

MICRO ENTERPRISES DEVELOPMENT PROGRAMME IN RURAL POVERTY REDUCTION

(A case study of Dumrah VDC of Sunsari)

**A Thesis
Submitted to Central Department of Rural Development
Faculty of Humanities and social science
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By:

**Badri Subedi
Class Roll no. 107
Exam Roll. No.280926
TU Regd. No. 6-1-217-15-2002**

**Central Department of Rural Development
Tribhuvan University
Kirtipur, Nepal
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LETTER OF RECOMMEDATION

This thesis entitled “*MICRO ENTERPRISES DEVELOPMENT PROGRAMME IN RURAL POVERTY REDUCTION*” has been prepared by Mr. Badri Subedi under my guidance and supervision for the partial fulfillment of the requirement for the Master of Arts in Rural Development. To the best of my knowledge, the study is original and provides useful information to the field of biogas energy for rural women.

I hereby, recommend this thesis for evaluation to the evaluation committee.

.....

Prof. Dr. Pradeep Kumar Khadka

Central Department of Rural Development

Faculties of Humanities & Social Science

Tribhuvan University

Kirtipur, Kathmandu

Date: March 2011

APPROVAL LETTER

We certify that this thesis entitled “*MICRO ENTERPRISES DEVELOPMENT PROGRAMME IN RURAL POVERTY REDUCTION: A case study of Dumrah VDC of Sunsari*” submitted by Mr. Badri Subedi to the Department of Rural Development, Faculty of Humanities and Social Sciences, Tribhuvan University, in partial fulfillment of the requirements for the Degree of Master of Arts in Rural Development has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said degree.

Evaluation Committee

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Prof. Dr. Pradeep Kumar Khadka
(Head of Department)

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External Examiner

.....

Prof. Dr. Pradeep Kumar Khadka
(Thesis Supervisor)

Date: March 2011

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This study entitled “*Micro enterprises development programme in rural poverty reduction: A case study of Dumrah VDC of Sunsari*” as a thesis is submitted to the Central Department of Rural Development, Faculty of Humanities and Social Sciences, Tribhuvan University for the fulfillment of Master's Degree in Rural Development. This study would have been incomplete and less worthy without the continuous inspiration and guidance provided by my respected teacher and thesis supervisor ***Prof Dr. Pradeep Kumar Khadka***, Depart head in Department of Central Department of Rural Development in Tribhuvan University.

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I do not claim this research work to be very exhaustive in nature because of various constraints during the study. I hope this small effort of mine will be great value to those who are interested about the renewable energy and other researcher of this subject.

I would like to thank all of the respondents who responded all the questions curiously during my field work.

March 2011

Badri Subedi

ABSTRACT

This thesis entitled “Micro enterprises development programme in rural poverty reduction: A case study of Dumrah VDC of Sunsari” is an attempt to find the role of micro enterprises development programme and to identify its impact on poverty reduction. This study is conducted on the basis of primary data collected from 50 respondents.

Various challenges have been confronted to entrepreneurs. Seasonal problem and middle man, who determine the price of product together with the flexibility of price system in the study area has acted obstacles,. In the same way, market seems to be the third challenge. Still farmers are exploited by higher classes of community and also by middle men.

Out of respondents who were participated at MEDEP in Dumraha VDC of sunsari district, more than 40% are Janajati. In the second position Madhesi respondents are 28%. Similarly, among total respondents 24% of respondents are Dalit and 8% respondents are from Chhetri / Brahmin caste groups.

Micro entrepreneurs show that the average age of people is 45. The minimum age of entrepreneur (MEDEP member) is 18 while maximum age is 67. The data shows that maximum number of enterprenrurs is within the age group of 40-50.

From 50 entrepreneurs where 11 were male and 39 women, all men were found to be married and womenalso were mostly married. Marriage is a source of comparison ship and overall security rather than a ritual, social and sexual obligation in Nepalese society. The marital status of micro enterprises shows that overwhelming majority is married and only 6 are unmarried.

Through MEDEP small farmers and business men are earning money and progress to the better life. The major sources of cash income from MEDEP are livestock, meat, grocesary, vegetables venders and live animalas like chickens and pigs. Livestock based micro-entrepreneurs sell their pigs either to butcher or to middle-man who come from India, Bhutan, Kathmandu and Dharan. Live poultry and eggs are also selling to the middle man.

Vegetables are supplied to local markets and even up to Kathmandu also. There is high demand of live pigs and chicken due to quite high demands in the local markets too.

From the study one-third of the total households are earning less than NRs 10,000 profit annually. Likewise, 26 percent entrepreneurs earn 10-20 thousand annually. On the other hand, dramatic fall of percentage can be seen of 20-30 thousand and 30,000 to 40,000. However, 22 percent gained profit annually more than 40,000. Overall, the table shows that a range of profit is quite different, and the household percentage is also not remained stable.

Small farmers not only are engaged only one income generation programme but also involve other income generation programme. Most of the entrepreneurs have their alternative source of income. They easily run other activities along with main occupation so it is very supportive for poverty alleviation effort. In the family, some members especially women are involved in livestock enterprise and male members involved in driving other activities.

From the study it is known that different challenges of MEDEP are in the study area. Market is the most serious challenge among all and almost 36 percent of the entrepreneurs have faced this problem. Second considerable challenge is middle man, who determine the price of product and the flexible price system in the study area has acted as an obstacle. In the same way, diseases seem to be another important problem which shares about 10 percent together with seasonal problems by 20 percent. On the contrary, other problems such as skill manpower, seeds, transportation seems to be the minimal among all the challenges.

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ACRONYMS AND ABBREVIATIONS

ADB/N	Agriculture Development Bank of Nepal
DDC	District Development Committee
HH	Household
INGOs	International Non-Governmental Organization
MEDEP	Micro Enterprises Development Programme
NBL	Nepal Bank Ltd
NGOs	Non-Government organization
NPC	National Planning Commission
VDC	Village Development Committee

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