Regional Experts' Meeting on the Development of Micro- Enterprises in Mountain Areas

[Summary of proceedings]

**Editor
T.S. Papola**

**Organised by
International Centre for Integrated Mountain Development (ICIMOD)**

**July 25-26, 1996
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Foreword

It is now a widely recognised fact that the prevailing pattern of economic activities in mountain areas dominated by subsistence-centred food crop production is proving increasingly unsustainable, both economically and ecologically. Diversification into activities based on the special advantages offered by these areas for producing high-value commodities for the market is, therefore, considered necessary for improving the livelihoods of mountain people. At the same time, the scope for diversification of mountain economies is constrained, to a great extent, by inaccessibility and deficiencies in infrastructure, the dispersed and often fragile characteristics of natural resource-based raw materials, and lack of a monetary-based economy. There is an obvious need to develop new and innovative approaches and strategies for the promotion of market-oriented enterprises in mountain areas.

ICIMOD has been attempting for some years now to identify the appropriate nature and direction for diversification of mountain economies and, consequently, evolve suitable approaches and policies for its realisation. The Mountain Enterprises and Infrastructure (MEI) programme of the Centre focusses on this task. A major initiative in this direction consisted of studies carried out on the off-farm sector in different areas of the Hindu Kush-Himalayan Region and, based on these, preparation of guidelines for policy-makers and those engaged in the development of off-farm activities. Development of policy guidelines and training materials for mountain tourism forms the basic objective of another important ongoing programme.

Building on the work accomplished, ICIMOD introduced a broader programme on the Development of Micro-Enterprises in Mountain Areas during 1996. The rationale for this programme lies in the following propositions: one, tourism is, no doubt, important, but it is only one of the options for diversification; two, the off-farm sector, as revealed by previous work, is a useful framework, but it needs to be looked at in a more disaggregated manner in terms of commodities and enterprises; and, three, most activities in mountain areas are carried out on a small-scale, generally by households, and the problems faced by them are not only area- and product-specific but quite often also enterprise-specific. The programme, therefore, emphasises enterprises that are defined as 'units producing for the market and mostly run on a micro-scale'. It aims to develop policy and programme packages and provide mountain enterprise-specific inputs for train-

ing programmes, based on case studies carried out on different products and areas and also on reviews of policies and programmes in the mountain areas of different HKH countries.

As an initial step in the development of the programme, ICIMOD organised a regional experts' meeting to exchange views and share experiences on the subject, generally, and to discuss the nature and scope of studies to be undertaken under the programme in particular. The participants included researchers, policy-makers, programme managers, and entrepreneurs from five ICIMOD regional member countries. It is hoped that the proceedings of the meeting, summarised in this document, will not only be seen as a record of what transpired but will also provide some useful insights into the important issues involved in development of micro-enterprises in mountain areas.

It is a very important document in terms of guiding ICIMOD's programme in this field in the coming years, and I would like to thank all the resource persons and experts who participated in the consultation for sharing their knowledge and experiences so freely with each other and with ICIMOD staff.

Thanks are also due to Dr. T.S. Papola, Head, Mountain Enterprises and Infrastructure Division, who, as the Coordinator of the programme, was responsible for the organisation of the meeting and the preparation of this report and to other ICIMOD staff, both professional and administrative, for their contribution and support.

Egbert Pelinck
Director General

Abstract CONTENTS

This report summarises the discussions held at a meeting of regional experts held on July 25 and 26, 1996. The purpose of the meeting was to discuss the development of micro-enterprises in mountain areas, to exchange views concerning future interventions, and to examine the nature and scope of studies needed before implementing such interventions. Three focal areas of discussion are covered: i) diversification and commercialisation of mountain economies: the context of the development of micro-enterprises; ii) nature, status, and problems of mountain enterprises: some national, sub-regional, and sectoral perspectives; and iii) women entrepreneurs and participation of women in micro-enterprises. A workplan - consisting of a programme of studies - is discussed and recommendations are given.

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