

**Impact of UNNATI- Inclusive Growth Programme in Nepal  
on Rural Entrepreneurship Development:  
A Case Study of Ilam District**

**A Thesis Submitted to:**

The Department of Rural Development, Mahendra Ratna Multiple  
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## **Declaration**

I hereby declare that the thesis entitled **Impact of UNNATI- Inclusive Growth Programme in Nepal on Rural Entrepreneurship Development: A Case Study of Ilam district** submitted to the Central Department of Rural Development, Mahendra Ratna Multiple Campus, Ilam, is entirely my original work prepared under the guidance and supervision of my supervisor. I have made due acknowledgements to all ideas and information borrowed from different sources in the course of preparing this thesis. The results of this thesis have not been presented or submitted anywhere else for the award of any degree or for any other purposes. I assure that no part of the content of this thesis has been published in any form before.

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## **Recommendation Letter**

The thesis entitled **Impact of UNNATI- Inclusive Growth Programme in Nepal on Rural Entrepreneurship Development: A Case Study of Ilam District** has been prepared by **Menuka Pradhan** under my guidance and supervision. I hereby forward this thesis to the evaluation committee for final evaluation and approval.

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## Approval Letter

The thesis entitled **Impact of UNNATI- Inclusive Growth Programme in Nepal on Rural Entrepreneurship Development, A Case Study of Ilam District** is submitted by Menuka Pradhan in partial fulfillment of the requirements for the Master's Degree (M.A.) in Rural Department has been approved by the evaluation committee.

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## Acknowledgement

It's my great pleasure and satisfaction to present this research study entitled **Impact of UNNATI- Inclusive Growth Programme in Nepal on Rural Entrepreneurship Development: A Case Study of Ilam district** in the prescribed form for partial fulfilment of the requirement for the degree of Master of Arts under the faculty of Rural Development, Tribhuvan University, Mahendra Ratna Multiple Campus, Ilam, Nepal.

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## **Abstract**

*Rural entrepreneurship consist of own distinct elements as well as deserves additional attention within the research community. The frameworks and methodologies from studies focus on role of project for the development of entrepreneurship and identify economic growth of country through developing rural entrepreneurship. This incongruence limits our understanding of the true impact rural entrepreneurship can have on eastern district of Nepal. This articles in this special issue help advance knowledge of rural entrepreneurship as a distinct field of study, and add to our understanding of project in the specific rural areas.*

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## **Abbreviation/ Acronyms**

ADB	Agriculture Development Bank
B.S.	Bikram Sambat
BDS	Business Development Services
CIA	Certified Internal Auditor
CDC	Control Data Corporation
CSIDC	Cottage and Small Industry Development Committee
CSIs	Cottage and Small Industries
CTCF	Central Tea Cooperation Federation Ltd.
DADOS	District agriculture development officials
DANIDA	Danish International Development Agency
DAO	District Agriculture Office
FCG	Finnish Consulting Group's
FNCCI	Federation of Nepalese Chamber of Commerce and Industries
GDP	Gross Domestic Product
IEDI	Industrial Enterprise Development Institute
INGOS	International Non-Government Organization
OSH	Occupational Safety and Health
NSDP	Net State Domestic Product
NTCDB	National Tea And Coffee Development Board
IT	Information Technology
MC	Management Contractor
MEDEP	Micro Enterprise Development Project
MIW	Market Infrastructure Window

MOAD	Ministry of Agricultural and Livestock Development
NARC	Nepal Agricultural Research Council
NGOs	Non-Government Organizations
NIDC	Nepal industrial development corporation
NRB	Nepal Rastra Bank
TA	Technical Assistance
UNDP	United Nation Development Programme
USD	United States Dollar
VCW	Value Chain Window
WTO	World Trade Organization

# **CHAPTER-I**

## **INTRODUCTION**

### **1.1 Background**

The production sector of Nepal has been going downhill for decades. The closure of important factories and production houses such as the Bansbari Leather & Shoe Factory, Biratnagar Jute Mill, Janakpur Cigarette Factory and others from two decades earlier to today's low energy production can only have negative impacts. The results are low jobs, low income and low job security that lead to around 1500 youths to leave the country every day for "Opportunities". Most of them are low-waged and uneducated workers forced to work overtime with no holidays nor appropriate compensations all around the year.

The current scenario of industrial sector is even more worrying and it needs a change. The industrial sector in Nepal contributes only 14% to the national GDP and employs 3% of the economically active population (Source: CIA Fact Book 2015). If Nepal wants to gain significant strides in economic development, the figures must increase. The number of industries must rise and so must their contribution. One significant step that should be taken is the development of entrepreneurship. Entrepreneurship is the ultimate answer to the questions related to production and opportunity.

UNNATI- Inclusive Growth Programme in Nepal is funded by the Danish Government with the total budget of DKK 400 million (USD 70 million). It is a five-year project (January 2014-December 2018). The key priority of the programme is to strengthen market-based growth with a focus on reducing poverty and improving living standards.

UNNATI partners with private and public institutions to support the Government in:

- Setting and implementing national objectives
- Policies and plans
- Providing the regulatory frameworks
- Supporting infrastructure development
- Creating an enabling environment for the private sector to contribute efficiently and effectively to inclusive growth

The programme contributes to the national objectives set by the Government of Nepal namely to transform Nepal from the group of the least developed countries to the countries as a "Prosperous, Peaceful and Just Nepal" within a two-decade period.

The overall objective of UNNATI is "Promotion of sustainable, inclusive growth that reduces poverty and raises living standards."The programme has been designed to address the issues at micro-, meso- and macro-level through three mutually reinforcing components, the programme is focused in seven hill districts in the Eastern Development Region. The three components of the project are:

- i) The Value Chain Component
- ii) The Infrastructure Component
- iii) The Enabling Environment Component

## **1.2 Need of Entrepreneurs in Nepal**

Nepal needs to strive for global integration through trade by facilitating entrepreneurial bursts. The first step we can take is by keeping entrepreneurship in education courses, at the policy-making level and more importantly, by supporting an entrepreneurial ecosystem to exploit the tremendous potential of enterprises in areas such as energy, agriculture and tourism. The most important reason why Nepal really needs entrepreneurs is to lead the nation towards sufficiency and prosperity. Now it's time for entrepreneurial minds to be the catalyst for change.

## **1.3 Commercialization of Selected Value Chain through UNNATI**

Agriculture is most significant sector of Nepali Economy but is marked by very high degree of subsistence in nature and very low level of production and commercialization. Every 3 out of 4 persons in rural areas depend on agriculture for their livelihoods. There exists a high potential for development of rural agriculture through commercialization through increased productivity by means of

- Increased market oriented production
- Value addition
- Equitable distribution of benefits and
- Employment generation in rural areas

This sub-component 1.1: Commercialization of Selected Value Chains of the Component 1: The Value Chain of the UNNATI Programme aims to develop four value chains, namely,

- Tea (Orthodox)
- Ginger
- Dairy and
- Cardamom (Large)

As an opening portfolio, UNNATI Programme selected orthodox tea, dairy and ginger as three commodities for promotion of their value chain and it included cardamom as fourth commodity from the second year of the Programme. The value chains had been selected on the basis of 8 main criteria, like national priority, contribution to economic growth, employment generation, women's role, geographical coverage, scope of intervention with impact/value addition, environmental issues and experience of development partners.

The strategic focus of the sub-component of the Programme is on private sector development in compliance with DANIDA (Danish International Development Agency) /Government of Nepal's strategy for support to growth and employment. The private sectors are beneficiaries and also implementing partners. The sub component has a budget of 9.5 million USD (65 million DKK) over the five years.

#### Implementation Modality

The overall implementation of the sub-component 1.1 is managed by a Management Contractor (MC), FCG Sweden with the Ministry of Agricultural Development (MoAD).

The implementation of various activities is done by MC through service providers to create opportunities for further development of the value chains. There are 3 types of service providers namely;

- Private Service providers such as private firms, cooperatives, input suppliers, processors/factories and traders, exporters etc.
- Public Service providers like District Agricultural Development Offices, District Livestock Service Offices, National Tea and Coffee Development Board, Cardamom Development Centre, NARC, Regional Laboratories, Commodity Programmes and other government agencies.
- Civil society service providers such as Commodity associations, Business associations etc.

The support modalities for implementation of the activities of the sub-component are mainly provided through the following implementation modalities.

- UNNATI Challenge fund: The fund has two windows namely Value Chain Window (VCW) and Market Infrastructure Window (MIW). The VCW is to support the ability of agribusinesses to overcome the obstacles identified within the selected value chains and is a cost sharing facility designed to provide entrepreneurs, cooperatives and others to develop their own enterprise/organization and contribute to development of the value chains. The MIW is a similar funding mechanism to support public/ private actors to invest in agriculture related market infrastructure i.e. collections centres, storage facilities, market place facilities, small scale irrigations etc.
- Technical Assistance (TA): The TA support modality has been created for entering into Memoranda of Understanding (MoU) with the Government organizations like DADOs, , NTCDB, CDC, NARC etc. The expertise of these organizations will be used for capacity development of value chain actors. Additionally, TA is also been provisioned for other service providers such as commodity associations, private consultants etc.

The Programme applies a “theory of change” as shown in the figure below, in which the programme interventions contribute through a series of intermediate changes, to sustainable inclusive growth.

### **Geographical Coverage**

The Programme focuses 7 hill districts of MechianKoshi zones, namely, Taplejung, Panchthar, Ilam, Sankhuwasabha, Bhojpur, Terhathum and Dhankuta. In addition to these districts, the Programme has activities at Regional and National scale, benefiting value chain entrepreneurs especially small holder farmers in the programme area. MC has a Liaison office in Dharan and 7 district offices in each of the Programme districts.

### **The target groups for the Sub Component are:**

- Commercial, semi-commercial and subsistence farmers with the potential of becoming commercial actors in the selected value chains. Households with

marginalized land and land-less small holder farmers will also be assisted by availing employment opportunities that will be generated in the value chains.

- Farmer associations, cooperatives, and producers associations.
- Private sector enterprises involved in production, processing/value adding and marketing of products; production and supply of packaging materials (tea, ginger, dairy products and cardamom).

### **Outputs of Sub-Component 1.1**

The expected outputs of the selected value chains are as following:

#### **Tea Value Chain**

Output 1: Farmers increase yields and quality of green tea

Output 2: Organic certification leads to higher prices

Output 3: Processers get better quality tea

Output 4: Processers improve quality of processed tea

Output 5: Orthodox tea exporters increase exports

#### **Ginger Value Chain**

Output 1: Farmers increase yields

Output 2: Farmers get higher prices for ginger

Output 3: Quality of ginger to market improves

Output 4: Processers increase value added from ginger

Output 5: Traders get higher prices

#### **Dairy Value Chain**

Output 1: Farmers increase milk yields and quality

Output 2: Dairies get better quality milk

Output 3: Small Dairies increase productivity

Output 4: Dairies increase value added and sell more

#### **Cardamom Value Chain**

Output 1: Farmers increase cardamom productivity through quality inputs and capacity development

Output 2: Farmers/traders improve quality of product through improved processing

Output 3: Traders increase value addition and international marketing.

#### **1.4 Statement of the Problem**

There are some statements of problems of the bank they are:-

What is the impact of UNNATI Inclusive Growth Program In Nepal for Rural Entrepreneurship Development in Ilam District?

As the programme focuses on 7 hill, among them Ilam district has high number of beneficiaries. To know are entrepreneurs able to create sustainable environment and strengthen their livelihood. The new entrepreneurs have high risk of failure as they are new born in market therefore are the able to create themself strong in economic growth

#### **1.5 Objectives of Study**

The general objective of this research project is to identify the beneficiaries of UNNATI project and know the impact of project on their livelihood and economic growth.

The specific objectives of this study are as follows:-

- To explore the impact of UNNATI Project in Ilam District for Rural Entrepreneurship Development
- To explore Role of project on economic development of rural area of Nepal.
- To identify the generation of employment opportunity created by Rural Entrepreneurship Development.

#### **1.6 Justification of Study**

No doubt entrepreneurship is driving force for the development of the nation. Developing country like Nepal and tea farming and industry has significance role for the development of economy. Within the project period of UNNATI, many entrepreneurs were generated. This is good result but even though every entrepreneurs may not be successful. The study will taken place on only tea entrepreneurship

development as high percentage of this programme is invested in Tea Sector as it is the major cash crop of 7 hill district selected by them. The result generated after this case study can provide entrepreneurs to take a look on what they should improve. Along with this output of programme and its impact can provide feedback to new programme planner as well. The study also provided a way to other researchers willing to study about the rural entrepreneurship generated and its impact through project.

### **1.7 Limitation of the Study**

The limitations of this study are as follow:

1. This study is purposed for the partial fulfillment of Master Degree in Rural Development, Tribhuvan University
2. This study is based UNNATI Project in Ilam District so the information was collected from the UNNATI beneficiaries only.
3. The study was covered only orthodox tea sector under the Value Chain Component of Ilam District.
4. The reliability of this study is based on how far the data available is reliable.
5. Because of time and financial limitation and purpose of this study, it covered only small area and not so in depth.

### **1.8 Organization of the Study:**

This study has been organized under five chapters.

**Chapter- I: Introduction:** The first chapter has been deal with the subject matter consisting introduction, back ground of the study, statement of the problem, objectives of the study, significant of the study, limitation of the study and organization of the study.

**Chapter- II: Review of the Literature:** The second chapter has been mainly focused on literature review that included a discussion on the conceptual framework on institutional support and entrepreneurship development, review of previous studies and various articles.

**Chapter- III: Research and Methodology:** The third chapter has been described the research methodology used to conduct the present research. It deals with

research design, sources of data, data processing procedures, population and sample; period of the study, method of analysis and financial and statistical tools.

**Chapter - IV: Data Presentation and Analysis:** The fourth chapter has been concerned with analytical framework. It includes the analysis of financial indicators.

**Chapter - V: Summary, Conclusion and Recommendations:** The fifth chapter has included the summary, conclusion and recommendations of the study which deals about the main theme of study with major findings.

## **CHAPTER-II**

### **LITERATURE REVIEW**

Review of literature is a necessary part of all studies. A literature review is the process of obtaining, locating, reading, and evaluating the research literature in the area of the interest of researcher. It is a way to discover what other researches in the area of problem selected has uncovered. The purpose is to develop some expertise in one's area, to see what can new contributions be made? And, will be able to receive some ideas for developing a research design. It is also a way to avoid investigating problems that have already been definitely answered (Pant W, 2005).

Since this study is mainly focused on institutional support for the development of entrepreneurship so various literature s are reviewed.

#### **2.1 Conceptual Reviews**

##### **2.1.1 Concept of Entrepreneurship:**

Entrepreneurship is defined differently by different authors. Here some definition regarding to entrepreneurship are presented as below;

According to Hisrich RD and Peter MP, "Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risk and receiving the resulting rewards of monetary and personal and independence". (Hisrich RD and peter MP). This definition stresses four basic aspects of being an entrepreneur regardless of the field. First entrepreneurship involves the creation process- creating something new of the value. Second entrepreneurship requires the devotion of required time and effort. Assuming the necessary risk is the third aspect of entrepreneurship. The final part of this definition involves the reward of being an entrepreneur. That consists of monetary reward, independence and personal satisfaction.

Entrepreneurship is a process of innovation and new venture creation through four major dimensions- individual, organizational, process and environmental that added by collaborative network in government, education and institutions. All of the macro and micro position of entrepreneurs thought must be considered recognizing and seizing opportunities that can be converted into marketable idea capable of competency for implementation in todays economy.

According to Schumpeter “ entrepreneurship is based on purposeful and systematic innovations. It included not only the independent businessman but also company directors and managers who actually carryout innovative functions.”

According to S. S. Khanka “ entrepreneurship is a process which involves various activities to be undertaken to start an enterprise. It is thus, a process of giving birth a new enterprise. In nutshell, entrepreneurship is what entrepreneurs do. Entrepreneurship involves innovation and risk-bearing.

Agrawal (2011) describes entrepreneurship the process of creating new ventures. It involves creativity and innovation. It requires assumption of risk and reaping of rewards. It brings together resources. It provides option for self employment to an individual. It creates employment opportunities for others.

Entrepreneurship is a mid set of creativity and risk taking. It is the process of identifying opportunities. It brings factor of production together to exploit those opportunities. It results in creation of new venture. It plans, organized, operate and assumes the risk of new venture. It aims for innovation, profitability and growth.

In a conference on entrepreneurship held in United State, the term entrepreneurship was defined as, “Entrepreneurship is the attempt to create value through recognition of business opportunities, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition”

### **2.1.2 Nature and Development of Entrepreneurship:**

#### **A. Earliest Period.**

An earliest example of earliest definition of entrepreneurs a go between is Marko Polo, who attempted to established trade route to the Far East. As a go-between Marko Polo would sign a contract with a money person to sell his goods. A common contract during this time provided a loan to the merchant- adventure at a 22.5 percent including insurance. While capitalist was a passive risk bearer, the merchant adventure took the active in trading bearing all the physical and emotional risk. When the merchant adventure successfully sold the goods and completed the trip, the profits were divided with the capitalist taking most of them (up to 75 percent) while the merchant adventure settled for the remaining 25 percent.

## **B. Middle Age**

In the middle age the term entrepreneur was used to describe both an actor and a person who managed large production projects. In such large production project this individual did not take any risk, but merely managed the project using the resources provided, usually by the government of the country. A typical entrepreneur in the middle age was the cleric the person in charge of great architecture work such as castle and fortification public building and cathedrals.

## **C. Seventeenth Century**

The emergent connection of risk with entrepreneurship development in the 17<sup>th</sup> century with an entrepreneur being a person who enters into a contractual agreement with the government to reform a service or to supply stipulated product. Since the contract was fixed any resulting profit or losses were the entrepreneur's. One entrepreneur in this period was John law, a Frenchman who allowed establishing a royal bank. The bank eventually evolved into an exclusive franchise to form a trading company in the new world the Mississippi Company. Unfortunately this company on French trade led to law's down fall when he attempts to push the company's stock price higher than value of its assets leading to the collapse of the company.

## **D. Eighteenth Century**

Finally in the 18<sup>th</sup> century the person with capital was differentiated from the one who needed capital, in other words the entrepreneur was distinguished from the capital provider. One reason for this differentiation was the industrialization occurring through the world. Many of innovation developed during this time were reaction to the changing world. Eli whitney and Thomas Edison were developing new technology and were unable to finance their invention themselves. Whereas whitney financed his cotton gir with expropriated british crown property, Edison raised capital from private sources to develop and experiment in the field of electricity and chemistry. Whitney and Edison was capital user not provider. Venture capitalist is professional money manager who makes risk investment from a pool of equity capital to obtain a high rate of return on the investment.

## E. Nineteenth and Twentieth Century

In the late 19<sup>th</sup> century and early 20<sup>th</sup> century entrepreneurs were frequently not distinguished from managers and were viewed mostly from an economic prospective.

The entrepreneur organized and operates an enterprise for personal gain. He pays current price of materials consumed in the business, for the use of land, for the personal services he employs and for the capital he requires. He contributes his own initiative skill and ingenuity in planning, organizing, and administrating the enterprise. He also assumes the chance of loses and gain consequent to unforeseen and un-controllable circumstances. The net reduce of the annual receipts of the enterprises after all cost have been paid he retain for himself.

Andrew Carnegie is one of the best examples. He invented nothing but rather adopted and developed new technology in the creation of product to achieve economic vitality. Carnegie who was form a poor Scottish family made the American steel industry one of the wonder of the industrial world primarily through his unremitting competitiveness or creative

In the middle of the 20<sup>th</sup> century the notion of the entrepreneur as an innovator was established. The concept of innovation and newness is an integral part of entrepreneurship. Innovation the act of introducing something new and the newness can consists anything form a new product to a new distribution system to a method for developing a new organizational structure.(Hisrich RD & Peters MP)

### 2.1.3 Development of Entrepreneurship Theory and Term Entrepreneur:

Table 2.1

Development of entrepreneurship theory

Middle ages	: actor and person in charge of large- scale production project
17 <sup>th</sup> century	: person bearing risk of profit (loss) in a fixed price contract with government
1725	: Richard Cantillon – person bearing risk is different one supplying capital

1803	: Jean Baptste Say - separated profit of entrepreneurship from profit of capital
1934	: Joseph Schumpeter - entrepreneurs are an innovator and develop untried technology.
1961	: Fransis Walker - distinguished between those who supplied funds and received interest and those who received profit from managerial capabilities.
1975	: David McClelland - entrepreneurs is an energetic, moderate risk-taker
1980	: Peter Drucker - entrepreneur maximizes opportunities
1983	: Gifford Pinchot – intrapreneur is an entrepreneur within an already established organization.
1985	: Robert Hisrich – entrepreneurship is the process of creating something different with value

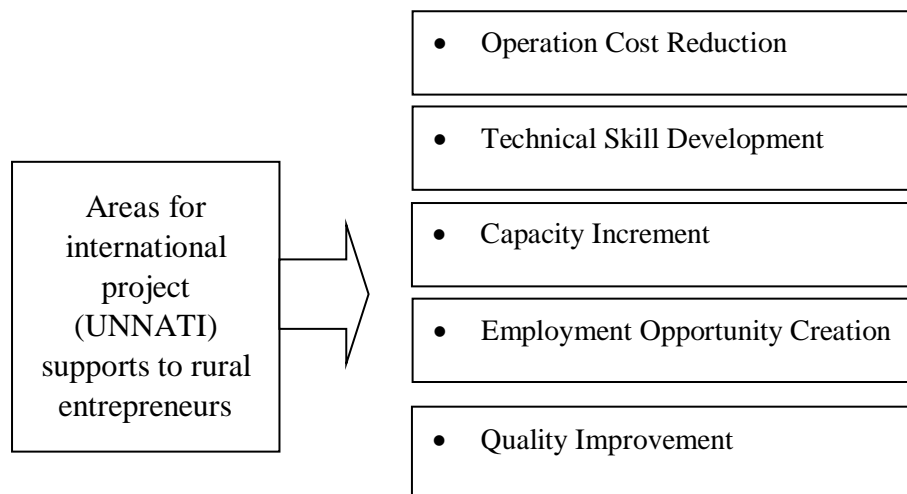
Source: Robert D Hisrich, ‘Entrepreneurship and Intra-preneurship: p. 96 Concept of Rural Entrepreneurship Development

According to S. S. Khanka starting a business or industrial unit- say, enterprise in short requires various resources and facilities. Small scale enterprises, given their small resources, find it difficult to have these own. Srinivas G.R. (2002) explained that rural sector is now poised for offering a vast potential to markets which promises to be an opportunity which is to be grabbed by facing the challenges and surmounting the threats. Gopalasawamy (2005) said the market process is a two way process which encompasses the direct discharge of business activities that cover that the flow of goods from urban to rural area for manufacturing. Finance has been an important resource to start and run an enterprise because it facilitates the entrepreneur to procure land, labour, material, machine and so on from different parties to run his/her enterprise. Hence the finance is consider as ‘‘life blood’’ for an enterprise. Creation of infrastructural facilities involves huge fund which the small entrepreneurs do lack. In the view of this government institutions have come forward to help small entrepreneurs in this regard by providing them various kinds of support and facilities. Availability of institutional support helps make the economic environment more conducive to business or industry. (Khanka S.S.)

According to Agrawal, Govinda Ram support is needed to solve and mitigate various problems faced by entrepreneurs. Availability of support makes the business environment conducive and enabling for entrepreneurs. Institution and be government, non-government, cooperatives and private organizations. Institutional support can be promotional, supportive and facilitative.

Institutional support to entrepreneurs is needed in the following area;

Figure-2.1 Areas for international project supports to rural entrepreneurs



## 2.2 Review of Related Studies

Since there are no several studies about institutional and international project support to entrepreneurship development even though I have mentioned here some related studies in the sector of entrepreneurship development. Tea industries have direct relation with rural entrepreneurship development in Nepal so some studies related with cottage and small industries have also included here below.

Yadav (2001) finds in his study Entrepreneurship Development in Nepal, A Case Study of Kritipur in Kathmandu, there are many problems faced by entrepreneurs related to finance, marketing, raw material, technological and political and government policy. In his study he finds that the governmental support are not sufficient to them. So he has suggested that governmental support and subsidies should be provided to rural entrepreneurs. In his study he also finds that manufacturing industry are facing the scarcity of raw materials so there must be institutional support to the entrepreneurs for easy available of raw material with reliable price. They are also facing marketing problem to market their product.

Therefore there must be institutional support to access to the domestic as well as international market. Entrepreneurs who are operating technological enterprise they are facing technical problems so they must technical support by the government for the development of entrepreneurship. In his study he also founds there is financial problem to women entrepreneurs so he has suggest providing financial assistance to those entrepreneurs.

Moktan (2002) describes in her study Role of Women Entrepreneurship in Cottage and Small Scale Industry in Kathmandu, mobilization of human resource is most essential factor for the development of the country. Human resource refers to the skill, knowledge and capabilities of the people in increasing the production of goods and services. Development of entrepreneurship is consideration to mobilize domestic capital, utilize the local technical knowhow for a improved productivity and to generate productive human resource and their by rise the gross national product. For this propose cottage and small industry offers significant prospect for employment, utilization of domestic raw materials and balanced regional development in both rural and urban areas.

The importance of promoting and developing entrepreneurship is increasing day by day. In recent years, more and more donor agencies and financial institutions are becoming involved in supporting the women entrepreneurship development programs, to empower women by bringing them into the mainstream of development and by improving their economic status. It has been realized that establishment of cottage and small industries can generate employment opportunities can tackle the massive problem of growing unemployment.

In her study she had describe majority of women entrepreneurs initially faced general problems such as financial and marketing. She has found that most of the women entrepreneurs were involving in food processing industries. Most of the women entrepreneurs were investing their own capital and very few of them were using bank loan and most of them were involved in training program before starting their enterprise.

She has recommended in her study to improve the credit facilities for women entrepreneurs, improve marketing opportunities, restriction of illegal business of activities, training facilities related to market and marketing their final product,

enhance quality plus vocational education and systematic information for management by the government.

Shrestha (2005) finds in his study Training Initiation on Entrepreneurship Development in Nepal most of the training was confined to skill development and the need for entrepreneurship was realized later. The respondents are fully aware about the knowledge on the training given to the entrepreneurs. Rural people have little awareness of entrepreneurship development training. There should be the coordinated effort from existing institutions to create awareness in rural areas through network of district branch offices and through involving all district level line agencies banks and others. Many scheme and project exist. But there were no coordination among the training imparting agencies. So there is need for integrated training combining entrepreneurship, skill and management. Besides adequate attention must be extended to upgrade and improve quality to be really effective as in many cases the real results of transformation into sustainable enterprise development training may not be encouraging.

Khanal (2006), in his study “Cottage and Small Industries in Nepal” explains small and cottage industries situation and role of economic progress in Nepal. The main objectives of the study is to appraise the rice, flour and oil industries in Kailali District, it attempts to find the productivity, investment and the rationale for the implementation of such industry in national perspective and found that the cottage and small industry has been insignificant to production and employment generation according to investment the own capital of the entrepreneurs has found insignificant. The process that the use of cottage and small industry finance is indispensable for those who have bigger investment potentiality. Besides production, the cottage and small industry project has been proved to be the source of employment and income generation in this sector. Therefore, the government should continue the industry and try its best to localize more financial resources for the development of cottage and small industry sector. Now a day, there is a tendency among the commercial bank not to flow the loan in this sector. The Nepal Rastra Bank should play a determinant role in order to make the commercial bank invest more in the cottage and small industry. If this happens, the industrial development of the country can be a factor of overall economic development of the country. Three year interim plan (2007-1010) clearly states that since ancient times, cottage and small scale industries is being prioritized.

Although it is considered through when planning was started. There are 10 plans completed and an 11<sup>th</sup> three year interim plan is in action. Government has considered industries as the priority sector. In this time plan period, government has taken the policy that the industrial environment will be created such that Nepalese industry will be able to compete with the world's economy. Industry will achieve average annual growth rate 6.2 percent investment will about to 4700cores, generating 150,000 additional employments, establishment, operation and exit will be made easier to make industrial sectors competitive, starting one door system developing comparative and developing competitive capacity are the main considerable policy of interim plan.

The small and cottage industry plays an important role in upgrading economic standard of the development of cottage and small industry and release pressure of population on agriculture. Cottage and small scale industries become a supplementary source of income to the farmers and condition cannot be miserable during the crop failure. Since the small and cottage industries are more labor intensive, more people get employment. It contributes about 76 percent of the total employment generated by the industrial sector.

Shrestha Ramesh (2007) describes in his study, Entrepreneurship Development in Nepal, Nepal is bestowed with abundant natural resources, so entrepreneurship should be developed to make the use of available resources which is the real strength of industrialization in less development country. But in Nepal the effort and initiation of the government and other various organizations are not sufficient in true sense to create entrepreneurs. However it does not mean that they are totally lacking but the contribution is limited. Various package and programme endorsed by the government and post evaluation in entrepreneurship development is still not sufficient. The government general fixed the training programme without the need assessment and as a result the programme turned out to be a futile exercise.

He concludes easy access to finance is a critical factor to contributing to the success of the entrepreneurship. However the access and adequacy are not sufficient and hindered by collateral, higher interest rate, condition of obtaining loan, cumbersome process, lack of full worth valuation etc. He also concludes the overall condition of the business is deteriorating because of numerous reasons political instability and unjust demands of the labour to the management are the main causes that led to the

gradate closure of the business. Easier access to raw material will enable the entrepreneurs to sustain and grow but the small enterprises have not been able to be competitive since they pay the exorbitant price for the raw material. Nepalese entrepreneurs are less concerned in developing human resource even staff prefers to undergo training in management rather than in skill development. In his study he concludes, Nepal has a long way to go in entrepreneurship development and the government and other concerned agencies do not seriously consider the serious demand of the entrepreneurs, political stability and needful protection to the entrepreneurs. Only the lip service of the government does not lead to the entrepreneurship development economic development without its commitment.

In his study he has recommended that the government policies should be conducive to the development of business. The government should formulate policy that contributes to the promotion of economic activities. To solve the problem of market the government or coordinating agencies should encourage the ancillary relationship among larger and smaller enterprise which are much more sustaining to provide incentive and support to micro and small enterprise. Access to the finance should be made easier for business in the different stages of development (start up, business transfer, growth etc.) in various sectors. Training should focused on three areas such as i) entrepreneurship development training ii) skill development training iii) management training. Correct assessment of the duration of the training is required based on the educational background and the understanding level of the trainees. Training should be need based and this should be the outcome of the market research. Micro and small business are greatly hampered by the non-availability of raw materials at proper price and terms. The government should make arrangement to give license and foreign currency facilities on the basis of the submission of report.

Shrestha (2009) describes in her study Role of Federation of Nepalese Chambers of Commerce And Industry in Promotion of Trade and Industry in Nepal, the role of FNCCI are promotional, financial & infrastructural support , economic developmental; leadership, coordinating, mediatory & business supportive, law and order maintenance, motivating, human resource, labour relations and technology developmental, social and environment developmental, enterprise productivity & competitiveness improvement, as guardian, entrepreneurship developmental, enterprises developmental, informational, peace establishment and investing roles are

analyzed with past 5 years' secondary data. She finds in her study support of FNCCI is not equally distributed among FNCCI member companies. Beside it, there is large group who analyzed the support of FNCCI as good. Nearly half of FNCCI member companies have getting business & trade support, few are getting moral and other supports and some are not getting any kind of support from FNCCI. In priority basis, flexible government policy, human resource, labour, capital, technology related, market related & other problems are facing by FNCCI member companies. Flexible government policy, others, labour, human resource and market related problems are addressed by FNCCI somehow but capital & technology related problems are totally not addressed by it as report. There are around equal no. of member companies found between satisfied and unsatisfied with the support of FNCCI. Hence it shows the average performance of the FNCCI works. The role & function should be performed by FNCCI are advisory and leadership role, others role (besides financial and management roles), management role and financial role respectively in the priority basis. Role of FNCCI found as satisfactory. Around equal members are satisfied and unsatisfied too. Importance of FNCCI to promote trade and industry is seems as very good. The role of FNCCI in economic development of the nation is found as good. The role of FNCCI in making Tax & Trade Policies of the nation is also found as good. But also the large group of its members unsatisfied against this role of FNCCI. The role of training programmes of FNCCI is found as good. But among the respondents, few expressed their instability too. It is concluded that the problem solving role of FNCCI is satisfactory but not better. Co-ordination between government and FNCCI is found satisfactory. The role of FNCCI to defend member rights is found satisfactory. Likewise, the role of FNCCI to entrepreneurship development is found as satisfactory. She concludes that FNCCI works are for not only the benefit of big industrialists but also for the benefit of small and medium level businessmen & entrepreneurs.

K.C. describes in his study ‘Entrepreneurs in Nepal an Empirical Study, an entrepreneurs who is known as a risk bearer, is the central figure in this modern era of business. Economic development of any country cannot be initiated with the pioneering effort of entrepreneurs. Many economists including Joseph Shumpter glorified the role of the entrepreneurs are regarded him as the key figure in the process of economic development. He indentified that the ultimate determining factor

of the rate of economic growth is the availability of dynamic entrepreneurship in the country concern.

He describes Nepal is least developed country more than 32 percent of population lie below the poverty line and the annual per capita income is not more than U.S.\$ 370. The pace of industrialization in Nepal has remain very slow. The industrial sector contributes around 8 percent of total GDP and provides employment to about 2 percent of economically active population. Nepal has been experiencing unemployment and acute under-employment problem. In a case study of NRB, the percent of the unemployment in total labour force was estimated at 3.1 percent. Similarly the under-employment rate worked out 46.4 percent and 33.33 percent in rural and urban area respectively. (NRB; 1988:64, 75). There entrepreneurs have important role to play in the process of industrial as well as economic development. They could assist to generate employment opportunities, to raise income and to break the vicious cycle of poverty.

In his study he has also describes that Nepalese entrepreneurs have been facing so many barriers in the way of creation of new venture and smooth operation of the existing ones. Nepalese businessmen and entrepreneurs have viewed that their main barriers includes limited access of capital, political instability, low return from investment, low level on confidence and lack of favorable policy of the government. Academics viewed the political instability, low level of confidence and low return from industrial investment are the major causes responsible for poor entrepreneurial motivation in Nepal. It is realized that the slow pace of industrialization in Nepal is deeply rooted with the lack of sufficient capital in one hand and the problem of proper mobilization of available resources in this sector on the other. It is thus very appropriate time at present to review such activities and discourage such un-appropriate investment through the effective policy change for reduction of higher premium and return which those pursuits are commanding.

In his study he has also suggest some suggestive measure to motivate entrepreneurs as well as to induce industrial investment in Nepal. They are provision of adequate capital, protection to the investor, suitable government policy and expansion of institutional services.

As a conclusion he concludes, economic development cannot be initiated with the pioneering effort of entrepreneurs. Entrepreneurs have to play key role in the process of industrial development in particular and economic development in general. But entrepreneurs in Nepal are very shy to invest in industrial sector. Therefore it is essential to induce entrepreneurs to mobilize their resources in industrial sector. Government should implement an appropriate policy to motivate the entrepreneurs and to develop industries in the country. Finally the attribute of the people to become rich overnight be changed through effective policy reforms.

Ranabhat, B(2010), describes in his article Institutional Provision for the Development of Industry in Nepal, developing industrial enterprise that helps to create employment opportunities, to maintain trade balance, to earn foreign currency and it has also direct impact in national gross domestic production (GDP). So many policy makers from many countries are giving focus to create suitable business environment for industrial enterprise. Conducive Business Environment consists of major three aspects. They are physical infrastructure, industrial rule and policy and institutional structure. Different institutions government, non-government, NGOs and INGOs are providing various support, training and counseling services for the development of industrial enterprises. Those institutions are providing entrepreneurship development training, management training and skill development training. But the suitability and effectiveness of those programme must be evaluate through the study of Business Development Service (BDS). BDS refers to the services got by entrepreneurs through formally or informally that excludes financial services. It consists of major seven aspects. They are Market access, training and technical assistance, infrastructure, policy/advocates, input supply, technology and product development and alternative financial mechanism.

In his article he states that among those seven aspects only training and technical assistance is giving focused by Nepalese institutions. Different institutions are conducting various training programme like entrepreneurship development training, management training and skill development training. They are organizing various industrial exhibition and trade fair. There are few information providers and consultants about the market by the private sector. But they are not in broad and sufficient for the promotion of industrial enterprises. There are 11 industrial estates even though they are unable to provide proper facilities. Most of the industries are

operating in under capacity because of shortage of electricity and other facilities. Nepal is very poor and back in developing and transferring technology which is very important and necessary for the development of industrial enterprise. There are also insufficient institutions for counseling for industrial enterprise.

Khanal, Rumina (2010) , she has done a study entitled Role of Microfinance In Developing Micro-Entrepreneurship to examine the impact of micro finance on changing micro enterprising activities and socio economic status of entrepreneurs of ceramic factory of Gadhawa VDC of Dang district. Her study found that investment in modified traditional pottery making into ceramic factory from the loan of financial institutions organizing individual entrepreneurs into single enterprise and training on enterprise skill and management improve the livelihood of the entrepreneur's household. However the repayment of instalment of loan and interest has been a crucial problem due to lack of adequate demand of their product, which require to be improved by providing rigorous skill training to them. With the access to micro finance of the Agriculture Development Bank Nepal, the modern technology for building ceramic kiln adopted by the enterprise and the modern skill training improved to the entrepreneurs through the assistance of MEDEP/UNDP, The Laligurash Micro Enterprise has turned out to be successful in improving income status of the entrepreneur's household. The efforts have been able to consolidate scattered micro entrepreneurs into modern, organized enterprise, to produce ceramic product as per market demand, self employment generation and finally to improve in the socio economic condition of the entrepreneur's household. She has also recommend to the concern agencies like ministry of industry, department of industry, FNCCI, and I/NGOs to assists for the expansion of the market of their product through-out the country.

After reviewing her study it can be conclude that the role of microfinance for the development of enterprise and entrepreneurs livelihood is very important. It works as stimulation for entrepreneurship development in Nepal. Her study shows there is clear conclusion that microfinance has improve the standard of enterprise. However there is still some lacking like marketing problem to their product that is why entrepreneurs are facing problem to repay the installment money to loan provider. There is lack of institution for the expansion of their product. Government agencies, non-government agencies and I/NGOs should support in that sector.

Adhikari (2010), in his study “Problem and Prospects of Cottage and Small Industries” finds the significant role of cottage industry in the overall economic development of the economy. He studied the problem and prospects of small and cottage industry and found the role being played by cottage industries in the economy is a great importance however government supports in the form of financial and the technical aspects to know the market facilities of Nepal. Therefore, he has suggested that effective training programmed, improve production and marketing situation along with adequate financing assistance must be provided by the government to these industries. For importance of quality of products and maintenance of quality is also necessary. He has also suggested that protection of these industries is also necessary.

Bhattra (2011) finds in his study Problem and Prospect of Cottage and Small Industries in Nepal cottage and small industry has significance change in entrepreneur’s livelihood. However cottage and small industry has been facing so many problems. The main problem of cottage and small industry is lack of market. Similarly lacks of capital, lack of skill manpower, lack of advance technology are main problems of cottage and small industry. He finds in his study most of the entrepreneurs has started their enterprises through limited financial resources and they have been taken loan from local money lenders that shows the government and other institutions are not giving proper attention towards the cottage and small industry. He finds most of the cottage and small industries are suffering lack of capital lack of market, lack of information technology so he has suggest to pay attention to government and other non-government agencies to support the entrepreneurship. He found any kind of support either from government or from I/NGOs are very few in that area. That shows there is highly need of institutional support such as counseling training market facilities etc.

### **2.3 Research Gap**

There are some studies in the sector of tea industry and rural entrepreneurship development in Nepal. They had found various problems and prospect of those industries and found the significant role of rural entrepreneurship for the development of the nation. All above studies are based on finding the problems and prospects of cottage and small industries as well as tea industries. All studies had suggested for effective international project support to those industries to overcome from the

problems which they are facing in those days. These studies are not concern with projects which are providing support for the promotion of rural entrepreneurship development. There is no any judgment weather the current effort is appropriate or not. No matter how much effort had been done for the promotion of entrepreneurship development if they are not appropriate to them that are almost meaningless. For example if there are huge problems in marketing of the products it is meaningless if institutional support is provided to extension of their capacity. If there are unappropriate government policies or unsuitable policies, it is totally meaningless to provide any support of UNNATI project in other sectors. So that project implementation and support must be suitable, effective and appropriate.

In this way here is research gab. This study is focused on the current status of support provided by UNNATI and how it is being implemented for the development of rural entrepreneurship development and its effectiveness to rural area of Nepal. This study is focused on accessibility of entrepreneurs to those project which are providing institutional support and what areas do the entrepreneurs feel support for obtaining better living standard. This study is concern with the impact of support provided by UNNATI- Inclusive Growth Programme in Nepal.

## **CHAPTER -III**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research methodology is the way to solve research problem systematically. The main objective of the present research is to highlight the current status and significance of institutional support for the development of entrepreneurship in Ilam district. The research methodology is followed to achieve the basic objectives and goals of this research work. Following are the major contents of research methodology followed in course of this dissertation.

#### **3.2 Research Design**

The main objective of the study is to analyze impact of the UNNATI Project for rural development. For that purpose of the research this study will be designed under descriptive and analytical method. It is a work plan owing to the objective of the research. On the other hand, the study will tend to analyze and discover degree of interdependence between various characteristics that are influenced by Rural entrepreneurship development and Impact of UNNATI - Inclusive Growth Programme in Nepal. In descriptive research design cross-sectional study will be done because of time limitation.

#### **3.3 Nature and Sources of Data**

This study is mainly based on the primary data. Questionnaire and interview was carried out to collect data. Data is a piece of fact, the wholesome aggregate of which gives the information. This information in fact contributes to the inquiry of truth and approaches towards the reality. The secondary were used to evaluate the impact of the project which was obtained from:

Secondary data have been collected form the following source:

- Ministry of Industry
- UNNATI- Inclusive Growth Programme in Nepal
- Central Tea Cooperative Federation (CTCF), Nepal.
- District Tea Cooperative Federations.

- National Tea and Coffee Development Board
- Different web sites and annual report of concern organization.

### 3.3 Population and Sampling

The total number 77 UNNATI grantees in the sector of orthodox tea and their beneficiaries will be the population of the study. Among them 34 grantees are in Ilam District. Since, the population of the study is large, the judgmental and convenience sampling was done for effective sampling and result. The sample industries of this study are presented as below.

Table 3.1 List of UNNATI Tea Grantees

S.N.	Name of industry	Address
1	Kanyam Tea Producer Cooperative Society Ltd	Suryodaya Municipality 8, Ilam
2	Suryodaya Handmate Tea Processing Industry	Suryodaya Municipality 8, Ilam
3	Tinjure Tea Producer Cooperative Society Ltd.	Phakphokthum Rural Municipality 2, Ilam
4	Panidhap Tea Processing Industry	Phakphokthum Rural Municipality 2, Ilam
5	Uccha Pahadi Tea Producer Cooperative Society Ltd.	Deumai Municipality, Ilam
6	Greenhill Tea Producer Cooperative Society Ltd.	Ilam Municipality, Ilam
7	Sanimai Tea Producer Cooperative Society Ltd.	Maijogmai Rural Municipality, Ilam
8	Jasbire Tea Processing Industry	Jasbire, Ilam
9	Barboteli Tea Producer Cooperative Society Ltd.	Ilam
10	Laliguras Hand Roll Tea Processing Centre	Jitpur 01 Ilam

### **3.4 Data Presentation Analysis Techniques**

The collected primary and secondary data have been thoroughly checked, compiled and presented in an appropriate table to facilitate analysis and interpretation. Analyses have been done both descriptively as well as statistically. Statistical tools such as Percentage, Bar Diagram, pie chart, central tendency etc. have been used as per the requirement and summarized the major findings of the study. Various clear tables, figures and graphs have been used to analyze, interpret and conclude the result of the study.

#### **3.4.1 Statistical Tool**

The following statistical tools have been used into this research work for conducting essential analysis.

##### **Percentage**

The use of percentage is a common procedure in interpretation of data. There are three types of percentage: 'row', 'column' and 'total'. For accurate and effective interpretation of data percentage have been used according to relevance, interpretation and significance of each.

##### **Graphs**

A graphic presentation is construction in relation to two axes: horizontal and vertical. The horizontal axes is called the 'abscissa' or more commonly 'x-axes' and vertical axes is called the 'ordinate' or more commonly the y-axes. There are many types of graph like bar chart; histogram, pie-chart and line and trend graph have been constructed as per the requirement of the data.

## CHAPTER - IV

### DATA PRESENTATION AND ANALYSIS

#### 4.1 Presentation and Analysis of Data

This chapter deals with the presentation and analysis of data collected through the questionnaire. Presentations of the data have been made by tables and charts and data have been analyzed in the basis of average of the response.

##### 4.1.1 Current Status of Tea Industry in Nepal

According to Industrial Enterprise Act 2049, all types of industry must be registered for its operation. Following are the current status of cottage and small industry registered till 2068/69 in Nepal

Table 4.1

Present status of orthodox and CTC Tea Plantation and Production in Nepal

##### Orthodox and CTC (fiscal year 2073/074, 2016/017)

SN	Type	Orthodox		CTC		Total	
		Plantation Area- ha	Production kg	Plantation Area- ha	Production kg	Plantation Area- ha	Production kg
1	Garden	7560	2674594	7725	11784907	15285	14459501
2	Small Farmers	9238	3187300	3718	6762525	12956	9949825
Total		16798	5861894	11443	18547432	28241	24409326

Source: Website of National Tea and Coffee Development Board,2073

According to table 4.1, till fiscal year 073/74 the total number of plantation and production, tea plantation of more in orthodox sector by small farmers i.e, 9238 hector where as CTC plantation is mainly done by garden i.e, 7725.

Table 4.2

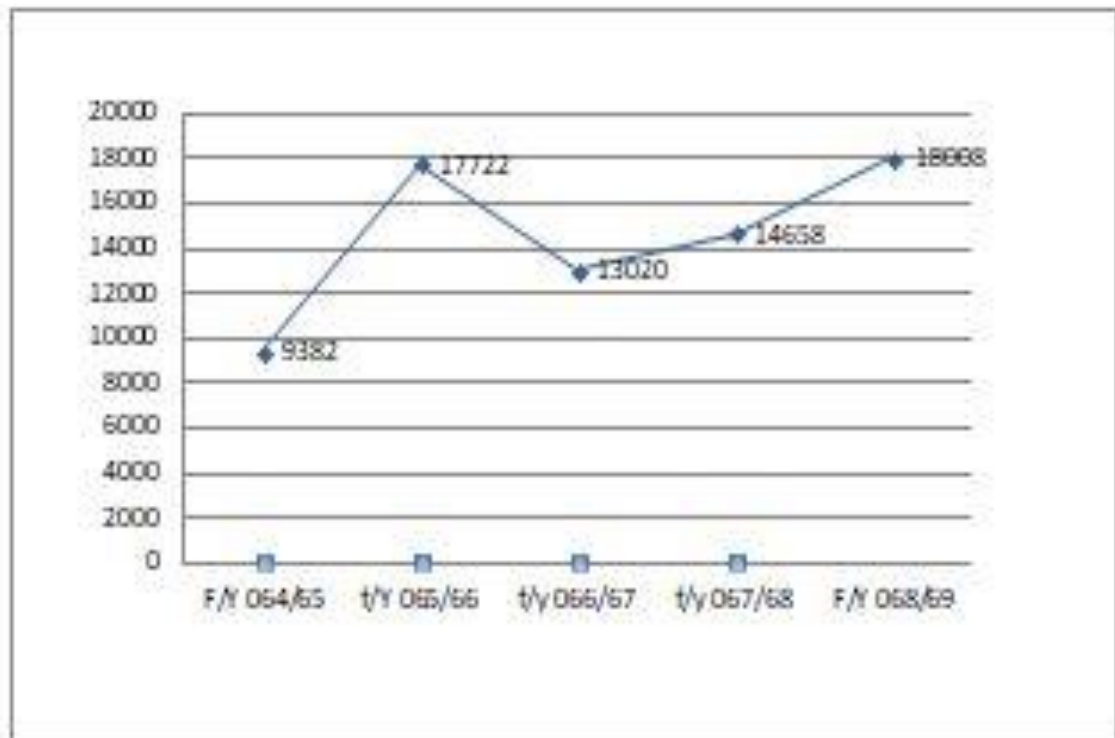
**Plantation and Production Trend of Tea in Nepal**

<b>Fiscal year (BS)</b>	<b>Fiscal year (AD)</b>	<b>Plantation (ha)</b>	<b>Production (Kg)</b>
2056/057	1999/00	10,249	5,085,237
2057/058	2000/01	11,997	6,638,082
2058/059	2001/02	12,346	7,518,575
2059/060	2002/03	12,643	8,198,000
2060/061	2003/04	15,012	11,651,204
2061/062	2004/05	15,900	12,606,081
2062/063	2005/06	16,012	13,688,237
2063/064	2006/07	16,420	15,167,743
2064/065	2007/08	16,594	16,127,490
2065/066	2008/09	16,718	16,208,127
2066/067	2009/10	17,127	16,607,555
2067/068	2010/11	17,451	17,437,933
2068/069	2011/12	18,149	18,309,824
2069/070	2012/13	19,036	20,588,145
2070/071	2013/14	20,120	21,076,366
2071/072	2014/15	26,165	23,186,726
2072/073	2015/16	27,688	24,263,744
2073/074	2016/17	28,241	24,409,326

Source: Website of National Tea and Coffee Development Board

On the basis of their table 4.2, shows that tea plantation and production is in drastically increasing order. For this more tea industrial establishment is the main requirement.

Figure 4.1: Trend analysis of cottage and small industry in Nepal



Source: Cottage and Small Industry Department, Ministry of Industry, 064/65

Figure 4.1, shows that in the year 064/65 total number of cottage and small industry was 9382, in the year 065/66 was 17722, in the year 067/68 was 13020, in the year 14658 and in the year 068/69 was 18008. The increasing trend of industry was highest in the year 065/66 but it was decreased in the year 066/67. After that, the rate of increasing industry is in increasing trend.

#### 4.1.2 Classification, Investment and Employment of Small scale Industry in Nepal

Till the fiscal year 2068/69 the total numbers of private firm are 231167, total numbers of partnership firm are 14667 and total numbers of company are 16515. The total investment of CSIs is 19259.65 crore and the proposed employment is 2062497. This data are presented in table 4.2 as below.

Table 4.3

## Classification, Investment and Employment of CSIs in Nepal

Fiscal year	Private	Partnership	Company	Total	Investment (in crore)	Employment
Up to 58/59	134320	8583	6990	149893	8359.94	1446582
59/60	6768	454	340	7562	591	47455
60/61	5985	548	600	7133	611	44725
61/62	6972	499	559	8030	1101	74695
62/63	5864	372	1994	8230	670	39738
63/64	7587	386	738	8711	782.6	54145
64/65	7993	533	856	9382	877	54523
65/66	16238	541	943	17722	1531.7	82045
66/67	11250	654	1116	13020	1532.88	70561
67/68	12359	1145	1154	14658	1475.09	72918
68/69	15831	952	1225	18008	1727.44	75110
Total	231167	14667	16515	262349	19259.65	2062497

Source: Department of CSIs, 2068/69

#### 4.1.3 Present Status of Tea Industry in Ilam

The history of Nepalese tea begun with the first tea plantation in Ilam tea estate during the reign of Junga Bahadur Rana in 1920 B.S( 1963 A.D.) by Gajrajsingh Thapa who brought seeds of tea from China as gift .The Tea plantation gradually explored in various districts of Nepal at small scale farmers level since 2028 B.S.( 1971 A.D.).The five districts of Eastern Development Regions viz. Ilam, Jhapa ,Panchthar, Tehrathum and Dhankuta were declared as "Tea Zones " of Nepal by his majesty late King Birendra Bir Bikram Shah Dev in 2039 B.S.( 1982 A.D.), after which the number of tea farmers involvement was tremendously increased which resulted in the establishment of tea farmers groups and cooperatives. Similarly, Nepal Government declared the first tea policy in 2057 B.S. after which

there was rise in number of farmers, tea farmers groups , cooperatives and tea cooperatives processing factories.

There are many old tea industry in Nepal. However, we the regular support of international project the number of tea factories are in increasing order in Ilam district.

#### 4.1.4 An Overview of UNNATI Project in Ilam

UNNATi-Inclusive Growth Programme in Nepal had completed Value chain project in Ilam district in 2016/2017. It had created many rural tea enterprises as well as upscale the industry in Ilam district. The overall objective of UNNATI is promotion of sustainable, inclusive growth that reduces poverty and raises living standards

Table 4.4

List of tea enterprise created and upscaled by UNNATIproject in Ilam

<b>S.N</b>	<b>Name of Applicant</b>	<b>District</b>
1	Kattenbung Green Tea	Ilam
2	The Mountain Range Tea Garden Pvt. Ltd.	Ilam
3	Sakhejung Hill Range Tea Factory	Ilam
4	Taragaun Tea Estate Pvt. Ltd.	Ilam
5	Laxmi Tea Industries Pvt. Ltd.	Ilam
6	Manmalung Tea Garden Limited	Ilam
7	Oasis Tea Industries	Ilam
8	Mirmire Organic Tea Processing Factory	Ilam
9	Krishna Gopal Tea Factory	Ilam
10	Kanyam Tea Producer Coop Ltd.	Ilam
11	Himalayan Sangrilla Tea Producer Pvt. Ltd.	Ilam
12	Tinjure Tea Farmer Cooperative Ltd.	Ilam
13	Gorkha Tea Estate Pvt. Ltd.	Ilam
14	Ilameli Tea Cooperative Ltd.	Ilam
15	Dajubhai Hate ChiyaUdhyog	Ilam
16	PathivaraOrthodox Tea Factory	Ilam

<b>S.N</b>	<b>Name of Applicant</b>	<b>District</b>
17	Brothers Orthodox Tea Factory	Ilam
18	Green Hill Orthodox Tea Factory	Ilam
19	Nepal Organic Tea	Ilam
20	Sriantugorkha Tea Industries	Ilam
21	Sagarmatha Tea Producer Industries	Ilam
22	Khima Organic Tea Factory	Ilam
23	Sunmai Tea Factory	Ilam
24	Garmin Tea Udhyyog Pvt. Ltd.	Ilam
25	Nepal Bio Organic Tea Pvt. Ltd.	Ilam
26	Kanchenjunga Organic Tea Factory	Ilam
27	Jasbire Tea Factory	Ilam
28	Mist Valley Tea Industries Pvt. Ltd.	Ilam
29	TrishaktiPathivara Tea Factory	Ilam
30	Nawa Arya Tara Tea Pvt. Ltd.	Ilam
31	Sandakphu Tea Processprs Pvt. Ltd.	Ilam
32	Siddha Devi Tea Estate Pvt. Ltd.	Ilam
33	Mai Tea Company P. Ltd.	Ilam
34	Jaubari Tea Estate Pvt. Ltd.	Ilam
35	Nepal Green and Specialty Tea Pvt. Ltd	Ilam
36	BarboteliChiyaUtpadakSahakariSanstha Limited	Ilam
37	PaniDhapChiyaPrasodhanUddhyog	Ilam
38	SanimaiChiyaUtpadakSahakariSanstha Ltd.	Ilam
39	Green Hill Tea Coop	Ilam
40	Uchhapahadi Tea	Ilam
41	Ilam Star ChiyaUdhyyog	Ilam
42	Hattidhuna Organic tea	Ilam
43	New Sagarmatha Tea	Ilam

<b>S.N</b>	<b>Name of Applicant</b>	<b>District</b>
44	Miteri Organic Tea Processing	Ilam
45	Deurali Organic Tea	Ilam
46	Chahana Tea	Ilam
47	Maipokhari Tea Processing Industry	Ilam
48	Suryodaya Organic Hate Chiyauddhyog	Ilam
49	Sarada Tea Estate	Ilam
50	Siddha Pokhari Tea Coop	Ilam
51	Biraj Orthodox Tea Factory	Ilam
52	Kanyam Valley Laghu Tea	Ilam
53	Loksom Tea Industry	Ilam
54	Laligurans Hate Chiya	Ilam

Source : UNNATI - Inclusive Growth Program in Nepal, 2018

#### 4.1.5 Institution and projects for Rural Entrepreneurship Development in Ilam

District:-

There are numbers of institution to entrepreneurship development in Ilam district. Different government agencies, private I/NGOs are working for entrepreneurship development. Here below are some list of those organizations and their major activities.

Table 4.5

List of institutions in Ilam and their major activities for institutional support

S. N.	Name of institutions	Their major activities
1	Cottage and Small Industries Development Committee	Registration and renewal of cottage and small industries. Entrepreneurship development program Promotional and technical consultancy Industrial exhibition program Micro enterprise development program for poverty

		reduction.
2	District Development Committee Local Development Fund (LDF)	It provides loan up to Rs. 5, 00, 000 to the new entrepreneurs through local cooperatives on need and demand base.
3	Ilam Co-Operation Committee (ICC)	It conduct study of different prospects or feasibility of a new ventures It prepares business plan and provides it to the new entrepreneurs. It provides counseling services to new entrepreneurs It plays role as a mediator for marketing facilities to the new ventures
4	Ilam Chamber of Commerce And Industries	It selects enterprise and sent them to different trade fair. It provides recommendation if any necessary for registration of cottage and small industries to any institutions. It organizes different trade fair for the promotion of cottage and small industries. It organizes different program to promote cottage and small industries.
5	Namsaling Community Development Committee (NCDC)	It conducts feasibility study and provides different counseling services. It helps to prepares business plan especially in the sector of micro hydro projects.
6	SEAM Nepal (Completion Phase)	It works in the sector of environment protection It has provided subsidy in 50/50 participation to the entrepreneurs for the improvement of their production process.

		It initiates industries for the protection of environment.
7	Central Tea Cooperation Federation (CTCF) Ltd. Ilam	<p>It helps for professional and economic development of the member organization and subjective federation.</p> <p>It helps to promote institutional capacity of its member organization by taking technical and economic help from different authority of Nepal Government I/NGOs and to do necessary help to affiliated organization to these organizations.</p> <p>It helps to mobilize loan obtained from different organization and authority.</p> <p>It conducts different training program such as tea manufacturing training, entrepreneurship skill development training, tea manufacturing industry work plan and management training, preparation of strategic planning by the expert and tea technicians.</p>
8	Agriterra, Netherlands	Supporting tea cooperative for improving living standard and capacity building for development
9	UNNATI - Inclusive Growth Programme in Nepal	To strengthen market-based growth with a focus on reducing poverty and improving living standards.
	Commercial Agricultural Alliance (CAA)	<p>It helps to the farmer for commercialization of their farming,</p> <p>It provides subsidy for the expansion of cottage and small industry on the basis of 50/50 participation.</p> <p>It helps to develop infrastructure facilities.</p>

4.1.6 An Overview of Sample Industries as Per Their Capacity and Employment:-  
 With regard to capacity and employment generation by the cottage and small industries among the sample industries, entrepreneurs were asked to provide information about capacity and employment generation. Their responses are presented in table 4.7 as below,

Table 4.6

List of sample industries with capacity and employment

S. N	Name of Applicant	District	No. of beneficiaries	Capacity of factory ( Kg green leaf per year)
1	Kanyam Tea Producer Coop Ltd.	Ilam	250	150000
2	Tinjure Tea Farmer Cooperative Ltd.	Ilam	212	8400
3	Jasbire Tea Factory	Ilam	150	16560
4	PaniDhapChiyaPrasodhanUddhyog	Ilam	30	15000
5	SanimaiChiyaUtpadakSahakariSanstha Ltd.	Ilam	111	32000
6	Green Hill Tea Coop	Ilam	133	30000
7	Uchhapahadi Tea	Ilam	154	30000
8	Suryodaya Organic Hate Chiyauddhyog	Ilam	40	18000
9	Barboteli Tea Producer Cooperative Society Ltd.	Ilam	100	24000
10	Laligurans Hate Chiya	Ilam	60	25200
	<b>Total</b>		1240	349160

Source: Field Survey, 2079

According to table 4.7, the number of people benefited by the tea processing unit of 10 sample industries is 1240. As well as they are utilizing and processing tea leaves of about 349160 kilogram per year. They are producing final orthodox tea and selling them in the different domestic as well as in the international market. These industries are providing employment to 120 people. That consists of 80 male and 40 female. Besides that, these industries are providing part time job to many people. Industries that have their own tea garden are providing more employment than raw material purchaser.

#### 4.1.7 Problems of Entrepreneurship While Starting Their Enterprise:-

With regard to problems faced by the entrepreneurship while starting their industry, sample organizations were asked did you find any kind of difficulties while starting your industry. Their responses and frequencies are presented in table 4.8 as below,

Table 4.7: Problem of entrepreneurs while starting and up scaling their enterprise

S.N	Particulars	Strongly		Moderate		Weakly	
		No.	Percentage	No.	Percentage	No.	Percentage
1	Legal procedure	3	30	6	60	1	10
2	Financial	7	70	3	30	0	0
3	Social/Cultural	3	30	1	10	6	60
4	Managerial	7	70	2	20	1	10
5	Technological	4	40	5	50	1	10
6	Infrastructure	2	20	60	50	2	20
7	If others	0	0	0	0	10	100

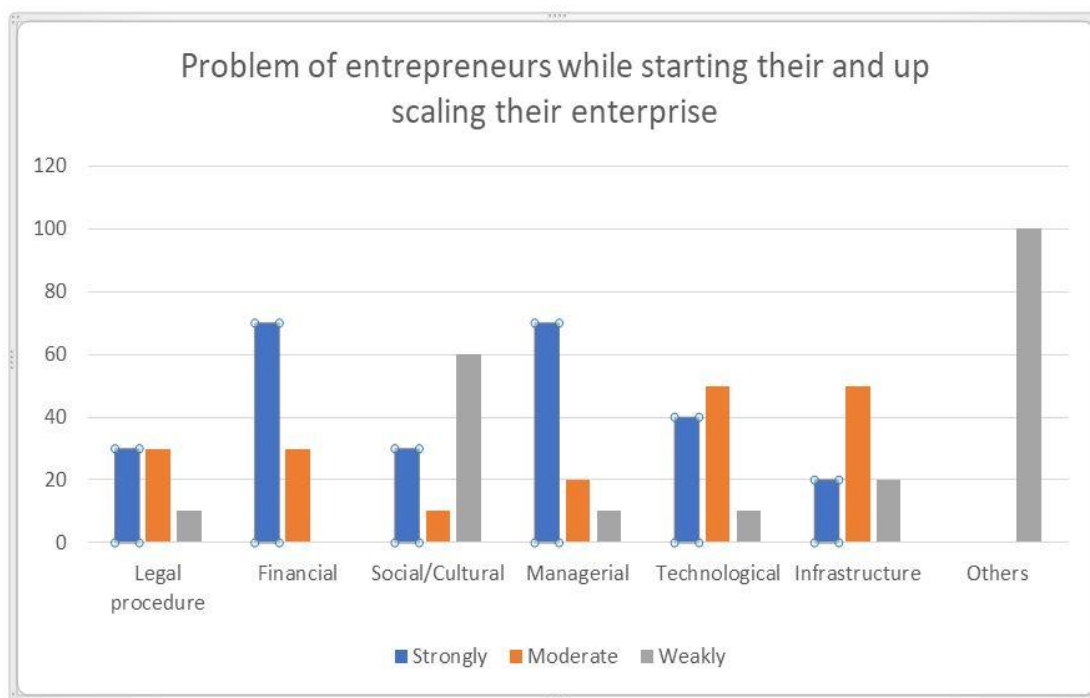
Source: Field Survey, 2079

Figures presented in the table 4.8, problems related to legal procedure is 30 percentage strong, 30 Percentage moderate and 10 percentage is weakly. Similarly 70 percentage of respondent said strong financial problems, 30 percentage of them said moderate and none of them said weakly. Similarly 30 percentage of them said they had strong socio cultural problem, 1 percentage of them aid moderate and 6 percentage of them said weakly. Similarly 70 percentage respondent said strong managerial problem, 20 percentage of them said moderate and 1 percentage of them said weakly. Along with this, 40 percentage of entrepreneur faced technological problem, 50 percentage faced moderate and 1 percentage faced weak technological program. Infrastructure facility was recognized 20 percentage strongly with 50 percentage moderate and 20 percentage weak infrastructure facility problem. And all respondent said weakly social/cultural problems in compared to other problem, which indicate that, there is few problem regarding to socio-cultural problems.

This data can be presented in the figure as below

Figure 4.2

Problem of entrepreneurs while starting their and up scaling their enterprise



Source: Field Survey, 2079

According to figure 30, 60 and 15 respondents respond as strong, moderate and weak problem related to legal procedure respectively. Similarly 70, 30 and 0 respondents respond as strong, moderate and weak financial problem respectively whereas, 30, 10 and 60 respondents respond as strong, moderate and weak problem about social/cultural problem respectively. Similarly, other problem like managerial, technological, infrastructure and others is illustrated in the bar chart above.

#### 4.1.8 Support achieved from UNNATI Program for Tea Industries:-

With regard to support while starting and up scaling tea industry, a question was asked to the respondents about support they had for their enterprise. The responses are presented in the table 4.8 as below.

Table 4.8

List of industries and the support provided by UNNATI program

<b>S. N</b>	<b>Name of Applicant</b>	<b>District</b>	<b>Sector of support from UNNATI Program</b>
1	Kanyam Tea Producer Coop Ltd.	Ilam	Factory upgrade, Technical support ( Software portion)
2	Tinjure Tea Farmer Cooperative Ltd.	Ilam	Factory upgrade, Organic certification, Technical support ( Software portion)
3	Jasbire Tea Factory	Ilam	Factory upgrade, Organic certification, Technical support ( Software portion)
4	PaniDhap Chiya Prasodhan Uddhyog	Ilam	Factory upgrade, Technical support ( Software portion)
5	Sanimai Chiya Utpadak Sahakari Sanstha Ltd.	Ilam	Factory establishment, Technical support ( Software portion)
6	Green Hill Tea Coop	Ilam	Factory establishment, Organic certification, Technical support ( Software portion)
7	Uchhapahadi Tea	Ilam	Factory establishment, Organic certification, Technical support ( Software portion)
8	Suryodaya Organic Hate Chiya Uddhyog	Ilam	Factory upgrade, Technical support ( Software portion)
9	Barboteli Tea Producer Cooperative Society Ltd.	Ilam	Factory establishment, Technical support ( Software portion)
10	Laligurans Hate Chiya	Ilam	Factory establishment, Technical support ( Software portion)

Source: Field Survey, 2079

According to table 4.10, 5 factories is provided for factory establishment where as other 5 factories were provided support for factory upgrade. Organic certification support was 4 factories and 6 factory didn't conducted organic certification program with the support of UNNATI Program. Technological program was provided to all 10 processing factories.

#### 4.1.9 Entrepreneur's Responses towards the major sector they contributed on:

With regard to the sector of development through establishment of rural tea industries, following are the data collected and presented in table 4.11 as below

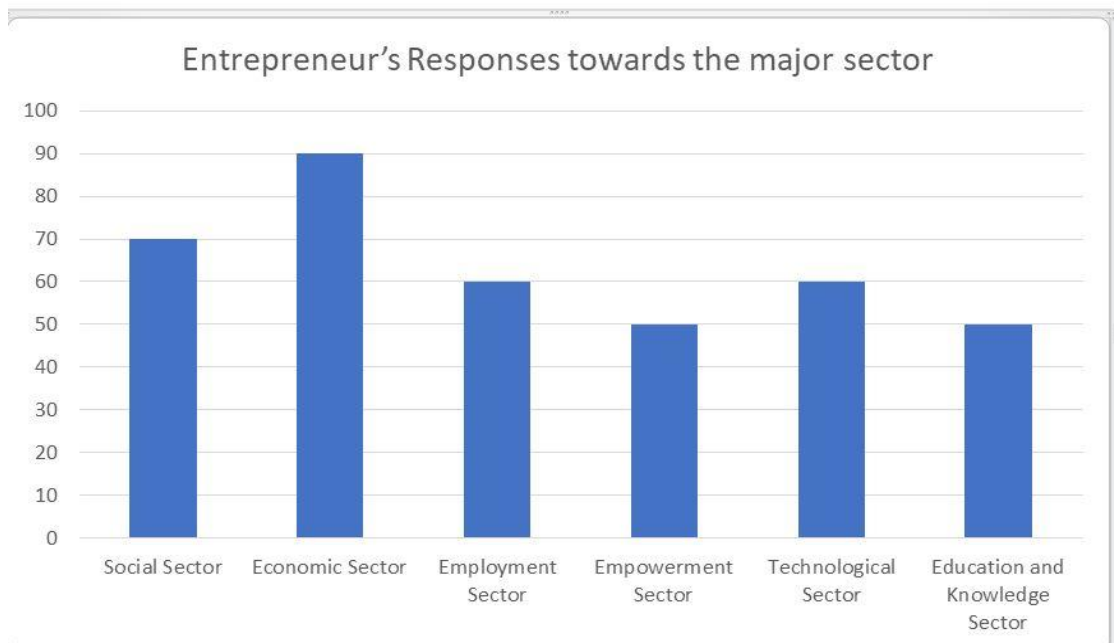
Table 4.9

Entrepreneur's response towards the major sector

Major sector	Total points (Out of 10)	Percentages (%)
Social Sector	7	70
Economic Sector	9	90
Employment Sector	6	60
Empowerment Sector	5	50
Technological Sector	6	60
Education and Knowledge Sector	5	50
Resource Utilization Sector	7	70

Source: Field Survey, 2074

Figure 4.3



Source: Field Survey, 2079

The above bar chart about major sector contributed by UNNATI according to respondent shows that economic sector growth rates high in comparative to other sector. Empowerment activities is rated low in comparison to social, employment, technological and education, knowledge sector.

4.1.10 Effectiveness of conduction of UNNATI projects for rural entrepreneurship in various topic:

Table no. : 4.10

S.No.	Particulars	Strongly (Percentage)	Moderately (Percentage)	Weakly (Percentage)
1	Employment opportunity generation	70	20	10
2	Utilization of local product	80	15	5
3	Social works	50	40	10
4	Women empowerment	60	20	20
5	Capacity Building	80	15	5
6	Economic Growth	90	5	5

S.No.	Particulars	Strongly (Percentage)	Moderately (Percentage)	Weakly (Percentage)
7	Operation cost reduction	80	10	10
8	Technology transfer, Education and knowledge sharing	80	5	15
9	Sells increase	60	30	10
10	Capital formation	80	10	10
11	Infrastructure	70	20	10
12	Quality Improvement	70	15	15

Source: Field Survey, 2079

According to table 4.10, effectiveness of UNNATI project implementation has been seen high for rural entrepreneurship development, according to the survey and data collection, people experience high economic growth is conducted more effectively with 90 percentage strongly in percentage, where as entrepreneur think that they realize less effectiveness in conduction for women empowerment with 20 percentage.

#### 4.1.11 Sector they require support for rural entrepreneurship development:

With regard to entrepreneur's preference to institution support, respondents were asked, In which sector do you required more support in upcoming days? Their responses and rank are presented as below,

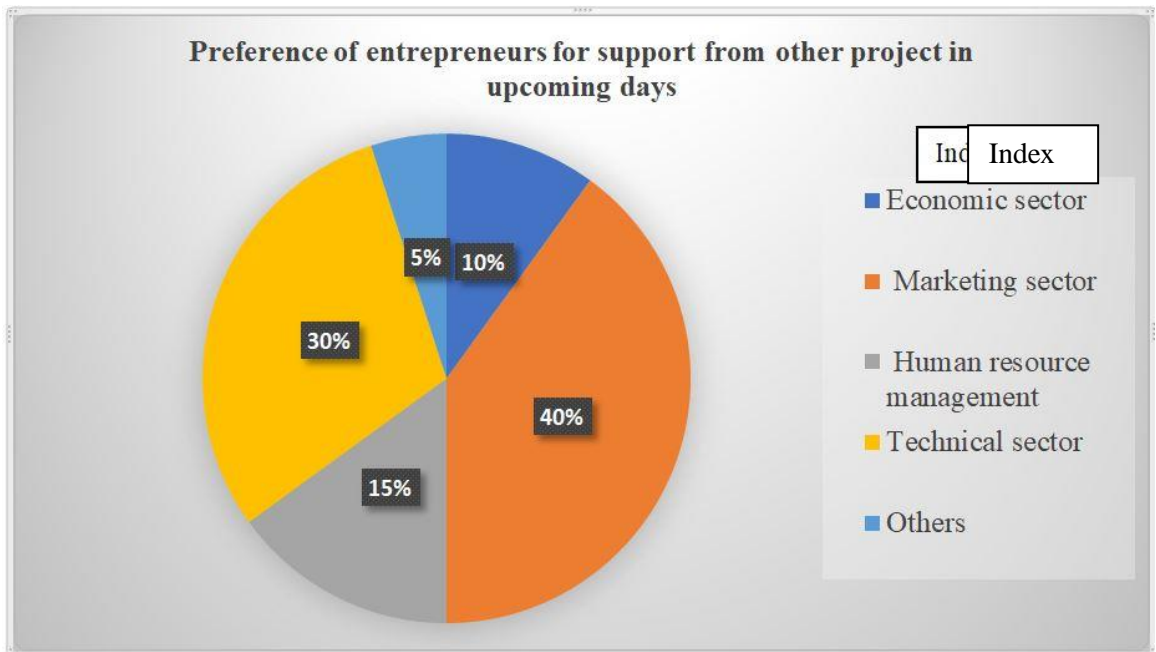
Table 4.11

Preference of Sector they require support for rural entrepreneurship development

Areas	Percentage	Rank
a) Economic sector	10	Fourth
b) Marketing sector	40	First
c) Human resource management	15	Third
d) Technical sector	30	Second
e) Others.....	5	Fifth

Source: Field Survey, 2079

Figure : 4.4



According to table 4.11 and figure 4.4, Sector they require support for rural entrepreneurship development in upcoming days has marketing sector in first rank followed by technical support, human resource management, economic sector and others in fifth rank.

## **CHAPTER V**

### **Summary, Findings, Conclusion and Recommendation**

#### **5.1 Summary**

Generally entrepreneurship is a creative process of identifying and exploring opportunity through collecting and mobilizing various resources. Rural Entrepreneurship has remained the backbone of Nepalese economy. But starting a business itself is not easy work. It requires various resources and facilities. It consists of risk. Rural industry themselves are not capable enough to fulfill required resources like adequate capital, knowledge, technology, skill manpower, basic infrastructure, excess of information trained human resources etc. That is why they need international organizational and project support. They need help in many areas like marketing, innovative technology, formulation policies, provide support, regulate and facilitate to develop manufacturing and service enterprises with the help of many national and international organization. Institutional support may be governmental or non-governmental.

In the context of Nepal rural tea industry plays vital role for the development of the nation. They create self employment, mobilized idle savings, and utilized resources properly. If there is lack of huge capital, technical support, effective marketing and advance technology tea industry is important factor for the development of nation. But the pace of its growth has remained slow. Majority of entrepreneurial venture currently remain sick or closed. For the development of this sector national and international organization, donor agency's support is essential. Basically when there is shortage of capital, scarcity of raw material, marketing problems, poor access of information, lack of opportunities for competency development and inadequate skill human resource institutional support is required. Institutional and INGO support to entrepreneurship in Nepal is provided through government agencies and specialized agencies consultancy services, institutional finance and marketing services.

No doubt entrepreneurship is driving force for the development of the nation and UNNAT- Inclusive Growth Programme in Nepal has already become the milestone for the entrepreneurship development in hilly region district like Ilam. Developing country like Nepal cottage and small industry has significance role for the

development of economy. In Nepal most of the entrepreneurs are operating cottage and small industries.

In the context of Ilam there are many prospects of agricultural industry. Especially orthodox tea is a major prospect of Ilam. It is also very popular in international market. But still tea industry are not so capable enough to cope with competition. They are struggling in the market with Indian industries. There is strong competition to get raw material. There is also challenge to maintain quality of their product. They have to invest huge amount of money for social work which increase their cost. In order to keep organic feature of their product they have to provide extra bonus price to the supplier of raw material which very difficult to afford them.

## **5.2 Findings**

This study is focused on impact created with establishment of tea industry with the support of UNNATI for rural entrepreneurship development of Ilam district. With the help of secondary data and questionnaire, informal interview, informal discussion with entrepreneurs, the following major findings are obtained:

1. Total production capacity of 10 sample industries have capacity of processing 349160 kilogram per year. They are producing final orthodox tea and selling them in the different domestic as well as in the international market.
2. These industries are providing employment to 120 people. That consists of 80 male and 40 female. This shows that UNNATI program has provided employment opportunities to many rural peoples.
3. It is found that problems related to legal procedure is 30% strong, 30% moderate and 10% is weakly. Similarly 70% of respondent said strong financial problems, 30% of them said moderate and none of them said weakly. Similarly 30% of them said they had strong socio cultural problem, 1% of them aid moderate and 6% of them said weakly. Similarly 70% respondent said strong managerial problem, 20% of them said moderate and 1% of them said weakly.
4. Along with this, 40% of entrepreneur faced technological problem, 50% faced moderate and 1 % faced weak technological program. Infrastructure facility was recognized 20% strongly with 50% moderate and 20% weak infrastructure facility problem.

5. There is weak social/cultural problems in compared to other problem, which indicate that, there is few problem regarding to socio-cultural problems.
6. 5 factories is provided for factory establishment where as other 5 factories were provided support for factory upgrade. Organic certification support was 4 factories and 6 factory didn't conducted organic certification program with the support of UNNATI Program. Through this they have gone to the sustainable agricultural system.
7. Technological program was provided to all 10 processing factories.
8. Major sector contributed by UNNATI according to respondent shows that economic sector growth rates high in comparative to other sector.
9. Empowerment activities is rated low in comparison to social, employment, technological and education, knowledge sector.
10. Effectiveness of UNNATI project implementation has been seen high for rural entrepreneurship development, according to the survey and data collection, people experience high economic growth is conducted more effectively with 90% strongly in percentage, where as entrepreneur think that they realize less effectiveness in conduction for women empowerment with 20%.
11. Sector they require support for rural entrepreneurship development in upcoming days has marketing sector in first rank followed by technical support, human resource management, economic sector and others in fifth rank.
12. More focused should be made for marketing of Nepali Tea for uplifting the living standard of rural farmers.

### 5.3 Conclusion

No doubt entrepreneurship is driving force for the development of the nation. It is a back bone for the development of the nation. They are the reliable source of creating employment opportunities and improvement of living standard of the people. Developing country like Nepal, tea industry has significance role for the development of economy. Nepal is registered country in WTO which promotes global business. Globalization has both positive and negative effect to our country. If we managed and utilized well it can be far better to developing country like Nepal. If we cannot managed of utilizing, it may caused to shutting down of the Nepalese Tea industries. In this context tea industries are suffering a lot from strong competition. They cannot compete with multinational company. UNNATI program has provided more knowledge about technology, capacity building of the people. Now, for marketing purpose either government or non-government organization should provide support or create market linkage for them.

In this context this study is carried out to find the impact of UNNATI project for Rural Entrepreneurship development. As most of the UNNATI tea grantees are in Ilam district tea manufacturing industries of Ilam is taken as sample for this study. In the context of Ilam, UNNATI project implementation became able to create in the face of rural people. The following are positive impact of UNNATI Project from this study:

1. Entrepreneurship is a creative process of identifying and exploring opportunity through collecting and mobilizing various resources. It is driving force for the development of the nation. It is a back bone for the development of the nation. They are the reliable source of creating employment opportunities and improvement of living standard of the people.
2. Organizational or project support refers to the support to the entrepreneurs by different types of institutions. It also refer to formulate policies provide support regulate and facilitate to develop manufacturing and service enterprises with the help of many institutions. Institutional support may be governmental or non-governmental.
3. In the context of tea industries in Ilam, they have got vast knowledge and support from UNNATI but they have risk in future as well.

4. The project has important role for the development of entrepreneurship. It helps to increase economic growth of country through developing rural entrepreneurship.
5. This project has provided various trainings which helps rural people know better about their farming, industry and make them aware about technology.
6. Project has facilitate the rural areas by providing awareness program as well as organic certification, which ultimately lead them on doing sustainable farming.
7. Along with the financial support, UNNATI project has also provided, facility of infrastructure with road construction in rural area.
8. Workshop and making people aware about Occupational Safety and Health (OSH) helps in creating healthy environment in work place through this project.
9. Reduction in Cost of production is also one of the achievement after this project implementation.

The following are negative impact of UNNATI Project from this study:

- High competition for raw materials and green leaves due to rapid growth of tea industry in Ilam.
- If focus is not made on increasing productivity of tea garden, there may be the chances of shutting down of tea factories due to the lack of raw material.
- Lack of marketing knowledge and experience can lead to the loss of tea industry.

To conclude in one paragraph, no doubt current level of support helped to up-lift development rural entrepreneurship in Ilam. But only capacity extension and skill development is not sufficient to develop entrepreneurship. Entrepreneurs can only develop their business if they can produce high quality and reliable product. More, knowledge and supports to be given for innovative tea plantation techniques, market access and promotional as well marketing of Nepali tea product for accelerating rural entrepreneurship in Nepal.

## **5.4 Recommendations**

The development of tea industry in Nepal took momentum after the private sector involved in tea market. Nepal is rich in the eco-system and bio-diversity with tremendous agriculture opportunities wherein tea is grown as among the major cash crops. Tea business has been emerging as a potential export trade of Nepal. The growth and expansion of tea sector has been steadily progressive with increased competitiveness and market-orientation.

The positive trend of production and export has indicated the potentiality of further extension of tea business in the global scale. The tea industry has entered in to the global market inviting cumbersome challenges and greater potentialities.

As there have been major international standards set for tea business, Nepal has to formulate and develop effective marketing strategies to cope with such standards and challenges. The following recommendations can be made to ensure effective rural development process through tea industry in Nepal.

- As some tea industry do not have organic certification, support of organic certification should be held and focus has to be made on the organic tea cultivation because the international standards restrict the poor quality chemicals/insecticides and pesticides use in tea production
- Focus should be made for the increasing import of the more advanced processing technologies in tea factories.
- In other hand sustainable agriculture is best possible approach than the pure organic farming in context of Nepal for better production and domestic marketing. Starting with sustainable will lead to the organic in certain time with some preparations for the possible challenges.
- Effective economic benefits of the rural entrepreneurs can be done by developing marketing networks for products more effectively.

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**Annex A**  
**Questionnaire**

**Impact of UNNATI- Inclusive Growth Programme in Nepal on Rural  
Entrepreneurship Development,  
A Case Study of Ilam District**

This Questionnaires is prepared for collecting necessary data/information to explore "Impact of UNNATI- Inclusive Growth Programme in Nepal on Rural Entrepreneurship Development, A Case Study of Ilam District " in partial fulfillment of the requirement for the degree of the Masters of Arts (M.A.) in Rural Development

I would be grateful if you supply correct information which is given below. Information gathered through these questionnaires will be kept strictly confidential and will be used only for academic purpose.

1. Name of industry: .....
2. Address:  
Zone ..... district.....  
Municipality/Rural Municipality .....ward no.....
3. Name of Industry.....
4. Contact person.....
5. Contact number.....
6. Established year.....
7. Capacity of industry (Raw Materials consumption).....
8. Number of beneficial farmer from Industry.....
9. Name of supporting project for establishment :  
I. ....  
II. ....
10. Did you find any kind of difficulties while starting your industry?  
a) Yes [ ]                      b) No [ ]



b) No [ ]

20. How do you find the level of competition?

a) Strong                      b) Moderate                      c) Poor

21. What is the condition of the availability of labour?

a) Easily available              b) Satisfactory              c) Scarcity of labour

22. How many employees are working in your industry?

S.N	Particulars	Male	Female	Total
a.	Own family			
b.	Outsider: Regular Part timer Others.....			

23. Do you have significance change in your area after project support?

a) Yes [ ]                      b) No [ ]

24. If yes how do you rate the change?

Very well    well                      satisfactory                      not well

25. If no, what is the reason?

a) Not sufficient    b) not appropriate              c) unnecessary  
d) Others.....

26. Have you increase capacity of your industry?

a) Yes [ ]                      b) No [ ]

27. Have you increase the sells rate of processed product?

a) Yes [ ]                      b) No [ ]

28. Where do you get your raw materials in rural areas for processing?

a) Yes [ ]                      b) No [ ]

29. Do you contributed on economic development of rural area?

Yes [ ]                      b) No [ ]

30. If yes, state the major sector that you have contributed on

- i. Social sector
- ii. Economic sector
- iii. Employment sector
- iv. Empowerment sector
- v. Technological sector
- vi. Education and knowledge sector
- vii. Resource utilization sector
- viii. Others.....

31. On your view, to what extend UNNATI project is able to conduct their activities in following topics?

S.No.	Particulars	Strongly (Percentage )	Moderately ( Percentage )	Weakly ( Percentage )
1	Employment opportunity generation			
2	Utilization of local product			
3	Social works			
4	Women empowerment			
5	Capacity Building			
6	Economic Growth			
7	Operation cost reduction			
8	Technology transfer, Education and knowledge sharing			
9	Sells increase			
10	Capital formation			
11	Infrastructure			
12	Quality Improvement			

32. Is operation cost reduced by implementation of this project?

- a) Yes [ ]

If yes, how?

.....

b) No [ ]

33. Does beneficiaries improved their technical skill and knowledge by implementation of this project?

a) Yes [ ]

If yes, how?

.....

b) No [ ]

34. Is capacity increased of beneficiaries and industry by implementation of this project?

a) Yes [ ]

If yes, how?

.....

b) No [ ]

35. Is their increase in employment opportunity by implementation of this project?

a) Yes [ ]

If yes, how?

.....

b) No [ ]

36. Is economic growth by implementation of this project?

c) Yes [ ]

If yes, how?

.....

No [ ]

37. Does the quality of rural people improved?

d) Yes [ ]

If yes, how?

.....

No [ ]

38. What are the drawbacks you recognized of this project?

.....

39. In which sector do you required more support in upcoming days? Give rank for the following.

Areas	Rank
Economic sector	.....
Marketing sector	.....
Human resource management	.....
Technical sector	.....
Others.....	.....

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of interviewed person

**Thank You**

**Annex B**  
**Research related photos**



Fig 1 : Picture during field Survey



Fig 2: Certificate of UNNATI program completion



Fig 3: Promotional activities for gender equality



Fig 4: Factory established with support of UNNATI



Fig 5: SPS project of UNNATI



Fig 6 : Supporting tea producer for Expo participation



Fig 7: Training provided by UNNATI



Fig 8: Training on Occupational Safety And Health