

# CHAPTER I

## INTRODUCTION

### 1.1 General background of the study

Nepal is a landlocked country lying south of Himalayan range in South Asia, bordering on the west, south and east by India, and on the north by the Tibet region of People's Republic of China. It is situated between the latitude of 26° 22' North to 30° 27' North and longitude 80° 04' East to 88° 12' East. Its elevation ranges from 90 m to 8848 m. The total area of the country is 1,47,181 square kilometers. It has covered 0.03 percent and 0.3 percent of total land of the world and Asia respectively. It has average length of 885 kilometer from east to west and average breadth of 193 kilometer from north to south. Nepal is famous with the highest peak of the world, Mount Everest (8848 m) (CBS 2065).

Nepal is divided into five development regions in administrative point of view. They are Eastern Development Region, Mid Development Region, Western Development Region, Mid Western Development Region and Far Western Development Region.

Nepal is divided into three regions geographically and ecologically. They are the Mountain, the Hill and the Terai. The Mountain region lies between

the altitudes of 4,877 m to 8,848 m above the sea level. This region covers 35 percent of total area (CBS 2065). Only two percent of land is cultivable. The Hill region lies between the altitudes of 610 meters to 4,877 meters above the sea level. The population of this region is percent of total population of Nepal (CBS 2065). This region occupies 42 percent of the total area (CBS 2008). 10 percent of its land is suitable for cultivation. This region covers 23 percent of total area of Nepal (CBS 2065).

The country is divided into 14 Zones and 75 Districts. There are 3,915 VDCs and 58 Municipalities including one Metropolitan and four Sub-Metropolitan cities (CBS 2065). More than 60 castes/ethnic groups are residing in the country (CBS 2065). In early May 2006, Nepal was declared as a secular country. It is estimated that there are about 6,000 rivers having about 45,000 kilometers in length (CBS 2065).

Nepal is known as an agricultural country. Agriculture has contributed highest in the total gross domestic production with 34.58 percent whereas industrial sector has only 7.73 percent (CBS 2065).

The total number of total population of Nepal projected for the year 2008 is 2,69,66,581 (1,35,15,938 male and 1,34,50,643 female)(CBS 2008). 86.10 percent of people live in the rural areas. Estimated per capita GDP for the year 2007/08 is US \$ 470. Population growth rate is 2.25 percent per

annum. Literacy rate is 54.1 percent. 30.8 percent of population is living below poverty line. 80.62 percent of population is of Hindu religion, 10.74 percent of Buddhists, 4.20 percent of Islam, 3.6 percent of Kirants, 0.45 of Christians and 0.39 of others (CBS 2065).

Among the five development regions of the country, the Mid Western Development Region (the Far Western development region and mid western development region was combined together as Far western development region before 2037 B.S.) was considered to be the most underdeveloped along with Far western largely because of its remote location. The mid western development region consists of Bheri, Rapti and Karnali zones with Birendranagar as the Headquarter.

Surkhet as the headquarter of Mid Western development region is at the height of 198 meters to 2367 meters from sea level. Before 2016 B.S, it was included in Dailekh. Surkhet has 2451 sq. km of area, 50 VDCs and a Municipality, It is one of the five districts of Bheri Zone. Surkhet is surrounded by Salyan in the east, Doti and Achham in the west, Achham, Dailekh and Jajarkot in the north and Kailali and Bardia in the south. It is situated in the latitude of 28° 20' North to 28° 58' North and longitude of 80° 59' to 82° 2' east. Urban area is 34 square kilometers and rural area is 2,417 square kilometers. Surkhet has the total population of 2,88,527 ( 1,42,817 male and 1,45,710 female). Population growth rate is 2.45 percent per annum which is 0.20 percent greater than the average rate of

Nepal (DDC, Surkhet 2055). 1.25 percent of total population of Nepal resides in Surkhet. It has the population of 91.20 percent of Hindus, 7.53 percent of Buddhists, 0.75 percent of Christians, 0.43 percent of Muslims, 0.10 percent of others. The main castes/ethnic groups are 27.73 percent Chhetri, 20.63 percent Magars, 14.96 percent Kamis, 12.33 percent Brahmans and 4.55 percent Thakuris. The average per capita income of this district is Rs. 10,330. The percentage of population depending on agriculture is 54.57.

Birendranagar was used to be known as '12 bandals and 18 khandals'. It has Bheri river in east and Karnali river in west. It was known by the name of 'Dobhan Chaur' earlier. It is situated at the Longitude of 81° 35' East and a Latitude of 28° 3' North in the Surkhet district of west Nepal. Birendranagar is situated to the north of Surkhet valley and spreads over the villages of Itram and Naulapur. It is bounded between the khahare Kholas, Khorke in the west, Itram on the east and Nepalgunj Surkhet road in the south.

## **1.2 Statement of the Problem**

One of the indicators of the economic development of a country is the status, condition and speed of the industrialization of that country. The higher the industrialization, the more economic development.

Production of goods using different production inputs like capital, land, technology, manpower, raw material adds value to the goods. The added value is distributed among different levels of society.

Cottage and small scale industries are established inside BNID. They have certainly contributed in economic development and income generation of people in somewhat way. They have used local resources and skills. Workers, traders, government must have benefited from the promotion of industries inside BNID.

Utilizing facilities and privileges provided by the government and BNID, the industrialists may have got the opportunity to raise their socio-economic condition. The investment and attempts made through BNID may have certainly, in more or less, helped country to move a small step towards industrialization. The effects can be seen from the following way:

- ) no. of shops opened nearby
- ) mobility of transport in and out of BNID
- ) no of employees
- ) use of electricity, water in production
- ) development of skill in employees
- ) knowledge of new technologies used
- ) density of human settlement around
- ) no of people involved in distribution channels

) collection of revenues from the industries etc.

### **1.3 The Objectives of the Study**

The general objectives of the study are to explore and explain the socio economic status of industrialist in BNID.

The following objectives are central to the research:

- ) To find out socio economic condition of industrialist in BNID
- ) To recommend measures for improvement of situation.

### **1.4 Rationale of the Study**

The government has invested 0.84 crore rupees to develop the infrastructure in BNID so far and has been expending 0.21 crore per year for the operation of the industrial estate (BNID 2065).

In 2057 B.S. the government in recommendation of the industrial promotion Board lifted the provision for industries to be established in BNID (BNID 2065). After that, in 2057 B.S. the District Forest Office, Surkhet provided 'Tancha' to the saw mills to export timber outside the district (BNID 2065).

In spite of all these initiation, successfully running of established industry for more than 2 or 3 years has not been seen. Rate of closing of industries is higher. The Productivity of the industries is not getting its speed. The expectation of creating more jobs after establishment of the industrial estate has not been fulfilled. Entrepreneurship could not been developed satisfactorily. The investment made by the government and the BNID management does seem to give return in solid figure.

Exports of herbs in large quantity from Jumla, Kalikot, Jajarkot, Dolpa, Mugu through Surkhet can be seen. Extracting essential oil from different herbs which has high potentiality in Surkhet has not been done.

Big number of industries could not have been promoted in BNID after 27 years of establishment.

## **1.5 Significance of the Study**

This study attempts to show the present situation of industries and socio economic status of industrialists in BNID. It will be helpful to Government, NGOs, INGOs, students, experts and Industrial Districts Management Ltd itself.

## **1.6 Limitations of the Study**

The limitations of the study are as follows:

1. The study has been conducted within limited time and information. The findings cannot be generalized in case of all the industrial districts of the country.
2. The study has not been done covering each and every aspect of the industrialists deepening into micro level.

## **1.7 Organization of the Thesis**

This dissertation has been organized into 5 chapters with required sub-topics. It has been designed in order to make the study more specific, precise, achievable and impressive.

Chapter One: Introduction.

Chapter Two: Review of the Literature.

Chapter Three: Research Methodology.

Chapter Four: Presentation and Analysis of Data.

Chapter Five: Conclusion and Recommendation.



# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2.1 Some Operational Definitions**

#### **2.1.1 Social Status**

Social status is the social frame and foundation of a person that is defined as where is he/she, what is his/her status of caste/ethnic group, what are his/her social-economic status as well as cultural background.

Social status can also be defined as, "Relative rank that an individual holds, with attendant rights, duties and lifestyle, in a social hierarchy based on honour and prestige. Status is often ascribed on the basis of sex, age, family relationships, and birth, placing one into a particular social group irrespective of ability or accomplishments. Achieved status, on the other hand, is based on educational attainment, occupational choice, marital status, and other factors involving personal effort. Status groups differ from social classes in being based on considerations of honour and prestige rather than purely economic position. Relative status is a major determinant of people's behaviour towards one another, and competition for status seems to be a prime human motivator" (Britannica Concise Encyclopedia, 2006).

Social status is the "standing", the honour or prestige attached to one's position in society. Social status is influenced by social position.

Status is a key idea in social stratification. Max Weber distinguishes status from social class, but contemporary empirical sociologists fuse the two ideas into Socio-Economic Status or SES, usually operationalized as a simple index of income, education and occupational prestige.

Status based on inborn characteristics, such as gender, are called ascribed statuses, while statuses that individuals gained through their own efforts are called achieved statuses (Ali, M., 2006).

### **2.1.2 Economic Status**

Economic status is the economic frame and foundation of a person, which defines his/her economic condition and composition to the society he/she belongs to.

### **2.1.3 Socio-economic Status**

Socio-economic status is an overall rank based on characteristics such as education, income and occupation, used to describe people's position in stratification system (Lawman N., 2004).

Socio-economic status is any measure which attempts to classify individuals, families or households in terms of indicators such as occupation, income and education (Marshall G., 2004).

#### **2.1.4 Education**

Education is the transmission of knowledge to members of society. The knowledge passed on is in the form of technical and cultural knowledge, technical and social skill, as well as the norms and values of the society (Lawman N., 2004).

The sociology of education is mostly concerned with schooling, and especially the mass schooling systems of modern industrial societies, including the expansion of higher, further, adult, and continuing education (Marshall G., 2004).

#### **2.1.5 Educational Status**

Educational status is the respondent's literacy status and years of formal and informal schooling. Educational status can also be defined as, educational attainment or level of education of individuals (Ali,M., 2006).

## **2.2 Prime Mover Project**

With the aims to support and promote small scale industrial activities in Surkhet, The Netherland government assisted in running a project "Prime mover Project" in Surkhet.

The project has expected to achieve the aim by the following activities:

- Identification and organization of support measures for existing producers or group of producers.
- Provision of equipment for existing and new ventures
- Continuous support in the running of the production units
- Continuous support with regard to raw material supply and marketing
- Continuous identification and support of future producers or groups of producers
- Physical construction of an industrial site and its management in Surkhet valley.
- Loan management and technical services for the production units covered by the project.

( BNID Memorandum )

The basic idea behind the Prime mover project is to link the various economic activities in the region through the establishment of a project which would serve to link as well as accelerate the various sectors of the

economy. With this view, an industrial estate in the area was identified as the prime mover.

The original concept was to establish two Prime Mover Projects, one in the EDR in Dhankuta and the second in the FWDR. Subsequently it was decided to start with the first on the FWDR instead of the EDR. The obvious choice of the FWDR is commensurate with the national policy which strives to minimize regional imbalances as far as practicable. The FWDR by and large is very underdeveloped compared to other areas of the country, and HMG/N found it more appropriate for the Prime Mover Project to be established in such a region.

The regional centre of the FWDR is the Surkhet valley, which has recently been developing with heavy inputs from HMG/N. The most prosperous area in the region is of course the town of Nepalgunj which is the centre of business for most parts of Bheri and Karnali Zones. However, a concentrated development of Nepalgunj alone cannot provide the answer for the major deficiencies in the hills. Under the circumstances it was imperative to consider establishing the PMP in areas other than Nepalgunj. This is the prime rationale behind the selection of Surkhet as the possible location for the proposed PMP. On the one hand, Surkhet valley is closer to the hills than Nepalgunj, and secondly this is the only location (north of Nepalgunj) which is served by basic infrastructure such as road and electricity.

The Prime Mover Project is one of the projects presently planned in the FWDR as a part of its overall developmental planning. At that time, there were two macro plans being implemented in FWDR. The first was the Design of Master Plan for the development of the township of Birendranagar in Surkhet Valley. The second was the Karnali-Beri Integrated Rural Development Project or commonly known as the k-Bird Project. The first project merely encompasses the planning of Surkhet Valley and its area of influence is restricted to the township of Birendranagar while for the K-Bird project the area extends well beyond to Jumla, Kalikot, Banke, Bardia in addition to Surkhet district.

Among the above mentioned activities, the Prime Mover Project established an industrial estate, presently known as Birendranagar Industrial District which is running under Industrial District Management Ltd., an undertaking of Nepal Government since 2045 B.S. Nine other industrial estates running under IDML are:

1. Dharan Industrial District, Sunsari
2. Gajendra Narayan Singh Industrial District, Saptari
3. Hetauda Industrial District, Makawanpur
4. Balaju Industrial District, Balaju
5. Patan Industrial District, Lalitpur
6. Bhaktapur Industrial District, Bhaktapur
7. Butwal Industrial District, Rupandehi

8. Nepalgunj Industrial District, Nepalgunj

9. Pokhara Industrial District, Kaski

(IDM Profile, 2065)

Out of total number of 10 industrial estates in Nepal, Balaju Industrial Estate and Hetauda Industrial Estate are established with the assistance from United States of America in 2016 B.S. and 2020 B.S. respectively. India assisted in establishment of 4 industrial estates. They are Patan Industrial Estate in 2020, Dharan Industrial Estate in 2029, Nepalgunj Industrial Estate in 2030 and Gajendra Narayan Singh Industrial Estate in 2044 B.S.

The terms and conditions mentioned in the agreement between the government of Netherland and then HMG/Nepal endorsed in 13 th July 1981 in New Delhi are:

- The cooperation on the project will be for a period of three years starting on April 1st 1981, unless extended by mutual consent of the two governments.

The Netherlands minister undertakes:

- To supply qualified advisers for an assignment in Nepal and bear all expenses incurred by the advisors and their families

- To supply the funds necessary to establish and operate the project office for a period of three years.
- To make available to the project office and industrial promotion grand to finance the project activities
- To make available to the project office the necessary funds to establish an industrial site in Surkhet valley
- To make available funds for training purposes.
- The value of the contribution by the Netherlands party shall not exceed 2,696,906 Dutch florins.

The Nepalese party undertakes:

- To arrange and bear the costs of land acquisition and land development for the industrial site
- To execute and bear the costs of a groundwater survey
- To provide the advisors with adequate qualified counterpart staff, for which the staff salaries and allowances will be covered by the budget of the project office.
- In general to take all measures which will facilitate co-operation between the parties.
- The value of the Nepalese contribution is estimated at 250,000 N.R.



(Agreement paper between Nepal government and Netherland Government in New Delhi on 13th July 1981)

Before starting of the Prime Mover Project, a study was conducted by the Industrial Service center. In its report submitted in May 1979, the ISC had explored and analyzed various aspects like economy, industrial activities, existing and to be developed infrastructure, possible industries in Surkhet valley and advised necessity, type, site, size, facilities, management costs, finance of industrial estate with its valuable recommendations.

Because of the embryonic stage of industrial development in the FWDR on the whole and Surkhet Valley in particular, the reported has suggested that it was appropriate to devise methods and strategies for accelerating the pace of industrial development. The industrial estate is one such agency which has been widely used as medium for industrial promotion and is the most suitable medium in view of the conditions prevailing in Surkhet Valley. The industrial estate is expected to play the role of a prime mover by speeding up industrial development in Surkhet valley through the following:

- ) The provisions of an industrial area with electricity, water, and industrial sheds would provide the impetus for establishment of new industries.

- ) The provision of an industrial area would assist in resettling enterprises that are presently in operation in Surkhet Valley.
- ) It would have a demonstrative effect in the area.
- ) The development of an area exclusively for industries must bring about consciousness for industrialization in Surkhet.
- ) Land and building which are important ingredients of production would be provided at nominal rent.

Birenranagar Industrial District has crossed 27 years of its age now. There are 22 industries established at the time being. Out of 22, 14 are in operation whereas no. of not in operation, in construction and in process are 2, 4 and 2 respectively. 55.17 ropanis of land out of total 90 have been leased out so far including 2 industries which are in process. It has in its saturation condition in terms of leasing of land. Total no. of 102 employees is in their jobs in the industries altogether. BNID has been providing infrastructure and facilities like developed land, building, drain, security, electricity supply, water supply to the industries established within (BNID 2065). BNID is the smallest industrial estate in Nepal. The no. and types of industries established inside BNID are given below:

**Table No. 1**  
**No. of Industries in BNID**

S.No.	Types of Industries	Total Nos.	In Operation	Production Halted	In Construction	In Process
1	Poultry	5	5			
2	Hand Papar	1	1			
3	Furniture	2	2			
4	Textile	1	1			
5	Soyabody	1	1			
6	Workshop	2	1		1	
7	Allo	1	0	1		
8	Handicraft	1	0	1		
9	Saw Mill	4	2		1	1
10	Poultry Feed	2	1		1	
11	Vanier	1	0		1	
12	Plastic	1	0			1
	Total	22	14	2	4	2

Source: BNID 2065

# CHAPTER THREE

## RESEARCH METHODOLOGY

### 3.1 Rationale of Selection of the Study Area

Justifications of the selection of the study area are as follows:

- ) It is only industrial estate in Surkhet and 22 different industries are clustered in one place.
- ) No such studies have been made about the socio-economic status of the industrialists in the area so far.
- ) The researcher, myself, is a staff in BNID management office and it will be easier for me to collect information from the respondents.
- ) The researcher, myself, is residing in the study area and hence it will be convenient for me to conduct the study. The verification, addition and omission of information can be done immediately through the consultation with the respondents.
- ) The study could be completed with fewer budgets and I could make the best use of my available time.

### 3.2 Research Design

This research is done using Descriptive, Analytical and exploratory socio-economic research approach about the industrialists in Birendranagar

Industrial District. It is a case study of this study area. The information was collected through field visit, questionnaire, observation and interview.

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

The data for the study were both primary and secondary in nature. The primary data was collected from the field work through questionnaire, interview and observation. The primary data was collected through the personal contact with the industrialists. The secondary data was collected from the reports, books, population census report, profile and leaflets etc. The authenticity of the nature and sources of data was maintained very sincerely.

### **3.4 The Universe and Sample Selection**

The universe consists of total 22 industries of the study area. The whole 22 industrialists (universe) are selected as the census survey of the study area with the aim that a comprehensive investigation could be made.

### **3.5 Data Collection Techniques**

The following data collection techniques were applied to pursue the objectives of the research.

### **3.5.1 Questionnaire**

Questionnaire was used to collect basic data from the respondents to carry out the objectives of the study. It was devised to generate both qualitative and quantitative information from the respondents. A comprehensive questionnaire was prepared with the consultation from the guide.

### **3.5.2 Observation**

This is a very effective way to collect facts empirically in a research. To feel the reality, I, the researcher, applied non-participant methods while accomplishing observation. The whole 22 respondents' industries were visited taking sufficient time to observe closely.

### **3.5.3 Personal Discussion**

Along with filling the questionnaire, personal discussion was done with the respondent individually regarding the objectives of the study.

## **3.6 Data Processing and Analysis**

The collected crude data from the field survey was edited, processed, tabulated, analyzed and presented. The unnecessary and insignificant information were elucidated. The relationship between qualitative and quantitative data and dependent and independent was made. The data were

processed and analyzed by using different statistical modus operandi like descriptive statistical tool such as the frequency distribution, absolute numbers and percentage. The data were arranged in a tabular form, pie chart, bar diagram. The data was analyzed on the basis of speculation drawn from the processed data.

### **3.7 Reliability and Validity of Data**

There will be high level of reliability and validity of data to be collected. No biasness will be there in collection of data. All the 22 respondents will be met personally. Since the researcher, me being a employee in BNID, confusions can be cleared easily and promptly. Repeated meeting with the respondents is possible as I am residing at the field. Collection of secondary data from government offices, institutions will be easier for the researcher because of being a government service holder/employee.

### **3.8 Ethnical Consideration and Experiences**

Being myself one of the staffs in the BNID Management Office and living in the field area since the last 5 years, I am very much familiar with the respondents and their families. I know much about social and economic aspects of the respondents personally and officially as well. We frequently have discussion about economic aspect of the industry in office and in leisure time when we meet. I can gather and extract required information

with ease. For the secondary data, I felt easiness collecting them from other offices in Surkhet. Since I am a government employee, staffs of other offices showed eagerness in helping me.



## CHAPTER FOUR

### PRESENTATION AND ANALYSIS OF DATA

#### 4.1 Social Status

##### 4.1.1 Caste and Ethnic Composition

Among all, the no. of Chhetri caste is higher while the Janajati is only 3. However, we can see the presence of variety caste/ethnic group. Both Brahman hill and Brahman terai all together is 7 nos. Hence, Brahman and Chhetri has majority in number in the research field.

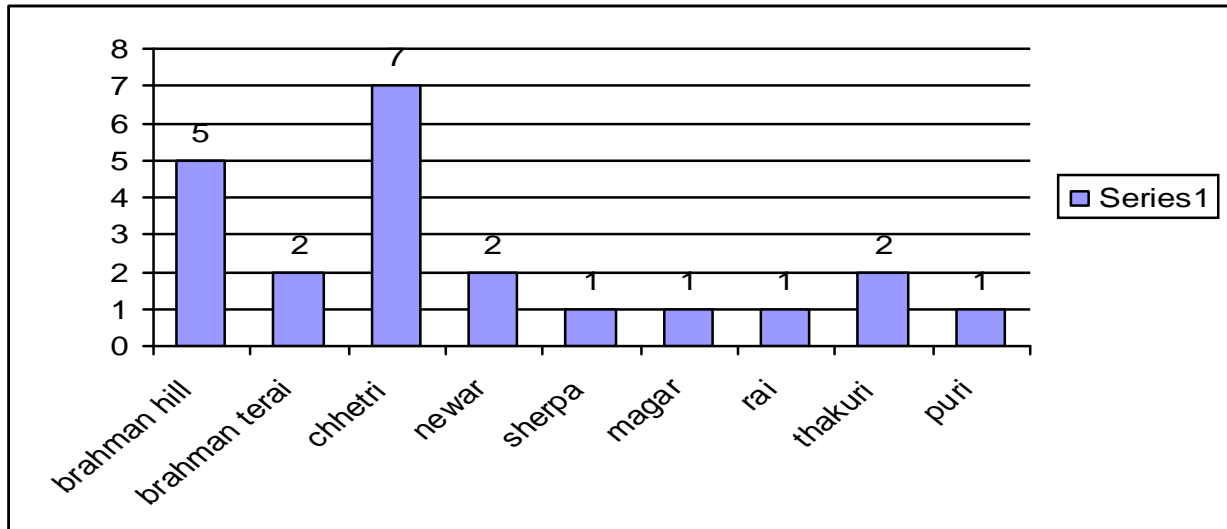
**Table No. 2**

#### **Caste/ Ethnic composition**

S.No.	Caste/Ethnicity	Nos.
1	Brahman hill	5
2	Brahman terai	2
3	Chhetri	7
4	Newar	2
5	Sherpa	1
6	Magar	1
7	Rai	1
8	Thakuri	2
9	Puri	1
	Total	22

Source: Field Survey, 2009

**Figure No. 1**  
**Caste/Ethnic Composition**

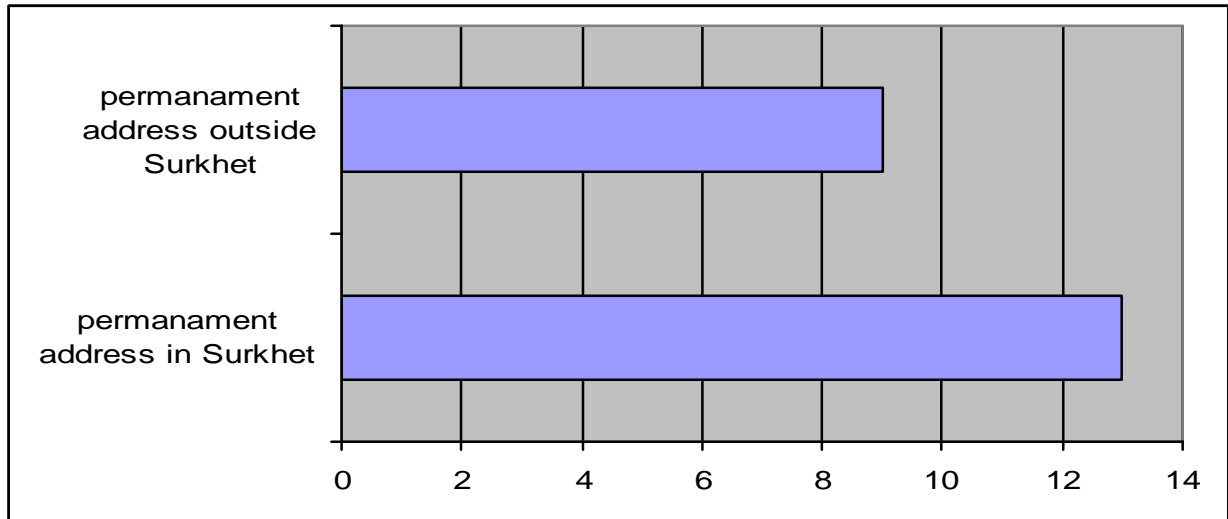


#### 4.1.2 Distribution of Migrants

The number of respondents migrated from outside Surkhet is 9 while those with permanent address in Surkhet is 13. Biredranagar is new in human settlement in terms of historical point of view. When it became suitable for human settlement after eradication of malaria, people of different caste from different part of Nepal migrated towards Birendranagar. Same consequences can be seen in the case of this study area. More than 50% of respondents are from outside Surkhet.

**Figure No. 2**

**Distribution of Migrants**



### **4.1.3 Family Structure**

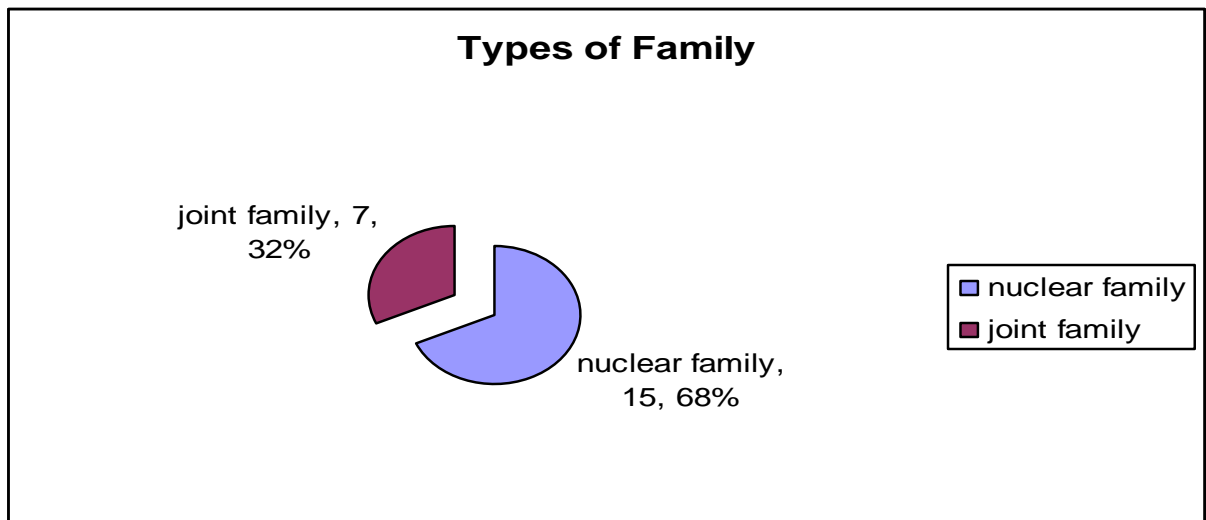
68 percent of the respondents is living in Nuclear Family whereas 32 percent in Joint Family. Respondents living in nuclear family shared happiness in terms of decision making, family expenses but they also felt difficulties in work load sharing, celebrating feast and festivals and raising children. 4.55 percent have 2 numbers of family members, 59.09 percent have 3-4 family members, 18.18 have 5-6 members and 18.18 have more than six family members.

**Table No. 3**  
**Types of Family**

S.No.	Types of family	No of family	percentage
1	Nuclear family	15	68
2	Joint family	7	32
	Total	22	100

Source: Field Survey, 2009

**Figure No. 3**  
**Types of Family**

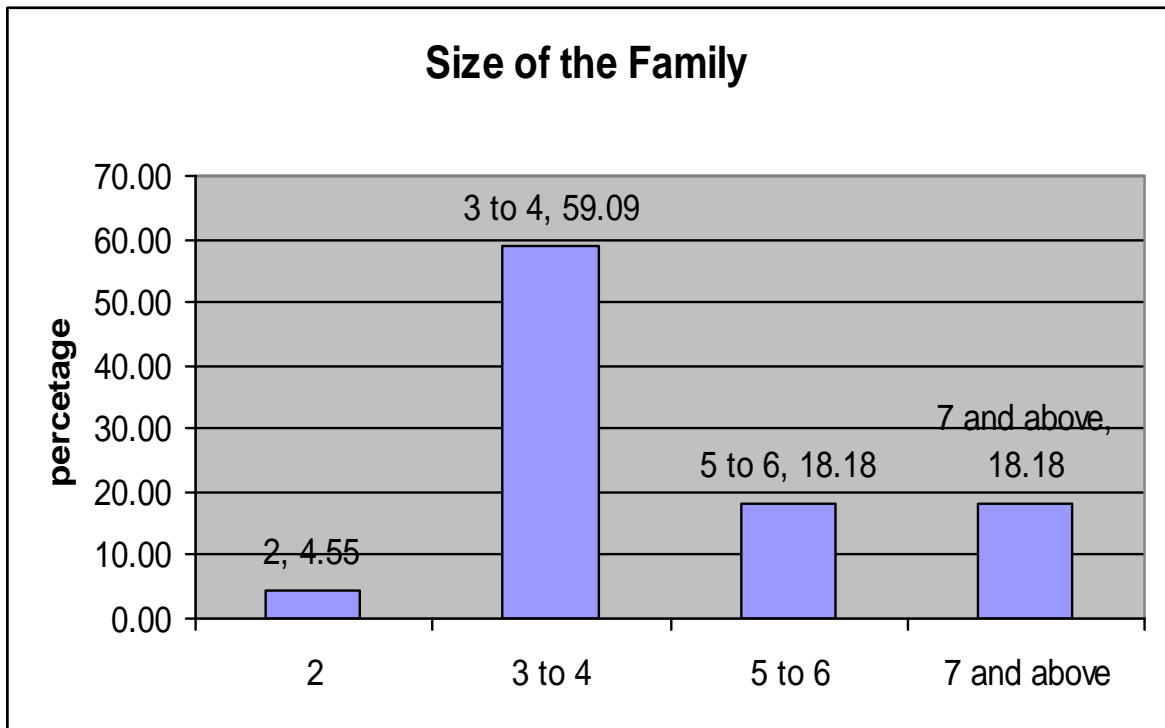


**Table No. 3**  
**No. of Family Members**

S.No.	Family Members	No.of Respondent	percentage
1	2	1	4.55
2	3 to 4	13	59.09
3	5 to 6	4	18.18
4	7 and above	4	18.18
	Total	22	100.00

**Source: Survey, 2009**

**Figure No. 4**  
**Size of the Family**



#### 4.1.4 Language

All the respondents speak Nepali language in home and in society. None of the respondent uses their native tongue like Magar Language, Newari Language etc. Even children of the respondents cannot speak and understand their mother tongue. Only Nepali Language is in practice in the entire study field.

#### 4.1.5 Religion

Almost all the respondents are Hindus except one. No one has been found to have converted his/her religion. 21 and 1 out of total 22 respondents are Hindus and Buddhist. A church of Christian is situated very close to the study area. But no influences have been experienced in the study area. Hindus practice feast and festivals and Buddhist does so as per their religion. A temple of Lord Shiva for Hindus is situated nearby which is nearby the Church.

**Table No. 5**

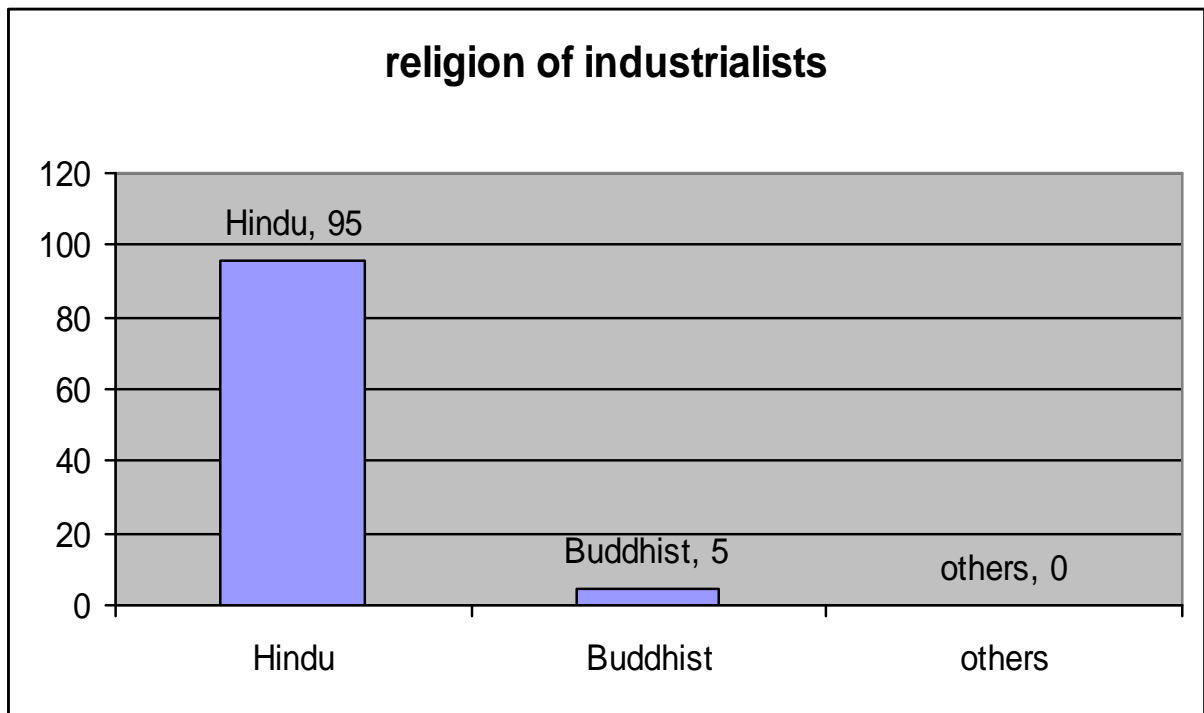
#### **Distribution of Religion**

S.No.	Religion	family	percentage
1	Hindu	21	95.45
2	Buddhist	1	4.55
3	Christian	0	0
4	Islam	0	0
	Total	22	100

Source: Survey, 2009

**Figure No. 5**

**Religion of Respondents**



**4.1.6 Dresses**

Male in the study area wears modern dresses like pants, shirts, vests, coat etc. In case of female, mostly wear Kurta Suruwals. Some of the elder women wear Saree, Cholos. They have given up traditional wearing in daily life.

#### **4.1.7 Family Headship**

6 out of 22 industries are registered in women's name. But it is found that it is only a showing and all the decisions are taken by male. This means all the families in study have headship of male. Only one female who has industry registration takes major decisions about her industry but transaction and correspondence is conducted by the male. This has the reason that she is highly skilled and more experience in her field. She has a weaving industry.

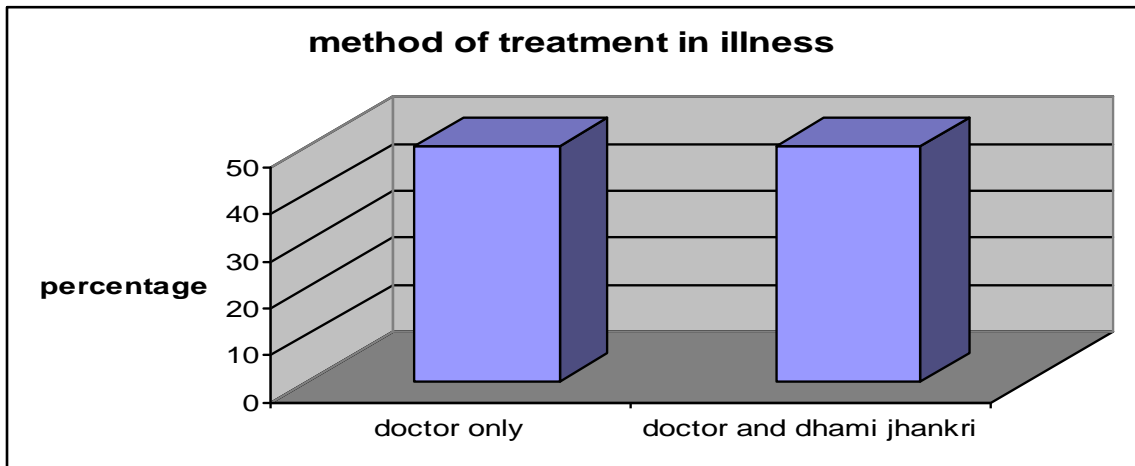
#### **4.1.8 Service of Dhami/Jhankri**

50 percent respondents take service of Dhami/Jhankri for the treatment minor illness as well as that of doctors. Rest 50 percent don't believe in Dhami/Jhankri. They go to doctors only. Mostly in treatment of illness of children, they prefer to go to both doctors and Dhami/Jhankri. Access to the hospital and nursing home is easier. All the respondents go to hospitals in an emergency. Regarding the health of children, they don't want to avoid any kind of method of treatment.



**Figure No. 6**

**Methods of treatment of illness**

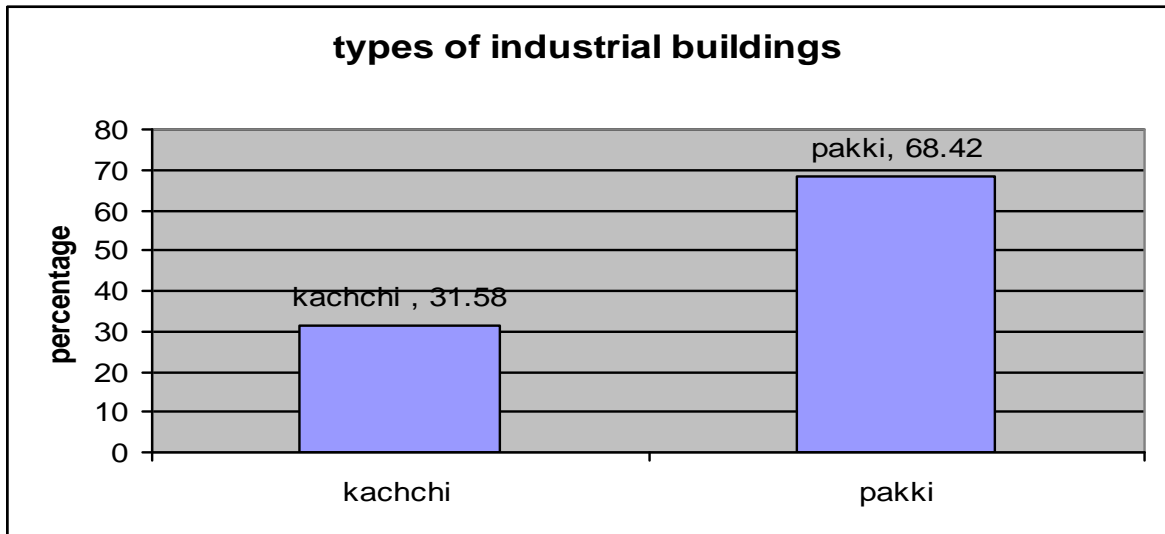


**4.1.9 Housing**

One third of the industrial buildings are still kachchi. They are built of bamboos, mud, timber and CGI roofing. Pakki houses are made of brick, cement wall and CGI roofing. No house or factory shed is made of RCC by the respondents for their industries. They don't want to invest more in housing as ownership of the land is not theirs. The land is leased out to them for twenty years for the establishment of industry and can be renewed if requested.

**Figure No. 7**

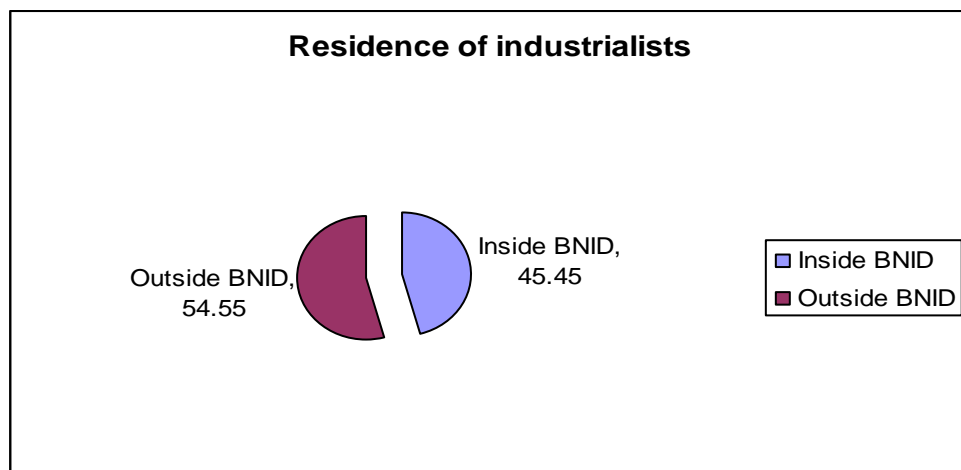
## Types of buildings



About half of the respondents live inside the factory. They are using land and building leased from BNID as residence purpose as well.

**Figure No. 8**

## Residence of industries



### 4.1.10 Educational Status

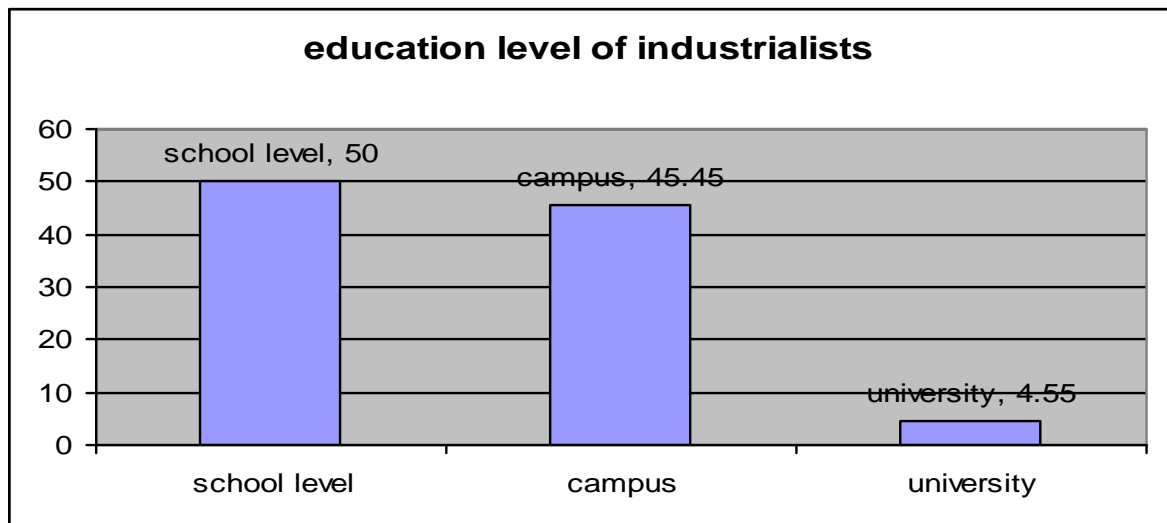
50 percent respondents have education of school level, 45.45 percent have campus level and 4.55 percent have university level.

**Table No. 6**  
**Level of Education**

S.No.	Level of Education	No. of Respondents
1	School Level	11
2	Campus Level	10
3	University Level	1
	Total	22

Source: Survey, 2009

**Figure No. 9**  
**Education Level of Respondents**



## 4.2 Economic Status

#### 4.2.1 Investment from the industries:

Total investment on fixed assets is Rs 1,33,00,000.00

Total investment on working capital is Rs 1,44,20,000.00

**Table No. 7**

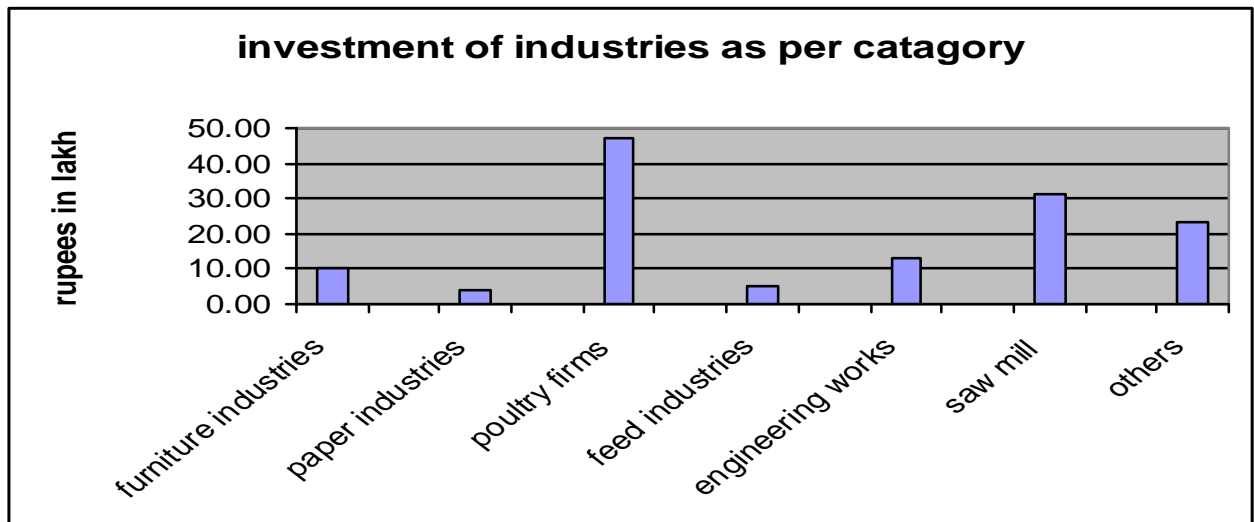
#### **Investment on Fixed Assets from Industries of different categories**

<b>S.No.</b>	<b>Types of industry</b>	<b>investment on fixed assests</b>
1	furniture industries:	1,000,000.00
2	paper industries:	375,000.00
3	poultry firms:	4,700,000.00
4	poultry feed firms:	500,000.00
5	engineering works:	1,300,000.00
6	saw mills:	3,100,000.00
7	handicraft:	100,000.00
8	allo:	225,000.00
9	textile:	300,000.00
10	soybean nuggets industry:	1,000,000.00
11	Vanier industry:	700,000.00
	Total	13,300,000.00

Source: Field Survey, 2009

**Figure No. 10**

## Investment Made by Industries categorically

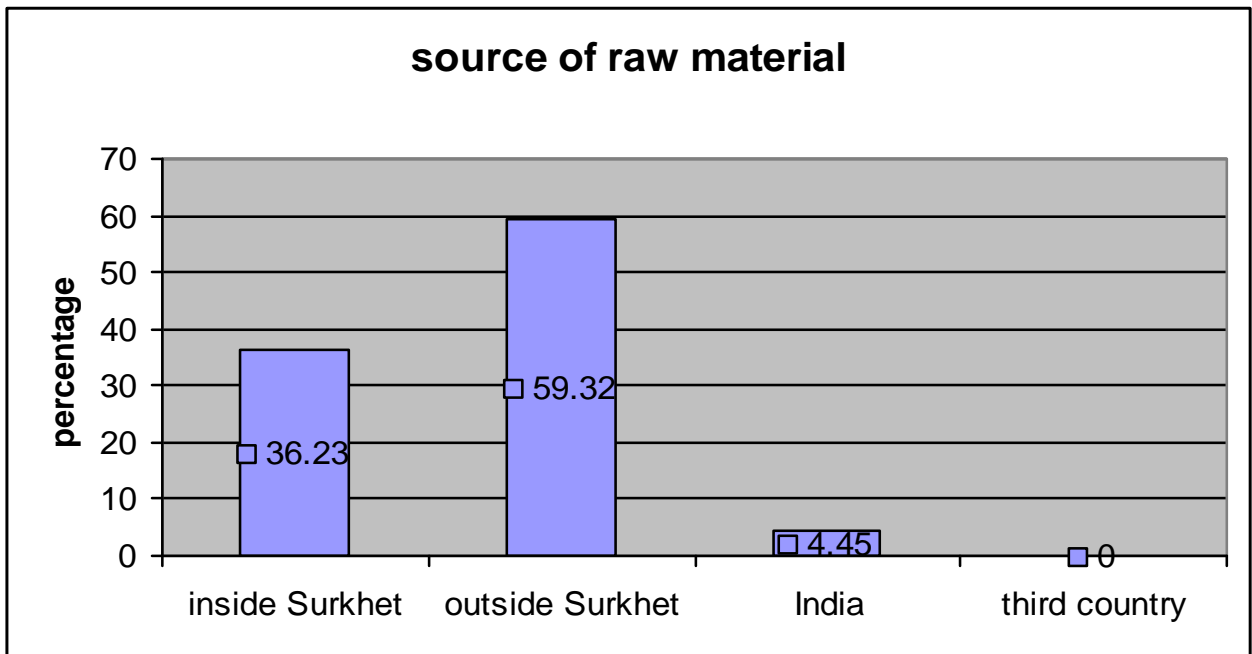


This is far much bigger amount than the data obtained from the BNID management office. This is because increment in investment in course of running industries is not recorded by the responding government office nor the industries give interest to get them recorded officially. It has become so because the renewal fees is increased as per the investment made is shown to have been increased. Industry owners are content in keeping their actual investment latent for the time being.

### 4.2.2 Sources of Raw Material

36.23 percent of raw materials required by the industries is imported from Surkhet itself. 59.32 percent raw materials is imported from outside of Surkhet and 4.45 percent from India. Dependency on India for the raw material is relatively low. It is seen one third of total required raw materials by all the industries is provided by Surkhet itself. This is not satisfied condition of consumption of local raw material.

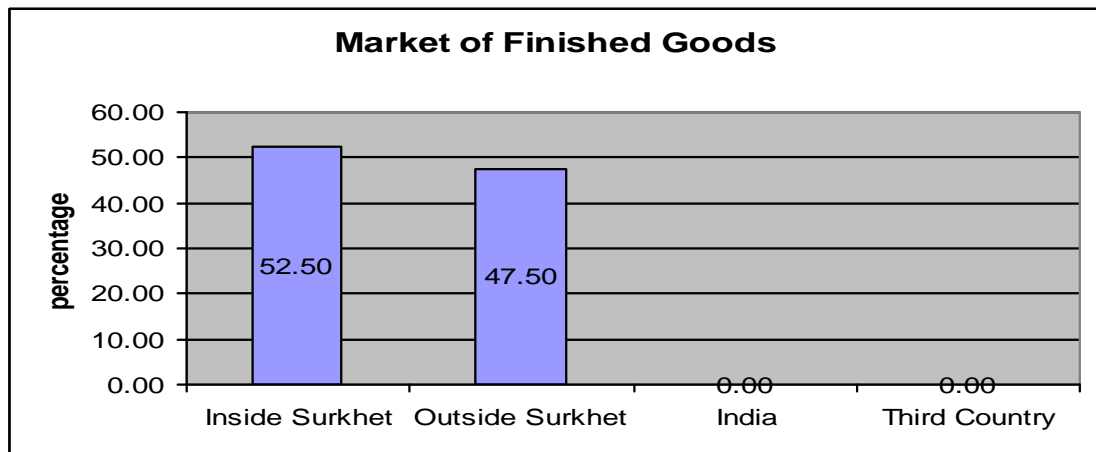
**Figure No. 11**  
**Source of Raw Material**



#### **4.2.3 Market of Finished Goods**

52.50 percent of production of industries is sold inside Surkhet district whereas 47.50 percent is exported outside of Surkhet (inside Nepal). There is no contribution in balancing trade between Nepal and India from the research field.

**Figure No. 12**  
**Market of Finished Goods**

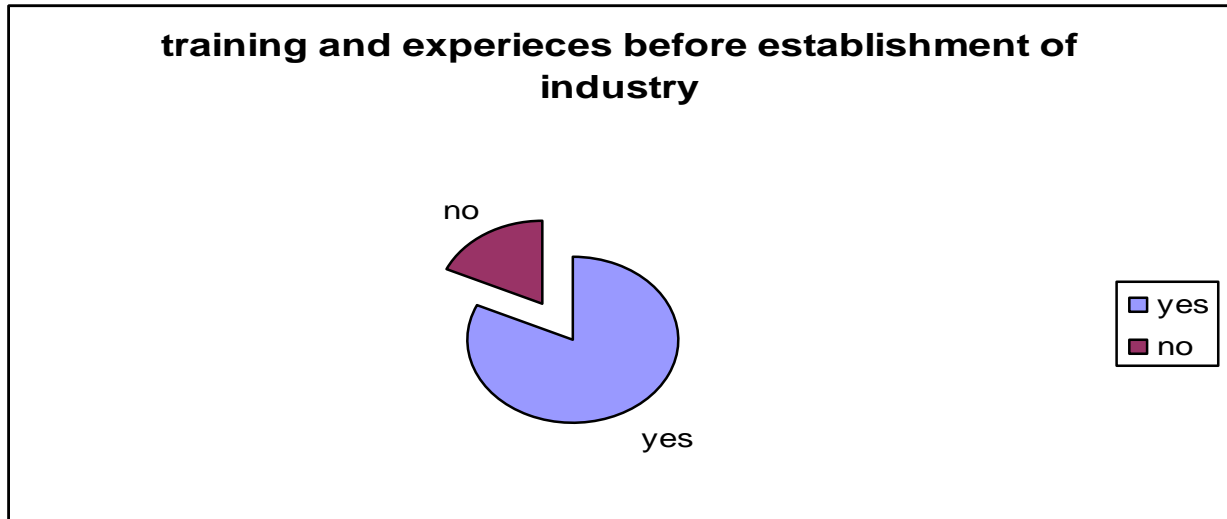


#### **4.2.4 Training and Experience before Establishment of Industry.**

81.82 percent of respondents has taken training or has experience about the nature of industry. 18.18 percent doesn't have taken any training or experience.

**Figure No. 13**

**Training and Experience gained before establishment of industry**



**4.2.5 Possession of vehicles**

Almost all the respondents possess vehicles. The vehicles are used for the purpose of business and personal use as well. The nature of business determines the number and size of the vehicles. The saw mill possesses large number of vehicles, 8, alone. The larger numbers of respondents have at least one vehicle.

**Table No. 8**



### Possession of the vehicles

S.No.	NO. Possession of Vehicles	No. of Respondents
1	0	1
2	1	9
3	2	5
4	3	0
5	4	1
6	5	0
7	6	0
8	7	0
9	8	1

Source: Survey, 2009

### 4.2.6 Other Sources of Income

The number of respondents having other source of income apart from the industry is higher. 19 out of 22 have extra source of income. Only 3 out of 22 don't have extra source of income. So they depend on the only source of income, industry. Most of the respondents are strong in terms of income.

**Table No. 9**

#### No. of Respondents Having Other Source of Income

S.No.	Other Source of Income	No. of Respondents
1	Yes	19
2	No	3
	Total	22

**Source: Survey, 2009**

7 respondents have industry as extra source of income. 6 have trade, 5 have service and 1 has agriculture. This shows that they can last longer when business comes down by any reason. This also shows they are clever enough in tackling down the business crisis.

**Table No. 10**  
**Other Sources of Income of Respondents**

S.No.	Other Source of Income	No. of Respondents
1	Service	5
2	Trade	6
3	Industry	7
4	Agriculture	1
	Total	19

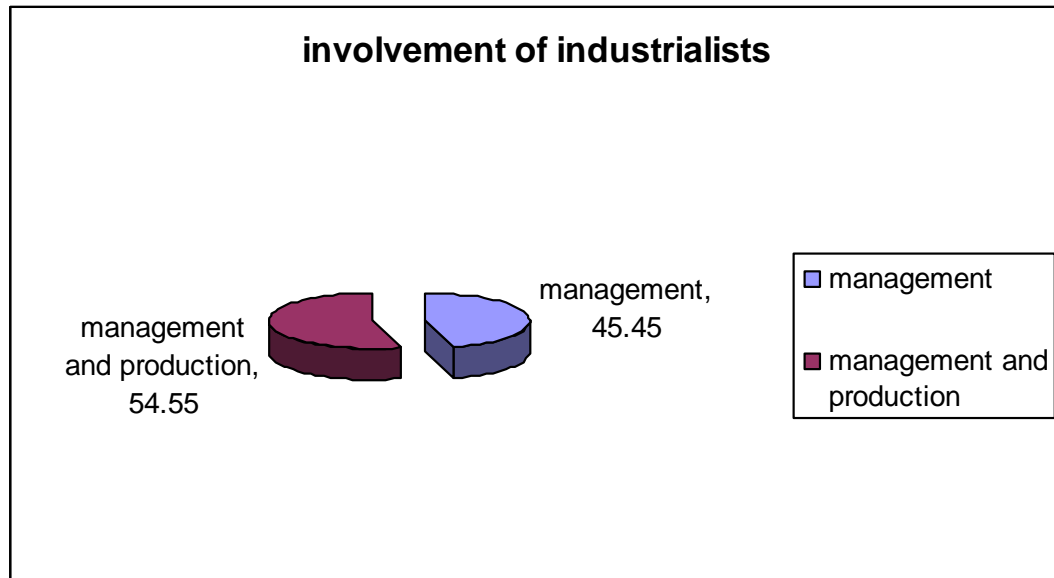
**Source: Survey, 2009**

#### **4.2.7 Involvement of Respondents in Industry**

54.55 percent of respondents are involved in the both production and management of industry whereas 45.45 percent are involved in management only.

**Figure No. 14**

**Involvement of respondents**



**4.2.8 Involvement of Family Members in Industry**

Engagement of family members of the respondents in the industry is higher. Fulfillment of requirement of extra manpower is by the family members in large number is seen. Large amount of wages/salaries is saved by this. But the monetary value of the labour of the family members has not been calculated.

**Table No. 11**

**Engagement of Family Members**

S.No.	Engagement of Family Members	No. of Respondents
1	1	9
2	2	5
3	3	3
4	4	1
5	5	0
6	6	0
7	7	1

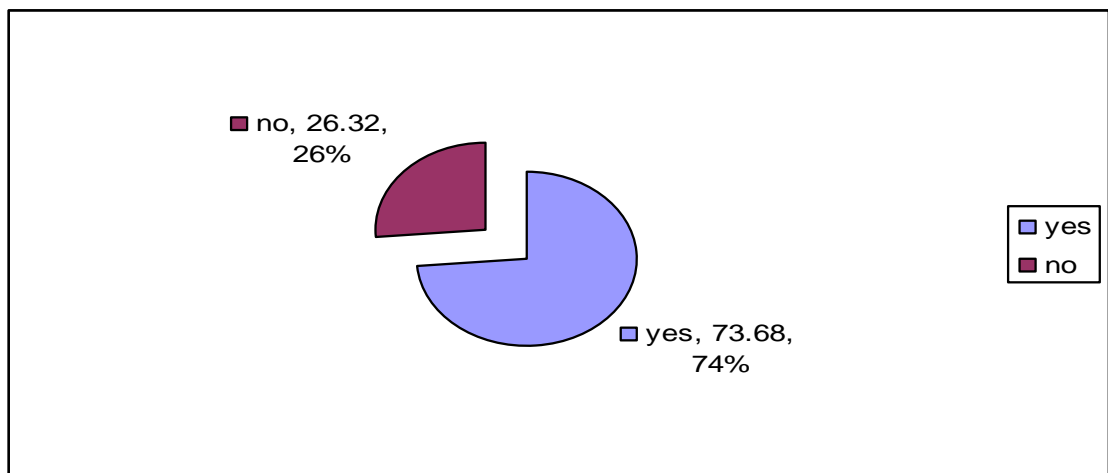
**Source: Survey, 2009**

**4.2.9 Satisfaction from the industry**

One fourth respondents are not satisfied with the nature and income of industry they possessed. 73.68 percent are satisfaction from their industry.

**Figure No. 15**

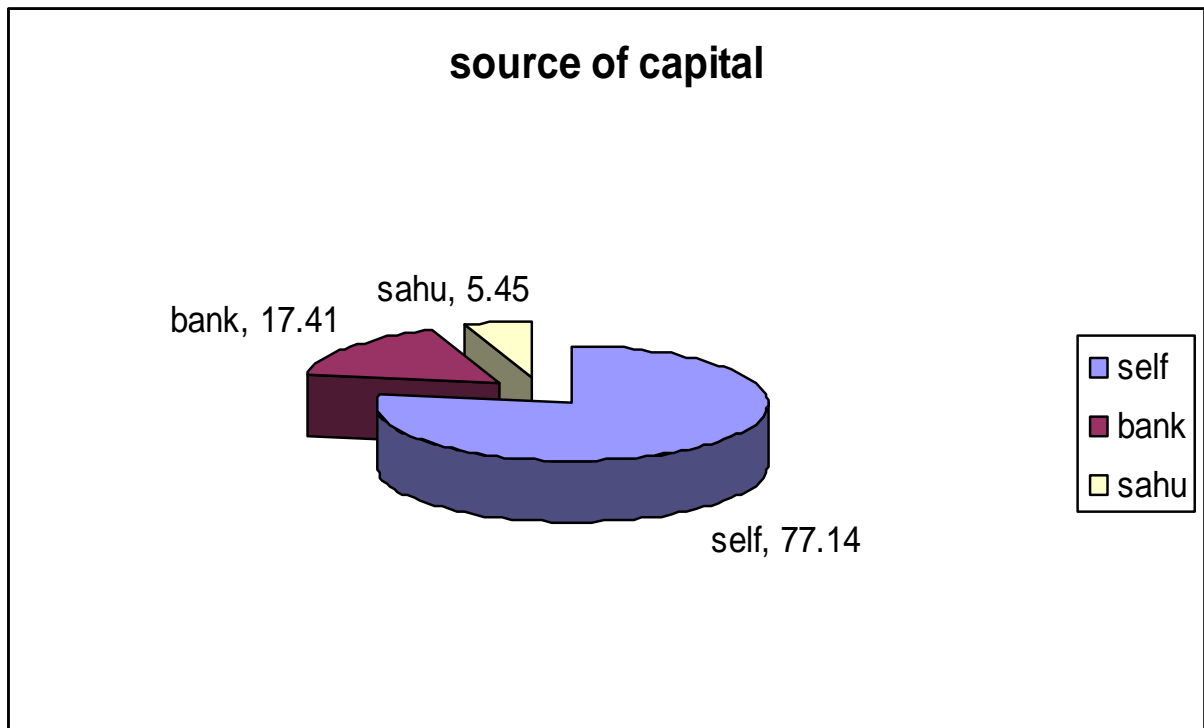
**Satisfaction from the industry**



#### 4.2.10 Source of investment

More than three fourth of total investment is from own pocket of respondents. Percentage of Loan takers from bank is very low. This is because banks in Surkhet don't give loan against the property of industry. They seek mortgage of property owned outside BNID. This has become a big problem towards investing more in industry easily by the industry owners. Special attention of concerned authorities is sought on this issue.

**Figure No. 16**  
**Source of Capital**

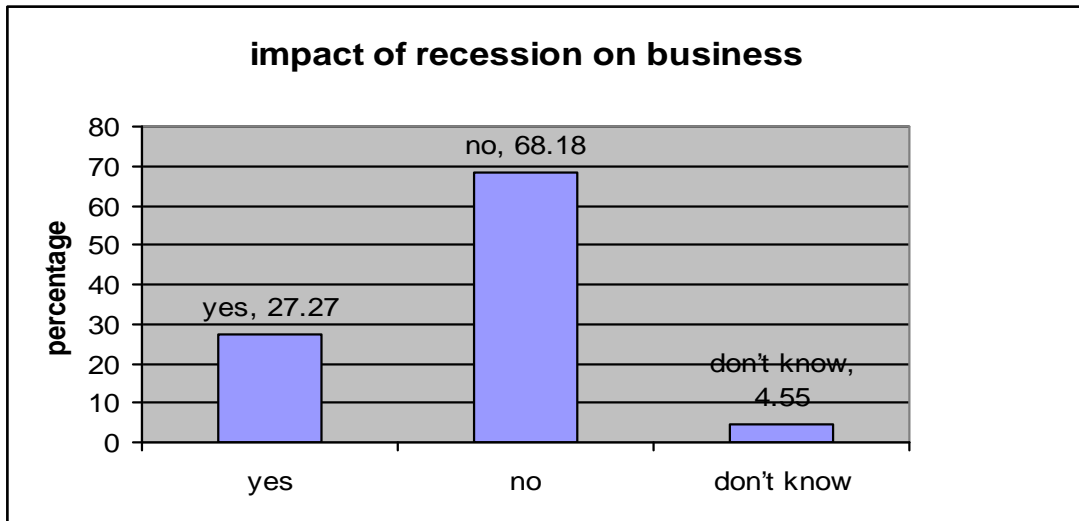


### 4.2.11 Impact of Recession on Business

Impact of recent prevailing recession has not been faced by most of the industries so far. Only 27 percent has faced some kind of impact on their business. But this impact doesn't result huge cut down on their production. 68.18 percent haven't faced any impact on their business while 4.55 percent don't know the exact impact brought in by the recent recession facing by the whole world including Nepal.

Figure No. 17

Impact of Recession on Business

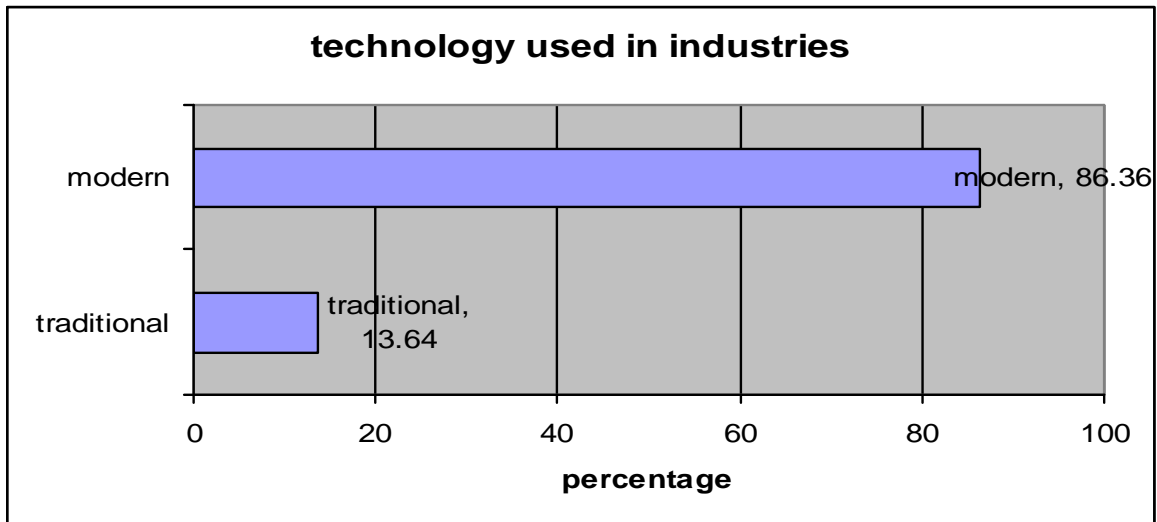


### 4.2.12 Technology used

Still traditional way of production is seen in industries. Though the percent is small, the absence of modern technology in industry is an obstacle in boosting up the productivity of the country. The showing of the below figure doesn't mean that 86.36 percent have applied latest sophisticated technology in the production. The technology is rather modern than the traditional one used in the remote part of Nepal.

**Figure No. 18**

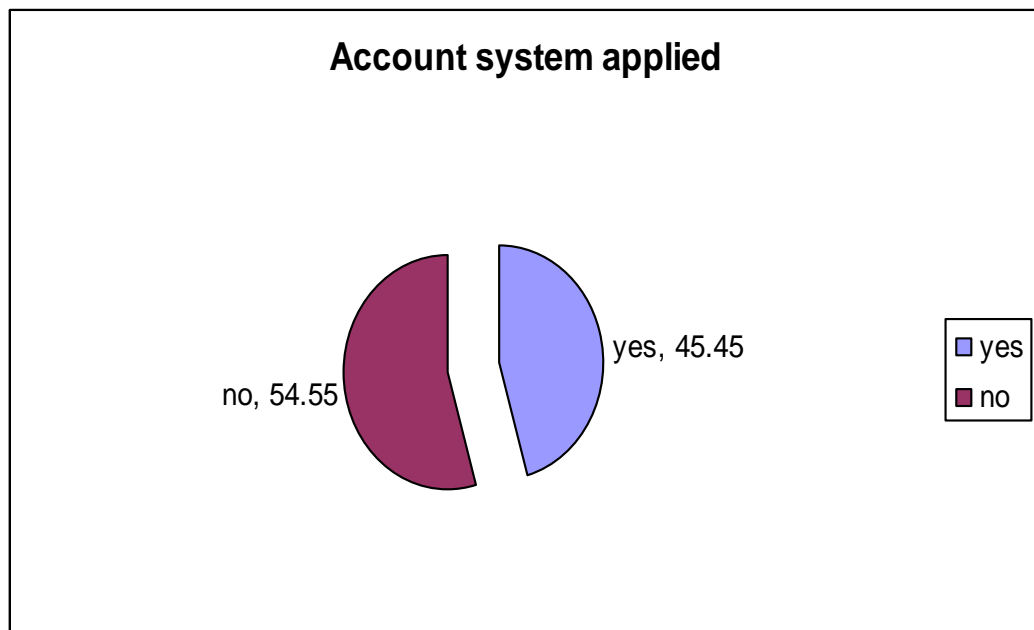
**Technology Used in Industries**



### 4.2.13 Appliance of Account System

About half the industries don't have applied account system. With the account record or data an industry cannot see the financial situation of present. Nor it can predict its future. A balance sheet has not been prepared by even an industry. They cannot show their financial position officially. Most of the industries keeping account system could not show their balance sheet. They don't have record of assets and liabilities. Modern tools and techniques of finance and administration have not been applied so far in the industries.

**Figure No. 19**  
**Account System Applied**



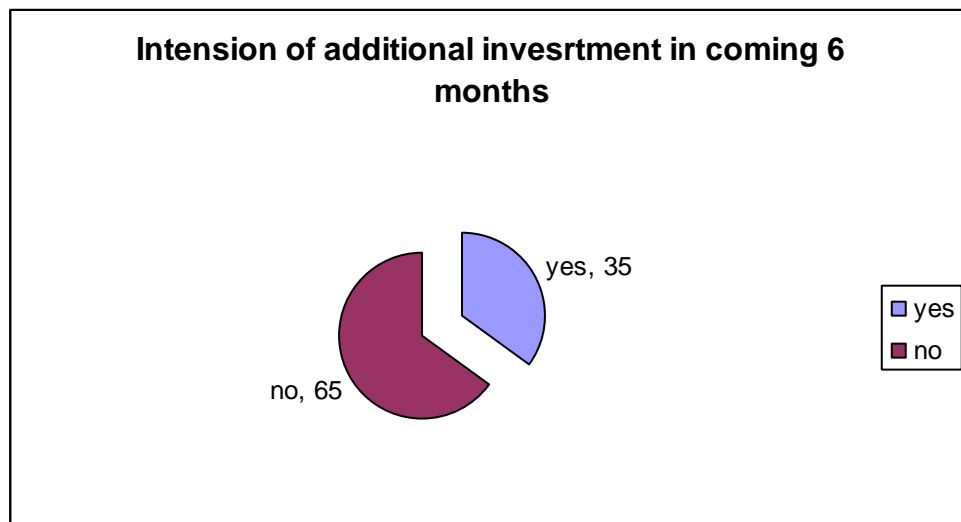


#### 4.2.14 Intension of Additional Investment

Only one third are likely to invest more in coming 6 months. Most are not sure to additional investment in near future. This shows the growth of industries is likely to be slower.

Figure No. 20

#### Intension of Additional Investments

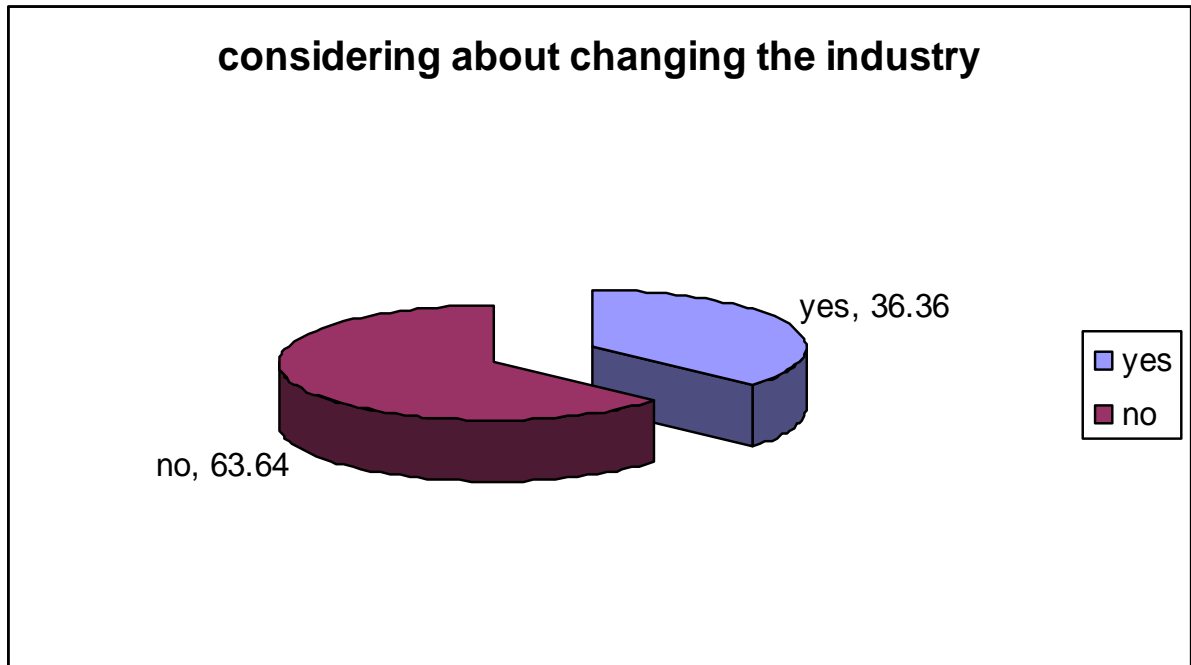


#### 4.2.15 Considering About Changing the Industry

About one third of owner of industries are considering about the changing the industry. This shows that there might come varieties in nature of industry in coming days. It also shows they are not satisfied the environment, competition among same nature of industries.

**Figure No. 21**

**Considering About Changing the Industry**



**4.2.16 Effects of Bandh/Strike.**

Any kind of strike from labour has not been faced by the respondents. There is no existence of labour trade union inside the study area. The respondents are quite lucky not to have strikes with demands from the side the labours. This is result of big numbers of family members involving in the production line and presence of small numbers of labours in each industry. They are fed up with Bandh/Chakkajam as it has become a big restrain in production as well as in importing raw materials and exporting finished goods to the market.

#### **4.2.17 Others**

1. Industries are not fully satisfied with the services provided by the BNID. They want BNID invest more in infrastructure development like road upgrading, water/electricity supply, boundary wall etc.
2. They seek extra role of BNID in purchasing and marketing their products.
3. Industries are facing impact of power breakdown in their production. They cannot afford thermal power for production.
4. Industries want banks investment against their property as mortgage.
5. Vacant and unused lands are lying unproductively.
6. Expending on advertising and marketing by the industries is very low. They are failed in competing against big commercial houses and multinational companies.
7. Training acquisition on productivity development is very low.

# CHAPTER FIVE

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Summary

The respondents of the study area have come from different parts of Nepal. The majority is from Surkhet itself. There is mixture of different castes/ethnics like Brahman Hill, Brahman Terai, Chhetri, Newar, Sherpa, Magar, Rai and Thakuri etc. As they have gathered in one place for operating industries, they are living in harmony. Most of the respondents have small nuclear family with 3 to 4 family members. All speak only Nepali language within family and in the society. Almost all the respondents are Hindus except one Buddhist. Older women have been seen wearing saree, cholo when teenagers wear pants, kurta suruwal. Men wear pants, shirts, coat, vests etc. All the families are headed by the man. Women are subordinates only in social and economic point of view. They still believe in Dhami/Jhankris besides doctors. The number of pakki houses is larger. Most of the respondents don't have higher level of education. But they are aware of consequences brought by the lack of higher level of education. They are sending their children to boarding school for better education. In economic point view, they are in good condition. They have the ability of acquiring means and goods of luxury like phones, vehicles, electronic

accessories etc. They are depending on only source of income. They have extra sources of income like service, trade, other industry, agriculture as well. They have no problem of unemployment in the family. Family members are also engaged in the production. This has helped them to cut production cost and enlarge profit margin. Two third are satisfied with the income and nature of the industry they owned. But they lack in applying new tools and techniques in management and production like applying account system and acquiring training in improving productivity in the industry. The service of banks, financial institutions have not come to the access of the respondents. They are deprived of getting loan against the properties of the industries.

## **5.2 conclusions**

The conclusions of the study can be mentioned point wise as below:

1. The involvement of family members in production has help cut down unemployment among the study area.
2. Dependency only on the industry is low since the most respondents have other sources of income as well.
3. Social and economic conditions of the respondents are satisfactory.
4. In spite of low education level, the income of the respondents in comparison to other people of other sectors is higher.

5. Possession of means of modern life style like motor, motorcycle, phone, mobiles is higher.
6. Though the generation of the respondents has not acquired high level of education, the chance of pursuing high level of education of new generation is satisfactory. Almost all the children are studying boarding schools.

### **5.3 RECOMMENDATIONS**

After knowing various aspects of social and economic conditions of the industrialists in Birendranagar Industrial Estate, the following recommendations can be given:

1. Emphasis should be given to run industries professionally. New process and technology should be introduced as it cut costs and increases profits in long run.
2. Training for the improvement of productivity of the industries should be acquired frequently.
3. Involvement of women in decision making regarding economic, family and social should be increased by encouraging and preparing suitable environment.
4. Proper account system should be kept to know the financial situation of the industry.

5. Expenses on advertising, market survey and marketing should be considered as it gives return in future.
6. Full capacity of the industry should be utilized.
7. Respondents should make banks invest against the properties of industry through giving pressure through representative organizations.

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motorcycle:

truck:

car:

others:

9. Expenses in phones

10. dresses like to wear

traditional

modern

11. Occupation before industry

service

trade

unemployed

other

12. Are you satisfied with the earnings from the industry?

satisfied

unsatisfied

don't know

13. have you ever thought of starting new business apart from industry?

yes

no

don't know

14. No. of family members engagement engaged in the industry

15. Pursued industry related training before establishing industry

yes

no

16. Where do you go to first for treatment

dhama jhakri

doctor

both

17. Member of family gone outside Nepal for employment

yes  no

if yes, nos.

Section B

Detail of industry

1. Name of industry

2. year of establishment

3. production

4. investment

On fixed Assets: Rs

On working: Rs

5. source of capital

personal .....%      loan from bank ..... %

from other ..... %

6. Any experience about the nature of industry before establishment?

yes                       no

7. Yearly turnover

Rs.....

8. No, of employee

9. skilled ..... semi skilled ..... unskilled .....

10. Satisfaction with the services provided by the BNID

yes                                       no                                       don't know

11. If not, what do you expect more

.....  
.....

12. Satisfaction from the industry

yes  no  don't know

13. Considering about changing the industry

yes  no  don't know

14. Having training for the improvement of productivity of your industry

no  few  frequently

15. Expenses on adverting of your product

16. self involvement in the production

management  production  both

17. Involvement in social organization

18. Type factory building owned by the industry

Kachchi  Pakki

19. Technology used in the industry

conventional  modern  truly traditional

20. Running in

profit  loss  breakeven  don't know

20. Going to invest more in near future?

yes  no

21. market: Surkhet only ..... %  
outside Surkhet ..... %  
India ..... %  
third country ..... %

22. Import of raw material

inside Surkhet	.....	%
outside Surkhet	.....	%
India	.....	%
third country	.....	%

23. Do you know about the recession prevailing in the world now?

yes                       no

24. How much has it affected your business ?

no       little       more       don't know

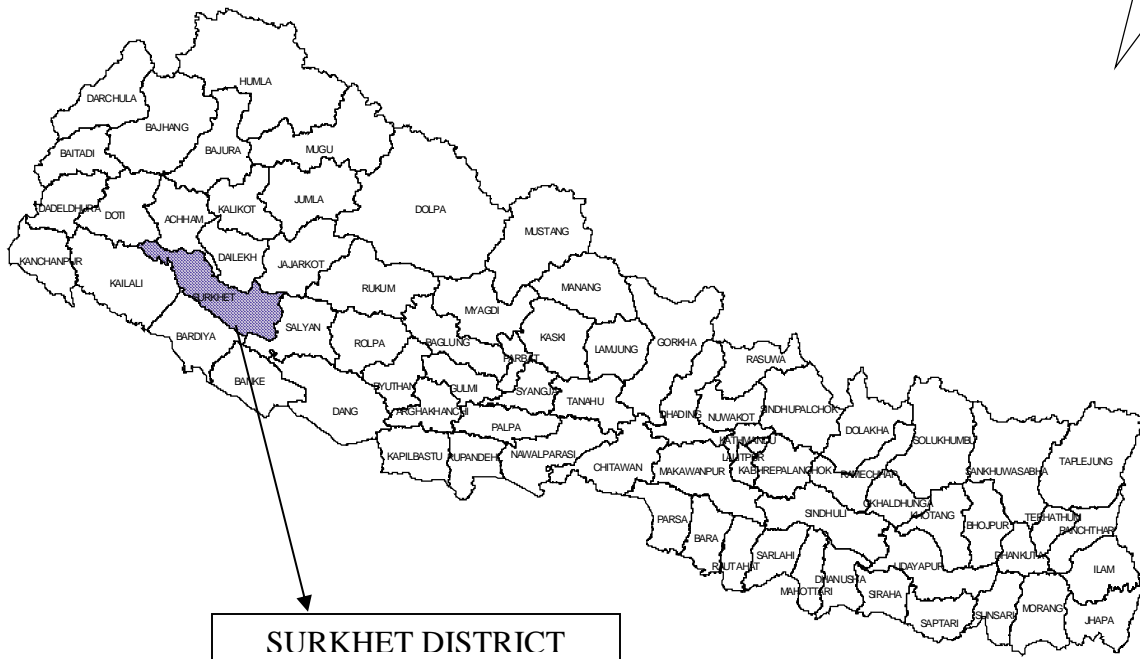
25. Have you managed account system in the business?

yes                       no

# ANNEX II

## MAPS

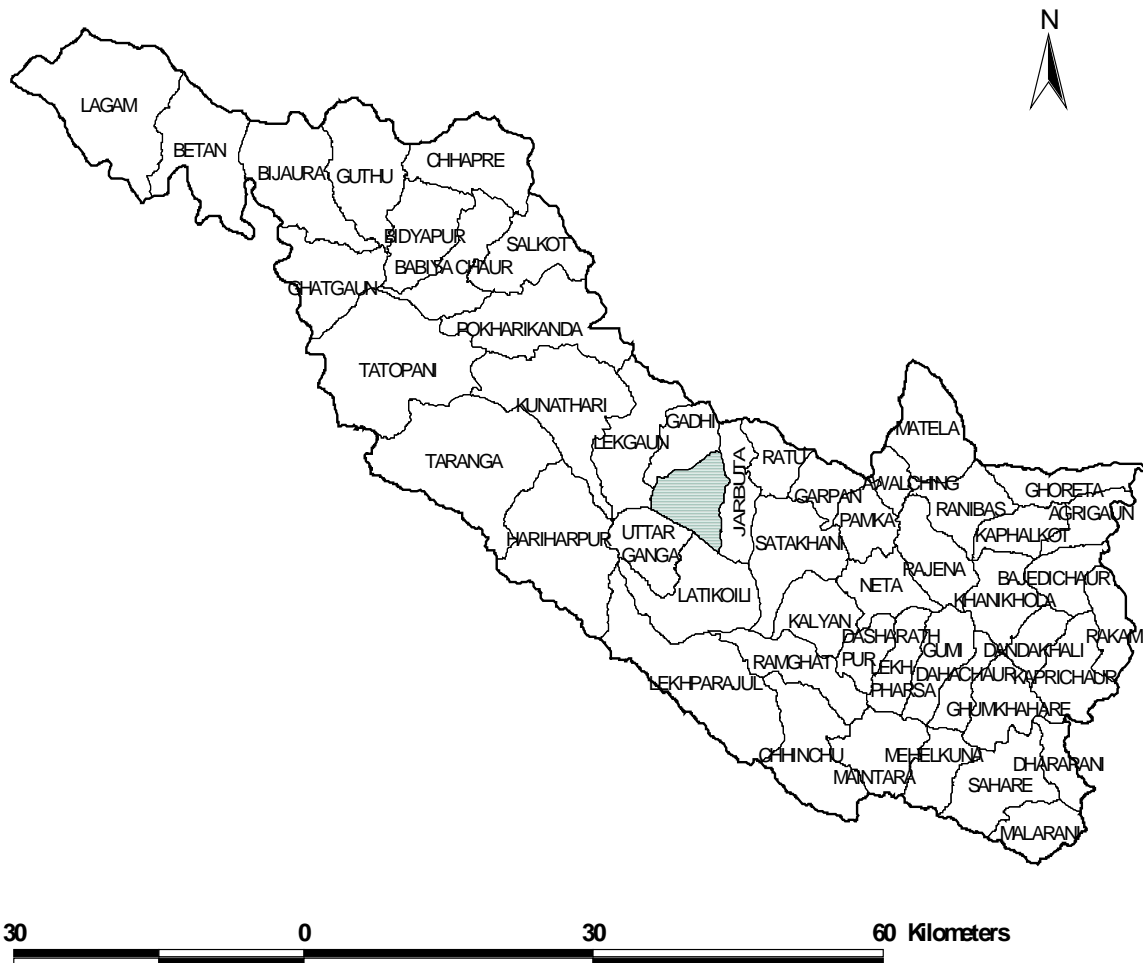
### NEPAL : DISTRICT MAP



**SURKHET DISTRICT**

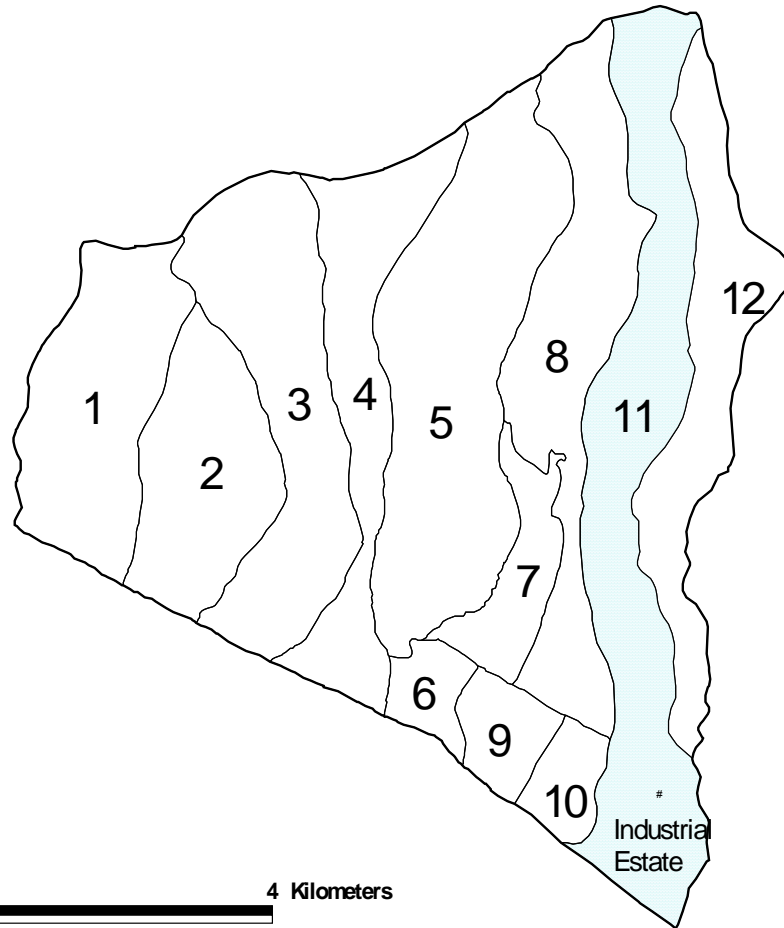
**MAP OF NEPAL HIGHLIGHTING SURKHET DISTRICT**

# SURKHET : VDC MAP



MAP OF SURKHET DISTRICT HIGHLIGHTING BIRENDRANAGAR MUNICIPALITY

# BIRENDRANAGAR MUNICIPALITY : SURKHET



0 4 Kilometers

MAP OF LOCATION OF BIRENDRANAGAR INDUSTRIAL ESTATE



**ANNEX III**  
**PHOTOGRAPHS**  
Photo No. 1



Birendranagar Industrial Estate

Photo No. 2



Soyabean Nuggets Industry

Photo No. 3



Workshop

Photo No. 4



Furniture Industry

Photo No. 5



Allo Processing Industry

Photo No. 6



Saw Mill

Photo No. 7



Poultry firm