

Role of Department of Cottage and Small Industry in Women Enterprise Development Programme in Nepal

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Abstract : *Women entrepreneurship development (WED) programme is essential for encouraging women to undertake economic activities. Experience shows that there are large numbers of women capable of and willing to participate in economic activities but there is a lack of integrated and need-based WED programme. This article looks at the role played by Department of Cottage and Small Industries (DCSI) in development of women entrepreneurship in Nepal. The article examines the data published by DCSI and tries to analyze the trend of women entrepreneur taking various business related training from DCSI.*

I. BACKGROUND

The term women entrepreneurship means an act of business ownership and business creation that empowers women economically and increases their economic strength as well as position in society (Bharadwaj et al, 2011). In Nepal, women constitute more than half of the total population (Census 2011). They are primarily engaged in household and farming activities and have made a comparatively late entry into commercial enterprises mainly due to the orthodox and traditional socio-cultural environment. Although women of certain communities, especially the Newars, Sherpas, Gurung, Thakalis are traditionally involved in the small business enterprise, they represent only a fraction of the total female population.

Women entrepreneurship development (WED) programme is essential for encouraging women to undertake economic activities. Experience shows that there are large numbers of women capable and willing to participate in economic activities but there is a lack of integrated and need-based WED programme. This hinders the efforts of promoting women entrepreneurs. In most developing countries government policies have become more favorable for women to encourage involving in different

economic activities. In the context of Nepal, the Tenth Development Plan (2002/3-2006/7) emphasized gender equality and empowerment by incorporating women participation in every sector of development. It also identified women as a focal point for development.

In Nepal, a few programmes are directed to women entrepreneurship development programme. Among them, WED programme is one and it involves activities like entrepreneurship awareness development, entrepreneurship training, entrepreneurial competency development, skill development training, entrepreneur motivational training, industry visit programmes, interaction programme, market link programme and management of loan. Governmental and nongovernmental organizations involved in WED programme support both potential as well as existing women entrepreneurs by providing different types of training and workshop, and engage them in interaction programme as per the need and demand of the participants. In this context, the objective of this article is to examine the role played by Department of Cottage and Small industries in the development of women entrepreneurship in Nepal.

II. REVIEW OF LITERATURE

Industrial Enterprise Development Institute (IEDI) in 2013 conducted a study on “Women entrepreneurship development programmes and services in Nepal” in Kathmandu. The main objectives of this study was to prepare inventory of the organization involved in women entrepreneurship development programme and find out the women specific consideration in WED programmes and services and to assess WED programmes provided by those organization. This study found that WED programme is mainly focused toward training business (awareness, start up management and skill) and also cover area like credit linkage to market, linkage to credit, counseling business, education, policy intervention, technical support information seminar/workshop/trade fair, exhibition, interaction programme micro finance programme, social mobilization, secretarial training programme and resource management are the programmes and services providing by the organization involved in WED. Regarding the content/subject of the training programme, most of the respondents expressed that the content of the training programmes is based on demand. A total of 261,360 women were trained under different training programmes. Uplifting the economically derived women and making them independent, reducing poverty, enhancing gender equality, and making them capable of managing their own business were the main reasons behind continuing WED programme. The IEDI study also suggested policy measures business and management training, and the promotion of entrepreneurial networking systems as potential ways to empower women entrepreneurs and create leadership opportunities, in the hopes of bringing women into the mainstream business sector in Nepal.

In Nepal, embedded structural and socio-cultural constraints challenge women entrepreneurs and make it hard for them to realize their potential as leaders in business. Tuladhar (1996) assessed the status - barriers and constraints as well as opportunities and support mechanism of women entrepreneurship in Nepal. This research highlighted

the socio cultural, legal and educational barriers to women's entrepreneurship in Nepal. This study has found that lack of access to credit has been an important limitation on women's opportunities to start a business and engage in economic activities. This study also identifies that social barrier, inadequate education, family responsibilities, dependence on guardians, absence of government protection on women run enterprise are some problems encountered by women while doing business.

Ademokun et.al (2012) conducted a study on "Entrepreneurship Development, Business Ownership and Women empowerment in Nigeria" among 200 trained women entrepreneur who had participated in entrepreneurship training at Central Bank of Nigeria (CNB) Entrepreneurship Development Center. The study finds that the need for independence is the major reason why women start a business.

III. METHODOLOGY

This article looks at the role played by Department of Cottage and Small Industries (DCSI) in development of women entrepreneurship in Nepal. Hence, This study analyzes the impact of DCSI business training on women entrepreneurship in choosing new businesses. This study has used secondary data collected from economic surveys, annual reports, official records, books, reports and other published and unpublished information. Reports on women entrepreneurship development by Ministry of Industry, Plan and Policy and Industrial Policy of Government are collected. Similary record and reports of non-government agencies like WEAN, DCSI are also incorporated for the collection of secondary data.

IV. RESULT AND DISCUSSION

Department of Cottage and Small Industries (DCSI) was established under Ministry of Industries in 1974 to promote various kinds of cottage and small industries to enhance their industrial productivity along with making congenial environment for industrial investment and to contribute the national economic development by producing skillfull manpower and employment opportunities.

Currently there are 21 Cottage and Small Industries Offices in terai region and 6 in hilly region under DCSI. DCSI's objective is to provide support and services for the promotion, expansion and strengthening of cottage and small industries.

DCSI has created a "Micro Cottage and Small Industries Loan Fund". It provides loan from Rs 10,000 to Rs 60,000. This loan can be available from district level offices under DCSI and CSIDB. In the fiscal year 2013, DCSI created a new Loan Fund of Rs 200 million. This loan fund is only for women entrepreneurs. In order to develop and promote women entrepreneur, DCSI has launched different WED related programmes and services such as women interaction programme, skill development training, interaction programme, skill development training, entrepreneur development training, management training, industrial visits, NGO participatory programme, marketing linkage programme, seminar on trainees follow up, marketing/networking, etc.

Table 1 shows that numbers of registered small and cottage industry are increasing steadily. It increased from 8,418 in FY 2064/65 to 18,008 in FY 2068/69. Similarly, the numbers of female entrepreneurs also increased from 363 to 4,101 in the same period. According to DCSI report 2069, total numbers of registered entrepreneurs were 19,779 in the fiscal year 2068/69, out of which 4,101 were female entrepreneurs and 15,678 were male entrepreneurs. The total number of employment provided by these registered entrepreneurs was 73,443, out of which 13,227 were female and 60,216 were male.

Table 1: Registered Industries, Entrepreneurs and Employees under DCSI

Fiscal Year	Registered Industry	Entrepreneur			Employee		
		Female	Male	Total	Female	Male	Total
2064/65	8418	363	1594	1957	-	-	-
2065/66	13767	994	3295	4289	-	16590	16590
2066/67	13556	2138	12025	14163	9464	58554	68018
2067/68	14658	2822	15918	18740	8956	63962	72918
2068/69	18008	4101	15678	19779	13227	60216	73443

(Source: Department of Cottage and Small Industries, 2068/69)

Since the time of establishment, DCSI has been providing different types of training such as skill development training, management training and entrepreneur development training to women and male entrepreneurs as per their need. The numbers of participants from three districts of Kathmandu valley who were trained and benefited through DCSI training programme since Fiscal Year 2064/65 to 2068/69 are presented in table 2:

Table 2: DCSI Gender Wise Training Participants from FY 2064/65 to 2068/69 in Kathmandu Valley

	Female	Percent	Male	Percent	Total
FY 2064/65	624 (-)	69	274 (-)	31	898 (-)
FY 2065/66	822 (32%)	75	268 (-2%)	25	1090 (21%)
FY 2066/67	1180 (44%)	81	282 5%	19	1462 (34%)
FY 2067/68	641 (-46%)	92	59 (-79%)	8	700 -52%
FY 2068/69	788 (23%)	92	72 (22%)	8	860 23%

(Source: Department of Cottage and Small Industries, 2068/69)

Figures in parentheses indicate percentage change over previous year

The above table shows the gender wise training programmes given by Department of Cottage and Small Industries under WED programme. It shows that during fiscal year 2064/65 total number of trainees were 898. Among them 69% were female and remaining 31% were male. While analyzing the trend of training programme of DCIS, the number of trainees continues to increase in the following years till the fiscal year 2066/67. Also the female trainees are more than the male. During FY 2067/68 the number of training participants has decreased by more than half of previous fiscal year. But in FY 2068/69 it has increased to 860 where 92% were female. Also the number of female participants increased from 69% in FY 2064/65 to 92% in FY 2068/69. This shows that DCIS is giving more weight to women entrepreneurs.

Annual growth rate of training (shown in parentheses) shows widely fluctuating data during 5 years of period – ranging from negative growth of 52% in FY 2067/68 and maximum growth of 34% in FY 2066/67. The similar pattern emerges for women entrepreneurs as well. The disintegrated data of women entrepreneurs are available only for Kathmandu, Lalitpur and Bhaktapur which are presented in table 4.

Table 4: Women Entrepreneurs Registered in DCIS

FY	2064/65	2065/66	2066/67	2067/68	2068/69	Total
Kathmandu	363	994	357	454	634	2802
Lalitpur	104	149	151	193	235	832
Bhaktapur	42	41	46	66	65	260
Total	509	1184	554	713	934	3894

(Source: Department of Cottage and Small Industries, 2068/69)

Table 4 shows the registered female entrepreneurs in Kathmandu Valley i.e. Kathmandu, Bhaktapur and Lalitpur from FY 2064/65 to FY 2068/69. The data shows that total number of female entrepreneurs registered during the five years period till 2068/69 is 3,894. Among them 2,802 belongs to Kathmandu, 832 to Lalitpur and only 260 to Bhaktapur. This shows that women of Kathmandu are more entrepreneurial. On the other hand, during 2065/66 the number of women entrepreneurs registered is highest i.e. 1184 and it has decreased in 2066/67 but has started to increase gradually during subsequent years.

V. CONCLUSION

Department of Cottage and Small Industries (DCSI) has trained many women entrepreneur to start as well as sustain their business. It provides loans to women wanting to start their own business as well as provides entrepreneurship and other business related training. While analyzing the trend of training programme of DCIS the number of trainees continues to increase except in the fiscal year 2067/68. Analyzing the training trend of both male and female entrepreneur, it can be seen that number of female

trainees are increasing more than male trainees. This can be interpreted as a good sign because women are being more proactive in starting their business and making sure it runs successfully.

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