	1	2.2	12	15.6	13	10.6
Primary (1 - 5)	-	-	3	3.9	3	2.4
L. Secondary (6-7)	3	6.5	5	6.5	8	6.5
Secondary (8 - 10)	13	28.2	27	35.1	40	32.5
S.L.C	15	32.6	24	31.2	39	31.7
Intermediate	9	19.6	4	5.2	13	10.6
Graduate	5	10.8	2	2.6	7	5.7
Total	46	100.0	77	100.0	123	100.0

Source: Field Survey (refer Annex 6 and Annex 7)

The distribution of trainees by family occupation for Kaski district (refer to Annex 7) shows that 61.3 per cent of the trainees worked in agriculture, 27.3 per cent in trade/business, and 11.4 per cent in services as the main occupation. The family structure and economic background varied depending on whether the trainees were from rural, semi-urban, urban, town, or market areas.

Sample Survey Analysis

Forty-two trainees, who had been trained in entrepreneurship development over the past two to three years, were personally interviewed (using the questionnaire presented in Annex 2) and had shown the following characteristics.

- Most (71%) trainees were women.
- Sixty-two per cent were in the age group of from 20-30 years and about one per cent in the age group of from 30-45 years. Ten per cent were from 16-20 years of age and five per cent beyond 45 years.
- The *Brahmin/Chhetri* community dominated (55%), nine Newar(s) (21%) and other communities mainly *Thakali*, *Gurung*, and *Magar* accounted for 24 per cent of the trainees.
- About three-fourths were married.
- About 70 per cent had education of up to at least SLC.
- Forty-two per cent of the trainees belonged to farming families; 33.3 per cent to families with some kind of industrial background, and 24.6 per cent were from families with service-related occupations.
- As regards the trainees themselves, two-thirds were already engaged in industry and trade, 14 per cent in farming or services, and 19 per cent were unemployed.

Selection Criteria and Location of Training

The selection criteria for EDP trainees depend on various factors that best describe their entrepreneurship potential. The IEDI and CSIDB have developed their own selection criteria for EDP trainees, as well as course content and training manuals. The courses are adjusted according to the target group and the level of participants. Prior assessment about who would set up businesses upon completion of the EDP training cannot be precise. Nevertheless, efforts to minimise wastage through the use of a set of criteria have been made.

Family business and skills are important factors to be considered while assessing potential entrepreneurs for EDP training. Most IEDI trainees are from the trade and business sectors, whereas the CSIDB trainees are mostly from industry or skilled trades.

Table 3.4 : Criteria for Trainee Selection Used by Institutions

IEDI (Kaski)	CSIDB (Tanahu)
Entrepreneurial characteristics	Personality
Inquisitiveness	Goal clarity
Financial capability	Bank/industry recommendation
Options/family background	Resourcefulness
Family entrepreneurial history	Business skills
Age: over 20 years	Age: over 16 years
Education: Class 10 (at least)	Education: literate (at least)
Source: Field Survey	

These institutions focus their training activities mainly in urban areas, near market centres and district headquarters. The IEDI office in Kaski district focusses its training activities mainly in the city of Pokhara, although it also recently organized one NBC training course at Beshisahar in Lamjung district. It, however, has a plan for extending training services to district areas in Baglung, Syangja, and Tanahu districts. The EDP training carried out by the CSIDB district office has been more of a target-oriented programme, i.e., to meet the target of numbers to be trained. The CSIDB's two-week programme on entrepreneurship development is directed towards creating general awareness on rural industry promotion. The district office has no instructor or trainer to carry out entrepreneurship development training; they are sent from the central office. The location for training is often selected on an *ad hoc* basis without detailed area study.

Follow-up and Evaluation

The branch/district offices of the IEDI and CSIDB undertake monitoring, follow-up, and evaluation of the training programme and periodically report to their central offices. The in-training evaluation includes overall assessment of training activities – content, delivery, and participants' knowledge. Post-training follow-up and monitoring are undertaken to examine whether the trainees have met the objectives for which they were trained.

The IEDI undertakes follow up activities once in every three months for the first one year and once a year for the following two years. It is usually carried out in the form of a post-training follow up workshop. The basic objectives of such workshops are as follow.

- To evaluate participants' progress in creating and promoting their business
- To discuss business problems with the participants and help them to arrive at solutions
- To identify the consultancy service/training needs of the participants.

CSIDB undertakes monitoring, follow up, and evaluation of the training programme through respective district/branch offices. The district offices of CSIDB are required to

maintain detailed information of trainees and to provide post-training support services as requested by them.

The district office has to undertake post training follow-up and submit periodical reports – the first, within 15 days from the date of completion of the training programme; the second, within the next three months; the third, by the year end; and the last one towards the end of the second year.

Among the sample of 42 trainees surveyed by the study, 79 per cent found EDP useful or very useful, whereas 19 per cent considered it good and the remaining two per cent were indifferent. Around two-thirds of the trainees believed that the training provided knowledge in the general, specific, or overall business context and even motivated them to some extent, to set up a business. Table 3.5 presents the overall assessment of their learning motivation and experience of the programme.

Table: 3.5: Learning Motivation & Experience (LME)	
LME Points	%
Business know-how	32.2
Basic understanding	28.6
Motivated to set up a business	17.9
Business selection / operations	7.1
Government / bank procedures	7.1
Entrepreneurship qualities	3.5
Bookkeeping / accounts	3.5
Source: Field Survey	

Over 60 per cent of the trainees stated that the training imparted gave them business know-how or basic understanding of various aspects of business enterprise. About 18 per cent said that it motivated them to set up a business. Others who appreciated EDP referred to business selection and administrative and procedural matters including bank loan procedures, bookkeeping, and accounts, as the most important knowledge gained through training.

A follow-up workshop organized by the Pokhara branch office of the IEDI for trainees to one of the NBC training courses made a number of important conclusions. According to this workshop report, five of the sixteen trainees from that batch set up their own businesses, five were in the process, and the remaining six had no definite plans. The trainees who set up a business within one year of participation in the NBC training reported having faced various problems and constraints in implementing their business plans (IEDI/PB 1996). The problems were mainly concerning aspects given below.

- Securing loans from banks
- Inadequate capital
- Getting technical information
- Marketing products
- Selecting proper locations

The trainees who set up their own businesses after training were in businesses such as fancy cloth shops, groceries, art paintings, newspapers, and stationery shops. Participants initial business plans focussed mainly on retail trading and in a few cases on such industrial enterprises as steel furniture, spice production, bricks, concrete blocks, wooden furniture, surgical bandages, and so on. Among the trainees still in the process of setting up a business the most commonly reported problems are:

- lack of collateral for securing bank loans,
- difficulty in getting skilled manpower,
- difficulty in project identification and selection, and
- family problems.

The following needs in terms of support were identified by the participants during the follow-up workshop. They belived them to be crucial for creating and promoting business enterprises.

- Provision of effective technical consultancy to meet small business requirements
- Organization of coordination workshops for support from line agencies
- Arrangements refreshers courses every two to three years
- Arrangements for marketing and accountancy training for existing entrepreneurs
- Assistance in project identifications/selection/preparation, market and selecting location

Link-up with Inputs and Support Services

Development of enterprises in the CSI sector calls for a package programme consisting of different inputs and support services. Training is one of the important components of such a programme. But there are other equally important factors that are crucial for facilitating the positive impact of training for enterprise development. Provision of support services such as technical consultancy, finance, and marketing information and technology, are important among these factors. Survey of EDP trainees over the last two to three years shows the relative importance of different aspects which, if included in the training, could make it more useful and effective. These aspects are presented in the order of frequency of responses in Table 3.6.

Table 3.6: Factors Influencing EDP Effectiveness	
Factors	%
Provision for loans/credit	23.5
Imparting technical/trade skills	15.7
Practically oriented programme design	13.7
Extension of programme duration	11.8
Observation/field visits	9.8
Product marketing support	7.8
Provision of technical support services	5.9
Proper selection/homogeneous group	3.9
Others	7.8
Source: Field Survey	

The aspects mentioned relate to pre-training, in-training, and post-training phases. Factors such as loan/credit provision, product marketing, and technical assistance are related to post-training services and considered important for supporting the setting and functioning of enterprises. Other factors are related mainly to the programme design and training management. The two-week programme on entrepreneurship development has greatly helped to create entrepreneurship awareness among rural entrepreneurs, but some trainees who participated in this training have also felt the need to extend the duration of the programme. The practical orientation of the programme and imparting specific skills and combination with the provision of credit emerge as important aspects in which respondents would like to see the training programmes strengthened.

Most trainees feel the importance of concessional loan and credit assistance. Although it is difficult to substantiate at this stage whether the credit-linked training programme has done better than one without the facility of credit, trainees who made use of such credit are found to have set up their own businesses. Apart from normal credit or loan financing from commercial banks, there are special financing schemes available from different institutions – including those providing EDP training. For example, a complementary credit programme (CCP) of the IEDI/SBPP has maintained a revolving fund for credit (of up to Rs 200,000) to new and existing entrepreneurs. This revolving fund, administered by the Agricultural Development Bank of Nepal (ADB/N), requires collateral from the entrepreneur. The CSIDB also provides credit facilities of up to Rs 5,000 for purchases of machinery and equipment without any collateral and for amounts exceeding Rs 5,000 with collateral through the banks. However, it is reported that such credit facilities are available only to those trained under the skill development training programme. Similarly, women entrepreneurs can get credit assistance of up to a fixed limit for micro-enterprises' establishment through the micro-credit assistance project or affiliated NGOs. The trainees consider procedural simplification, concessional terms of interest, and relaxation of important measures to improve access to loan and credit assistance for micro and small enterprises to be important.

Enterprises in the CSI sector need technical support to maintain and improve their business performance. Some measure of project-specific technical skills in EDPs and post-training technical support in areas such as product design and quality improvement, production process improvement, material inputs' composition, material handling, and wastage reduction are considered necessary. Another important post-training support mechanism needed by micro and small enterprises is related to marketing. This is mainly related to information dissemination, product exhibitions at important market centres, and support for participation in trade or industry fairs and exhibition.

Chapter 4

Field Survey on the Effectiveness of Programmes

This chapter presents the post-training status of trainees, particularly in regard to setting up enterprises. It is based on secondary information obtained from the IEDI about the persons trained under the NBC and field surveys carried out by the IEDI and CSIDB in Kaski and Tanahu districts respectively.

Aggregate Placement Status

The IEDI had trained 1,062 people as of August 1995 under the regular NBC training programme. There was a follow-up evaluation of these trainees. It revealed that 399 out of 901 trainees covered in the evaluation, had set up their own businesses (44.3%).

Table 4.1: NBC Trainees by Status of Business

Trainees	Status of Business							
	Set up		In-Process		Pending		Total	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%
Male	335	47.2	292	41.2	82	11.6	709	100
Female	64	33.3	75	39.1	53	27.6	192	100
Total	399	44.3	367	40.7	135	15.0	901	100

Source: IEDI/PB 1996

Another 40.7 per cent of these trainees were in the process of setting up businesses and the cases of 15.0 per cent were pending. The placement ratio in terms of having started a business was higher for males, at 47.2 per cent, than for females, at 33.3 per cent. The types of business started by the trainees and total employment are given in Table 4.2.

Of the 399 trainees who had set up their businesses, about 54 per cent are in manufacturing, 29 per cent in services, and 17 per cent in commerce. The proportion of women trainees in services was relatively more than that of men. The total employment of the business enterprises promoted by ex-NBC trainees has been estimated to be 2,618 persons, yielding on an average 5.6 persons per establishment set up by the trainees.

Table 4.2: Employment in Units Started by Trainees						
Trainees by Gender		Male		Female		Total
Business Established		Nos.	%	Nos.	%	Nos. %
I. Total Units		335	100.0	64	100.0	399 100.0
Manufacturing		180	53.7	35	54.7	215 53.9
Services		97	29.0	25	39.0	122 30.6
Commerce		58	17.3	4	6.3	62 15.5
II. Employment (Nos.)		2140		478		2618
Source: IEDI/PB 1996						

No follow-up or evaluation study has been made of the placement status of the CSIDB trainees. However, the information available for the year 1994/95 shows an aggregate placement record of about 28 per cent on average (about 34% among male and 24% among female trainees).

Placement Status: Survey Districts

The placement status of trainees trained by the IEDI and CSIDB in Kaski and Tanahu districts is presented in Table 4.3.

Table 4.3: Placement Status of EDP Trainees			
EDP trainees	Kaski	Tanahu	Total
Number of trainees	44	79	123
Trainees having achieved placement (Nos)	15	25	40
Placement ratio (%)	34.1	31.7	32.5
Source: Field Survey			

The survey of EDP trainees shows an overall placement ratio of 32.5 per cent for trainees in Kaski and Tanahu districts. Placement was better in Kaski district than in Tanahu, though it is lower than the aggregate figure for the IEDI; while the placement of trainees in Tanahu district is higher than the aggregate figure for the CSIDB.

Table 4.4 shows the placement rates of EDP trainees in relation to their socioeconomic characteristics for all the 123 trainees in Tanahu and Kaski districts for district-wise details, see Annexes 8 and 9). Post-training placement was higher for male trainees than for female trainees. The overall placement ratio for male and female trainees in two districts has been estimated at 37.0 and 29.9 per cent respectively. The placement situation for Kaski district shows a ratio of 42.1 per cent among males and 28.0 per cent among females, while for Tanahu district it is 33.3 per cent among males and 30.8 per cent among females. There may be many reasons behind the relatively low post-training placement of female trainees. Some pertinent reasons are that a large proportion of females is in the younger age group and they are unmarried; some of them participate in training as a free time activity; they lack family support to venture into business; and, most importantly, they lack control and ownership of property to provide collateral for securing loans.

Table 4.4: Trainees Characteristics and Placement Status

Trainee Characteristics	Number of trainees		Placement ratio (%)
	Trained (123)	Placement (40)	
a. Sex			
Male	46	17	37.0
Female	77	23	29.9
b. Age group (yrs)			
16 – 20	23	7	30.4
20 – 30	80	25	31.3
30 +	20	8	40.0
c. Educational status			
Below SLC level	64	22	34.4
SLC & higher level	59	18	30.5
d. Marital status			
Married	80	27	33.8
Unmarried	43	13	30.2
e. Family occupation (Kaski)			
Agriculture	27	8	29.6
Trade / industry	12	6	50.0
Service	5	1	20.0
f. Trade skills (Tanahu)			
Had skill / training	31	15	48.4
Had no skill / training	48	10	20.8

Source: Field Survey

Relatively older (aged 30 years and above) trainees had a higher placement ratio (40%) than the younger ones. Placement ratio for those in the age group of from 20-30 years was 31 per cent and for those in the younger age group of from 16-20 it was 30 per cent.

By educational background, the majority of trainees (55%) were simply literate or had formal education below SLC level and the rest (45%) had SLCs and a higher level of education. Post-training placement was relatively higher (34.4%) among trainees who were either simply literate or had formal education below SLC level than the placement ratio (30.5%) for trainees who had SLC and above.

However, the placement situation varied between two districts. In Kaski district, the placement ratio was 36.4 per cent for trainees with SLC and higher levels of education and 27.3 per cent for trainees who were simply literate or had formal education below SLC level; whereas in Tanahu district the placement ratio was 23.0 and 35.8 per cent for trainees in respective educational levels. This difference in placement status can be partly explained as a result of the training modules adopted by different institutions in terms of their target groups and selection criteria, duration and course content, and business and trade skills of the trainees.

Of the total trainees 67.5 per cent were married and the remaining 32.5 per cent unmarried. The placement ratio was slightly higher among trainees who were married (33.8%) than among those who were unmarried (30.2%).

By family occupation, 61.4 per cent of the trainees in Kaski district were from agriculture, 27.3 per cent were from trade/industry/business, and 11.3 per cent were from services. The placement ratio was as high as 50 per cent for trainees who had trade/industry/business as a family occupation, followed by those from agricultural families (29.6%) and services (20.0%).

Information about business/trade skills of the trainees in Tanahu district shows that 60 per cent of the placement trainees had had some exposure and orientation in one or the other kind of business activity/trade skills before participation in EDP training. The placement ratio was as high as 48.4 per cent among trainees having some exposure to business/trade skills compared to 20.8 per cent among trainees who did not have such exposure.

Types of New Business

The entrepreneurs who participated in EDP started different types of businesses, but a majority of the trainees had pursued micro- and small industries, followed by trade and service (Table 4.5).

The 22 trainees who were involved in industrial business, were in textile weaving (including *dhaka* weaving), yarn spinning, carpet, hosiery and sweater knitting, handicrafts, and food products as *dalmoth* (savory snacks), bakery, biscuits, confectionery, and pickle making. Those in trade and service were engaged in various kinds of retail trade such as groceries, stationery, hardware shops, and service businesses (15%) such hotels and restaurants, secretarial services, beauty parlours, and so on.

Table 4.5: Types of Business Started by EDP Trainees

Sector	Nos.	%	Major Types
Industry	22	55.0	Agro/food, textile, handicrafts
Trade	12	30.0	Different retail shops
Service	6	15.0	Restaurant, secretarial services
Total	40	100.0	-
Source: Sample Survey			

Chapter 5

Women Trainees in EDPS

Introduction

Women constitute a little over half of Nepal's population. Therefore increased participation of women in different economic sectors would provide a significant contribution to the nation's economy. Women are lagging behind their male counterparts in almost every social or economic indicator and the government, on its part, needs to accord priority attention to their development. About 45 per cent of the female population (aged 10 and above) are economically active, the corresponding figure is 68 per cent for men (Census 1991). The growth in the female labour force exceeded that of males in the latest intercensal period, but their participation needs to be increased in different, more productive economic activities for greater benefits (income and employment). Table 5.1 presents the percentage distribution of the economically active male and female population by employment status.

Of the working women, the self-employed constitute 82 per cent and the wage-earners are only 12 per cent. Unpaid family workers represent 4.5 per cent. Another 0.5 per cent of working women have 'employer' status.

Women's participation in the informal sector has increased significantly in both urban and rural areas. Some of the most common employment ventures are vending, petty trade, vegetable selling, and such traditional micro-enterprises as woollen products, tailoring and garments, and *dhaka* weaving. The migration of women in search of

Table 5.1: Employment Status by Sex

Status	Male (%)	Female (%)	Total (%)	Female as a % of Total
Employer	1.0	0.5	0.8	27.5
Employee	27.3	11.8	21.0	22.5
Self-employed	68.6	81.8	73.9	44.5
Unpaid family work	1.9	4.5	2.9	61.8
Not stated	1.3	1.3	1.3	39.9
Total	100.0	100.0	100.0	40.2

Source: Population Census 1991, CBS

better jobs or wage employment from rural to urban areas has also been observed to be increasing in recent years. More women are migrating to urban areas to work in cottage industries such as carpet weaving, textiles, and handicrafts.

Entrepreneurship development in the hill and mountain areas is crucial to bring socio-economic transformation of the rural community at large. Women's involvement in small business enterprises has been a long tradition in certain ethnic communities—especially *Newar(s)*, *Sherpa(s)*, *Gurung(s)*, and *Thakali(s)* of Nepal. The importance of women's entrepreneurship lies in that it is believed that it empowers women and helps them to take part in the country's economic development process (Tuladhar 1996).

Characteristics of Women Trainees and Post-Training Placement

Institutions such as WEAN and WDD organize EDP training exclusively for women. The IEDI and CSIDB usually have a mixed group of trainees, but some programmes are planned for women only. The IEDI has conducted sponsored training programme on entrepreneurship development for women entrepreneurs, for example, for the Micro-Credit Project for Women (MCPW). The FNCSI also introduced a two-week training programme on entrepreneurship development in 1995. Initially, it had organized two entrepreneurship development training programmes—one in Kathmandu and the other in Biratnagar—specifically for women entrepreneurs, sponsored by Friedrich Neumann Foundation (FNF), Germany.

As mentioned earlier, the study of 123 trainees, of which 77 were female and 46 male, trained in entrepreneurship development in Kaski and Tanahu districts over the past two to three years included information on socioeconomic characteristics of the trainees. Table 5.2 presents the salient characteristics of the 77 women trainees covered in the study.

The largest number of women trainees, i.e., 46.8 per cent belonged to *Brahmin/Chhetri* ethnic group, followed by 19.5 per cent from the *Newar* community and remaining 33.7 per cent from other groups, mainly from *Gurung*, *Magar*, and *Thakali* communities. Ethnic composition of trainees varies depending on training location and socioeconomic situation of the areas.

The majority of the women trainees (61%) had not completed School Leaving Certificate (SLC) or 10th grade, but none were illiterate. The reason being that these pro-

Table 5.2: Characteristics of Women Trainees

Average age	25.2 yrs
Age group (20 - 30) yrs	62.3 %
Married	60.8 %
Education: below SLC	61.0 %
Placement ratio	29.8 %
Family occupation: agriculture	56.0 %
Skills before EDP	46.2 %
Source: Field Survey	

grammes stipulate no educational qualifications for eligibility but insist that the applicant must be literate. Fifty-six per cent of trainees were from families with agriculture as the main occupation. Quite a number of EDP trainees of CSIDB had prior knowledge and skills in trade. Some common trade skills were knitting, sewing, and weaving. About 30 per cent of the women trainees had set up their own businesses after attending training on entrepreneurship development.

A study (Ranabhat 1995) on women entrepreneurs has indicated that the main motivation for entrepreneurship is to become financially independent. Other reasons are to support family members, widen income options, and gain social prestige. The study identifies lack of capital for investment and lack of family support as some of the main reasons for not being able to set up business. Women entrepreneurs in hill areas have been involved in micro-enterprises that require small capital investments. It has been seen elsewhere that the smaller the size of businesses promoted by a development project, the larger the proportion of women business owners. This is also true of women entrepreneurs in Nepal.

Problems of Women Entrepreneurs

The problems associated with micro- and small business enterprises in rural areas are common in nature. The issues of micro- and small-enterprise development that have been discussed earlier are equally relevant for women entrepreneurs as well. Entrepreneurial qualities, supportive social values and culture, and available economic opportunities are considered to be the essential sources for entrepreneurs. The main problems and constraints for women entrepreneurs, based on the findings of field surveys carried out in Kaski and Tanahu districts and earlier studies on women entrepreneurs (Ranabhat 1995), are as given below.

- Women entrepreneurs are more concerned about the high quality of work and efficiency, but are found to be weaker in self-confidence, persuasion, and assertiveness than their male counterparts. Lack of confidence on the part of their families and negative social perceptions about women have had a disabling impact on building-up women's confidence.
- Women's primary role is traditionally perceived as and expected to be in the house as a housewife or mother. They are expected to perform a range of household activities demanding much of their time, e.g., cooking, cleaning, child rearing, etc. This limits the scope for women to take up other responsibilities and become involved in activities outside the household. Conflicts about balancing time between different roles are found to be a serious problem for many women aspiring to be entrepreneurs.
- Women are thought to be weak, passive, obedient, or submissive. Furthermore, the dominant religious beliefs and traditions do not favour women being involved

in outside activities. In business, women have to deal with many people, and sometimes they have to travel away from their homes. Such activities by women are not well accepted by the society, and this attitude is serious problem for women entrepreneurs.

- Another problem associated with social values, culture, and practice is the low value given to women's work. In rural areas, the women work for longer periods than men. But their activities are not appreciated and valued as work. The prevailing social values, culture, and perceptions are restraining the growth of women entrepreneurs in the society.
- Women rank low in the educational profile – the women's literacy rate is only 25 per cent compared to a literacy rate of 54 per cent for men. Even in urban areas nearly half of the women cannot read and write. Nearly one-third of the women have never been to school, while more than two-fifths have had no formal education beyond primary level. Lack of education and training for women have been a deterrents to successful entrepreneurship.
- One of the main constraints faced by women is the lack of financial support in business creation and operations. In most cases, women do not own assets that can be given as collateral, and the family hesitates to mortgage collateral to the banks for loans for enterprises owned by women, even when women share ownership. Even bankers show reluctance or have low confidence in financing the micro-enterprises run by women entrepreneurs.

Women entrepreneurs have thus faced difficulties such as low mobility, lack of business exposure, management shortcomings, and lack of adequate support from the family. These constraints, in addition to many of the problems relating to entrepreneurship or enterprise development discussed earlier, have inhibited the development of entrepreneurship among women.

Chapter 6

Summary and Conclusions

Summary

The IEDI and CSIDB are two leading institutions which provide training on entrepreneurship development. The DCSI is also planning to get into the field of entrepreneurship development. The method of entrepreneurship development–New Business Creation (NBC)–which was developed by the SBPP of IEDI, also known by the GTZ project name of CEFE (creation of entrepreneurs/formation of enterprises), has been a model programme for many organizations in Nepal. The five-week training programme on entrepreneurship development provided by the IEDI focusses on urban or semi-urban areas, while the two-week programme provided by the CSIDB concentrates on developed pockets in rural areas. Entrepreneurship development is the key area of the IEDI's activities, and its training is relatively better organized and systematic in planning, designing, and service delivery. This is mainly due to the continued support to SBPP from GTZ. In addition, it has relatively better exposed and experienced trainers. Its principal challenge is to be self-sustaining after GTZ withdraws support. Another challenge is to design cost-effective programmes to service potential entrepreneurs in rural areas.

All three organizations, the IEDI, CSIDB, and DCSI are under the same ministry, the Ministry of Industries (MOI), the latter two are involved in both industrial administration and promotion of cottage and small industries. Both provide industrial promotion and extension services, skill development training, and industrial facilitation through their network of district offices in the country. Organizations such as WEAN, WDD, and FNCSI provide entrepreneurship development training as part of their activities, and this training is based entirely on financial support or sponsorship from different bilateral/multilateral agencies and I/NGOs. All these organizations together provide training on entrepreneurship development to about 1,500 persons annually.

The entrepreneurship development programmes run by different institutions have different durations–the shortest is of one week and the longest of five weeks. The course contents of these programmes vary but are mostly found to contain the modules and subject matter developed or adjusted within the framework of the NBC course of the IEDI or the EDP course of the CSIDB. Institutions such as WEAN and WDD organize training exclusively for women entrepreneurs. The IEDI and CSIDB usually have a

mixed group of trainees except in those planned for women only. The IEDI usually launches sponsored training programmes for women entrepreneurs. The FNCSI has also initiated a two-week training programme on entrepreneurship development for women.

The survey of EDP trainees shows that the average age of the trainees is 25.5 years (male: 26.0 years, female: 25.2 years). Around two-thirds of the trainees belong from 20-30 years. Female trainees usually make up 20 to 30 per cent in the general batch of EDP trainees. About three-fourths of the trainees have had mid-level formal education (Secondary, SLC, or Intermediate). Only about six per cent were graduates, nine per cent had primary to lower secondary education, and 11 per cent were merely literate. The educational status, however, varied by gender and by institutions as well. Among the CSIDB trainees in Tanahu, about 51 per cent had primary to secondary school education, 29 per cent had SLCs, and four per cent were intermediates and graduates. The remaining 16 per cent of the trainees were simply literate without any formal education. In the case of the IEDI trainees in Kaski district, about 25 per cent had lower to secondary school education, 36 per cent had completed SLC, and 39 per cent had intermediate level or were graduates. The family structure and socioeconomic background of the trainees varied by location, but, by and large, reflected the overall occupational pattern of the household in the area. For instance, over 60 per cent of the trainees in Kaski district were from families for which agriculture was the main occupation, 27.3 per cent had trade/industry, and 11.4 per cent as services as their family occupation.

The trainees were of the opinion that EDP was successful in imparting business insights and management know-how and encouragement for new business creation. In regard to factors that could make the training more useful and effective, the respondents suggested the inclusion of provisions for loans/credit, technical/trade skills, practical programme design, more field visits/observation, product marketing support, technical services, and purposive selection of trainees. The CSIDB programme on entrepreneurship development has, to some extent, contributed to creating general awareness about rural entrepreneurship and rural industry promotion. Some of the trainees thought that the programme duration was short and needed to be extended.

Although it is not clear whether a credit-linked training programme is more successful, there are several trainees who have made use of such credit to set up their enterprises. Apart from normal credit from commercial banks, there are special financing schemes available from different institutions. Although the technical aspect of the business plan is dealt in the training programme, post-training technical services are lacking in such areas as product design and quality improvement, production process improvement, composition of material inputs, material handling, and wastage reduction. Marketing is another area in which the micro- and small enterprises need support. These include information dissemination, industry-product exhibitions at important market centres, and CSI participation in trade/industry fairs and exhibitions.

The effectiveness of EDP was measured in terms of post-training placement of the trainees. The overall success rate of training programmes, in this respect, has averaged around 35 per cent. NBC trainees had better results, at about 44 per cent than, say, the CSIDB trainees at 28 per cent. The field survey in Kaski and Tanahu districts had a placement ratio of 32.5 per cent for EDP trainees. Placement was better among male trainees. Gender-specific placement status indicated a placement ratio of 37.0 per cent for male and 29.9 per cent for female trainees. Among the reasons behind low placement of female trainees was the fact female trainees were mostly the age-group between 10-25 years and were unmarried. But the most important reasons lie in the lack of family support and lack of collateral for securing loans.

Women's entrepreneurship in Nepal is a relatively new phenomenon, although women of certain ethnic communities have a long tradition of being involved in small business enterprises. Women's participation in the informal sector has increased significantly in both urban and rural areas. Some more common employment ventures are vending, petty trade, vegetable selling, and such traditional micro-enterprises as woollen products, tailoring and garments, and *dhaka* weaving. Many women entrepreneurs consider financial independence as their main motivation for creating and operating businesses. Other reasons include supporting their families, having no other options, and social prestige. Lack of capital for investment, and lack of family support are the main reasons for not setting up businesses among potential women entrepreneurs. The problems related to micro- and small enterprises in rural areas are mostly common in nature and are equally relevant for women entrepreneurs as well. The gender-specific problems for women entrepreneurs are more concerned with prevailing social values, culture, practices, and perceptions about the role and value of the work performed by women. However, a change in traditional perceptions and outlook is taking place. Women's entrepreneurship is now understood as a means of empowering them to contribute to the country's economic development process.

Conclusion

The institutions involved in entrepreneurship and skill development training in the CSI sector have one common objective, i.e., to promote micro and small enterprises in order to raise productive employment in the country. Despite over one-and-a-half decades of experience, awareness about entrepreneurship development in rural and mountain areas is still very limited. The EDP is often run as a routine activity to meet a set target of numbers to be trained without due regard to improving effectiveness through necessary changes in programme contents and methods and post-training support. There is no proper assessment of locational factors, such as resource potential, skills, markets, prerequisite infrastructure, local agencies and NGOs, and support institutions such as banks, while planning EDP training programmes.

Rural people have little awareness of entrepreneurship development training. There should be a coordinated effort from existing institutions to create awareness in rural areas through their network of district / branch offices and through involving all dis-

strict-level line agencies, VDCs or DDCs, local NGOs, banks, and others. This can take place through regular visits, personal contacts, bill boards, group meetings, and local workshops as pre-training promotional activities. It would help generate interest and reach potential entrepreneurs at large.

There has to be proper planning and design of EDP based on location or area specific assessment. It should look into all such aspects as the prevailing socioeconomic situation, resource potential, physical infrastructure and its condition, existing institutions and local NGO support, skill availability and potential, market centres, and the existing and potential economic opportunities. The existing practice of selecting locations for the sake of meeting a desired target in terms of numbers of trainees, irrespective of whether they constitute the potential entrepreneurs, could undermine the very purpose of EDP.

The training programmes need to be specifically oriented and tailored to suit the needs of different target groups of trainees. The present entrepreneurship development programme are of a general nature and mainly oriented to urban or semi-urban based potential entrepreneurs. The institutions should make their training programmes more cost-effective and collectively make use of the existing network in extending EDP into rural areas.

The organizations have serious resource constraints in terms of organizing training activities effectively. With some exceptions, they have no adequate training facilities and equipment and mostly depend on hired training halls and training equipment. Programmes are also adversely affected mainly because of insufficient training budget, inadequate facilities for trainers, and lack of training for trainers to upgrade skills in specialised areas.

Post training follow-up and evaluation are often looked upon as mere formalities. In many cases, no detailed records of trainees are maintained. The support needs, as identified in the follow-up and evaluation process are not properly addressed. There should be proper follow-up and evaluation of trainees and institutional mechanisms to provide post-training support as per the requirements of the trainees. Results of the follow-up and evaluation should also be used to modify and improve contents and delivery of the training with a view to making them more relevant and effective.

Development of micro- and small enterprises in the CSI sector requires a packaged programme with different inputs and support services. EDP training is one component of the programme package. There are other components equally important in terms of effective contributions to entrepreneurship and enterprise development. These include, dissemination of technical information, financing, marketing, and technology. Our survey shows that EDP trainees have often lacked inputs and support to facilitate their use of entrepreneurial skills. In order to improve the placement status of EDP trainees, it is important to plan entrepreneurship development according to the identified needs of the entrepreneurs.

The inputs and support needed in order of relative importance are as given below.

- Loan and credit assistance
- Technical consultancy and extension services
- General or advanced skill training for rural artisans/rural entrepreneurs
- Refresher courses for ex-EDP trainees
- Post-training follow-up and guidance
- Product marketing and institutional support
- Knowledge of local business opportunities and alternatives
- Facilitating CSIs through better institutional coordination
- Observation or orientation visits during in-training or post-training periods
- Marketing and salesmanship skills for CSIs
- Guidance and counselling

The basic approach to developing rural entrepreneurs should be directed at: i) identifying and carefully selecting those who could be trained to become entrepreneurs; ii) developing their entrepreneurial capabilities; iii) ensuring that such potential entrepreneurs have a viable project; iv) equipping them with basic managerial understanding; v) imparting adequate technical skills; and vi) helping them secure necessary financial, infrastructural, and related assistance so that their venture materialises in time.

Rural EDP training should be developed keeping in mind the socioeconomic conditions and sociocultural characteristics of the people – their values, attitudes and belief, hopes and aspiration, fears and apprehensions, and so on as well as local resources. The problems of and constraints to rural entrepreneurship and micro-enterprises should be addressed through a strong support system, though inputs of the support system may vary by location and by various stages of entrepreneurial development. For example, one of the post-training support needs for micro-enterprises is for easy access to credit assistance. The trainees expect more in terms of procedural simplification, affordable interest rates, and flexibility with regard to collateral security. These can be addressed through policy measures that could help provide credit up to a fixed limit without any collateral or against some form of guarantee from respective Village Development Committees (VDCs) and for amounts exceeding the said limit from existing priority credit schemes of commercial banks. In addition, the respective VDCs in mountain areas should be encouraged to mobilise part of their resources to give training in entrepreneurial, managerial, and trade-related skills. The government, through an existing network of training organizations, should provide funds to VDCs in equal contributions for training programmes on entrepreneurship development in the CSI sector. The EDP training organizations should support them by providing trainers/instructors and training materials.

Special training programmes for potential entrepreneurs in mountain areas need to be developed with contents focussing on their specific problems. It is important to identify the existing or new product lines and the problems faced or likely to be faced by such enterprises in these areas. The types and nature of the problems may vary

according to product lines. For instance, the need for marketing inputs may not be great for micro-enterprises such as broom-making in locations where marketing channels already exist. If some products or services (*dhaka* weaving, metal products, tourist services) produced by micro-enterprises in certain locations have problems relating to product design and quality, the support required would be in the form of technical inputs. There is a need for special training programmes for groups engaged in or likely to take up enterprises in the same product line and for greater exposure to marketing by taking trainees/enterprises to different markets to show them marketing arrangements. Product or area-specific design and contents of the EDP to meet the needs of potential entrepreneurs are likely to be more effective than general EDPs, especially in the case of remote and backward mountain areas, and in the case of women entrepreneurs.

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Annexes

A Survey of the Training Programme for Development of Micro-enterprises in the Cottage and Small Industries' Sector in Nepal

(Entrepreneurship Development Programme and Skill Development Programme)

1. Name of the Organization _____

2. What type of training programmes are conducted by your organization? Please specify the course titles as well.

- a) Entrepreneurship Development Programme (EDP) _____ ()
 b) Skill Development Programme (SDP) _____ ()
 c) Others if any _____

3. What are the durations of training courses conducted by your organization? (Please specify the course duration by type of training programme.)

- EDP _____ SDP _____ Others _____

4. What is the average number of trainers (or participants) by type of training programme? (Please indicate the variation in size, if any by duration of training)

- EDP _____ SDP _____ Others _____

5. What are your usual criteria for selecting participants for a training programme? (Please indicate if there is any difference in selection criteria for trainees sessions of shorter - longer duration.)

- EDP _____ SDP _____ Others _____

A Survey of the Training Programme for Development of Micro-enterprises in the Cottage and Small Industries' Sector in Nepal

(Entrepreneurship Development Programme and Skill Development Programme)

1. Name of the Organization _____

2. What type of training programmes are conducted by your organization? Please specify the course titles as well.
 - a) Entrepreneurship Development Programme (EDP) ()
 - b) Skill Development Programme (SDP) ()
 - c) Others if any _____
3. What are the durations of training courses conducted by your organization? (Please specify the course duration by type of training programme.)

<u>EDP</u>	<u>SDP</u>	<u>Others</u>
_____	_____	_____
4. What is the average number of trainees (of participants) by type of training programme ? (Please indicate the variation in numbers if any by duration of training).

<u>EDP</u>	<u>SDP</u>	<u>Others</u>
_____	_____	_____
5. What are your usual criteria for selecting participants for a training programme ? (Please indicate if there is any difference in selection criteria for trainings sessions of shorter or longer duration).

<u>EDP</u>	<u>SDP</u>	<u>Others</u>
_____	_____	_____

6. Please indicate why the above criteria have been set for those training programmes? Do you follow these criteria strictly or otherwise what flexibility do you have in selecting participants?

EDP

SDP

Others

7. Please indicate the districts/areas where you have been providing training services. Also indicate if there are any future plans for coverage in the next five years.

EDP

SDP

Others

8. What are the basic criteria for planning specific training programmes in different districts/areas? (e.g., raw material availability, skill availability, market availability, etc).

9. How do you develop the contents of a training programmes? (Please mention the process followed by your organization).

10. Please briefly mention the contents of the EDP training courses being conducted by your organization (or provide a copy of the course contents.)

11. What training manuals have been prepared by your organization? (Please specify, if any, the name of training manuals developed by your organization.)

12. Please indicate what training manuals developed by others have you used in your training programmes? (Please specify the names of training manuals.)

13. What types of training courses in EDP and SDP have your organization conducted in the past three years? (Please specify the names of training courses by types and by duration, number of participants/trainees by sex, the districts/areas where the training was conducted.)

(a) Types of training, number of trainees, and district/area coverage

Name of training			No. of trainees						Districts / Areas		
			2050/51			2051/52			2052/53		
			M	F	T	M	F	T	M	F	T
_____			_____	_____	_____	_____	_____	_____	_____	_____	_____
_____			_____	_____	_____	_____	_____	_____	_____	_____	_____

(b) Types of training by districts / area

Name of districts				No. of trainees								
				2050/51			2051/52			2052/53		
				EDP	SDP	Others	EDP	SDP	Others	EDP	SDP	Others
_____				_____	_____	_____	_____	_____	_____	_____	_____	_____
_____				_____	_____	_____	_____	_____	_____	_____	_____	_____

- 14 How do you select the trainers for the programme? (Please explain the criteria for and the process for selecting trainers)

EDP

SDP

Others

15. Please indicate facilities or incentives provided, if any, for trainees or trainers?

EDP

SDP

Others

Trainees

Trainees

16. What are the sources of funding for this training programme?

Percent

- ☐ Training fee from participants
- ☐ Fund allocation by the government
- ☐ Training costs borne by client institutions
- ☐ Financial assistance through institutional collaborations
- ☐ Others (specify if any)

17 (a) Have training programmes been launched in collaboration with different institutions or agencies over the past five years or are you planning to collaborate with any in the coming years. (Please specify the institutions or agencies and terms of collaborations.)

17 (b) Do you have programme to provide any other inputs/services to trainees to facilitate their placement/set-up or expansion of their businesses. (e.g., credit, marketing, equipment / tools, etc)

18 (a) What post training follow-up, monitoring or evaluation processes are being followed by your organization? How do you evaluate your training activities in terms of the placement record of your trainees?

EDP

SDP

- i. Extra income generation
- ii. Self employment
- iii. Wage employment
- iv. Expansion or diversification of business
- v. Unemployed
- vi. Not known

18 (b) Do you have results of the follow-up, monitoring, and evaluation of the last three programmes in terms of (i) to (vi) above.

19. What key constraints or difficulties are being faced by your organization in carrying out the training functions?

20. What are your suggestions for making the training programme more effective in relation to achieving a high placement record for trainees?

21. Please describe your peak experience from any of the EDP or SDP training programmes considered best in terms of delivery of the training course or high placement records of the trainees (indicate training course title, trainees' backgrounds, and districts/areas where they were conducted). What factors/skills have contributed to it being the best training programme?

22. Who is responsible for overall training functions and EDP in particular? (Please give the names of resource persons on the EDP training course in your organization)

Family Size	Male	Female	Total
Training in-charge :	<input type="checkbox"/> Farming	<input type="checkbox"/> Service	<input type="checkbox"/> Business
EDP training in-charge :	<input type="checkbox"/> Manual labour	<input type="checkbox"/> Others (specify)	
EDP resource persons :			

Your Occupations: _____ Nature of business (specify): _____

Educational Level: ☐ Literate ☐ Primary ☐ Lower Secondary
☐ Secondary ☐ SLC ☐ Intermediates
☐ Graduate ☐ Others (specify): _____

23. When and where did you take your EDP training?

Name of Institution: _____

Location of Training: _____

Duration (days): _____ Which Year? _____

A Survey of the Training Programme for Development of Micro-Enterprises in the Cottage and Small Industries' Sector in Nepal

- Name of Institution : _____

Location of Training: _____

Duration (days) : _____ Which Year ? _____

11. What kind of business activity and what skills did you have before taking the EDP course?

12. How useful was the training course in terms of business creation or business promotion?

13. What could have made the training more useful or effective?
(issues related to trainers, training materials, post training support such as skill training, credit, marketing)

14. What was your employment status before and after the EDP training?

Employment Status	Before	After
Employer	()	()
Self-employment	()	()
Wage-employment	()	()
Unemployed	()	()
Others (specify)	()	()

15. If you were an employer or self-employed with a small business before, what was the type of business and what did you do after the EDP training?

(a) Types of Business	Before	After
-----------------------	--------	-------

- Total capital investment
- Fixed assets
- Working capital
- Bank loan
- Product
- Sales' turnover
- Employment

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(b) Initiated actions to improve business

- Marketing
- Securing credit
- New M/C addition
- Product quality improvement
- New products
- Other (specify)

16. Based on your experience as one of the trainees in the EDP course, what other inputs/ support besides EDP training are required to establish micro-enterprises (e.g., loans, markets, transport, further skill training, family support)?

What needed?	No. of existing micro	No. of new micro	Percentage
General Mgmt	10	210	97.7%
STI - Mkt	10	130	92.3%
STI - Tech	9	107	91.1%
General Mgmt	51	305	85.3%
Marketing Mgmt	10	107	91.1%
Financial Mgmt	4	29	87.5%
Business Mgmt	3	41	93.3%
IT	3	29	92.3%
Legal	1	9	88.9%
Production Mgmt	2	34	94.4%
Salesmanship	11	208	95.3%

Annex 3

Training Details: IEDI/SBPP

(As of February 15, 1996)

Name of training	No. of training causes	No. of trainees	Percentage
Regular NBC	60	1157	21.78
STI – NBC	82	1302	24.51
NBC – TOT	16	291	5.48
SBC – TOT	9	107	2.01
Account	48	861	16.21
General Mgnt.	51	875	16.47
Marketing Mgnt.	15	289	5.44
Financial Mgnt.	4	79	1.49
Business Mgnt.	3	41	0.77
TSI	3	39	0.73
EMT	1	9	0.17
Production Mgnt.	2	34	0.64
Salesmanship	11	228	4.29

Source : IEDI / SBPP
mgnt. = management

EDP Training of the CSIDB (Cottage & Small Industries' Development Board)

S.No.	Fiscal Year	Number of Trainees
1	1996/97	1,200
2		(Planned)
3	1995/96	1,200
4	1994/95	229
5	1993/94	152
6	1992/93	230
7	1991/92	155
8	1990/91	115
9	1989/90	286
10	1988/89	203
11	1987/88	262
12	1986/87	354
13	1985/86	2,536
14	1984/85	2,830
15	1983/84	36

Source : CSIDB

List of the Kind of Skill Training Conducted by the DCSI/CSIDB

Kinds	Duration	Kinds	Duration
1. Tailoring (Basic)	3 months	25. General Mechanics	6 months
2. Tailoring (Advanced)	3 months	26. Cooking Stove Repair	1 month
3. Hand Knitted Hosiery	3 months	27. Motorcycle Repair	3 months
4. Dhaka (Textile) Weaving	3 months	28. Cycle/Rickshaw Repair	1.5 months
5. Textile Weaving	3 months	29. Watch Repair	2 months
6. Radi Pakhi Weaving	3 months	30. Gents' Hair Cutting	3 months
7. Carpet Weaving	3 months	31. Sign Board Painting	2 months
8. Woollen Yarn Hand Spinning	3 months	32. Candlestick	7 days
9. Woollen Shawl Weaving	3 months	33. Cement Roofing Tile	15 days
10. Bag Knitting	45 days	34. Laundry Soap	10 days
11. Jute Carpet	3 months	35. Chalk	10 days
12. Jute Craft	3 months	36. Leather Goods	3 months
13. Embroidery	3 months	37. Shoe Stitching/Repair	3 months
14. Bamboo Craft	3 months	38. Village Bakery	1 month
15. Carpentry	6 months	39. Noodles	7 days
16. Wood Carving	6 months	40. Ginger Processing	1 month
17. House Wiring	3 months	41. Coffee Processing	1 month
18. Electrical Repair Works	3 months	42. Dairy Ghee	7 days
19. Plumbing	3 months	43. Beekeeping	7 days
20. Radio / TV Repair (Basic)	3 months	44. Snacks	7 days
21. Radio / TV Repair (Adv.)	3 months	45. Tomato Ketchup	15 days
22. Solar Heater Fabrication	3 months	46. Food Processing	15 days
23. Metal Fabrication	3 months	47. Fruit Jams, etc	7 days
24. Pump Set Repair	3 months	48. Vegetable Drying	7 days

Annex 6
EDP Training : Tanahu
(Profile of Trainees)

Table 1: Participants by Age and Sex

Age (Yrs)	Male	Female	Total	%
16-20	7	15	22	27.85
20-30	17	29	46	58.23
30-40	2	8	10	12.66
40+	1		1	1.27
Total	27	52	79	100.00
5	34.18	65.82	100.00	

Table 2: Participants by Caste and Ethnicity

Caste & Ethnicity	Male	Female	Total	%
Brahmin/Chhetri	12	21	33	41.77
Newar	9	14	23	29.11
Gurung/Magar	3	12	15	18.99
Others	3	5	8	10.13
Total	27	52	79	100.00

Table 3: Participants by Educational Status

Education Status	Male	Female	Total	%
Literate	1	12	13	16.46
Primary (1-5)		3	3	3.80
L. Secondary (6-7)	3	4	7	8.86
Secondary (8-10)	9	21	30	37.97
S.L.C.	11	12	23	29.11
Intermediate	2		3	2.53
Graduate	1		1	1.27
Total	27	52	79	100.00

Annex 7

EDP Training: Kaski

(Profile of Trainees)

Table 1: Participants by Age and Sex				
Age (Yrs)	Male	Female	Total	%
16-20	0	1	1	2.27
20-30	15	19	34	77.27
30-40	2	5	7	15.91
40+	2	0	2	4.55
Total	19	25	44	100.00
%	43.18	56.82	100.0	

Table 2: Participants by Caste and Ethnicity				
Caste & Ethnicity	Male	Female	Total	%
Brahmin/Chhetri	13	15	28	63.64
Newar	4	1	5	11.36
Gurung/Magar	2	5	7	15.91
Others	0	4	4	9.09
Total	19	25	44	100.00

Table 3: Participants by Educational Status				
Education Status	Male	Female	Total	%
Literate	0	0	0	0.00
Primary (1-5)	0	0	0	0.00
L. Secondary (6-7)	0	1	1	2.27
Secondary (8-10)	4	6	10	22.73
S.L.C.	4	12	16	36.36
Intermediate	7	4	11	25.00
Graduate	4	2	6	13.64
Total	19	25	44	100.00

Table 4: Participants by Family Occupation				
Occupation	Male	Female	Total	%
Agriculture	13	14	27	61.36
Trade/business	4	8	12	27.27
Services	2	3	5	11.36
Total	19	25	44	100.00

Annex 8

EDP Training : Kaski

Placement Status of Trainees

Participants' Characteristics	Male		Female		Total	
	Nos.	%	Nos.	%	Nos.	%
1. Placement Status						
Total EDP training participants	19	43.18	25	56.82	44	100
Post-EDP training placements	8	53.33	7	46.67	15	100
Placement as % of total	42.11		28.00		34.09	
2. Placement by						
Participants' age groups (yrs)						
16-20	0	0.00	1	14.29	1	6.67
20-30	7	87.50	6	85.71	13	86.67
30+	1	12.50	0	0.00	1	6.67
Total	8	100.00	7	100.00	15	100.00
3. Placement by						
Participants' educational status						
Below SLC	2	25.00	1	14.29	3	20.00
SLC & above	6	75.00	6	85.71	12	80.00
Total	8	100.00	7	100.00	15	100.00
4. Placement by						
Participants' marital status						
Married	6	75.00	5	71.43	11	73.33
Un-married	2	25.00	2	28.57	4	26.67
Total	8	100.00	7	100.00	15	100.00
5. Placement by						
Participants' family occupation						
Agriculture	4	50.00	4	57.14	8	53.33
Trade/business	3	37.50	3	42.86	6	40.00
Services	1	12.50	0	0.00	1	6.67
Total	8	100.00	7	100.00	15	100.00

Annex 9

EDP Training : Tanahu

Placement Status of Trainees

Participants' Characteristics	Male		Female		Total	
	Nos.	%	Nos.	%	Nos.	%
1. Placement Status						
Total EDP training participants	27	34.18	52	65.82	79	100
Post-EDP training placement	9	36.00	16	64.00	25	100
Placement as % of total	33.33		30.77		31.65	
2. Placement by						
Participants' age group (yrs)						
16-20	2	22.22	4	25.00	6	24.00
20-30	4	44.44	8	50.00	12	48.00
30+	3	33.33	4	25.00	7	28.00
Total	9	100.00	16	100.00	25	100.00
• Placement by						
Participants' education status						
Below SLC	6	66.67	13	81.25	19	76.00
SLC & above	3	33.33	3	18.75	6	24.00
Total	9	100.00	16	100.00	25	100.00
4. Placement by						
Participants' marital status						
Married	7	77.78	9	56.25	16	64.00
Unmarried	2	22.22	7	43.75	9	36.00
Total	9	100.00	16	100.00	25	100.00
5. Placement by						
Participants' Skills						
Skills/training before EDP	5	55.56	10	62.50	15	60.00
No skills/training before EDP	4	44.44	6	37.50	10	40.00
Total	9	100.00	16	100.00	25	100.00

ICIMOD

ICIMOD is the first international centre in the field of mountain development. Founded out of widespread recognition of environmental degradation of mountain habitats and the increasing poverty of mountain communities, ICIMOD is concerned with the search for more effective development responses to promote the sustained well being of mountain people.

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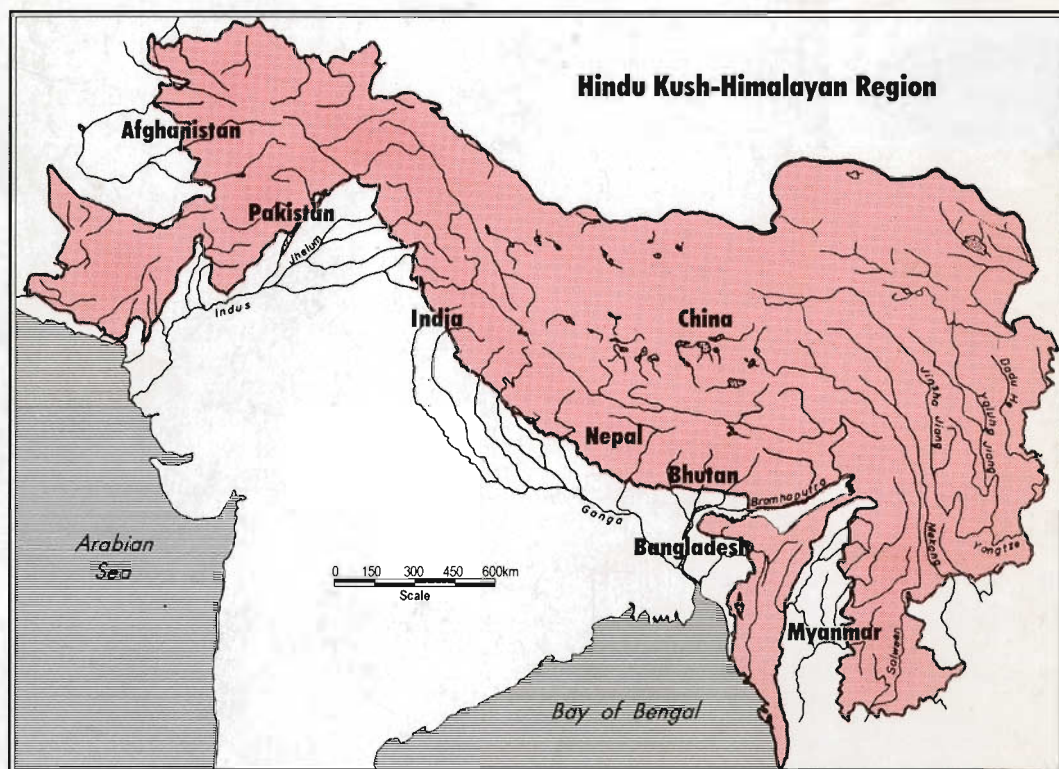
MOUNTAIN ENTERPRISES AND INFRASTRUCTURE DIVISION

Mountain Enterprises and Infrastructure constitutes one of the thematic research and development programmes of ICIMOD. The main goals of the programme include i) gainful enterprise development and income generation; ii) harnessing mountain specific advantages; iii) infrastructural development (social and physical); iv) sustainable energy resources for mountain development; and v) capacity building in integrated mountain development planning.

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