

Nepal Youth Journal  
Youth and Entrepreneurship

Editors

Tara Lal Shrestha, PhD

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Youth Advocacy Nepal publishes *Nepal Youth Journal* annually.

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## Acknowledgement

I am very delighted to publish the second volume of Nepal Youth Journal publishing annually by Youth Advocacy Nepal (YAN).

YAN has strong conviction that action without knowledge and knowledge without action is fruitless job by focusing various knowledge-building processes, i.e. youth dialogue series, youth democracy camp, youth entrepreneurship camp, National Youth conference, Youth Advocacy and leadership program. Action research and Nepal Youth Journal (NYJ) are the major tools for generating knowledge. The first edition had focused on the issues of youth and education.

According to statistics of Nepal Rastra Bank, around 4 lakh youth enter into labour market for job opportunities where labour market can create job opportunities for 10 percent. The serious question is where should 90 percent go? Analyzing the current trend, the government of Nepal tends to send the youth to Malaysia and Gulf countries rather than creating the jobs in Nepal. The report of foreign labour department shows that around 30 lakh

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youth are working in foreign countries and remittance sent by foreign migrant labour is contributing 25 percent in Gross Domestic Product (GDP). Analyzing the development paradigm of world, none of the countries have developed through the remittance. In the context of Nepal, some youths have initiated their enterprises. However, the government of Nepal has not been able to recognize, protect and promote their initiatives. Furthermore, due to education system of Nepal, majority of youth have very limited knowledge and skills to initiate the entrepreneurship. Moreover, some youths have skills and knowledge but they don't have investment money (seed money). In addition to it, lack of entrepreneurship culture in the society is creating hurdles for youth. As a result, youths are not being supported by their family and society. Therefore, on the one hand, in order to address the overall issues related to youth entrepreneurship, the government of Nepal should adopt the appropriate policies, plan and programs and allocate adequate resources and on the other hand, the plans, policies and programs should be effectively implemented, ensuring robust mechanism.

In fact, in Nepal, the concept of entrepreneurship, its challenges and opportunities, government policies and programs have not been properly discussed within the rights holders and duty bearers. Therefore, we have published this journal to advance the discourse on youth and entrepreneurship within the concerned stakeholders.

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Further, I hope that the journal articles compiled in this book will support for policy makers, academia, youth activists and general youth in terms of generating the knowledge and applying it in their respective fields.

I am immensely grateful to all the writers, who provided academic articles for this journal. I would also like to thank Dr. Tara Lal Shrestha and Mr. Lekhnath Pandey for editing this journal. My special thanks also goes to Sujita Mathema, acting executive director and Devendra Pratap Singh, education and governance coordinator of ActionAid Nepal for their continuous feedback and support. Overall, I express my heartily gratitude to ActionAid Nepal for partnership with YAN to publish this journal. Finally, I acknowledge our management support team – Sanjaya Khadka (general secretary), Meena Majhakoti (secretary), Gita Chaudhary (treasurer), and members Ganesh Dhama, Rama Bhattarai, Nisa Bhujel and Ritu Thapa including Bikash KC (program officer) and Manoj Gyawali (finance officer). I believe this partnership will help to achieve the aims of both organizations for which they have been established.

Naren Khatiwada  
President  
Youth Advocacy Nepal

## Note of Appreciation

ActionAid Nepal (AAN) in partnership with various like-minded organizations and the communities is advocating eradicating poverty and inequality in last 35 years. It firmly believes that the root causes of poverty and inequality is unequal and unjust power relation including structural discrimination. Based on its experience and changing context, AAN has focused its policies, priorities and programs keeping youth and women the centre. Since women are comparatively the most dominated groups and youth are the energetic sections of the population, our programs focus on them with an aim for transformation and shifting in power relation and structure dynamics.

There are multiple dimensions of power. Sustainable income generation is one of them. In the context of Nepal, youth constitute 40.35 percent of total population. Despite their historical contribution in democracy restoration, they are facing various problems including access to decent entrepreneurship/employment. Due to lack of access to entrepreneurship/employment, youths have not been able to lead their dignified life. Analyzing the demographic structure, Nepal has youth “Demographically Dividend”,

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the large population of youth which should be harnessed by developing proper plans, policies and programs. After holding the local, provincial and federal election, most of the political parties and citizens are discussing on the issues of national prosperity. Youth Entrepreneurship can be the major means to drive towards prosperity. For it, there should be critical and constructive discussion over the various dimensions of entrepreneurship among the right holders and duty bearers. I hope that this publication will help to generate the foundational knowledge that can positively lead the discourse of challenges and opportunities of entrepreneurship in Nepal.

Since 2014, AAN has initiated various social transformative actions in partnership with Youth Advocacy Nepal (YAN). Under this, generating knowledge on various thematic issues is one of them. In past years, AAN had partnered with YAN in publishing Nepal Youth Journal on 'Youth and Education'. and on 'Youth and Entrepreneurship'. On behalf of AAN, I would like to appreciate the efforts of paper contributors, editors and all contributing participants including the entire YAN and AAN team for their efforts to produce this publication.

Sujeeta Mathema  
Acting Executive Director  
ActionAid Nepal

## Editors' Words

The future of any country lies upon how youths are groomed, what knowledge they have been imparted and to what extent they have learnt and realized the knowledge.

Nepal is a country of young population. National Youth Policy 2015 shows that approximately 20.8 percent of total population of the country falls in the age group of 16-25 years, while 40.68 percent of the population lies in the age group 16-40 years. Just contrary to other aging many advanced societies, Nepal has just entered to a state of "population dividend" or 'youth bulge', where youths account the largest share of the total population.

Chetan Bhagat has mentioned in his book- *2 States: The Story of My Marriage*- that Gujarat is the only state in India, where fathers ready to lend his daughter's hand to a boy who don't do a government job, but he rather runs his own enterprise. The tendency of initiating own business is the reason behind Gujarat's economic growth and prosperity vis-à-vis to other Indian states. Majority of Nepali youths also prefer to do some sort of fixed-time-bound job than initiating own business and create job



opportunities for others. Indeed, social beliefs, norms and values-habits, attitudes, behavior and personal life style-play vital role- either positively or negatively- in the entrepreneurial culture of the society.

Attempts have been made by some youth entrepreneurs to change this trend. Many people have started own ventures in the field of agriculture, hospitality, tourism, textiles, marketing etc. Some people have even left the lucrative jobs in foreign countries and have returned home to start own business. Many innovative youth and emerging enterprises have found new avenue for launching and expanding their ventures. Exploiting the virtual platforms and social media, they have become able to grow and influence the market considerably. This is a good sign as their initiatives are doing well.

Unfortunately, these are still exceptional cases, but not representational ones. These efforts are insufficient to address the growing need of job opportunities in the country. Almost 500,000 youths enter in to the Nepali job market annually and a majority of them are compelled to leave the country for employment opportunities. For decades, more youths are taking tickets of job markets-mainly in the Middle East and Malaysia- than in Nepal. The decade-long armed-insurgency and subsequent protracted political transition of over a decade forced them to choose the path of foreign job migration. In successive democratic movements as well as armed-insurgency;

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youths were used and misused by political parties. Rest those who wanted a skip from this episode compelled to make yet dreadful choice of letting sweats in alien lands just to meet bread and butter of their families. Now, this has become a fashion. Until and unless, there is a conducive ambience to start commences entrepreneurship in own soil and to have ample job opportunities, this trend will not change, but rather grow further.

Nepal too is facing a tough challenge of unemployment, brain drain and unskilled or under skilled human resources for decades. The peril of unemployment is not so different in other advanced as well as developing societies. But what is different is that advanced societies have focused on skill and capacity development, youth mobilization, self-employment and entrepreneurship approaches to address this. What we too have to do now is to drive needful policies, plans and programs towards creating healthy environment for self-employment and entrepreneurship development.

This book comprising research-based articles of eight aspiring youth professionals is an attempt to shed light on how youths are being treated in Nepal, and how can we exploit knowledge, skills, passions and strengths of our youth mass to transform our society and change our future. We believe that this volume will create a dynamic discourse so as to make needful policy planning and interventions for youth entrepreneurial development.

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# Youth Bulge: An Opportunity for Nepal

-Padma Prasad Khatiwada

## **Abstract**

*Nepal's trend of population growth shows a fluctuating rate till 2001 Population Census. It has sharply decreased during 2001–2011 census period remaining 1.35 percent per annum. Since the highest population volume stagnant to 0-4 years age distribution till 1991 began to shift upward, that is, 5-9 years in 2001 and 10-14 years in 2011, the era of demographic dividend is quite evident in Nepalese population composition. Although, the country is known as the population with more females than males, this trend will not sustain long as indicated by the growing male population in the lower ages, an outcome of the deeply rooted son preference and the misuse of the abortion law. The fluctuating population growth pattern resulted by the notion of youth bulge welcomes demographic dividend that is growing trend of youth population due to the decreasing trend of the birth. Since this trend will not stand for long as the growing youth slowly enter the adulthood and elderly life overtime, a country like Nepal has to concentrate how to maximize the*

*benefits from the window of the demographic dividend. This is the high time for the policy makers to prioritize investing in health programs for the growing youth giving due care on children and women ensuring their proper and quality education. The growing labor force is unfortunately taking shelter in foreign labour market needs to be attracted with the country's economic growth by creating innovation in skill development and proper utilization of these skills in the industrial and infrastructure development.*

**Key words:** Youth, Bulge, Opportunity, Nepal.

### **Notion of Youth Bulge**

Youth bulge is a phenomenon of developing and least developed countries. This phenomenon appears where a country achieves success in reducing infant mortality; but mothers still have a high fertility rate as they are more in number due to the high fertility of the earlier generation.

The result is that a large share of the population is comprised of children and young adults, and today's children are tomorrow's young adults (Lin, 2012). Nepal has visibly entered the youth bulge since 2001 when for the first time the highest volume of population in the age group shifted, for the first time in the demographic history of Nepal, from the age group 0-4 to 5-9. This shows the starts of lowering birth and continuation of upwarding the same volume over time. As result the highest cohort of population remained in 5-9 years age group

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shifted to 10-14 during 2011 census and **it is sure to rise up as 15-19 years in the upcoming census of 2021**. This scenario of demographic trend clearly shows how a youth bulge **enters the working age**.

They are the dividends with both opportunities and challenges. Opportunities in the sense that the country obtains a huge human resource for infrastructure development. **However, when the growing cohort of young people do not find employment and earn satisfactory income, the youth bulge will become a demographic bomb, because a large mass of frustrated youth is likely to become a potential source of social and political instability (Lin, 2012).**

### **Nepal's Population Growth: A Fluctuating Trend**

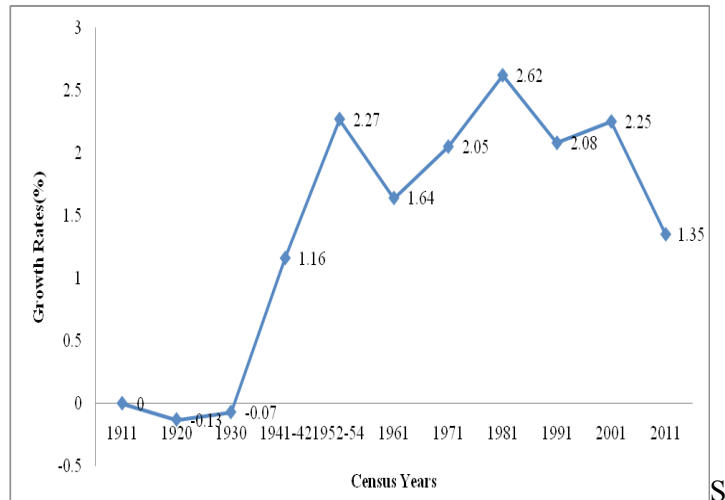
Population growth is the change in the number of persons residing in an area during a specified period of time. Such a change can be either positive or negative. The demographic structure of a country can be understood by the analysis of its population growth. Population growth serves as one of the indices of a region's development in relation to its resources (Pathak and Lamicchane, 2014).

The first Population Census in Nepal, conducted in the year 1911, showed a population of 5.6 million. A century after, the eleventh Population Census in Nepal, conducted in the year 2011, showed a population of 26.4 million.

This shows an annual growth rate of 1.35% during the intercensal period

**Figure 1: Average annual exponential population growth rate, Nepal, 1911 –2011**

Growth rate trend presented in Figure 1 shows a fluctuating trend in Nepal. Whereas three consecutive censuses, 1911, 1920 and 1930 had decreasing and beginning to increase trend, such a course of population continued to be up till 1952/54 and slowed down to 1.61% in 1961. From that period onward, population size got increased till 1981. The population growth rate during the period 1981 to 1991 shows some decline, while the population growth rate from 1991 to 2001 was again higher than the previous decade.



Source: CBS, 2014

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The annual growth rate of the population relates to the quality of data obtained in the censuses, notably coverage and undercount and possibly over-counts in certain censuses. In 1981, over-enumeration was likely due to the high monetary incentive given to field workers when compared to all other censuses (Karki, 1992).

### **Population Pyramid: An Early Warning for Increasing Male Population**

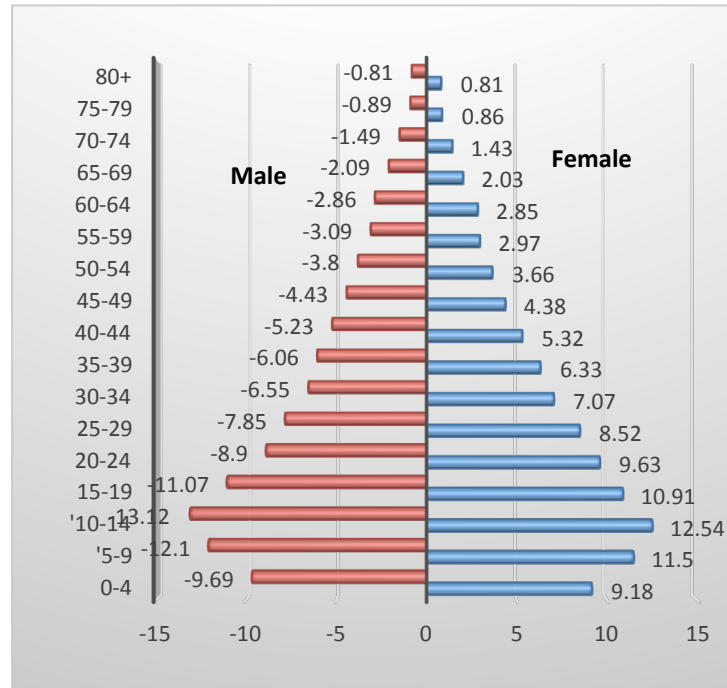
Population pyramid is the best way to reflect Nepal's population in 5 year's distribution. This indicates whether a country is developed, developing or least developed. The country with broad based pyramid is known as least developed and the country with decreasing broad-based and increasing upward is known as developing and that with almost volume-based pyramid is known as developed.

### **Figure 2: Population pyramid for 2011 population census**

By comparing population pyramids of 1991 and 2011, we can say that Nepal is shifting towards least developed country to developing.

In other words, that is, in 1991 we had the highest population in the age group 0-4 years which has now reached to 10-14 years.





Source: CBS, 2014

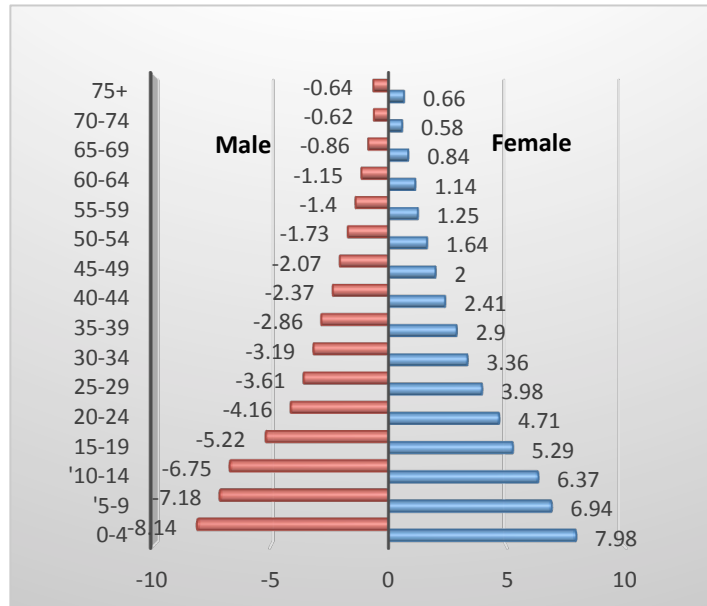
This shows that Nepal's birth rate began to slow down from 1991 census onward and that it has entered into the demographic dividend stage.

**Figure 3: Population pyramid for 2011 population census**

The 2011 census pyramid has also clearly indicated for the **increasing male population in Nepal**. Whereas the male population for the 0-4 years for male is 9.69%, the same for the females is 9.18%. Similarly, for the age group 5-9

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for male is 12.1% and the same for female is 11.5%. Such an increasing male population pattern is evident till the age group 15- 19 years (11.07% for male and 10.91% for female).



Source: CBS, 2014

The concept of son preference is deeply rooted in Nepal's patriarchal society on the one hand and due to legalization of abortion, Nepalese couples are misusing this freedom. Actually legal abortion provision is for unwanted pregnancy taking due care of the mother's and child's health, this law has been wrongly interpreted for sex

selective birth giving no due care for the right to birth by any sex, male or female.

**Population Divided: What to Expect from?**

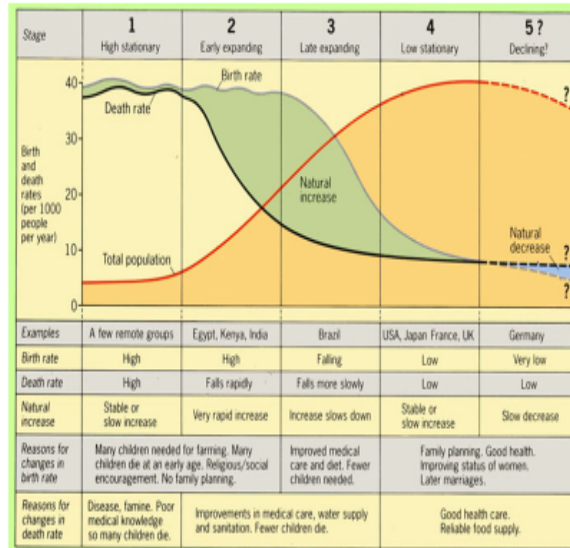
A population of demographic dividend refers to the process of accelerated economic growth that begins with changes in the age structure of a country's population as it transitions from high to low birth and death rates. Population dividend is closely associated with the demographic transition theory as best interpreted by Notestien (1944). According to him, demographic transition describes the change from preindustrial high fertility and mortality to postindustrial low fertility and mortality. Decline in mortality starts at the beginning of almost all the demographic transitions. It brings rapid changes in the age structure because infants and children enjoy most of these early declines in mortality. Improved survivor rates for children induce parents to reduce their fertility – in slowly manner to allow large youth glut and high gross national income (GNI). The Demographic Transition Modelproposes how populations should change over time in terms of their birth rates, death rates and total population size.

**Figure 4: Five Stages of Demographic Transition in a Country's Population**

The model originally consists of 4 stages, and a fifth stage has been added. In stage 1, both the birth rate and death rates are high and fluctuating. When death rate goes above

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## Stages of Demographic Transition



Source: Bloom and Williamson (1997)

birth rate the area's population will decrease, while if birth rate goes above death rate the population will increase.

Over extended periods of time this means that population size will change only slightly, with periodic fluctuations up and down. Reasons for high births rates include little birth control or family planning, children are needed to work and support elderly parents and replacement rate (parents have lots of children to compensate for high

infant mortality). Death rates are high due to disease and plague (such as bubonic plague in the British Isles in 1348), inadequate and uncertain food supplies resulting in famine, poor hygiene and sanitation.

In stage 2 the birth rates stay high throughout because in the UK improvements in society affected death rate first. The Death rate on the model falls due to such reasons as improved medical care and vaccinations were invented (Edward Jenner invented the first vaccination in 1789 for smallpox in the UK, within 3 months 100,000 people had been vaccinated. In 1954, Becton, Dickinson and Company created the first mass-produced disposable syringe and needle, produced in glass. It was developed for Dr. Jonas Salk's mass administration of one million American children with the new Salk polio vaccine). Improvements in food production, quality and reliability also contribute to falling death rates; in the UK this can be linked to the Agricultural or Agrarian Revolution. Improved sanitation and transport of food stuffs, and a decrease in child mortality also contribute to these falling death rates. Countries at this stage have rapidly growing populations, which China had before its drastic one child policy.

In stage 3 birth rates finally begin to fall and become almost on a par with death rates. Birth rates fall for many reasons. Family planning programs, as initiated by governments can have a major impact (see how Britain

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influences its birth rate) as can falling infant mortality rates which mean parents recognize that they no longer have to have lots of children as many survive. In addition, increased material desires mean people want less children so that they can have more consumer goods, and the emancipation of women where women are free to follow careers and put off having a family can have an impact. This has been evident in the UK where a long history of feminism has changed women's role in society. The battle for Suffrage throughout the 19th century finally meant that an act was passed (The Representation of the People Act) which gave the vote to women over 30 who "occupied premises of a yearly value of not less than £5." Women's status increased again after Second World War when they had proved themselves more than capable of doing "man's work". This has resulted in an ever-free female society, so much so that the average of woman giving birth for the first time in the UK in 2008 was 29 (National Statistics Online). This is highly variable around the world, as you can see here. This stage is known as late expanding.

In stage 4 both death rates and birth rates remain low and fluctuate, giving a steady population. This is typical of many countries that are well developed and is known as the Low fluctuating stage. Many of the reasons for low birth and death rates are included in the information about stages 2 and 3.

A final stage has been added to the model, based upon recent countries experiences. Some countries are now actually experiencing population decline, as birth rates and fertility rates fall below the replacement rate. This, coupled with increases in life expectancy has resulted in ageing populations for many countries.

There are many important facts to elaborate how demographic dividend is possible. Changing the age structure of a population is the first step. By slowing population growth, lowering fertility, and increasing the median age, countries are able to shift the youth dependency ratio so that there are more working-age adults to support a relatively smaller population of children. With fewer young people relative to the population of working-age adults, and with the successful implementation of key national policies over the long-term, countries have high potential for achieving accelerated socio-economic development.

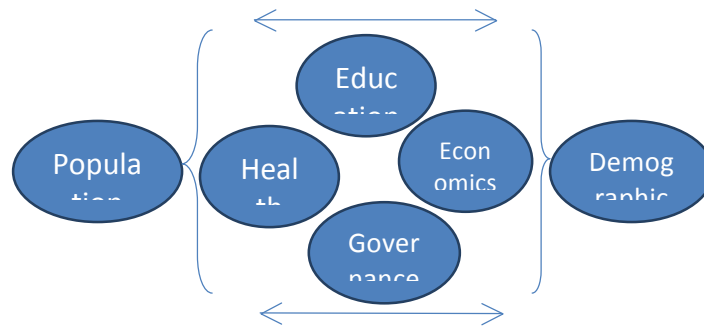
The demographic dividend provides a framework for thinking about economic growth at a time when population age structures are changing. **Having a youthful population does not ensure economic growth; what a young population does provide, however, is the opportunity for a demographic dividend.** The recent experiences of countries in Asia and Latin America have demonstrated the effect.

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Countries earning a demographic dividend have invested in human capital (health and education), implemented sound economic and governance policies, and, sustained the political commitment necessary to make the most of the opportunity. Carrying out those policies can be challenging for a country's social and governance structures, and not all countries may be able to take advantage of this dividend.

### The framework for Demographic Dividend

- The demographic dividend provides a framework for thinking about economic growth at a time when population age structures are changing. Having a youthful population does not ensure economic growth; what a young population does provide, however, is the opportunity for a demographic dividend.
- The experiences of countries in Asia and Latin America have already demonstrated the effect.



Source: PRB (2013)



### **Success Story in Asia & Latin America**

Countries like Hong Kong, South Korea, Singapore, and Taiwan (Asian Tigers) are regarded as some of the countries that have managed to reap the benefit of population transition and thus have better managed the demographic dividend. More recently, countries like Thailand and Brazil are also well managing the dividend. Achieving demographic dividend is a relatively slow process. Many countries have high levels of unemployment and underemployment that need to be addressed now. Investing in the health and education of children and youth sets the stage for them to take on more technical and higher paying jobs.

At the same time, however, policies need to foster job creation and stimulate local and foreign investment. Without jobs, a healthy, educated young population will become frustrated and will not be able to contribute to economic growth. Countries will eventually move beyond the dividend and have a larger and older population. To prepare for so many people of retirement age, countries will need to develop appropriate social security and pension programs, or risk overburdening the working-age population.

Managing the economic and health needs of an aging population is already a challenge for developed countries. As the retired population grows, governments will need to maintain a large enough labor force to sustain their

economies and living standards- already a reality for the Asian Tigers, Western Europe, and the United States.

**How to Step Forward?**

We need to give priority on information collection and analysis. The particularly information needed to collect are the following:

- Population: Total population, growth rate ethnicity, age and sex structure, birth and death rates, use of family planning methods
- Health: Morbidity and mortality patterns by age, sex and ethnicity; Main players in the health sector, type of services available
- Education: School age population by sex and ethnicity, education facilities available by type and levels
- Economy: Available resources, prospects of resource generation, agriculture, trade and industrial activities, current employment/ unemployment situation by age, sex and ethnicity
- Governance: Where do we stand in terms of transparency, accountability, security, corruption is the data to be collected with paramount importance.

Setting vision, goals and planning is equally important. This includes goals for each of the major sectors: education, health, economy and governance. Initiating

planning and implementation is the final condition to achieve population dividend to the fullest satisfaction.

### **Conclusions**

While Nepal is achieving demographic dividend, the policy makers have to think seriously what needs to be done from the very beginning. Fore and foremost, investing in health programs for children and women is essential. A demographic dividend needs a healthy population. Investment in child survival plays a key role in sustaining lower levels of fertility; as child survival improves, the desire for a smaller family and demand for family planning will increase. Families will choose to have fewer children when they know that each child has a better chance of surviving. Secondly, Educating children and youth is equally important. Although countries are paying attention to the Millennium Development Goal of universal primary education, the issue of quality education remains a challenge.

To grow a country's economy, both boys and girls must have access to education. In the case of girls, education—especially at the secondary level—helps delay marriage and first pregnancy. As countries experience a demographic dividend, they will need to adapt education policies in response to their changing labor market needs. The labor force may need training for lower-skilled and labor-intensive work as well as for more efficient and more value-added agricultural production. Then, as the

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economy grows and diversifies, workers will need a range of skills in business, technology, and other professions.

Enacting policies for economic growth should be another priority. Contributing to a demographic dividend is economic policy that promotes growth. In particular, trade policies can ensure that local products have access to international markets and can create demand. Policies are needed to provide incentives for people to save and invest; investment also requires banks and other financial institutions to yield a profitable return for investors. A flexible, cross-trained labor force is also important as the size of the working-age population increases and the economy becomes more diversified.

For any country to make the most of a demographic dividend, its policies and programs need to promote equity. Beginning with efforts to reduce fertility and shift the child dependency ratio, policies to improve access to family planning must take a pro-poor approach because poor people tend to have many children. The wealthy generally have smaller families and have better access to health services and education for their children. Promoting good governance is another priority we need to make now. An enabling environment for a demographic dividend needs good governance, which helps attract domestic and foreign investments in local economies. Because the demographic transition results in fewer children to care for, households gradually have more disposable income

and savings that they can invest in their own businesses or in others. Similarly, good governance is critical to attract foreign investments that can create jobs and stimulate economic growth.

Established legal systems and rules of law, especially contract law and financial standards, must be in place for people to be willing to invest in a local economy. If people are not confident that a contract will be honored or laws enforced, they are not likely to invest in that country. Other aspects of good governance also contribute, such as reducing corruption and efficiently operating governments.

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## Seeking the Subaltern Entrepreneurs in Nepalese Context

-Tara Lal Shrestha

### **Abstract**

*Youth is the key agent of transforming a transitional country like Nepal into a peacefully prosperous nation. The very youth can as well be a destructive force when the level of frustration reaches beyond a rescue level. The bonus youth therefore has to be engaged in constructive activities. Recently, 'entrepreneurship' is the buzzword among the Nepalese people. But in academic and activist levels- have we ever asked ourselves why we do and what we actually want to do as entrepreneurs in Nepal? After the completion of historical local, provincial and federal elections, the focus of the government is now on the entrepreneurship. Government agents, activists, thinkers, developers, writers etc. often speak in public spheres keeping entrepreneurship in the core of their discourses. Each political leader including their election manifestos is concentrated on sustainable economic growth despite the*

*fact that the history hitherto shows they are hardly serious on their agendas after election. Provided that they are supposed to be serious on their proclaimed agenda of economic growth as the first priority, however, the key question is what sorts of economic growth we actually prefer to in Nepalese context? Who are actually the typical Nepalese entrepreneurs? Can the subaltern groups of people exist in contemporary context of entrepreneurship? This paper tries to unearth some critical issues of modern entrepreneurship in association to traditional occupations with reference to subaltern perspective.*

**Key Words:** Power, Hegemony, Subaltern, Traditional Occupations, Youth, Social Entrepreneurship, Nepal.

### **Subaltern Existence and Power Hegemony**

While talking about the representation of the subaltern in mainstream the issue of power, autonomy and subaltern consciousness comes at the core of the discourse because nothing is free from power hegemony. Seeking representation of the subaltern in power centers is often interesting but critical issue in academics and activism because the subaltern groups of people are often hegemonic to dominant power centers.

The term ‘subaltern’, opposite of ‘elite’, refers to the class which exists at the edge of the so-called auspicious class in the elitist historiography. Subaltern Studies Group



(SSG) used this terminology in particular to address the bottom class people who have long been dominated and subordinated to the colonial and nationalist hegemonic rule. The issue of subaltern groups of people and their existence is hard to identify in the dominant capitalist world. According to subaltern historians, the word 'subaltern' denotes the entire people that hold subordinate position in terms of class, caste, age, gender and office, or in any other way. The word 'subaltern' was defined as an operational definition first, more clearly, by Ranajit Guha:

The word 'subaltern' in the title stands for the meaning as given in the *Concise Oxford Dictionary*, that is, 'of inferior rank'. It will be used in these pages as a name for the general attributes of subordination in South Asian society whether this is expressed in terms of class, caste, age, gender and office or any other way. (Guha, 2003, p. vii-viii)

Guha includes rural gentry, impoverished landlords, rich peasants and upper-middle peasants into the category of subaltern classes but, in his view, they can under certain circumstances be the agents of the upper dominant group and can act for the elites.

The burden of Subaltern Studies Group is how to achieve the subaltern consciousness unadulterated by any power hegemony and how to make the subaltern exist in each forms of mainstream. In entrepreneurship direct intervention of rebellion worth less than material

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monetary power. In contrast to dominant discourses, which ignored the subaltern existence and their consciousness, Subaltern Studies focus on the subaltern classes and their activities.

The subaltern historians try to contribute to establish history writing from 'below perspective'. This perspective is essential in the business world as well where generally economic power matters a lot in the issues of securing justice to all and creating space to the subaltern is hard to secure. Economic progress without justice to all, that is unequal economic progress may create bigger crisis in Nepal.

### **Youth as Entrepreneur**

Youth is the key driving force in any society for socio-economic transformation; in the country, which is under the current of transition like Nepal the role of youth is more significant. Different countries have their own definition about youth. Most of the countries have fixed youth age between 15 to 35 years despite the fact that international organizations including United Nations and the World Bank have considered the age group of 15 to 24 years as the youth. National Youth Council Act (2015) however has fixed the age group of 16 to 40 years as youth. It is the prime period of Nepal regarding the status of youth population. 40.35 percent the total population comprises of youth. Youth bulge is a transitional phenomenon. Now, the group of young people of age 15-

29 in Nepal represents more than one-quarter (28 percent) of the total population; they are more dependent on labor market abroad, mainly India or Middle Eastern countries. Rising unemployment is very serious problem in Nepal. A large number of Nepalese youths continue to leave the country in search of employment- around 1,800 people every day (Paudel, 2014).

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding people their place in society. The global jobs crisis has exacerbated the vulnerability of young people in terms of: i) higher unemployment, ii) lower quality jobs for those who find work, iii) greater labor market inequalities among different groups of young people, iv) longer and more insecure school-to-work transitions, and v) increased detachment from the labor market (Award & Assalino 2014). “The youth employment crisis: A call for action” presents ways for articulating national strategies for youth employment. The International Labor Conference of the ILO held in 2012 has urged to take urgent action to tackle the crisis of the unprecedented youth employment by the help of a multi-prolonged approach. The ILO supports government and social partners in designing and implementing integrated policy responses to enhance the capacity of national and local-level institutions.

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“Youth Vision-2025” has been formulated as specific strategic work plan to materialize the rights, aspirations and needs of the youth in Nepal. In its background, the plan has declared, “It has emphasized national spirit, unity, equity, justice, cordiality, inclusiveness etc. required for development of the country” (p. 5). The plan has also placed the issue of preparing extensive involvement in the youth with five strategic pillars of the youth development in the present times. To transform Nepal as a fast developing country by the year 2025, it has envisioned good policies and activities. So, Nepal needs to invest more in youths immediately to drive economic and social development because the demographic dividend exists only for a short period. Generally, common people in Nepal think that any sorts of small business being transformed into higher scale of investment and management are called entrepreneurship. Most of the people take businessmen and entrepreneurs synonymously. Businessmen or capitalist commercialists have less concerned with broader solidarity and social welfare; they are much more concerned on profit earning than social activism (Personal interview with Dr. Gangaram BK, Lecturer of Central Department of Management, Tribhuvan University).

The term ‘entrepreneur’ itself looks much associated to power in the present capitalist world. It is because entrepreneurship is generally associated to ‘money’,

'power', 'existence', 'prestige', 'objects' and so on. According to English Living Dictionary entrepreneurship is the act of setting up a business or businesses, taking on financial risks in the hope of profit and the new business opportunities have encouraged entrepreneurship on a grand scale. An entrepreneur is a person who sets up a business or businesses, taking on financial risks in the hope of profit. An entrepreneur is such a person who dares to take a huge financial risk. So, entrepreneurs are individuals or group of individuals who invest capital, and organize and direct business and industrial units. An entrepreneur assembles, coordinates and directs various factors of production namely land, labor, capital and other materials (K.C., 1989). Entrepreneurship is a site of production introducing new techniques and selecting top managers for day-to-day operation (Higgins, 1966). An entrepreneur could be a trader, a technician, an educated unemployed or the like. The elements common to all of them are the desire for breaking away from traditional ways of doing things, face the organizational and technical problems in decision-making process and measure up to the risk which are implicit in the process (Joshi, 1977:40).

Though, an entrepreneur is an innovator, someone who changes the factors of production to create something new (Folsom, 2003, p. 3). Similarly, Mises (1996, pp. 336-38) defines an entrepreneur as who serves the consumer's interest by looking at things as they are and seeing profitable ways to change them for the better.

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Entrepreneur is an owner of capital who is engaged in the management of an enterprise for the sale of goods or services of profit...entrepreneurial activity as a factor of production in which risk taking was the key attribute of the entrepreneur (Jary & Jary 2000, p. 184). Moreover, an entrepreneur is a person who is always looking for change, responds to change and exploits it as an opportunity with adequate requirement of capital, education facility and own creativity, intelligence, energetic youth can be turned into a decent business people (Akhter & Sumi, 2014). At the same time, recently, an entrepreneurship is distinct to business.

Since Nepal adopted a system of mixed economy both government and private sectors have been performing entrepreneurship function of industrialization and private entrepreneurs have promoted huge numbers of industrial units (K.C., 1989). But, the policies to preserve the traditional and indigenous occupation were not formulated. The powerless subaltern groups of people have been pushed towards margins during the course of transition and transformation from traditional and indigenous occupations to huge business modes of entrepreneurships. It is hard to trace the transition of the subaltern people in Nepalese context due to lack of data.

To become a middle-income country by 2030, the slogan of government that echoes – a distinct entrepreneurship with the involvement of youth investing in private sector

and promoting foreign investment is a must. Entrepreneurship is the process of designing, launching and running a new business, which is often initially a small business. Nepal is a country of cottage or small business, where traditional occupations are a base for livelihood of the subaltern groups of people. Traditional indigenous occupations are the true identity of the diversified country as well. What could be our typical small business modules? The people or groups of people wish to transform their small business into new entrepreneurship but who could be our potential entrepreneurs in larger base? Entrepreneurship is taken as the capacity and willingness to take risk and promote a small business with organized form with the aim of making profit rather than seeking broader human welfare. Actualization of profit depends on the zone between risks and potentialities. Are our small entrepreneurs competent enough to face high threats and potentialities? The government, private and non-governmental sectors are trying to invest a huge sum of money with an effort for promoting entrepreneurship in Nepal. Are majority of the subaltern groups of people – women, Dalits, Janajatis, Madhesis, differently abled, marginalized all sorts of groups of people aptly capacitated to tap the resources to promote their small traditional indigenous occupations into entrepreneurships? Are there any state-mechanism to preserve distinct occupations? These issues are to be addressed before ‘too late’.

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Seeking subaltern in entrepreneurship is essential but due to the rigid socio-cultural established structures a large mass of people look helpless. They are far from the mainstream. The potential best minds of the country who could get established in entrepreneurship are leaving the country. At present, nearly half of all households in Nepal have at least one member abroad or a returnee (World Bank, 2011). The current scale of foreign labor migration from Nepal is unprecedented, providing an alternative to hundreds of thousands of youth who are unable to find satisfactory, or even any, employment within the country (Sijapati & Limbu, 2017).

An entrepreneur is the central figure of the modern era of business or economic development of any country cannot be initiated without the pioneering efforts of entrepreneurs. Private entrepreneurs in Nepal have traditionally remained very shy to come forward for investment in industrial ventures due to various reasons (K.C. 1989 & 2003); it is harder for the subaltern groups of people to enter entrepreneurship.

The question not only relies on how to motivate individuals or groups of people to entrepreneurship in Nepal it is also a serious issue of giving justice to all and motivate all sorts of marginalized groups of people in entrepreneurship for overall development of the country so that the subaltern groups of people and their traditional occupation also could be transformed to entrepreneurship.



### **Traditional Occupations and Youth Vision-25**

There are hundreds of thousands of traditional and indigenous occupations that are still in the verge of extension. Most important traditional occupations those still alive have to be preserved in such a way that the essence could be preserved in the process of being extinct or transforming into entrepreneurship. It is such a mission that is connected to diverse ecosystem. Many traditional occupations relate to daily livelihood and substance activities involving the use of biological resources taking place in diverse ecosystem. Indigenous people engage in a variety of traditional practices (Status & Trends in Traditional Occupations 2016). The outcomes of this rapid assessment show, “throughout the globe, there is a great diversity in traditional occupations, reflecting the diversity of cultures, traditions as well as natural environments and climates where indigenous peoples live and practice their activities. At the same time, there is also a remarkable level of similarity and overlap in practices” (STTO, 2016, p. 4). There are various occupations based on agriculture, livestock, beekeeping, fishing and so on. Key occupations listed as follow can give some insights to Nepalese contexts:

- Agriculture, aquaculture, and livestock: A variety of traditional farming practices in the fields and forests – rotational farming or shifting cultivation, and terrace farming; recovery of native plants, etc.

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- Occupations related to daily livelihood/subsistence activities: Fishing, hunting, gathering of non-timber forest products (wild plants, medicinal herbs, fruits, nuts, mushrooms, etc., and these activities take place in diverse ecosystems). In Nepal such indigenous practices are carried by people to sell the wild collection in local markets.
- Traditional medicine: traditional healers, midwife/birthing.
- Preparing and storing of traditional foods/dishes: Cooking is also a traditional occupation, including expertise on preservation of foods. In Nepal there are varieties of cuisine with distinct culinary and flavor like *gundruk*, homemade liquor, traditional yeast cake and so on)
- Traditional crafts/skills: There are experts in many communities who produce clothes, utensils, specific products, equipment, mats, carpentry, baskets, weaving, shoes, instruments, boats, etc. and they could be transformed into distinct entrepreneurs.
- Spiritual and ceremonial knowledge: Specific ritual, ceremonial or spiritual dimensions or functions – birth to death rituals – future teller.
- Traditional art, drama, music and performances: Nepal is rich in each sorts of art and craft including singing, dancing, orating, drama, *jatras*, humors, satires and performances.

- Transmission of traditional knowledge: Teaching and educating youth by senior citizens to revive and maintenance of indigenous spirituality, language and culture – land or resources use for sustainability.

There are other types of traditional occupations and indigenous activities in practice in Nepal than mentioned above. The Dalit communities have inherited skills and performances for centuries. The jewelries, tailoring, shoemaking, dancing and playing musical instruments by the Dalit communities itself could give a bigger picture for an innovative entrepreneur. The specialized occupations practiced in certain communities and regions of Nepal can be showcased for the international communities and transform them into diverse varieties of entrepreneurship. Either daily or seasonal traditional activities or occupations, they are connected to broader human solidarity and ecosystems.

The researcher who wish to explore foundational information about the traditional and indigenous occupations and activities about Nepal get frustrated, as I faced during the course of preparing this write up. There are 174 institutes related to technical skill development for TSLC level registered in CTEVT Nepal, but we could hardly find systematic documentation about the traditional occupation formulated in Nepal. The rapid assessors on *Status and Trends in Traditional Occupations* (2016) write, “Fortunately, many traditional occupations are still

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practiced, although a substantial number have declined in practice....Some traditional occupations have already disappeared or are on the brink of extinction, or have changed completely” (STTO, p. 8). In assessors’ word, “In Nepal in particular, traditional occupations are under pressure” (STTO, p. 9). They further write in Nepalese contexts:

Shifting cultivation and sheep farming (seasonal migration) are becoming less practiced because they are marginalized activities that are restricted under an official rule aimed at replacing these systems. Similarly, legal acts relating to the forest have hindered the practices of bamboo-crafts (weaving of baskets and umbrellas). Other practices such as traditional trapping instruments from wild plants, seeds, and local shoe-making have become obsolete, and other traditional practices like fishing, gathering wild foods, fruits, flowers, nuts and medicine are declining. Animal husbandry of indigenous breeds, and traditional healing practices have become archaic (STTO, p. 9).

Majority of traditional occupations are practiced by both men and women and some are practiced exclusively by either women or men; women traditionally played the key role in decision-making, but now, as the assessors lament, “it is changing to more commercial approaches, men are more frequently in charge” (STTO, p. 9). In their words,

“In some communities, women play a larger role in the production of traditional foods and drinks, such as homemade liquor and traditional fermented soy-cake in Nepal” (STTO, p. 10). There are many other references of rituals, programs or activities, where women play key roles, like in *Teej*, *rateuli*, *kumari* jatra and performances. The singing and dancing of Badi women is another example. There are more gender-specific researches to be conducted to show broader background picture from the traditional foundational occupation for possibilities to entrepreneurship.

In some parts of Europe including in Australia along with few evidences in Asia as well, young people are interested in the quest for their root culture and traditional occupations; they are trying to search their future in the aesthetics of the root occupations and indigenous activities with innovative entrepreneurial modes of practices; they are serious enough to preserve their root originality and showcasing in modern form. How much to be preserved and how much to be twisted is a crucial issue often while talking about transition and transformation. The foods, dishes, clothes and costumes, music and performances are being revived and preserved. The hierarchy between the elite and the subaltern has been expanded and blurred in the digital age in some cases.

Nepal, in terms of indigenous traditional knowledge, is considered as one of the richest, due to its geographical

diversities and many ethnic communities. Indigenous practices provide invaluable knowledge and aid in making best use of natural resources. In the modern days of technological advancement, this knowledge is often forgotten or neglected, despite the fact that government has recognized the importance of documenting traditional knowledge systems. It is recommended that the documentation of indigenous technical knowledge should be included in the curricula as crosscutting issue (Sharma, et.al, 2009, p. 569). Actually as discussed above, there is hardly any government support to preserve traditional occupations and indigenous cultures. The vocational trainings on traditional occupations are not encouraging, as one of the CTEVT officials say in informal interview (Personal interview with Sangam Gautam, Officer of Research Division, CTEVT, Nepal). Subsidies are insignificant for preserving and promoting traditional and indigenous occupations and practices. The most serious issue is lack of adequate implementation of supportive policies from government and non-government agencies.

One of the respondent's views is remarkable to be noted here, "The Government of Nepal, Ministry of Culture and Tourism, has a regulation to document on best cultural practices. But I have seen they are documenting what they think these best practices are, without FPIC, full and effective participation of the right holders. Also the existing law and regulations contradict each other"

(STTO, p. 13). In most of the cases the government agents are “very unresponsive” (p. 14) and unfortunately, “there are still many government laws and regulations in various countries that are aimed at preventing traditional occupations from continuing and/or which actively put traditional occupations under pressure” (STTO, p. 14). Some of the threats to traditional occupations are:

- Less/no government support
- Colonisation/assimilation/modernization
- Young people’s apathy
- Loss of biodiversity
- Not economically viable
- Big companies competing
- Lack of education for indigenous peoples/ ownership of land/access
- Large-scale development
- Lack of trans- generational knowledge transmission

Obviously, modern education is making young people detached from indigenous knowledge and value systems; the modern education has motivated young people towards modern life, migration and new technology. The most serious issue is that the traditional occupation is not viable economically and the traditional occupants are hard to survive- it motivates them either leave the profession or transform it into entrepreneurship. In Nepal, “they tend to go overseas for labor work rather than practice their traditional occupation” (STTO, p. 22). The key concern

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therefore should be focused on transforming traditional and indigenous occupations and cultural practices into social entrepreneurship.

The youth vision-25 has also highlighted on justice and equality to the common youth. It ensures prohibition on any type of discrimination practiced among the youth. Ending discriminations among the youth on the grounds of caste, region and sex, it brings forward the values which are determined on the basis of social security, justice and equality, the following statement has been clearly documented strategic plan:

This principle gives emphasis on inclusion in order to provide social justice and basic rights to the youths who are physically challenged, exposed to risks, gender and sexual minority, *Dalits*, Madhesis, Muslims, *Adivasi Janjatis*, minorities and the marginalized and those who belong to Karnalli and backward areas.

Ensuring equitable development of every region through the process of inclusion, it also determines the basis of equitable advancement of the youths who are living below the poverty line (STTO, p. 11)

It's prospects and opportunities planned for the Nepalese youths has been stated into these following points:

- ❖ Opportunities for meaningful participation in democratic, federal governance system and development,



- ❖ Abundance of natural resources including agriculture, herbal plants, eco-tourism, water resources, forest etc. for comparative benefits,
- ❖ Increasing access to economic means and resources through the expanding network of Banks, Cooperatives and microfinance,
- ❖ Quality employment resultant from the development of entrepreneurship and service sector due to progress of quality and professional education,
- ❖ Expanding network of development partners in the expansion of various programs focused on target groups and geographical areas as well as expansion of awareness,
- ❖ Establishment of Conscious Youth and National Youth Council and infrastructure,
- ❖ Opportunities for creation of internal employment utilizing the skills, experiences and capital received from the youths involved in greater number in foreign employment and the non-resident Nepalese youths,
- ❖ Prospects of increasing foreign investment in Nepal-situated in the middle of two big neighboring economies of the world.

If the strategic visions related to youth of Nepal stated above could be implemented seriously, that may lead positive consequences for social justice in entrepreneurship. For effective implementation of the Youth Vision-25, educating youth with the notions of

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social entrepreneurship could be more helpful. The concept of social entrepreneurship has received growing attention in the mass media over the recent years. In the beginning of the 1990s hardly any article in the US newspapers mentioned social entrepreneurship; by 2000 almost 40 articles mentioned this concept, and by 2007 more than 150 articles did so (Vasi, 2009, p. 155). Recent definitions of social entrepreneurship emphasize that social entrepreneurs are simply a special case of entrepreneurs... Social entrepreneurship improves the lives of millions of people around the world (Vasi, 2009, p. 167).

The base of business is traditional indigenous occupation. The traditional indigenous occupations are distinct identity of a country and its people.

### **Appeal to Youth for Social Entrepreneurship**

The existing capitalist business modality is believed no longer possible to be extended in limited world. Growing population has aspiration to higher consumption. Income and consumption disparities are growing unemployment and social exclusion. A strategy for new vision of economy is therefore essential in post-capitalist era to save the human civilization and the universe from “corporate money-seeking robots” where “money economy” has been turned into “suicide economy” (Korten, 2015). Social entrepreneurship has now become a source of hope, but we are like water-tap users who know

little about the origin of the source (Ziegler, 2009). Majority of Nepalese youths prefer to leave the country as migrant workers; they are compelled to be rootless. Social entrepreneurship can capture some sort of hope to Nepalese youth. There are many varieties of traditional occupations, cultural practices, art and activities from the east to the west in Nepal. Hundreds of traditional occupations and indigenous cultures are under the pressure of becoming modern and preserving the essence of originality and authentication. Dilution may happen harshly and a standard format of preserving the traditional originality is necessary. High commercialism may cause greater degree of dilution. More business-oriented commercialism may kill the traditional originality. Social entrepreneurship in qualitative modes of discourse have to be focused in Nepal rather than just getting much more engaged in quantitative profit motives.

Nepal is now in the process of taking benefit from increasing a demographic dividend. It is a period of approximately 20 to 30 years population seen in maximum proportion in total population. The working-age population has increased significantly due to decreasing fertility and increasing life expectancy. But, a huge mass of Nepalese population is frustrated in the era of capitalist globalization, because, "It is easier to imagine the end of the world," it has been said, "than to imagine the end of capitalism" (Sklair, 2002). Inequality is at the forefront in Nepal. Antony B. Atkinson asks, how can heightened

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public awareness be translated in policies and actions that actually reduce inequality? Indeed, certain differences in economic rewards may be quite justifiable (Atkinson, 2015, pp. 1-6). It is a profound truth about the era of capitalist globalization that most of the people are hungry of material prosperity. Nepalese bonus youths are in rush to leave the country as migrant workers. Entrepreneurship has occurred at significantly higher rates than at any time in the last 100 years (Gartner & Shane, 1995). It has promoted a culture of consumerism and capitalist globalization. They are not critical how harsh is capitalist exploitation and ecological unattainability and as Leslie Sklair claims, “none of the anti-capitalist initiatives really problematizes the role of the state – whether leftist, rightist or centrist – nor how these initiatives work with the capitalist consumerist market” (2002). Nepalese entrepreneurship and its advocates are not serious either in the issue of sustainable economic growth.

In his book *Prison Notebook* Antonio Gramsci says that in the period of crisis the old structures is dying and the new is not yet born; Nepal is going through this transition and transformation. The old system is no stronger and new federal system is going to be institutionalized, where traditional indigenous occupations of the subaltern groups of people are under the threats of extinction. The traditional indigenous occupations still in practice could be preserved and transformed into social entrepreneurship

by preserving their traditional essence; but hardly youth and policymakers are effectively serious in this issue. They are much concerned with high degree of economic bloom as Vice-President of National Planning Commission Nepal, Dr. Swornim Wagle argues, a leap is essential in economic growth (Personal interview with Wagle in NPC) and at the same time he believes in a welfare state and urges to devote time and energy to drive change (Sharma, 2017). This notion is essential but we should not ignore the base- that is traditional indigenous occupations, which are still a good source of livelihood of a huge mass of Nepalese subaltern communities.

With the successful completion of local, provincial and federal elections, the mandate now is to achieve a substantial and prolonged economic growth, as Niraj KC writes, “The limping economy should be able to experience a leapfrogging growth, and henceforth no argument should stand against leveraging economic empowerment” (KC, 2017). Nepal has an aspiration of becoming an upper middle-income nation by the fiscal year 2030 and as KC argues, to achieve that status, per capita Gross National Income (GNI) needs to grow of 14 percent is very ambitious. In his view, more realistic is the prospect of the Nepali economy achieving a per annum growth of 7 percent, resulting in an increased of GNI per capita to \$2000 by FY2030 (CK, 2017).

### **Conclusion**

Inequality of opportunity leads inequality of outcomes (Atkinson, 2015). As presented in rapid assessment above, traditional occupations, which is the key elements of cultural identity of Nepal, are still the key sources of income of daily livelihood substance for many indigenous groups of people that can play an important role for the well being of the nation if we could transform them into social entrepreneurship as a long-term movement. Youth entrepreneurs in cooperation with government and non-government agencies have to play role to create supportive environment so that a huge mass of subaltern communities could also be benefited in the space of social entrepreneurship for broader human and non-human solidarity, where subaltern entrepreneurs could equally exist and act for articulating better Nepal.

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# Social Media in Nepal: An Emerging Platform for Entrepreneurship

-Lekhanath Pandey

## **Abstract**

*Social media came into existence as a result of the Internet revolutions at the dawn of 21<sup>st</sup> century. Despite initially being considered it as an alternative forum for idea sharing; social media now takes a centre stage for setting agenda for the public discourse. No matter a commoner or a sitting US president, all takes Twitter to make their voice loud and clear. Social media such as Facebook; LinkedIn, Instagram, Snapchart, YouTube etc. are used in advocacy, political campaign and business promotion. There is no digital audience that can't be reached via social media. From small enterprises to big conglomerates; all have made their presence in social networks and tried to influence the virtual audiences. What they want is to learn taste and preference of their potential consumers through the help of social media and*

*come up with the products, programs and services as per their preferences, and thus, expand their enterprise and businesses. Observing on two most popular social sites— Facebook and Twitter— this paper examines how social media landscape is being shaped in Nepal and how this virtual platform is exploited by the start-up companies and emerging enterprises.*

**Key Words:** Social Media, Youth, Entrepreneurship, Nepal.

### **Introduction**

Social media is generally known as websites and applications that enable users to create and share content or to participate in social networking.\* Also generally known it as social network site (SNS) Boyd & Ellison (2007) defines social media as the web-based services that allow individuals:

- (1) To construct a public or semi-public profile within a bounded system,
- (2) To articulate a list of other users with whom they share a connection, and
- (3) To view and traverse their list of connections and those made by others within the system. The nature

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\* See: [https://en.oxforddictionaries.com/definition/social\\_media](https://en.oxforddictionaries.com/definition/social_media)  
(Retrieved on December 12, 2017)

and nomenclature of these connections may vary from site to site.

Many scholars, however, see that there are differences between a social media and a social network site. Nations (as cited in Edosomwa et.al. 2011) says a social media is hard to define and is a two-way street that gives you the ability to communicate. Cohen (2009) and Stelzner (2009) suggest that social media can be called a strategy and an outlet for broadcasting, whereas social networking is a tool and a utility for connecting with others (cited in Edosomwa et.al. 2011). Nevertheless, by virtue of being in virtual world, both social media and social networks share many features and influences one-another and thus, are used interchangeably.

There are many types of social media, including social networks like Facebook, Twitter and LinkedIn; media sharing sites like YouTube, Instagram and Snapchat; discussion forums like Reddit and Quora; bookmarking and content curation networks like Pinterest and Flipboard; blogging and publishing sites like Word Press and Tumblr; and anonymous social networks like Whisper, Ask.fm and After School (Foreman, 2017). These are collectively and interchangeably known as social media or SNS and “allows us to model our social relationships by requesting and accepting friends or contacts in the social network” (Rai & Moktan, 2014). These are important tools to understand consumer behaviors, tastes and

preferences and helpfullto design consumer-friendly products, programs and services, and promote them. The social media has become the method of statement in the 21<sup>st</sup> century, enabling us to express our belief, ideas and manner in an absolute new way (Saravanakumar & Sugantha Lakshmi, 2012).

### **History, Early Rise & Fall**

The history of social media is not long back. It began with the advent of Internet in early 1990s. The concept of social media began with the start of Classmates.com and Match.com in mid 1990s as these sites were designed to connect people for friendship and possible relationships. However, the modern era of social networks began in 2002, when Jonathan Abrams launched Friendster (Saravanakumar & Sugantha Lakshmi, 2012). Following the success of Friendster, it witnessed a mushrooming growth of social media and SNS:

In 2003, Intermix Media developed the social network, MySpace. It duplicated the core functionality of Friendster. Initially powered by Intermix Media's large mailing lists, MySpace quickly became a leader among social networking sites. In October 2003, Mark Zuckerberg went on to create the Facebook, a social network that began as an exclusive site for Harvard Students. Finally, in 2006, anyone with an e-mail id can sign up. Sometime between 2008 and 2009,

Facebook overtook MySpace (Saravanakumar & Sugantha Lakshmi, 2012).

With its 2.07 billion monthly active users and 1.37 billion daily users<sup>\*</sup>; Facebook is the largest social networking site in the world. Once considered as a small-scale network, it now connects almost 30 percent of global population. Social media now influence all aspects of human life: our way of living, thinking and doing business. Likewise, Twitter, having more than 330 million active monthly users, is quite popular among professionals, opinion makers and intelligentsia.

Within a short span of time of their footprint in the digital world; many social media and SNS came into prominence and faded away swiftly as they couldn't sustain and maintain their growth and popularity. The rise and fall of MySpace is a case in point. Within five years in business; the social network reached its peak in 2008 with 75.9 million unique monthly visits in the United States before subsequently decaying to obscurity by 2011. Two prominent Princeton University Professors, Cannarella&Spechler (2014) observe that Facebook has already reached the peak of its popularity and has entered a decline phase and will undergo a rapid decline in the coming years, losing 80% of its peak user base between

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<sup>\*</sup> See: <https://newsroom.fb.com/company-info/> (Retrieved on December 10, 2017)

2015 and 2017. Although it's being criticized for its addictive nature and business model, Facebook still reins the social media world.

### **No More Alternative Media**

Social media started as a platform for alternative discourse in the dawn of 21<sup>st</sup> century. As 'traditional media'\* were largely dominated by political and socio-economic contents; social media started sharing information and ideas about relatively cool topics, generally ignored by the mainstream media. Facebook itself was designed to make a group conversation of the Harvard University students. The blog was also begun as an effort to share personal views and account of the bloggers. The first Nepali blog, United We Blog was started in 2004 by a group of young journalists to share their account on burning issues and create a platform for alternative voices. Social media is about ordinary people taking control of the world around them and finding creative new ways to bring their collective voices together to get what they want (Saravanakumar & Sugantha Lakshmi, 2012).

Social network has now taken a centre stage for setting agenda and creating public discourses. The alleged Russian meddling in US presidential election in 2016 is a case in point as how social media can mess up things. More than

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\* The prints (newspapers, magazines, books etc), radio and television are generally regarded as traditional media.

300,000 Russia-linked accounts generated 1.4 million tweets during the final stretch of the US elections campaign. Besides, nearly 126 million people were exposed through Facebook to content tied to Russia-linked accounts over a two-year period (Bertrand, 2017). The US agencies are grappling to measure the extent of external meddling to influence the election outcomes.

There is no digital audience that can't be reached via social media. Being an internet user means now means being a social networker (Young, 2017). These media enables value creation, participation and collaboration and breaks barrier of geographical diversity and also connects citizens who are not even connected by roads (Rai&Moktan, 2014). The social media has enlarged the professional and personal spheres of individuals (FNJ, 2012). Sometimes social media have become more effective than mainstream media in combating corruption, maintaining law and order, and disaster communication and management.

### **Social Media, Not So Social**

Social media and social networks are not all good. They are under attack for their addictive nature and perceived promotion of anti-social behaviors. Implying its possible danger, Rowling (2012) says that Internet has been a boon and a curse for teenagers (cited in Nikkhah, 2012). Many youngsters, who are supposed to focus on their study, seem busy in social networks for hours. Globally, digital

consumers are spending an average of two hours and 15 minutes a day on social networks and messaging (Young, 2017). This means one in every three minutes of online time is dedicated to these activities. Researchers found that “using such services at least two hours daily was correlated with reporting feelings of social isolation” (Ingram, 2017).

Digital platforms are taking away good family time and making people self-oriented, isolated and undermined people’s privacy. The Internet and social media specifically can be facilitators within wider processes of violent radicalization. Violent extremists may use characteristics of social media to attract younger audiences, to disseminate extremist, violent and criminal content, to identify potential participants, and foster one-on-one dialogue with young people (Alava, Frau-Meigs, & Hassan, 2017). Friedmen (2016) even questions if social media is a “destroyer or creator” of social fabric and harmony. A former Facebook executive, ChamathPalihapitiya, (as cited in Vicent, 2017) says, he feels “tremendous guilt” about the company he helped make. He further says, “I think we have created tools that are ripping apart the social fabric of how society works”. His criticisms were aimed not only at Facebook, but the wider online ecosystem (cited in Vicent, 2017).

Many social networks caution its users to use their technology in safe way. Facebook Inc. recently became



defensive about its business model and requested users to use its technology in good way. The advantages and implications of the social media depend on how and for what you use them. Even in conservative societies like in the Middle East, social networks have played important roles in people-to-people connectivity and helped usher businesses and entrepreneurs (Samuel and Sarprasatha, 2015).

### **Social Media Landscape in Nepal**

The use of social media in Nepal began as a form of **blogging** in early years of the new millennium. The United We Blog is the first blog in Nepal, which was started in October 2004 by a group of young journalists, led by Dinesh Wagle of Nepal magazine. UWB was started primarily for **personal use as an online diary**; it was transformed after February 1<sup>st</sup> **2005 into a news outlet** with an explicit 'pro-democracy' stance (Sharrock, 2007). Dubbed as the **first social media of Nepal**, the bloggers used **post their experiences in journalism** and reporting in this virtual platform. The United We Blog came into prominence as it ushered dissent views and created discourse about the royal coup during the direct rule of King Gyanendra Shah that existed from February 2005 to April 2006. **Gradually, many technology-savvy youths started blogging and shared their dissent views through the digital space. Mysansar.com, initially domain as Merosansar.com, is one of the earliest and**

widely visited news blogs, which now covers a wide range of issues, mostly uncovered by the mainstream media.

The Internet business is one of the fastest growing sectors in Nepal. The Internet penetration stands at 62 percent of population, with more than 97 percent of those accessing Internet via mobile devices (Social Aves, 2017). Usage of social media stands very high. A variety of social platforms such as Facebook, Twitter, LinkedIn, YouTube, Instagram, and blogging sites like WordPress.com or Blogspot.com are well-liked in Nepal. However, Facebook, Twitter and YouTube are among the popular-most. Facebook users in Nepal stand 8 million, while 3.2 million people are active in Twitter (Social Aves, 2017). According to alexa.com, a web traffic data and analytics, YouTube is the most popular website in Nepal, while Facebook stands at the fifth position\*, while Twitter is quite popular among professional groups, academia and opinion makers. Majority of Nepali Twitter users are those who are considered opinion leaders in the society as journalists, lawyers and teachers makes up more than one-fifth of the respondents, (Acharya, 2015).

As it happens everywhere in the beginning, social media drew a huge curiosity, especially among youngster in Nepal. People quickly got attracted to the new technology

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\* See: <https://www.alexa.com/topsites/countries/NP> (Retrieved on December 20, 2017)

and started using it for fun and amusement. They use it for connecting with new people, chatting with them, sharing personal and group views and projecting their lives and lifestyles. The usage of social media and SNS has now expanded. People share information, news and views on burning issues, making commoners' voice loud and clear. Thousands of Nepali people took Twitter with a #BackoffIndiahashtag to express their outrage against what they think as India's overbearing attitude, when New Delhi refrained from welcoming Nepal's new Constitution in September 2015 (Gurung, 2015). They did also take Twitter and Facebook to criticize Indian media's insensitive coverage of during the devastating earthquakes\* in Nepal in April and May 2015. During the temblor, many Nepali came to know about the situations of their near and dear ones through social media and it became critical in sharing information and providing relief supports for quake-survivors, where there was short fall of official information.

Besides individual use and application; now the government agencies, professional bodies, academic institutions, start-up companies and emerging enterprises and corporate sector have kept their footprints in social media world. They have acknowledged that exploiting

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\*Nepal was hit by twin earthquakes on 25 April, and 12 May in the year of 2015 as resulting the loss of over 9,000 people and collapse of some one million households and infrastructures.

social media, they could complement their business and achieve the set goals. Political parties and leaders have realized the need to maintain Facebook pages, as well as Twitter handles so as to take up issues of their constituencies, reach out voters and sharing the things what and how they are taking up the voices from the people.

### **Social Media and Entrepreneurship**

There are various approaches to define the term entrepreneurship. Some describe it in purely economic terms, while some others take it in innovative way. No matter which approach we consider, entrepreneurship is by and large the “capacity and willingness to develop, organize and manage a business and along with any of its risks in order to make a profit. And the most obvious example of entrepreneurship is the starting of new business.\* Microsoft co-founder Bill Gates, Google co-founders Larry Page and Sergey Brin, Apple co-founder Steve Jobs, Amazon’s Jeff Bezos, and Facebook CEO Mark Zuckerberg all were entrepreneurs, who took risk, invested their time and capital in building massive empires through small-scale enterprises.

Social media now carries broader meaning than that it initially thought of and has become an integral part of the

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\*<http://www.businessdictionary.com/definition/entrepreneurship.html> (Retrieved on December 10, 2017)

corporate governance. Big brands make use of the social media to convey their strong existence and friendly customer relationship. Multinational companies like IBM, Dell and Burger King have made use of the social media to a greater extent. IBM owns more than 100 different blogs, a dozen islands in the virtual world, several official Twitter accounts, and an accepted forum called Developer Works (Saravanakumar & Sugantha Lakshmi, 2012). Social media networks have become a catalyst as well as a tool to establish company brands, promote and build a good image and sustain in business. The benefits that business is gained from social media in the Middle East and Oman include brand awareness, business transparency, and accountability and strengthened the relationships with key stakeholders (Samuel & Sarprasatha, 2015). Social media are fundamentally changing the way we communicate, collaborate, consume, and create. They represent one of the most transformative impacts of information technology on business, both within and outside firm boundaries (Aral, Dellarocas, & Godes, 2013).

### **Exploiting Social Media for Entrepreneurship**

With the boom in technological field and Internet services, social media usage and application in enterprise sector is widespread. Nevertheless, in absence of any systematic study, there is no concrete data to measure social media usage, influence and impact in business and corporate

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sectors in Nepal. While common people use it basically for staying connected with their friends and family, share their news, views and leisure activities; enterprises and business sectors use the technology to develop relationship with their potential customers and trace their preferences. Some local-level and small-scale firms are not exploiting its potentials as they are unaware about the benefits that social media can offer to them. In some other cases, enterprises of remote parts of the country are being barred from exploiting such opportunities because of a huge digital divide in the urban centers and the villages. However, there are many entrepreneurs who use it regularly for taking up their business to the next level. These business entities, the government agencies, and small scale start-up companies have started online domain and those who can't afford online, have at least maintained pages and handles in different social media, mainly in Facebook and Twitter.

No matter a company is small or big, all have exploited social media to complement their businesses. Ncell, the largest private-sector mobile phone operator in Nepal, has a strong presence in social media. It has largest fan-following in both Twitter and Facebook. Even mainstream media are also exploiting social media networks to promote their news business. BBC Nepali Sewa and Ekantipur.com have the largest fan-base in Facebook, with 3.2 million and 3.1 million followers, respectively (Social

Aves, 2017). Small-scale and emerging enterprises have begun their ventures just keeping in mind that the success of their business depends up on how effectively they could utilize the social media platforms to reach out their potential consumers, measure their tastes and preferences and deliver services, accordingly. Digital platforms have gained currency for business promotion as they reduce time to share information and get instant feedback as well. This increases the tendency of problem solving through effective communication among the knowledge workers (Rai & Moktan, 2014).

As the majority of Nepalese Internet users are connected social sites like Facebook, Twitter and Instagram; many enterprises and business firms have also joined these networks with promotional objectives. Service sector firms and enterprises have extracted the opportunities to the extent-possible level. Foodmandu, a fast food delivery company, is an early champion of exploiting the digital platforms for business.

Using its website and social media platforms, Foodmandu delivers foods upon order from popular restaurants in Kathmandu at consumers' doorstep.\* Its marketing strategy has attracted many other start-up companies and ventures led by youth entrepreneurs. Find You Food, a newly launched daytime food delivery company in the

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\* See: <https://foodmandu.com/Home/About> (Retrieved on December 18, 2017)

Kathmandu Valley, depends exclusively up on Facebook for its marketing and business promotion. It also sponsors for Facebook-advertisement to reach out target clients and customers\*. Following two cases show as how small-scale enterprises are maintaining speedy growth with the exploit of social media:

### **Mala's Journey to Empowerment**

*The entrepreneurial journey of Mala Thapa Magar, a poor girl raised by her struggling mother, is exciting. At the age of 21, she started her own enterprise, Himalayan AlloUdhyoga, a nettle-fiber manufacturing company in 2009. She trains local women to produce fabrics using nettles, which are collected from different parts of the country, including Bajahng, Bajura, Rukum, Rolpa, Pyuthan and Dang. Commenced at a meager investment of Rs. 200,000, she now presides over a company worth Rs. 5 million (Chand, 2017), and has generated employment for some 30 women†. Under her initiatives, Project Allo—is being launched at Ghychowk of Gorkha District so as to produce hand-made nettle apparels such as bags, wallets and coats, locally. Besides personal selling, her sole marketing measure is Facebook, on which she has maintained a page in the name of her*

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\* Shared during an interview with RejinaBhattarai, Co-founder, Find You Food— on December 10, 2017

† Shared during an interview with Mala Thapa Magar on December 17, 2017



*company. With 1,000 plus members in the page, she gets calls and receives order from Nepalese as well as oversees customers and delivers the nettle products tovarious countries, including Australia, India, Israel, the UK and the USA.\**

### **The Growth of Green Growth Online**

*The story of Green Growth, a web-based shopping company, is not less fascinating. Initiated with a blend of technology innovative business acumens, this youth-led initiative delivers home-grown organic products from farms to homes. This venture relies on Nepal’s spreading highway network to source fruits and vegetables and sells them to urban consumers through the Internet (Basnet, 2017).*

*Journalist-turned-entrepreneur Saurav Dhakal calls himself as the ‘chief curator’ of this venture, which, he had launched in partnership with a few tech-savvy youths two years ago. The Green Growth was already in service one year prior to getting registered as an online shopping company in October 2016. Dhakalsays his business itself grew organically from a training workshop he conducted in Jumla in early 2015. “My mission was to increase the digital footprint of local farmers through Internet connectivity,” he recalled during an interview. “My mission was to give theoretical lectures as how Internet*

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\*Ibid

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*helps them to start business. But, to my surprise, after three months, I received the sacks of high-octane Jumla-rice at my work station in Kathmandu.”\** Those farmers who received his training in Jumla had sent those sacks him to sell it out through Internet, which he successfully did in a matter of three months. Dhakal took Twitter every day to post the pictures of the rare-rice, and the response was so encouraging that it gave him the vision to start Green Growth.

*The Green Growth takes delivery of popular local Nepali products like Apple from Mustang, walnuts from Jumla, sweet orange from Sindhuli and supplies in bucket with fruits and vegetables to its some 480 weekly regular customers. The company itself has started green vegetables farms at Patale Ban of Kavre District. Besides his own small land area, Dakal did a ‘crowd-farming’ to manage a sizeable land for the vegetable farms, which is digitally equipped. Besides, the Green Growth has arranged other source farms, from where it delivers vegetables at consumers’ doorsteps. Working out of a small warehouse in Gairigaun, the team sorts, packs, and sends out boxes of assorted vegetables and fruits much like an Amazon for local organic produce. But due to limited storage space and the short shelf life of perishables, Green Growth has to sell the products*

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\* Based on interview with Saurav Dhakal on 13 December, 2017

*quickly and the Internet allows it to do that (Basnet, 2017).*

*The Green Growth's sole promotional tool is social media, mainly Twitter. Facebook page and Instragram handle are also at its disposal, but Twitter is the prime channel to reach out regular as well as potential clients and trace tastes and demands. "We are promoting a pesticide-free farming culture as well as enterprising a host of local farmers," says Dhakal.\* The Green Growth charges farmers 20 percent of the sell price as service charge for connecting them to the market through Internet. Additionally, it takes extra 50 rupees as delivery cost at each 'weekly bucket' if it costs less than 1000 rupees. Within less than two years in business, the Green Growth has generated employment for over 80 people and has an average annual turnover worth Rs. 20 million rupees. Dhakal says he plans to promote 'crowd-farming'—a strategy pulling farmers and their lands for a wide-scale organic farming in other parts of the country as he plans to scale up his business.*

### **Conclusion**

This study establishes that social media has become a factor to establish and promote new enterprises in Nepal. Many people and companies have not fully understood the potential of social media to help realize the organizational

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\**Ibid*

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goals. Given its unprecedented room for business growth; public entities and private enterprises are using multiple social sites simultaneously so that they could reach out a variety of clients and consumers. Those who have taken initiatives to exploit it have not fell short in expanding business, but have been able to achieve their targets expediently. Not all business ventures have used multiple social media platforms;but many have entered their foray in those social networks where Nepali people are much connected in.

As there is still much room for the expansion of Internet penetration, and thus, the prospect of more people getting connected and indulge in social media, it is the high time, especially for emerging business firms and start-up enterprises to make inroad towards social sites and achieve growth and gain a competitive edge against the large businesses that traditionally have resources and have been in industry for a quite long time in Nepal. There is rarely as easy and cost-effective answer as the social media does. Given its features like instant messaging and interactivity, easy to identify and reach out target groups; virtual media have been proved a prime field for social marketing and enterprise promotion.

Social media has not only helped promote open communication between employees and management, but also promote greater degree of transparency within the organization. As more and more youths are connected in

digital spaces, enterprising by exploiting social media platforms has a real prospect. Youth can really utilize their digital time.

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# Sociology of Entrepreneurship in Nepal

-Dipesh Kumar Ghimire

## **Abstract**

*The government, private and non-governmental sectors are investing a huge sum of money for entrepreneurship development, despite the fact that the desirable outcome is not being obtained. This paper tries to identify the main socio-cultural reasons of it. Socio-cultural aspect refers to human created intangible elements that affect individual's behavior, attitude, network, relationship and way of life, perception, their survival, existence patterns and working style. It also consists all elements and conditions, which nurture the individual personality, affects the attitudes and habits forms behavior, activities and risk taking behavior. Social beliefs, norms and values-habits, attitudes, behavior and personal life style- as developed from cultural, religious, educational and social structure play vital role in entrepreneurship. Social structure and cultural practices of a person always influence either positively or negatively the entrepreneurial emergence, behavior, performance and attitudes of youth.*

**Key Words:** Youth, Entrepreneurship, Socio-cultural Structure, Nepalese context

### **Introduction**

In general, running business by a person can be taken as an Entrepreneurship. Though, it is very complex and complicated to define, but we can say it is an activity of setting up a business or businesses, taking on financial risks in the hope of benefit or profit. Entrepreneurship has occurred at significantly higher rates than at any time in the last 100 years (Gartner & Shane, 1995). Entrepreneurship is an initiation of people for self-employment or business. Entrepreneurship is a factor of production, linking it to risk taking and innovation and typing entrepreneurial compensation to uncertainty and profits (Montanye, 2006).

Whether an entrepreneurial person creates a successful business or an entrepreneurial person creates a successful business? This paper tries to identify the answer of this particular question. Developing a new business or being an entrepreneur through entrepreneurship has direct impacts on societies and economic growth or prosperity, while, entrepreneurship development depends upon the existing social, economic and cultural aspects. **Social norms and values, gender, religion, caste, ethnicity, education and other social-cultural factors play an important role to create impact on entrepreneurial development process in developing countries like Nepal.**

In this article I have primarily tried to identify the socio-cultural aspects of youth entrepreneurship in Nepal. The main question of this research is **whether the socio-cultural aspects play role to promote youth in entrepreneurship or not?** The methodology of this research is qualitative. The primary and secondary data content analysis method has been applied. Similarly, interview was used to collect primary data.

### **Theoretical Debate of Youth Entrepreneurship**

There is no single and universally accepted definition on the concept of entrepreneurship. It depends on time and space. In general term, entrepreneurship is the process of self-designing, starting and functioning of a new and innovative business, which is normally a small size business. It will offer a new goods or services or product. First we have to define the term "entrepreneur" for clarifying the term "entrepreneurship". An entrepreneur is an innovator, someone who changes the factors of production to create something new (Folsom, 2003, p. 3). Similarly, Mises (1996, pp. 336-38) defines an entrepreneur as who serves the consumer's interest by looking at things as they are and seeing profitable ways to change them for the better. Entrepreneur is an owner of capital who is engaged in the management of an enterprise for the sale of goods or services of profit...entrepreneurial activity as a factor of production in which risk taking was the key attribute of the entrepreneur (Jary & Jary 2000, p.

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184). An entrepreneur is a person who is always looking for change, responds to change and exploits it as an opportunity with adequate requirement of capital, education facility and own creativity, intelligence, energetic youth can be turned into a decent business people (Akhter & Sumi, 2014).

Young entrepreneurs are by definition innovators, visionaries and risk takers. However, there are three main issues that need to be considered for young entrepreneurs to flourish. First, skills development, second, access to information, know-how and technical assistance and coaching during and beyond that start-up phase (non-financial services) and finally access to adequate funding schemes (financial services).\*

Entrepreneur is a person who always looking for change, responds to change and exploits it as an opportunity (Akhter & Sumi, 2014). Robert and Albert (1988) define an entrepreneur as someone who specializes in taking responsibility for and making judgmental decisions that affect the location, the form and the use of goods, resources or institution. They give more emphasis that the entrepreneur is a person not a team, committee or organization. And they further add:

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\* [http://www.un.org/esa/socdev/unyin/documents/UNIDO InterviewEntrepreneurship.pdf](http://www.un.org/esa/socdev/unyin/documents/UNIDO%20InterviewEntrepreneurship.pdf)

A person has a comparative advantage in decision making and makes decisions that run counter to the conventional wisdom either because he/she has better information or a different perception of events and opportunities (Hebert & Link 1988, p. 156).

While seeing these all definitions, we can draw out few ideas about entrepreneur. An entrepreneur is an individual who runs own small business rather than an employee, those who assume all the risks and rewards of the venture. Entrepreneur is normally seen as a good innovator, source of novelty, updated and innovative ideas, goods and services.

Now let's discuss about entrepreneurship. Entrepreneurship is the development of entrepreneurial attitudes and behavior of employees within the enterprise. Entrepreneurship is a factor of production, linking it to risk taking and innovation and typing entrepreneurial compensation to uncertainty and profits (Montanye, 2006). He further adds:

Entrepreneurship is the process by which individuals acquire ownership (property rights) in economic rents of their creation ... actions that either generate no economic rent (or generate losses) or that produce rent in which the individual acquires no ownership interest (as under salaried employment for example) fail the test of entrepreneurship (p. 549).

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There are three important issues in this definition. One is that entrepreneurship is a phenomenon of business enterprise; second, economic rent as the source of entrepreneurial reward; and third is uncertainty as a source of economic rent. Generally, the entrepreneurship literature can be classified into two parts. First one is supply side and second one is demand side perspective. Supply side perspective gives more emphasis on the availability of suitable individuals to occupy entrepreneurial roles. And demand side on the number and nature of the entrepreneurial roles that need to be filled (Thornton 1999, p. 20). The supply side examines entrepreneurship by focusing on the individual characteristics of entrepreneurs, specifying potential mechanisms for agency and change. This school of thought belongs that special types of individuals create entrepreneurship and rate form and location do matter of these people, where as the demand side emphasize the push and pull of context.

While reviewing these all definitions we can say that entrepreneurship is the capacity and willingness towards innovative business venture where entrepreneur takes risks for making a good profit. Gartner (1988) sees entrepreneurship as the creation of new organizations and Reynold (1991) adds that it will occur as a context-dependent, social, cultural and economic process.

Individual actors and social organizations affect and are affected by their social reality, context, time and space. It is an influential argument in both classic and contemporary sociology. Classical sociologist Weber (1904) argues that religious factor provides the cultural legitimation needed to shape the economic behavior of individuals in ways that in the aggregate, leads to the rise of capitalism. McClelland (1961) focuses on psychological factors of entrepreneurship development. He identified that the individual culture and personality direct for entrepreneurship. Burt (1992) has shown how entrepreneurs' chances of success are determined by the structure of their networks. Entrepreneurship is characterized to differences in psychological, social, cultural and ethnic characteristics of individuals. Brockhaus and Horwitz (1986) identified that individual's need for achievement, locus of control, risk-taking propensity, problem-solving style, innovativeness, leadership style, norms and values and socialization experiences are directly linked in entrepreneurship. Other researches also find that the social structure like attributes of culture (Weber, 1904), social class and ethnic group (Aldrich & Waldinger, 1990) promote and produce the entrepreneurial behavior in individual. Similarly, few other structures like education, gender also play vital roles to develop entrepreneurial activities (Thornton, 1999).

While reviewing the literature of the entrepreneurship basically we find two types of arguments. First is

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psychological, the personal attributes, behaviors and other characteristics associated with entrepreneurs. And second one is socio-structural perspective. This school of thought argues that social structure like culture, class, caste, ethnicity, gender affects to entrepreneurial attitudes. Both schools of thought are extremist ideas. It depends on the linkages of both agency and structure. There is another perspective remained, that is sociological embeddedness perspective. This is an important perspective for understanding how to construct individual's attitudes towards entrepreneurship. Granovetter (1985) argues that economics and environments are embedded in social and structural relationships that modify neoclassical predictions of atomistic economic behavior. Granovetter attempts to find a more adequate and appropriate middle way between economic theory that under-socializes behavior, and much of the existing sociological theory that over-socializes behavior. Granovetter believes that it's more accurate to view economic rationality as "embedded" within social relationships (Granovetter, 1985). Granovetter (2017) also argues that people guide their choices based on past actions with people and continue to deal with those they trust.

There is prevailing school of thought that is ecological and institutional perspective. Greenfield and Strickon (1981) focus more on the population perspective in entrepreneurship. Reynolds (1991) suggests that



population and organizational ecology can play important role in development of entrepreneurship. Hannan and Freeman (1987) argue that the relationships among different types of organizational forms in a population affect the emergence and the diversity of new virtues. Tushman and Anderson (1986) insist on environment technological innovations.

Population ecology is useful concept such as the accountability of newness and adolescence that are applicable to framing organizational and environmental effects on novel business. Similarly, Akhter and Sumi (2014) discuss how the socio-cultural factors influence entrepreneurial activities in Bangladesh. They found that the influence of socio-cultural factors like religion, ethnicity, family, physical attributes, economic status and education make an impact on entrepreneurial development process in developing countries like Bangladesh. Some important socio-cultural factors are missing in this study. The social norms and values, gender and castes are very important in Nepalese context. These socio-cultural factors always influence the decisions in the process of creating space to new businesses.

While reviewing all definition and perspectives we can find that development of new business through entrepreneurship has direct impacts on societies and economies grow and prosper. With adequate requirement of capital, education facility and own creativity,

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intelligence, energetic youth can be turned into a decent business people. Though, these variables are supported or influenced by socio-cultural and economic factors of a society or country.

### **Present Status of Youth Entrepreneurship in Nepal: At a Glance**

We can classify three broad categories of entrepreneurship in Nepal. These are government entrepreneurship, private entrepreneurship and institutional entrepreneurship (K.C., 1989). In capitalist system of economy, private entrepreneurs have been actually playing dominant role in all sectors of the economy mainly industry, trade and the like. But government controls all economic activities and performs entrepreneurial role in socialist countries. In this context, The Government of Nepal (GoN) has formulated few policies to promote youth in entrepreneurship. Similarly, it has also started some projects and activities on it. GoN has been trying to promote youth entrepreneurship in country. National Youth Policy 2015 has also provisioned to promote entrepreneurship among the youth. These provisions are follows:

- Development of rural and agro-industry shall be focused on, by providing entrepreneurship and other vocational training, in order to enhance employment.
- For the development of professionalism and entrepreneurship and generation of employment of the youths, initiation shall be taken to establish and

develop financial institutions, as required. In order to develop entrepreneurship on the youths who have technical knowledge and skills, programs shall be launched to provide youth friendly loans and seed money on the basis of certificate.

- Generation of youth human resources according to the need of labor market shall be focused on, while mitigating disharmony noticed in the labor market and labor force production.
- Security and employment generating programs shall be focused on in order to ensure quality and decent foreign employment for women.
- An action plan on employment shall be prepared and implemented gradually for the promotion of youth employment.
- Initiation shall be taken to provide legal services through the concerned Nepalese embassy to the youths, who face injustice for various reasons, are imprisoned, evicted from work and deprived of facilities, and thereby protect their labor right.
- Eight-hour working day and minimum wages shall be determined for labor youths and made effective; and physical and mental exploitation of and discrimination against youth laborers at workplace shall be ended.
- Development of youth laborers shall be focused on, while guaranteeing safe, healthy and decent work and encouraging programs establishing the labor right.

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- Programs shall be launched in harmony with the policy on safe and decent work so as to free the youths from hazardous works.
- Legal and social initiatives shall be taken to end all kinds of bonded labor practice.

Similarly, GoN has been introducing few projects to promote entrepreneurship in Nepal. Enhanced Vocational Education and Training (EVENT) project has been established in 2011 with the financial support of World Bank. The main objective of this project is to expand the supply of skilled and employable labor by increasing access to quality training programs, and by strengthening the technical and vocational education and training system in Nepal. It also emphasizes in increasing access to technical education and vocational training (TEVT) programs for disadvantaged youth especially poor, living in lagging regions, female, Dalit, marginalized Janajatis and people with disability through targeting and other inclusive processes. The primary beneficiaries of the project are approximately 75,000 Nepali youth, who will get access to short-term skills training, technical education and opportunities for certifying their existing skills.\*

Nepal Industrial Development Corporation (NIDC), Employee Provident Fund (EPF), Rastriya Beema Sansthan (RBS) and other financial institutions are also

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\* <http://www.event.gov.np/en-at-6-9.aspx> (accessed on 16 November 2017)

playing role to promote entrepreneurship in Nepal. NIDC, as an industrial development bank, has been playing important role for the promotion of industries in the private sector. It assists private enterprises by providing medium and long-term loans, equity participation and guarantees technical and managerial advice. It also promotes industries on a priority basis as guided by the National plan (K.C., 2003).

Youth Vision, 2025 of Nepal aims to open Multipurpose Youth Skill Development and Training Centers in five development regions and gradually in all districts. In addition, it intends to launch a "One village, One Youth Entrepreneur" campaign and incubate around 5000 young entrepreneurs every year.\*

Similarly, the private sector has a vital role to play in raising the economy and creating employment opportunities in Nepal. Private entrepreneurs have promoted many industrial units to promote the entrepreneurship in Nepal. They have started few industries such as cotton and textile, foods and drinks, modern rice mills, sugar mills, agricultural farming, hotels, shops etc. The FNCCI has promoted the Nepalese Young Entrepreneurs' Forum (NYEF), and National Youth Business Forum (NYBF) with an aim of creating entrepreneurship through idea exchange, fellowship,

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\* Youth Vision 2025, Ministry of youth and Sports, Kathmandu, Nepal.

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education, training and advocacy among the Nepali Youth\*.

Non-governmental sectors are also rigorously engaging in the entrepreneurship development related work. For examples HELVETAS, Swiss Interoperation has lunched the Employment Fund (EF) project. The EF was established under an agreement between the GoN and the Government of Switzerland in 2008. The life skills training module is a main component of the project. DFID, SDC and the World Bank (WB) contribute their funds to EF. EF provides training and employment services to poor and disadvantaged youth; conducts labor market research; builds the capacity of Training and Employment Service Providers; carries out monitoring of training and employment services and create innovative occupations and approaches within the skills and employment domain.†

Despite of all initiation by government, non-government and private sectors entrepreneurship development in Nepal is very weak. **The job opportunities are very limited in Nepal due to lack of industrialization, economic stability and adequate investment environment. Some**

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\*<http://www.fncci.org/project-and-cooperation-arrangements-110.html> (Accessed on 16 November 2017)

†[http://www.employmentfund.org.np/wp-content/uploads/2015/07/Annual-Report\\_2014-final\\_24032015.pdf](http://www.employmentfund.org.np/wp-content/uploads/2015/07/Annual-Report_2014-final_24032015.pdf) P.5 (Accessed on 16 November 16, 201)

numerical data also supports to develop this idea. According to Nepal Living Standard Survey (NLSS) 2010/11, 25 out of 100 people in Nepal live below poverty line- with the income of less than 1 dollar a day.\* The economically active population (those aged 15-59 years) comprises 56.96 percent of the total population of Nepal†. Similarly, 1 in 5 youth (15-29) in Nepal are fully unemployed whereas 2 in 5 are partially unemployed.‡ More than 4 Lakh 50 thousands (estimated) enter job market every year.§ Similarly there are few data which show the real facade of the present condition in employment sector of Nepal. Yearly employment rate increases by 2.9 per 1000 youth in Nepal. Around 5 Lakh 38 thousands youth leave the country every year seeking foreign job which is around 1500 youth each day. Self employed youth (15-29) is 58.8 percent. Skilled, Semi Skilled, Unskilled youth for foreign employment is 2 percent, 24 percent and 74 percent respectively. Unemployment rate among graduate youth is 26.1 (UNFPA and YUWA, 2016).

It seems that though the governmental, non-governmental and private sectors are investing a huge amount in developing the entrepreneurship, this has not become

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\* Nepal Living Standard Survey 2011

† Approach Paper to the Thirteenth Plan (2013/14 -2015/16)

‡ According to Youth Vision full unemployment rate of youth 15-29 is 19 where as partial unemployment rate is 28.9

§ 3-8 from Youth Vision 2025

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effective as anticipated. Here 2 out of 5 are young people, about 1 in 4 people\* live in less than 1 US dollar a day. Similarly 1 out of 5 youth belonging to marginalized, minorities and disabled community are totally unemployed.† A huge portion of Nepalese youth has lost the opportunity to attend school or vocational training due to series of conflicts and political turmoil in past (ILO, 2014). 8 out of 10 displaced people during Maoist Insurgency were women and children‡ and around 23000 such displaced women had to work in dance bars, cabin restaurants, and massage parlors for livelihood which is 58 percent of total women working in such places (IDMC, 2008).

Whatever is the initiative of governmental, non-governmental and other sectors, their initiative has not given desired outcome. The data presented above shows the alarming employment status in Nepal. The youth are not being able to engage in entrepreneurship due to diverse economic, social, cultural, political and geographical state. The existing social structure and situation is not attracting the youth towards entrepreneurship, rather they are attracted towards

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\* Nepal Living Standard Survey 2011

† Youth Vision 2025 suggests that Unemployment rate of marginalized, minorities and disabled youth is 23%

‡ Based on the draft report on *Involvement of Youth in Peace Building and Sustainable Development in Nepal* by the United Nations Peace Fund for Nepal (UNPFN)



employment. While analyzing minutely the presented scenario, it seems that the social and cultural structure of Nepal accounts lack of entrepreneurial development environment in Nepal.

### **Social and Cultural issues and Entrepreneurship Development**

Socio-cultural aspects refer to human created intangible elements that affect individual's behavior, attitude, network, relationship, way of life, perception, their survival and existence patterns and working style. It also consist all elements and conditions which nurture the individual personality, affects the attitudes and habits, forms behavior, activities and risk taking behavior. According to Bennett and Kassarian (1972) such elements include beliefs, social norms and values, habits, attitudes, behavior and personal life style as developed from cultural, religious, educational and social structure. Socio-cultural environment play a vital role to promote entrepreneurship attitudes in youth generation (Adeleke et. al., 2003). Social structure and cultural practices of a person always influences either positively or negatively entrepreneurial emergence, behavior, performance or attitudes among youth.

The social structures like caste system and gender are holding back the youth from being an entrepreneur. The Nepali society is tangled in the chance believing. **The youth take future as the chance of luck (Bista, 1991).** This

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has hindered in entrepreneurship development in Nepal. Family structure also affects to entrepreneurship development in the society. Panta (2015) identified that family has some impact in youth to become entrepreneur. It was found that entrepreneur's parental profession plays some role entrepreneurship development in Nepal which was similar to some findings that parental profession plays vital role in the choice of profession in children. Narottam Gyawali from Gulmi who had taken the training of plumbing provided by the EVENT insists the same:

I have taken the training of plumbing provided by the Employment Fund. I took this training because I wanted to start my own enterprise. But my family members want me to do some job. Almost all are the government employees. So they say that there is more risk in business and that I must seek for a job. So I could not be an entrepreneur and had to start job.\*

The persisting caste system has hindered in a way or other for the development of entrepreneurship in Nepal. The detail of caste of 103 chiefs in a total of 105 district and municipality level chamber of commerce and industries of Federation of Nepalese Chamber of Commerce and Industry (FNCCI) makes clear about this issue.

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\* Based on a telephone Interview with Gyawali taken on 7 November 2017

Table 1

Caste/ethnicity and gender based distribution of president of district and municipality level Chamber of Commerce and Industries\*

Cate gorie s	Brah min/ Chh etri	Ne wa r	Mad heshi	D ali t	Et hni c gro up	Mu sli m	Th ar u	Wo me n
Num ber	54	20	17	0	10	1	1	0
perce nt	52.4 3	19. 42	16.5	0	9.7	0.97	0.9 7	0

Source: website of FNCCI, 2017

In the table above, majority is of Brahmin and Chhetry castes, where there is no participation from dalit and women group. **This makes clear about the effect of caste and gender in the entrepreneurship.** Of a total of 1 lakh participants of training provided by the EF till 2014, in total 54 percent were women participants; the women are also far back in starting the entrepreneurship. Far critical is the case of Dalit community. Komal Bhatta, who

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\* <http://fncci.org/member/dmlcci.php> (Accessed on 16 November 2017)

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worked for a long time in EF as a communication officer, clearly says:

Almost all the trainings conducted on entrepreneurship development by various organizations give priority to women, dalit, janajati, madhesi and other disadvantaged groups. There seems significant participation of youth from minority group in these kinds of trainings. But they are back while starting an entrepreneurship. This happens mainly due to our social structure. There is no situation for a dalit to start a hotel in his own village by taking a cook training. Our society has not given opportunity for women to uplift from mere weaving and tailoring. As a result, they are not able to apply the knowledge and skill they gain in practice.\*

Nepali society gives more priority to job than to the entrepreneurship. In the latest time, the fanaticism towards foreign employment has increased. The youth are thus emphasizing on foreign employment and job rather than being an entrepreneur. Komal Bhatta further adds:

Due to the existing social structure in Nepal like family, caste, religion, gender, and social composition and understandings, youth are attracted towards foreign employment or job rather than towards starting

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\* Interview with former communication officer of EF Komal Bhatt, taken on 7 November 2017

or developing an entrepreneurship. Though they get training from various organizations on entrepreneurship, they roam in search of job. The society has no positive attitude towards the entrepreneurship. Likewise the youth also do not have positive attitude towards the entrepreneurship.\*

While analyzing all these, it seems that the development of entrepreneurship depends on socio-cultural structure. Akhter and Sumi (2014) show the socio-cultural factors having direct influence on the entrepreneurial development. According to them, the socio-cultural components like religion, ethnicity, family, physical attributes, economic status and education have important role in entrepreneurial development. In Nepal, in particular, caste and gender aspects including other issues discussed above have been influencing in entrepreneurial development.

### **Conclusion**

While minutely relating the theory and situation of Nepal, the socio-cultural structure and its composition directly affect the entrepreneurial development. As Islam (2001) argues that an individual's behavior and attitude are set out by the type of society and social circumstances he/she lives in, the behavior of a person is the product of social structure with types of social norms and values (Kingston,

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\* Interview with former communication officer of EF Komal Bhatt, taken on 7 November 2017

2003). As said by them, the slower development of entrepreneurship in Nepal seems to be an outcome of the social structure and composition in existence. Caste, ethnicity, gender, family, education social norms and values are the main social structures for it. These social structures and institution set out the individual behavior or subjectivity. Due to this, the anticipated positive results are not seen in spite of huge investment by International support, national government, I/NGOs, and private sector.

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# Youth and Entrepreneurship

-Sushila Kumari Panth

## **Abstract**

*There are 1.2 billion young population of age group 15-24 years, which is 18% of the world population (2017 World Population Datasheet). Similarly, in Asia and Pacific have 717 million young people aged 15 to 24 years that includes 60% of the world's youth (UNESCAP). In these days, unemployment has been raising globally, which is major problem to the youth. Every nation focuses on skill and capacity development, youth mobilization, self-employment and entrepreneurship development programs for eradicating youth unemployment. Nepal is also facing problems of unemployment, brain drain and unskilled or under skilled human resources that are obstacles of overall development. So, Nepal should mind and need to drive policies, plans and programs towards creating healthy environment for self-employment and entrepreneurship development.*

**Key Words:** Youth, Entrepreneurship, Policy & Programs, Nepal

### **Introduction**

Youth is the future of every country and successors of the earth tomorrow. Youth have energy, strength and capacity to change the appearance of nation. When a country has a healthy & entrepreneur youth population that support making progress in overall development and progress. Fortunately, Nepal has high range of youth population including the population of youth is 40.3% and the population of adolescent age group 10-19 years is 24.2%(14<sup>th</sup> plan). Recently, Nepal has more than 60% populations out of the total populations the age between 10 to 40 years. This figure shows that Nepal has opportunity to take advantage of its demographic dividend.

### **Definition of Youth**

Youth is the time between childhood and adulthood (Wikipedia). It is also defined as "the appearance, freshness, vigor, sprit, etc. characteristics of one who is young" (Dictionary.com). United nation defines youth as those persons between the ages of 15 and 24 years. Similarly, India defines youth as the person the age group of 15 to 29. In the context of Nepal, National Youth Policy defines youth as "citizens within the age bracket 16 to 40 years." The policy also defines "youth belonging to

priority group", "youth belonging to special priority group", "conflict victim youth", "youth at risk", "physically challenged youth" and "youth belonging to marginalized minority community." **Youth vision 2025 has classified youth into two age groups the age of 16 to 24 years and 25 to 40 years and also the group wise priorities have determined.**

### **Definition of Entrepreneurship**

"Entrepreneurship is the process of designing, launching and running a new business which is often initially a small business offering a product, process or service for sale or hire"(Wikipedia). Similarly, businessdictionary defined entrepreneurship "the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit". In other word, entrepreneurship is the starting of new business. It consists of training about skill development; starting business, identify need and demand of market, innovation, and capacity to calculate business risks and its solution and knowledge about resource mobilization. It includes knowledge about the developing a business plan, hiring the human resources, acquiring financial and material resources, providing leadership, being responsible for both the business success or failure and risk aversion.

Similarly, Dr. Steve blank describes four type of entrepreneurship; small business, scalable starts up, large company and social entrepreneurship. Differences among

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them include level of tolerance of personal risk, size and scale of the vision and their personal financial goal (You're not a real entrepreneur, 10<sup>th</sup> June 2010).

The development of entrepreneurial opportunities is necessary to generating self-employment for young people. Thus, plans and policies of Government focus towards the entrepreneurship development that helps the economic development.

### **Present Situation of Youth in Nepal**

Nepal has high volume of youth population. The total youth population of Nepal includes 54.5% of female population and 45.8% of male population. Similarly, Youth literacy rate is 71% (16 - 25 years age group is 82% and 26-40 years age group is 61.3%). Out of total youth population 14% youth have been found to be abroad for employment and education. The youth nearly 50% of the total male and 42% of the total female population aged 16-25 years age group and nearly 94% of male and 66% of female population age group 26-40 years are economically active. In terms of occupation, around 40% male population aged 16-40 years and 70% female population of same age groups are engaged in agricultural, forestry and fishery sector. Unemployed youth population is 2.1%, 26.7% youth involve own agriculture, 18.1% wage & salary earning and 19.4% youth are working as household chores. Similarly, youth employer 1.9%, youth employee 32.5%, work as own account holder 57.7% and

2.5% youth work as unpaid family worker (population & housing census 2011). This figure shows that unemployed and unpaid family worker youth presence low in ratio. Similarly, youth employer is also low in ratio but foreign migration rate seems high that is not well for country.

### **Youth Entrepreneurship in Policy and Program**

The Government of Nepal has focused on youth entrepreneurship to create self-employment for elimination youth unemployment. Government has been focusing in skill development policies through periodic plan. Similarly, Government has formulated and implemented plans, policies and programs for developing youth entrepreneurship. The Government of Nepal has already established different types of institution to formulate youth related plans and policies, to implement skill development and self-employment programs. The major provisions including plans, policies and programs that are initiated by the government regarding the youth entrepreneurship and skill development. These are:

#### ***The Constitution of Nepal 2072***

The constitution of Nepal, 2072 has already insured the right to employment as fundamental right. Article 51 (j) 7 has focused on youth mobilization, youth development, enhance the youth participation in national development, creating environment of personality development, providing special opportunities to education, health and

employment for the empowerment and development of the youths as well creating convenient atmosphere to full enjoyment of the political, economical, social and cultural right.

### ***Sustainable Development Goals 2016-2030***

Nepal has already adopted the SDG and mainstreamed it in the 14<sup>th</sup> plan and annual programs. The one of global target under the SDG 4 has "A larger percent of youth and adults having relevant skills, including technical and vocational skills, for employment, decent job and entrepreneurship." According to global target Nepal has finalized national target "75 percent increase in number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship."

### **Periodic Plan**

The Government of Nepal has been focusing on youth related policies since first plan regarding agriculture, industry, education, health and employment sectors.

First time, sixth five years plan included sports development policy through education sector.

The seventh five year plan emphasized on vocational training, national development service and sports development regarding youth development and employment. Various activities conducted under the youth

coordination committee like; income generating, employment project implemented, run skill development training and youth welfare fund established during the seventh plan.

The eighth plan conducted youth activities through social organization. It focused on employment generation, human resource development and skill development programs. During the plan period Ministry of Youth, Sports and Culture was established.

The ninth plan focused on to promote self-employment, technical education & vocational training. Similarly, first time plan document involved separate chapter namely "youth mobilization" including policies which promote youth employment related activities, employment-oriented vocational education and training programs conducted by coordinating the employment oriented institutions of the government. First time, ninth plan mentioned the youth as age group of 15 to 29.

The tenth plan (2059-2064) had focused on self employment in rural area through vocational training in agriculture and livestock as well implemented agriculture based small enterprises and skill development & entrepreneurship promotional programs.

The Three-year Interim Plan (2064/65-066/67) had focused on mobilizing youth in productive area and youth entrepreneurship incorporating well skill development. Ministry of youth and sports was established during this

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plan. At the same time Youth policy, 2066 had also formulated which fixed the age of youth in between 16 to 40 years age groups.

The next Three Year Plan (067/68-069/70) had focused on socio-economic entrepreneurship development for controlling youth brain drain. Similarly, the 13<sup>th</sup> plan (070/71-072/73) had also focused on training for entrepreneurship promotion & entrepreneurship development and to generate internal employment.

The 14<sup>th</sup> plan (073/74-075/76) has, likewise, focused on entrepreneurship promotion through technical education and capacity development. To implement "national self-employment program" through partnership with private sector and "10 youth one youth enterprise" program implement in allelection constituency under the "youth enterprise program." Similarly, further focused areas are: to implement youth oriented program; to access loan for women entrepreneur through "women entrepreneurship fund" in industry sector; to extend "small enterprise development program" in extra 11 districts; to provide training to 51 thousand people; to provide entrepreneurship training and technical support to returnee of foreign employment for self employment.

### ***National Youth Policy 2072***

The National Youth Policy(2072)includesas one of the key objective to develop creativity, entrepreneurship and



innovation capacity of youth. It focuses on different sector's action plan including employment and education sectors. Some employment related action plans are pointed below:

- To establish cooperatives for creating opportunities of self employment & employment of the youth.
- To increase employment for the youth entrepreneurship and skill oriented and vocational training shall be provided.
- To create opportunities for employment and self-employment.
- Business incubation programs shall be conducted to promote entrepreneurship among the youth.
- To introduce self-employment and entrepreneurship programs to returnees of foreign employment.
- To provide opportunities of full employment for the semi employed youth through modernization and professionalization of the agriculture sector.
- To provide insurance for different types of entrepreneurship of the youth by making investment in entrepreneur sector.

#### ***Youth Vision 2025***

The ministry of youth and sports has introduced "youth vision, 2025 and ten years strategy plan" with vision of making the Nepalese youth strong, competent, competitive and self-reliant, to build a modern, just and affluent Nepal through their meaningful participation and

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promotion of their leadership capacity. It fixes one action policy out of four that "the age group of 16 to 24 years shall be given more emphasis in regard to education, health, training, leadership development and employment. The age group of 25 to 40 years shall be actively involved in employment, leadership, management, health, investment in the youth and entrepreneurship and policy formulation/decision and implementation". It also defines five strategic pillar (like quality and vocational education, employment, entrepreneurship, youth health & social security, mobilization, participation & leadership development) of youth advancement. Every pillar has fixed appropriate goals and quantitative indicators that makes easy to measure its results.

Ten year sector wise strategy, plan and program has been designed on the basis of "Youth vision, 2025" for youth development.

### ***National Employment Policy 2011***

The national employment policy has already implemented with an aim to provide opportunity of productive & result oriented employment for all citizens, to give priority of creating youth targeted employment opportunity, to create opportunity of developing human resource according to need of labour market and to enable labour market.

***Technical Education and Vocational Skill Related Policy  
2064***

The policy related to technical education and skill development has focused on expansion of the opportunity of training and makes the training inclusive and accessible to all needy people.

***The Youth Council Act 2072***

The Youth Council Act has defined youth according to age groups and provision of the National Youth Council. The duties, functions and power of the National youth council is defined in the youth council Act regarding youth development. The national youth council conducts programs relating to promotion of the self-employment for the youth and enhancement of entrepreneurship as well youth mobilization, youth development and youth empowerment.

***Industrial Enterprises Act 2073***

To establish small & cottage enterprise development fund and women entrepreneurship development fund along with export loan facility and tax concession for women entrepreneur.

***Youth Enterprise Program Operating Guideline 2073***

It has defined "the youth enterprise program" and sectors of the programs as well selection criterion of the youth group and youth organization. It has described the process

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and procedure of youth enterprise program and also develops different kinds of format.

### **Programs Related Youth Entrepreneurship**

Government has implemented and operated training, capacity development program, Youth entrepreneurship programs for youth through different ministries. The list of programs is given below that is initiated and implemented through different ministries.

<b>S.N.</b>	<b>Name of program</b>	<b>Organisation</b>
1	Livestock Development Program (youth targeted)	Ministry of Livestock Development
2	Livestock Market Promotional Program (youth targeted)	Ministry of Livestock Development
3	Small Enterprise Development Program for Poverty Alleviation	Ministry of Industry
4	Rural enterprise and remittance project	Ministry of Industry
5	Cottage & Small Enterprise Program <input type="checkbox"/> Youth Entrepreneurship Development and Human Resource Development	Ministry of Industry

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	<p>Program</p> <p><input type="checkbox"/> BhagatSarbjit Entrepreneurship Development Program</p>	
6	Technical and vocational training council	Ministry of Education
7	Vocational Education & Training Enhancement Project	Ministry of Education
8	Skill Development Project	Ministry of Education
9	10 Youth One Enterprise Program	National Youth Council
10	Rural Youth Enterprise Program	National Youth Council
11	<p><input type="checkbox"/> Orientation, Capacity Building &amp; Skill Development Training Program</p> <p><input type="checkbox"/> Loan Disbursement</p>	<p>Youth and Small Entrepreneur Self-Employment Fund, Secretariat</p>

Source: F.Y.074/75 Annual Development Program, NPC

Besides these programs, Ministry of Women, Children and Social Welfare has been conducting self-employment

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programs as well entrepreneurship development training for rural women under the "women development program" and the Vocational Skill Development Centre has also been conducting various types of skill based short-term or long-term training programs like as beautician, tailoring, motor mechanical, plumbing and so on (Annual Development Program 2074/75, NPC).

### **Challenges and Problems of Youth Entrepreneurship**

Although, the GoN has taken a lot of initiations for youth entrepreneurship & self-employment, youth unemployment seems still high. According to 14<sup>th</sup> plan, around 450000 people enter the labour market annually. Similarly, everyday 1500 people move away for foreign employment. Due to inadequacy of the statistics, the government can't prove the decreasing ratio of unemployment. **The major problems of youth entrepreneurship & self-employment are as follow:**

- **Lack of harmonization among policies as well programs,**
- **Inadequate budget for employment and entrepreneurship development,**
- Youth related programs dispersed in **many ministries,**
- Trend of **scattering budget** in various program,
- **Lack of qualitative skill & vocational education,**
- **Lack of internal employment opportunities,**

- ❑ Limited coverage: program could not covered all youth, e.g. caste, geographically, economically, educationally and age wise.
- ❑ Lack of youth friendly investment & Entrepreneurship environment,
- ❑ Lack of start up capital
- ❑ Lack of market information
- ❑ Mentality of office work rather than entrepreneurship and self employment,
- ❑ Having passion of foreign employment among the youth,
- ❑ Weak market accessibility & infrastructure,
- ❑ Poor political willingness,
- ❑ Lack of knowledge about business and its management,
- ❑ Lack of result-based monitoring of vocational & skill development training,
- ❑ Unable to link the training with employment,
- ❑ Increasing frustration in youth due to unemployment,
- ❑ Inadequate human resources at national youth council for implementing programs,
- ❑ Lack of accountability in the government institution.

### **Challenges**

There are many challenges on the way of the youth entrepreneurship & self-employment.

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- To advocate political persons of the provincial and local level regarding youth entrepreneurship.
- To control youth brain-drain,
- To create job in rural area,
- To reduce dependency of foreign employment,
- To enhance good governance.
- To meet target of Sustainable Development Goal 4 (iv) regarding skill development.

### **Opportunities**

The government of Nepal accepts the youth is a powerful resource. Nepal has already moved towards federalism system. It seems great opportunity to enhance & develop entrepreneurship and to create self-employment for the youth. These are:

- The constitution of Nepal, 2072 insures right of employment and emphasizes youth entrepreneurship,
- Nepal has mainstreamed the SDGs(2016-2030) in the development plan and annual budget.
- The provision of supporting plan, policies & laws,
- Opportunities to operate and implement the youth entrepreneurship& self-employment programs in local level.
- Institutional arrangement from center to district level,
- Skilled returnee of foreign employment,
- Developing Knowledge of ICT in the youth,
- Having opportunity to use demographic dividend,



- Development of banking, co-operatives and finance sector,
- Increasing literacy rate of the youth.

### **Way Forwards**

In the absence of various and constant intervention of the government, the youth programs cannot take speed. So, firstly, the government should work rigorously in policy, plan, program and budget. The policies and programs should be integrated and harmonized regarding youth entrepreneurship and self-employment. At the same time, policy, plan, program, activity and budget regarding the youth should be inter-linked with annual budget and programs. Along with the intervention of the GoN, the following things can be carried out:

1. The government should be focus on qualitative technical education and vocational training from school level. The education should match with demand of labour market.
2. The self-employment and entrepreneurship programs should operate effectively in the local level that helps to reduce poverty through employment. The cottage and small enterprise should be emphasized and attracted youth through concessional loan, financing and marketing support.
3. The internal employment should be focused rather than foreign employment. The internal employment

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can be created with special focus on agriculture, industrial, tourism and private business sector.

4. The government should focus **outcome based training** programs and **allocate adequate budget in capacity and skill development** along with entrepreneurship development engaging youth. Thus, the training should operate in umbrella approach that helps to minimize cost. In Nepal, the age factor of youth also creates problem to operate programs. So, the GoN should take initiation to redefine the youth age according to the definition of the UN.
5. The GoN should emphasize to establish and develop market information system and invest in development of infrastructure. Similarly, the youth friendly economic environment should be created. In the other hand, the programs and project should be implemented under the public and private sphere for high educated and highly skilled youth as well as lower skilled youth that help controlling youth brain drain.
6. The political willingness should be enhanced towards the youth development. Eighth, the government should be mobilized INGOs/NGOs towards youth self-employment, youth labour advocacy and entrepreneur advocacy programs. Accordingly, the local government should target marginalized, youth with disable, poor and conflict affected youth through

specific programs to support entrepreneurship and help to addressing unemployment and poverty.

Finally, the government should make obligatory policy so that banking sector must provide loan in the project that operated by youth individual or youth groups under the securities of projects and educational certificates.

### **Conclusion**

The GoN has conducted various training and skill development programs along with entrepreneurship development programs through different ministries. Ministry of Youth and Sport and National Youth Council are established for formulating and implementing youth related programs. But still there seems lack of skilled employee in internal market as well foreign employment. The progress of self-employment and entrepreneurship is still lethargic. Too much institution involves in the skill development program but their quality is not insured. The Government could not provide real statistics regarding skilled and entrepreneur and unemployment youth. The passion among the uneducated and high-educated youth for foreign employment is still remaining as a burning issue.

The youth related issues are cross cutting so that ministry of youth and sports as well national youth council could not do better alone regarding youth development. The ministry of youth may not remain in federal system. So,

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the National youth council should act as focal body of youth related programs. The target of self-employment and entrepreneurship should fix in the periodic plan and other sectorial ministries should formulatethe programs and projects for skill development, self-employment and entrepreneurship matching with target and the ministry of finance should allocate adequate budget in it. The national youth council should co-ordinate programs and policies in federal level as well provincial and local level. The Government should insure that provision of certain percent budget must allocate by provincial and local level for youth entrepreneurship. The Government of all level should implement programs in participating with private sector. The support of all political parties along with inspired youth should be needed.

At present time, Nepal has great opportunities and supporting environment to develop entrepreneurship. So, we all should put on hands together in development of youth for national economic development.

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# Competitive Business Practices in Nepalese Context

-Vijay Jayshwal & Sanjay Khadka

## **ABSTRACT**

*Competition is one of key features of liberal's economy of market economy. The unhealthy competition has always created hassles to run the market economy. Nepal has liberalized its economy since 1980 and has enacted several laws and regulations in order to avoid the unhealthy competition or competition lead to illegal profit and unnecessary race and rush in market economy. There is no denial of competition in market, which will provide consumer's better and alternatives options to choose best among available resources. The rising new starts up are worried about unhealthy competition which has deeply rooted in market which has not merely swollen down all the achievement but has also dragged into negative list of all foreign investment but also youth lead business house.*

*There has to be well comprehended laws and rules which can remove all the difficulties and loopholes in order to promote fair, free competition in market which can build a strong liberal economy. This paper, applied theoretical method of research and largely relies on secondary sources of information's through desk research, analyzes all the available legal measure in order to read and lead the competition in the market. Possible laws and some cases decisions have been articulated for understanding the current nature of market economy and liberals ideas.*

**Key words:** Competition, Laws and Liberals

#### **INTRODUCTION**

Nepal has become 147<sup>th</sup> member of World Trade Organization (WTO) on 23 April 2004, and entered into the latest phase of globalization, which has either positive or negative connotations. However, Nepal had started its economic liberalizations program as early 1980, so the WTO accession was not a surprise and unique in itself. A small, land locked, poor and donor dependent country like Nepal, the membership to the WTO is not a matter of choice and no alternatives were left behind because South and North has already become member to it. The membership of WTO was necessary, whether consequences are positive or negative. Therefore, the only choice Nepal has to mitigate the negative consequences and try to maximize potential benefits. While the benefits are only potentialities in the end, many risks, pitfalls and

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costs associated with the new globalization trend are bitter realities facing most Least Developed Countries (LDCs). The new forms of competition due to WTO have to be very clearly understood and government has to make all legal, policies and regulatory arrangements not in order to questioning the foreign product but in order to save our own domestic industries.

The three major agreements of WTO are General Agreement on Tariffs and Trade (GATT 1994), General Agreement on Trade and Services (GATS) and Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). These all agreements are well known to all communities of liberal's ideas. As history has witnessed free flow of individuals and today we are creating a landmark journey of free flow of goods and services.

WTO is rule based trading system that rest on some basic principles like the reciprocity, non-discrimination, Most Favored Nation treatment (MFN), binding and enforceable commitments, transparency, safety valves, and Special and Differential Treatment (S & DT)and many more. The WTO also promotes free, fair and healthy competition in market.

### **LEGAL INSTRUMENTS FOR RESTRICTING**

The Constitution of Nepal (2015) has provision of fundamental rights of people that include right to freedom (Article 17),right to equality (Art.18), right to



property(Art.25), right to safe environment and health (Art.30), educational and cultural right (Art.31), right regarding employment and social security (Art.33), right to social justice (Art. 42), right against exploitation (Art. 29), right to information (Art. 27) and rights of Consumer (Art. 44). These fundamental rights are basically related with quality of life of the people and directly proportional to consumer rights. These rights are not merely a judicial jewelry or ornaments for government or has made in order to decorate the constitutional lines rather has a positive effects on it. These all rights are subject to constitutional remedies available in law and as per constitutional articles. Specific, Article 44 of the Constitution has to be interpreted in broader framework than narrow mindset, which will include all the essence of liberal market economy and freedom of choice in healthy competitive market.

Similarly, in the directive principles and policies of the state, it is mentioned that- the fundamental economic objective of the state shall be to transform the national economy into an independent and self-reliant system by preventing the available resources and means of the country from being concentrated within a limited section of society, by making arrangements for equitable distribution of economic gains based in social justice, prevent economic exploitation as well as economic disparity of any caste, sex, tribe, origin or individuals, and by giving preferential treatment and encouragement to

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national enterprises, both private, public and joint up to certain extent.

The constitution has given precedence to the concept of competition directly or indirectly in the directive principles and state policies. It further gives emphasis on that there shall be the chief objective of the state to promote conditions of welfare on the basis of the principles of an open society by establishing a just system in all aspect of national life and economy. The main end of the state is to protect the lives, property and liberty of people. These constitutional lines prohibit unhealthy market competition and also ignore a syndicate in liberal economy.

Besides constitutional provisions there are various Acts, Regulations and Policies related with the concept of competition. Consumer protection-related legislation have mentioned the term "competition" with the aim of promoting competition or curbing restrictive business practices or any such happenings in name of free, fair trade in markets. Competition law requires an independent body to implement it. There are some mechanisms to help government to perform role effectively and efficiently. However, the government alone is not responsible for building a competitive culture in market based on rule of law than whim of law.

So it is expected that all relevant stakeholders- the private sector, civil society and consumers have to contribute in

this process and to bring all perpetrator under purview of law. For the regulation and control of the private sector's economic activities, state has enacted different laws in time to time and has also amended and reformed as per context and requirements. Nepal has promulgated laws in order to study competition market very comprehensively. Some major laws are briefly analyzed here reading objectives and rationale reflected in the preamble of the statues.

#### **Essential Commodities Control (Right) Act 2017**

The main objective of this act is to keep the facility for the general people by controlling the distribution and sale of daily usable goods. Government has a right to issue necessary order, to increase the distribution, to make equal distribution, to provide reasonable price and to control the unfair competition by regulating the production, distribution, sales of the essential commodities. Thus this act helps to control the unfair trade practices.

#### **Postal Act 2019**

This Act provides monopoly right to the government in postal services. But in practice, now private sector also involved in postal delivery services and the service is extended.

So, the act should be amended according to the present context and practices.

### **Nepal Airlines Corporation Act 2019**

Government can publish a notice in *Gazatee*, to provide monopoly right to the Nepal Airlines Corporation Act (NAC) for conducting allocated air transport service in a particular region. In case of NAC's inability to extend its services throughout the country, license can be provided to other domestic or foreign companies to provide air services by taking the suggestion of NAC. Thus, the Act provides monopoly and special right to the NAC which is against the spirit of fair competition as well as it is contrary to the open sky policy.

### **Transaction and Government Tender Management Act 2020**

This Act provides monopoly right to the Nepal government in production, collection, sale and distribution of any commodity within Nepal or any particular area. Similarly, it rule outs any other person to run or manage a tender of any transaction. There is also a provision in the Act that any tender submitted by a bidder on a notice called by Government can be accepted or denied without any reason. Thus, the Act has provisions which can promote collusive bidding and anti competition practices.

### **Food Act 2023**

The objective of the Act is to maintain the health and facilities of the people, to prohibit the unessential mixing in food materials or to disallow the reducing or extracting

of any quality or utility remaining in food stuffs and to maintain the required standard. The overall duty and responsibility is given to the food technology and quality control department of government. But the provisions in the Act are insufficient to maintain the minimum standard of foodstuffs.

#### **Standard Measurement and Weight Act 2025**

This act was enacted to make practice of measurement and weighing system by maintaining a standard based on metric system. It helps for fair-trading in a market and promotes the competitiveness in the market.

#### **National Insurance Corporation Act 2025**

This Act provides special protection to the National Insurance Corporation, so promotes the chances of unfair competition.

#### **Local Administration Act 2028**

This Act provides right to the Chief District Officer to take action against those who takes unreasonable benefit by taking unreasonable price. It protects the consumers from the probable exploitation by the sellers.

#### **Education Act 2072**

This Act has accepted a policy to make competition among schools in their quality. But in practice, there is competition only between the private schools. The community schools get regular donation from the

government but institutional schools do not. Thus, there appears discrimination in the government policy, which is against the spirit of competition.

**Black Market and Some Social Crime and Punishment Act 2032**

This Act has objectives to keep the health, facilities and economic benefit of general public by controlling social crimes such as black market, profitability, collectivity, mixing etc. Black market is defined as the activities taking excess amount than fixed price, taking commission on the coupon of sales and purchases under quota system and taking extra price in fees or fare of recreation or transport services. It defines activities like unreasonable profit, displacement of commodities, and artificial shortage as crime and prescribes punishment for those crimes. The provisions are important in controlling anti competitive activities and enhancing competition. So, in fact the act is not effectively implemented.

**Medicine Act 2035**

This Act has objectives to forbid improper use of medicine or its constituent materials, to ban on illusive advertisement of such substances and to control the production, sales, export, import, collection and use of defective and low quality medicines. It has a provision of compensation to the victim, in case of death from the use of restricted medicine. Thus, it has an important

contribution in consumer right. The regulating authority is the Department of Drugs Management.

**Nepal Standard (Mark) Act 2037**

It has a provision of determining the standard of any material and allowing the use of standard mark on such materials. Prohibition on misuse of standard mark is also prescribed in the Act. Thus, this Act has contribution in maintaining the standard of commodities and protection of consumers and enhancing competition in the market.

**Nepal Petroleum Act 2040**

This act is enacted to develop the petroleum resources in the country. Right of any petroleum resources found anywhere within the country is given to the government owned Nepal Oil Corporation. It provides monopoly right to the government to conduct petroleum business. These provisions are against the concept of competition law and create government monopoly in this business.

**Nepal Electricity Authority Act 2041**

This act incorporates the Nepal Electricity Authority (NEA) for competent, reliable and accessible production, transmission and distribution of electricity. Initially it has given the monopoly rights. Now, private sector is also allowed to involve in production of electricity. But, they are not allowed to sell directly to the consumers. They have to sell their production to the NEA. They have to make sale contract with NEA before starting the project.

Similarly, communities are involved in distribution of electricity.

NEA has sole right in Transmission and some of the regulatory rights also. Thus, there is chance of abuse of such power, which is against the principle of fair competition.

#### **Citizen Investment Fund Act 2047**

This Act has given some special privileges to the Citizen Investment Fund (CIV). For example, putting any type of condition in its transactions for the benefit of the fund, unlimited right of raising the loan even before the termination of the contracted date.

There is exemption on income tax in the amount deposited in the fund. These provisions are against the principle of competition.

#### **Industrial Enterprises Act 2049**

The Act envisages a crucial role for the private sector initiative for economic development in Nepal. According to this Act, Industrial Promotion Board will give guidelines in attaining the objectives of liberal, open and competitive economic policies pursued by the country so as to make the industrial sector competitive. This Act has various provisions related to competition. This Act classifies industries in various categories on the basis of nature of industry or investment and provides feasibilities



accordingly. Such provisions promote the foreign and domestic investment in the industry sector and helps in the promotion of fair competition in the market. It heralded the end of the “license regime” and was catalytic in infusing competition in the market. This probably was the first time that competition was mentioned in a government act concerning the industrial sector.

This Act thus opened up the market to almost all industries. Similarly, no permission is required to open industries other than those producing explosives, including arms, ammunition and gunpowder, security printing, bank notes, coins, cigarettes, *bidi*, cigar, chewing tobacco, *khaini* or goods of a similar nature, using tobacco as the basic raw material, and alcohol and beer.

**The Foreign Investment and Technology Transfer Act, 2049**

It is stated in its preamble “to promote foreign investment and technology transfer for making the economy viable, dynamic and competitive through the maximum mobilization of the limited capital, human and the other natural resources.” The act has opened foreign investment in all sectors barring few such as cottage industries, real estate and those affecting national security.

The opening up of the economy to foreign investment is a major policy shift of the government of Nepal and in principle is likely to enhance competition in the market.<sup>1</sup>

**Vehicle and Transport Management Act 2049**

Section 96 of the Act gives right to fix the price of public transport to the government, which seems anti competitive provision.

**Electricity Act 2049**

This Act allows private sector in electricity service. Government has prerogative right to put conditions on survey, production, transmission or distribution of electricity, to the persons or institutions taking license. NEA as government institution has its dominance on electricity service. Therefore, no private sector can compete with it under such legal provisions.

**Insurance Act 2049**

It constitutes Insurance Committee (IC) as a regulating body in insurance business and provides right to IC to manage, regulate, develop and control the business. It gives license to start the business and in some circumstances it has right to cancel the license.

The provision, which does not allow a company to conduct both life and general Insurance, enhances competition in the business.

**Privatization Act 2050**

This Act has objectives to increase the productivity of the government enterprises by increasing their expertise and

to privatize those corporations which need not to keep under government ownership. Similarly, it has an objective to make the national economy strong, dynamic and competitive by promoting private sector in competitive environment. Thus it contributed in liberalizing the economy, encouraging the private sector and establishing the competition in the market.

**Telecommunication Act 2053**

This Act opened the door for private sector in telecommunication service and breaks the monopoly of Nepal Telecom (NTC). It established the Nepal Telecommunication Authority (NTA) as a regulating body in this service. NTA has the responsibility to attract the foreign or domestic investors to provide standard and reliable service by creating a fair competitive environment, regulate the service charge on the basis of fair competition, fix the quality of equipment used and service provided, treat equally to the all service providers for maintaining fair competitive environment, to be alert on all the matters which may harm the consumer. These provisions may create monopoly.

**Nepal Civil Aviation Authority Act 2053**

This Act was enacted to implement the open sky policy of government and to encourage the private sector for conducting domestic and international air services.

The objectives of the Act are to make the air services available by private airlines companies more safe, reliable,

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regular and cheap, to encourage private sector in conducting airport and air services and to raise the standard of the services by fair competition.

This Act incorporates Nepal Civil Aviation Authority as a regulating body in this sector.

### **Consumer Protection Act 2054**

This Consumer Protection Act was enacted with the objectives of maintaining the health of consumers, offering facilities and economic benefits, maintaining the quality of goods and services, controlling the inflation caused by monopoly and unfair trade practices, making arrangements to establish institutions for facilitating consumer complaints and redressing grievances. This is an umbrella act aimed at protecting the rights of the consumer as well as restricting unfair trade practices. The Act clearly mentions that consumers have the rights to choose the goods and services at competitive prices as far as possible. Thus this Act and The Consumer Protection Regulation, 2056 adopts the concepts of modern competition laws. This Act also gives special right to the government in managing, controlling and regulating the supply of consumable goods and services.

### **Income Tax Act 2058**

This Act has provisions under which some exemption can be made on the income. This may effect on the price of the goods and services, and on creating fair competition.

### **National Broadcasting Regulations 2052**

This Regulation has a provision that any private broadcasting channels, which broadcasts programmes through more than four channels, must have to broadcast 25% programmes produced and broadcasted by government's channel making agreement with the government. On the other hand private channels are allowed to broadcast only those programmes, which have given the prior consent of the government. Thus these provisions are against the principle of fair competition.

### **Notary Public Act 2063**

This Act has broken the monopoly of Law Book Management Board in translating documents. This Act has a provision that any Lawyer can provide services of Attestation and Translation of documents by taking permission from Notary Public Council. Thus this Act makes the service more competitive by allowing to private practicenor/lawyer providing the services. But the Act has a provision that the fees for attesting or translating of a document will be as prescribed in the Rules. This provision is against the spirit of competition. Before enactment of this law, attestation service was provided by government officers without fee.

### **Banking and Financial Institutions Act 2063**

The objectives of the act are to provide qualitative and reliable banking and financial service to the people

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through fair competition of bank and financial institution, to minimize the risk in bank and financial sector, to enable and strengthen the economy of the state by liberalizing the financial sector and to establish, conduct, manage and regulate the bank and financial institution. This act promotes fair competition while giving license. Similarly it prohibits on purchase of its own shares. It has provision in regulating the mergers and acquisition of bank and financial institutions and thus controls the probable monopoly or abuse of dominant power. This Act gives some prerogative right to Nepal Rastra Bank for regulating the bank and financial institutions to enhance the competitiveness and protect the rights of the consumer.

### **Nepal Rastra Bank Act 2058**

This Act has various provisions for the treatment of sick banking and financial institutions and to make them competent to conduct regular function and promote fair competition in the market. In this course NRB can give various directives and orders and can take actions against such institutions to protect the interest of general people and its shareholders.

### **Company Act 2063**

This Act aims to bring dynamism in the economic development of the country by promoting investment in industry, trade and business sector through economic

liberalization. The provisions like- To be incorporated as public company to carry on some specific transactions; Conversion of private company into public company and vice versa; Prohibition on purchase by company of its own shares; Prohibition on issue or sale of shares at a discount; Prohibition on providing loan or financial assistance by company to purchase its own shares; Prohibition on loans to officers or shareholders; Power to prevent directors and officers from doing unauthorized act; Provisions relating to Foreign Companies; Merger of company etc are the provisions which forbid unfair trade practices and promote the fair competition.

### **Insolvency Act 2063**

This act has objective to manage administration, liquidation procedure and restructuring of those companies which are going to be liquidated or are in economic difficulty. Thus it tries to restructure a company from sick condition and if reconstruction is impossible at that time as a last effort, liquidates it for the benefit of all stakeholders of the company. Thus it supports for fair trade practice.

### **Drinking Water Management Board Act 2063**

The objective of the act is to establish and conduct a Board to make the drinking water and sanitation services regular, manageable, qualitative and economical in the city areas. The Board provides its service by itself or through other service providers. In the Case of Kathmandu

Valley Drinking Water Management Board, it provides services through other service providers. Board provide license to the service providers and fixes the tariff of the service. The board is look like a regulatory body. There are not clear provisions about the basis of selecting the service provider and price fixing. Therefore, it may not promote competition in price and quality of service.

**Export Import and Intellectual Property related some Nepal Act Amendment Act 2063**

The amendment on Export Import (Control) Act, 2013 provides a right to the Nepal Government to ban or control in export and import. To protect national interest, for example- to protect national security; to maintain the public morality; to promote and protect those industries which have new skill and technology to promote the competitive power of the country; to ban on unfair or restricted trade activities or to control unfair competition etc., government can put condition or time limit or full or quantities ban on export or import of any goods by notice. Government can alter or lift such ban at any time by issuing notice. Thus this act allows government intervention in the market which not in accordance with fair competition.

Amendment on Patent, Design and Trademark Act, 2022 outlaws the copying of patent, design and trademarks and includes the provision of sanctions in violation of the rule. Thus it bans unfair trade practices. It has a provision of



transfer of patent, design and trademark right or permission for use and to promote fair competition. Similarly, amendment on copyright act, 2059 provides protection to the creation, presentation, voice producer, broadcasting institutions. Internationally the modern Intellectual Property Rights (IPRs) system has been established internationally in 1880s was revitalized by establishment of World Intellectual Property organization in the year 1967. IPR system has further been strengthened by its incorporation in GATT – TRIPS in December 1993 and establishment of World Trade Organization (WTO) from Jan 1, 1995. IPRs are normally national and not international. IPRs are acquired by complying with specific laws of each country. The Paris Convention, WTO- TRIPS and other international conventions lay down minimum standards as to what the nations should protect.

The rights are more often national in its geographic spread, except copyright system which by operation of Berne convention and various national laws gives simultaneous protection in territories of all members. Similarly, some rights are attached to well known trade marks in other members.

**Drinking-Water Tariff Determining Commission Act, 2063**

This act incorporates tariff determining commission which has a right to determine the tariff of drinking-water supply

services and in case of dispute between consumer and service provider commission has a right to prescribe the appropriate method of settlement.

Thus, commission plays crucial role in between consumer and service provider which is against the spirit of competition law.

**Private Investment on Construction and Administration of Infrastructure Formation Act 2063**

This Act allows the involvement of private sector on construction and administration of infrastructure formation in accordance with the liberal economic policies adopted by the country and manages to provide reliable, inexpensive and widely available services to the people. This act has provisions that any project will be handed over to the private sector on the basis of competition. In case of lack of probable competition, governments can handover a project on the basis of negotiation. Thus, it prefers to the competition first.

**Stock Related Act 2063**

This Act establishes Nepal Stock Board as a regulatory body for the protection of investors by managing issuance, purchase, sale, distribution and exchange of stocks and to manage and regulate the stock market and the activities of the person involved in this business. It outlaws insider dealing, fake transaction, up and down in price, provoking the market, fake description, forgery transaction in stock

market and purposes sanction in violation of the rules. Thus it bans unfair trade practices in stock market.

### **Public Purchase Act 2063**

The main objective of the Act is to make public purchase procedure and decision making process transparent, factual and believable. The Act emphasizes to foster competition, transparency, fairness, honesty, accountability in public purchase. It also encourages and make ensures the producers of goods and service providers, suppliers, sellers, contractors to evolve in public purchase procedure without discrimination and provides equal opportunities.

### **Salt Trading Corporation Act 2055**

Salt Trading Corporation Limited (STC) was established on 1963 A.D. through the joint efforts of HMG/Nepal and the private sector to ensure proper supply and distribution of essential consumer items throughout the country. Its first task was to make edible salt readily available. This success in supply management led to the addition of essential commodities such as sugar, food grains and processed eatables into its distribution network. STC has a diversified conglomerate with unmatched distribution network all over the Kingdom. Its twenty branches scattered throughout the country provide the people easy access to imported and locally produced goods and act as major procurement outlets for goods produced in various

parts of the country. However this Act is against the spirit of competition law.

**Competition Promotion and Market Protection Act 2063**

This law is known as Competition Law in Nepal. During its accession to WTO, Nepal has made negotiations and also made voluntary commitment to enact competition law. However, enacting a competition law is not mandatory for WTO members.

It is expedient to make legal provisions in order to further make national economy more open, liberal, market oriented and competitive by maintaining fair competition between or among the persons or enterprises producing or distributing good or services, to enhance national productivity by developing the business capacity of producers or distributors by way of competition, to protect markets against undesirable interferences, to encourage to make the produced goods and services available to the consumers at a competitive price by enhancing the quality of goods and services by way of controlling monopoly and restrictive trade practices, and to maintain the economic interests and decency of the general public by doing away with possible unfair competition in trade practices. The main objectives of this Act can be listed as follows:

- ❖ To make the national economy more open, liberal, market oriented and competitive by maintaining fair

competition among producers or distributors of commodity or services

- ❖ To increase national productivity by developing business capacity through fair competition
- ❖ Protection of market from unnecessary intervention
- ❖ To promote the delivery of goods and services to the consumers at competitive price, with better quality by controlling monopoly and controlled trade practices.
- ❖ To maintain economic benefit and good conduct of general people by abolishing possible unfair competition in trade practices
- ❖ To enhance professional competence among producer and distributors
- ❖ To restrict monopolistic practices, and provide goods and services in competitive price to consumers.

The Act covers governmental, non-government and private entities and also has provision of extra - territorial jurisdiction. The concept of commercial bench is also introduced in the Act. Any person or firm can file a complaint with sufficient proof. The act mainly focuses on the following core areas of competition- anti-competition agreements, abuse of dominance, mergers and acquisitions, collusive bidding, monopolies, market restriction, tied selling, illusive or misleading advertisement, formation of competition promotion and market Protection Board and so forth.

**SOME CASES RELATED COMPETITION AND CONSUMER PROTECTION**

The right to fair choice of goods is inherent with consumers. The market has to abide by free flow of goods and services without any distorted fallacies. It is not merely duties of the state government but also the responsibilities of court to ensure such enacted guidelines.

***Sakuntala Pradhan Vs Medical science National***

***Academy:*** (NKP, 2060, Decision no.7275, issue.9 and 10: 789))

In this case Supreme Court has given a verdict as according to then National Medical Science Academy Ordinance 2060, Bir Hospital has changed into Academy, so it has rights to buy, sale, acquire and use of its property as a person. So, to run medical shop in the medical hospital, the process should be competitive. Nepal Government does not have the right to order Bir Hospital to provide shop for Sajha without competition basis.

***Jyoti Baniya Vs Department of Trasport Management et. al:*** (Appellate Court Patan issued order on 2060/11/27)

This writ had filed in the Appellate Court Patan by Jyoti Baniya asking the court to order to regulate Meter Taxi and Competitive transport services. In this case, the court had ordered to the Department of Transport Management to regulate meter taxies and create competitive transport

services and market. The order was given in 2060/11/27 BS.

***Jyoti Baniya Vs Animal service Department et. al.:***

This writ had filed in the Appellate Court Patan by Jyoti Baniya asking the court for mandamus to enact animal slaughter space and meat examine Act, 2055 and to create competitive meat market. In this case the court had ordered to the Animal Service Department to enact Animal Slaughter Space and Meat Examination Act, 2055 and create competitive meat market (in 2061/8/23).

***Bisnu Prasad Dhakal vs. Nepal Telecom:***(Writ No.3809, Supreme court, decision in 2060|10|10)

(CDMA) system is a basic telephone service. The regulating authority, Nepal Telecom can only give permission to start the telephone services. CDMA system does not need to registration and get permission from Nepal Telecom. Such telephone systems provide choices to the consumer and in competitive basis it spreads in the market. Nepal Telecom has no right to stop CDMA system to operate.

***Radheshyam Adhikari et.al Vs. Nepal Telecom Authority:***

In this case the plaintiff had made their claims that Nepal Telecom Act, 2053, has given obligation and authority to Nepal telecom Authority to analyze telephone service cost and fix prices for the services and create competitive

market in this sector. However, it is not doing according to the act. So the plaintiff had requested to the court for mandamus. In this case the court has ordered that the Telecom Authority has mentioned in its written statement that according to the plaintiff claims it has been doing its works and service providers have been increasing. This is because of competition in this sector.

***Dhruba Bahadur Karki Vs. Himal Cement Factory Dhungana et.al.***: (Supreme Court decision Date 2058|10|4)

In this case the plaintiff claimed the compensation formulating a complaint to ministry of industry, of chief District Officer and sajha pasal, after getting Himal Cement substandard bought by him in casting of roof slab of the second floor. The standard and measurement Department gave a report stating the cement as of lower quality than the standard fixed. Ministry of Industry also ordered Himal Cement Company of compensates the plaintiff but the company was convinced to grant only Rs. 15,000. -that was not quantum for the plaintiff. So he filed a plea before the Appellate Court being under Civil Rights Act, 2012. That court gave the verdict in favor of the plaintiff. The company registered an appeal against the decision to the Supreme Court. The full bench upheld the decision granting the plaintiff the amount of compensation 1, 48, 640 by the defendant. Even though the above mentioned cases are not directly related to the competition



law, the decisions made in these cases towards to promote of competition in the market and protection of consumer rights. From these verdicts many other verdicts regarding public interest litigation cases it can be said that our courts are proactive towards promotion of competition and protection of consumer rights. The CPMPA, 2063 has not really implemented yet so case related the Act could not be analyzed.

***Krishna Joshi Vs Mahendranagar Municipality et.al.:*** (NKP 2060, Decision no.7262, issue 7 & 8, p. 682.)

In this case court as said that due process and hearing is to be given equally for everyone for any type of competition. This is a case which has used the theory of natural justic in order to mention competition.

***Ram Lal Adhikari Vs Physical planning and construction Ministry et.al.:*** (NKP 2060, decision no.7281, issue 9 & 10, p.818.)

In this case, court as said that no one should be restricted from the opportunity of competition for public purpose. The Court has said clearly that similar associations should not be restricted based on their origin. If it happens, it is not justice. This case has stopped to forward the activities of opponent, which has not fulfilled the due process of completion. This case is also another landmark case regarding competition in Nepal.

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### **CONCLUSION**

Nepal has undergone serious changes in terms of liberal ideas and has accommodated new policies in market economy. The market economy has promoted fair, free and conducive environment in order to promote a competitive business practices. Nepal has made severely changes in business policy and also the different modes of business practices in country. The unhealthy business practices have made serious concerns for the youth entrepreneur and also have made effect in order to institutionalize their new startup. There is comprehensive list of national laws which bans unhealthy competition in market. The unhealthy competition has changes the modes of market economy from free to syndicate based and has established whims of law in the market. The liberal's idea has made changes in life styles of new

startup and hopefully there shall be effective benefit to them. Hence, it is necessary to make procedural safeguards in order to avoid unhealthy business practices in market and promote free, fair competition based on rule of law then whim of law of market.

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# Praxis of NGO Intervention in Educational Development

-Raj Kumar Dulal

## **Abstract**

*This article aims to explore the Non-Governmental Organization's interventions in education primarily through youth mobilization, identify the key issues associated with those interventions, and ways forward to make NGOs more effective. Through focus group discussion, interview, and observation methodology, I have tried generating the cases from the field. Theoretically, the findings are interpreted from globalization theory. This article presents the major findings on how NGO's interventions through youth mobilization have been contributing in raising awareness in educational and social issues. Their role on capacity building of the school stakeholders and community people was found during the study. They seemed to reach to the marginalized people as their target group for project implementation. The NGO's interventions are found to be*

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*focused on software type of activities with minimal hardware support, continuously active in advocacy and campaigning on social and educational issues, and effective implementation of alternative approaches interventions. Presence and mobilization of youth in campaigning, advocacy was found to be higher during the study. Likewise, sustainability of the short-term project's impact was also found during the study; however, low-cost and no-cost activities were owned by the school and community people. A gap between community and school in terms of their engagement and question on contextualization of the interventions was noticed; however, youth mobilization in the community level was found to be helpful to minimize this gap. Study came up with the implication that NGOs need to mobilize youths extensively, involve the community people, learn from them and then design education program. This approach can help the program to sustain, mainstream, and fill the gap.*

**Key words:** Social Entrepreneurship, NGOs, Education, Nepal

### **Introduction**

NGOs are playing an imperative role to achieve the goal of development. Badal (2016) explains in his thesis that NGOs are recognized as vital development partners to fulfil the development breaks from policy to grass root level emphasizing the local needs whereas they are being

criticized too. As an important development actor, they have been intervening their approaches in different development sectors of social life. Also they have been applying many approaches in education for the quality improvement of it basically with the focus on vulnerable individuals and marginalized groups. NGOs are professionally-staffed organizations aiming at contributing to the reduction of human suffering and to the development of poor countries (Streeten, 1997). Lewis and Kanji argue that NGOs are organizations concerned with the promotion of social, political or economic change to bring development at local, national and international levels (Lewis & Kanji, 2009).

NGOs have become very influential in world's educational development process over the last three decades (Reimann, 2006). Over the course of the twentieth century, NGOs have become synonymous with development and proof of an engaged civil society (ibid). NGOs are particularly critical in circumstances where state funds are limited, political situations are fluid, natural disasters resulting from both predictable and unpredictable environmental circumstances occur, ethnic strife is rampant, and the level of per capita income severely restricts the ability to purchase needed goods and services – social, educational and economic (Asamoah, 2003).

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Many international and national NGOs are working in Nepal as a development partner of government of Nepal and many of them are working in the field of education. There are 240 INGOs and 39,759 NGOs registered in Nepal (Social Welfare Council, 2017). Those development organizations who are working on the field of education are primarily focusing on the support for infrastructural development, teacher training, Early Childhood Development, girls education, non-formal education, scholarship, early grade reading assessment, material support, bringing out of school children into the school, supporting marginalized and vulnerable children, technical and vocational education (NGO Federation Nepal, 2016).

Amidst the above background, I found two contending experiences. The first experience tells that NGOs work as complementary and supplementary structure to the government (e.g. they have been filling the gap of government's development process, they have been reaching to the most needy people with the programs and have been developing the innovative development models which government sometimes adopts). The second experience tells that it creates dependency of the people over foreign resources, creates NGO elites as comprador bourgeois (people are expecting that NGOs will provide them the services cum materials and they are not working on their own, the NGO operating systems are influenced



by foreign policies which are creating division in the society, they are run by the interest of donor which can be another threat for social cohesion).It is where I wanted to examine the effectiveness of NGO's intervention in education sector of rural Nepal.

### **NGO's Position in Development**

Non-governmental organizations (NGOs) are also playing an imperative role to achieve the goal of development. Badal (2016) explains in his thesis that NGOs are recognized as vital development partners to fulfil the development breaks from policy to grass root level emphasizing the local needs whereas they are being criticized too. As an important development actor, they have been intervening their approaches in different development sectors of social life. Also they have been applying many approaches in education for the quality improvement of it basically with the focus on vulnerable individuals and marginalized groups. NGOs are professionally-staffed organizations aiming at contributing to the reduction of human suffering and to the development of poor countries (Streeten, 1997). Lewis and Kanji argue that NGOs are organizations concerned with the promotion of social, political or economic change to bring development at local, national and international levels (Lewis & Kanji, 2009).

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Makoba in her article states that the rapid growth and expansion of NGOs worldwide attest to their growing

critical role in the development process. At the international level, NGOs are perceived as vehicles for providing democratization and economic growth in Third World countries. Within Third World countries, NGOs are increasingly considered good substitutes for weak states and markets in the promotion of economic development and the provision of basic services to most people (Makoba, 2015). She further elaborates s stated earlier, most development-oriented NGOs in the Third World use new and innovative development strategies such as the "minimalist cost-effective approach (favored by microfinance institutions/poverty lending programs), "assisted self-reliance" or "participatory development." Overall, NGOs appear well suited to adapt the use of such innovative strategies because of their small-scale of operations, flexibility and great capacity to mobilize resources and to organize people to solve their own problems. The new development strategies perceive people as active participants of their own development. These "bottom-up" development strategies stand in sharp contrast to the "top-down" capitalist and state socialist models of development. Both the capitalist model based on "trickle-down" and the state socialist model of "egalitarian development" based on central/state planning of economic activity have failed to meet basic needs of the poor, women and children and have not helped these marginalized groups to solve their own problems. Both models offer no real choice to the poor about immediate

local problems faced or needs. Both forms of institutionalized "top-down" directed development discourage popular citizen participation and de-emphasize people-centered development activity (ibid).

**Assessment of Nepali NGOs and Changes Occurred through their Initiatives**

Badal (2016) in his study states that NGOs are influenced by INGOs and their own home country's policies and missionaries influence INGOs. He further argues that INGOs are kind of agent of globalization where the ideas of the respective country is being tested in the least developed countries. Badal emphasizes that the fund is being used or mobilized wherever the INGOs or the donor wish to. With this fund NGOs are distributing materials and offering humanitarian actions to the poor and vulnerable but this has made them completely dependent and they have forgotten almost all their indigenous skills, jobs, responsibilities, creativities and entrepreneurship except some specified group. The target beneficiaries of the INGOs and NGOs to him seem too expect their support in cash and kind so heavily that they themselves were spending time uselessly such as playing cards (Badal, 2016). Karki (2004) on the other hand found that as the globalization strengthening the impact of it is increasing. He asserts that it has increased the people to people contact and relation around the globe. The help, cooperation and development assistance voluminosly

increased on people to people from developed society to underdeveloped society. He also found that NGOs role in the development of rural areas were stronger than that of the government (Karki, 2004).

I studied 10 schools of Siraha and Udayapur to examine the changes made through NGO's intervention. The activities which involved the youths emphasizing the production of low cost and no cost materials were found to be vital to make changes in the schools. Informants were confident that parental engagement and monitoring supports in quality education and are the needs of these schools. These schools mobilized senior students to teach in junior classes in case of teacher absenteeism like many others did. They also used the idea of requesting villagers (senior citizens, farmers, abroad-return workers, etc.) to share their ideas as resource persons which were found to be effective. Because of such sharing, my informants believed that there was an increment in recreational activities. It also helped students to expand their horizon of thinking. Young NGO personnel and community people were the key advocate for such alternative ideas which implied no cost and/or low cost.

Despite the differences above, I found that NGOs' interventions were found to be sustained where students were mobilized. The alternative practice of making local people as resource persons was much appreciated. The basis of appreciation was that students got opportunity to

know the experiences of aged people, people who have returned from abroad, and about other successful person of the community. During my study, I have collected some case studies. These are helpful to sensitize the community from the social entrepreneurship perspective.

Case 1 Auto Monitoring of the Parents

A big Bunyan tree is in the school premise. Many villagers come to stay and rest in shadow of the tree and some of them do their handicraft works too. The common understanding of the school is that they are disturbing the school. Villagers say that they are staying in this place for years and they do not disturb the study of students. Observation showed that the presence of villagers was monitoring the school automatically. They do not speak with either student or teachers. By history, this school is not opened regularly and HT and teachers are also irregular. Villagers added that HT and teachers always intend to close school before Tiffin time.

In the case number 1, the parents were mobilized automatically. Consequently they showed the irregular presence in school premise. Due to their presence, the school was opened from 10 Am to 4 PM i.e. till its school hours. During their presence the parents also noticed the difference. The difference was that school used to be closed before Tiffin time in the absence of parents' visit.

But with regular presence of parents school began to operate smoothly.

Case No. 2. A Case of Smoking and Chewing Tobacco

During the mass interaction by youth representatives of NGOs in one of the study schools, a case of chewing tobacco was raised. At first, girls blamed boys of smoking cigarettes and chewing tobacco whereas boys too blamed girls of chewing tobacco. During discussion it was observed that at least 6 girls of grades 6, 7 and 8 had the habit of chewing tobacco and at least 10 boys of same classes had the habit of smoking and chewing tobacco. Parents reported that most of these students were from so called *Dalit* (lower caste) community where their parents had such habits and they were learning this habit from home. After the interface, teachers assured NGO personnel that they will monitor their students closely and suggest them not to follow such bad habits.

The case 2 shows that as a part of awareness raising, youths of NGOs sensitized people through interface where teachers made commitments to monitor and counsel such students to quit such habits. NGOs also mobilized child club members and youth leaders from the community who counseled parents on how such social evils affect their children's future in terms of health and economy.

Case No. 3: Effective Diary Maintaining Practice

During the study, one of the teachers prepared an

attractive diary which was taught by NGO personnel on how to develop diary maintaining in teaching. She made it out of 6/7 A4 papers. She cut paper in half and compiled it together. Same process was followed by other two lady teachers. HT observed how she prepared diary and assured them that he will buy diaries to them. During fourth round visit, they showed us the diaries. Diaries were filled with some pedagogical and non-pedagogical matters. HT did not buy any diaries to them. "I found this technique very much satisfactory. Sometimes I feel happy and sometimes cry while writing diary. It is healing my pain and adding me courage to do something new," said another teacher.

Maintaining diary was another activities oriented by NGO to school teachers. In this study school, one of the teachers followed it and this contributed in analyzing some pedagogical issues and induced to seek remedial measures to improve the teaching learning practices. The teacher said that she started valuing students more when she began writing about them because she never realized that every child has different characteristics and abilities. Her diary writing helped teachers to reflect those realities.

### **People's Perception towards Development**

Hardware aspect (infrastructure, construction) was the major concern of informants. They perceived development as visible things whereas NGOs gave



emphasis on non-tangible software part to empower community people. As suggested by Abrahamson the development must be conceptualized in relation to societal aims and how society perceives and intends to deal with societal problems and it has the various dimensions. NGOs have shown their strength to sensitize people that development is not a physical thing but it is a consciousness which leads prosperity in life. If the government facilities, plans, programs are disseminated up to the grass root level as they are, they can contribute on raising awareness and establishing rights of people. This shows that peoples' interest and NGOs' focus did not match to each other.

The emphasis of informants was on the livelihood things which were directly linked with their day-to-day life. This indicated that poverty has been the most striking thing to hinder the progress of people even to raise the voice of self. Informants considered the economic development as a development which is development notion of 1960. Morrison (1990) stated that agricultural growth directly contributed to various dimensions of socio-economic development, not only through its contributions to general growth of economic system, but also for its specific contributions to poverty reduction (in its small-scale version), resilience of local communities, and preservation of the environment (Morrison & Thorbecke, 1990). The community was crossing through the same agriculture era and this has been supporting them for economic

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development. Their perception towards NGOs itself was of mixed type. Some of them perceived development organizations as a 'gap-filler' of government's mainstream development whilst others criticized them as for their style of work. The major blame is that 'we are hungry now, they are talking about SBDRM'. SBDRM stands here for School Based Disaster Risk Reduction. This again contradicted with the interest of people.

Informants also guessed that NGOs are sometimes influenced and/or affiliated with political party and carry the agenda for respective party that has the possibility of dividing society. They sometimes do not respect the local faiths and create problem during project intervention. Projects are planned in such a way that after the exit of NGOs, it is where the people there viewed that community must take ownership as they were implemented with them, for them, and by them. Some common blames and perceptions of community people on working approach of INGOs were that they take a bulk amount of money back to their country, they spend a lot in administrative and logistics part, their lifestyle does not suit to ours which was hampering the effective ownership. Even the NGOs for them were the replica of INGOs.

### **Issues Associated with Development Interventions in Education**

The study found that NGO interventions are implemented in field for software activities with the objective of

enhancing quality of education and ensuring free and compulsory education. The stakeholders felt that they were in need of hardware support and urged that strong and safe school infrastructure helps better education system. NGOs priority seemed to establish the rights of marginalized people and change in attitude/behavior by software activities such as training, workshops, and orientations. Thus, there seems to be a gap between the expectation of the stakeholders and supply of NGOs.

NGOs have implemented many activities that have made positive change in schools. These changes included awareness raising especially in terms of reducing child marriage, maintaining health and hygiene, sensitizing the community about their rights at local level. Through various trainings, advocacy, workshops, and orientation, NGOs interventions helped to sensitize community people and school stakeholders to realize their right they get from government. Despite these arguments from people, I found that NGOs' interventions have also helped to eradicate discrimination within family, school, and community itself. Similarly, they were found advocating against various types of violence that usually occur within the community. NGOs' interventions tried engaging parents into school which created a 'check and balance' relationship between school and community. It is found that those school where parents frequently visit have been performing well in terms of teachers' and students' regularity, teachers' performance in terms of spending full

period in class, face to face discussion on what roles can be played either by parents and/or teachers at home/school. Such practices have been found contributing to educational development.

### **Sustainability as an Issue**

Although some of the interventions which made a positive impact in school and community, there was a question of sustainability on impact level of those interventions. One of the reasons behind this is that most of the project activities were found costly and schools might not have managed resources to continue those activities. Some of the nature of sustained activities' was of low cost and/or no cost activities. For example, an alternative intervention by NGO mobilizing its youth mobilizers was to prepare teaching learning material. The NGO asked students to build up teaching materials. They gave them wide range for it stating that they could make any kinds of materials they know. They also asked them to display it in classroom but requested to use local materials to display materials in classroom so that they should not have to request to schools for any supporting material. Students were instructed to use local materials such as *gahukopithophatkayara* (boiled wheat floor), *belko chop*, *badaharko chop*, *kabhroko chop*, *sallokokhoto*, *gobar*, *dhaago*, *babiyokodori* (rope). Students in all schools developed materials and displayed in classroom. The activity was sustained in many of the schools and they are

still following this practice. This indicates that if idea to develop no cost/low cost material is given, school can easily sustain this because they are the main actor in this process and students have strong willingness to do it. Ball (2005) have emphasized that organizations need to move away from short term funding to address structural issues confirming that in short term projects, organizations need to show results in limited time which hinders which might not achieve the sustainable result and application of the core intent of the theoretical expectation (Ball, 2005).

### **Cultural Difference as an Issue**

Cultural factors have affected to change the mindset of schools and community. For example, I found corporal punishment in all study schools. The informants said that corporal punishment has been reduced in their school though it still prevails. One of the teachers said, "*alialinapite ta hepihalchhanni*"(little punishment is fine). Another Head Teacher analyzed that children who get punishment at home are to be punished otherwise they will be out of control. During focus group discussion, parents too said that teachers should punish their children if they do not do homework and/or conduct any mischief. The measures to address those issues can be that schools can design a program or plan of School Self-evaluation Tools that allows schools to understand their own situations and identify their strengths and weaknesses that would be helpful to build up a school culture that

emphasizes self-reflection and promotes self-improvement and enhances learning outcomes. Likewise, it needs to make a mechanism among the school stakeholders among CBOs/GOs/NGOs to follow up the school regularly. There is also a need to coordinate with School supervisor, Resource person and Resource Center, Head Teacher and also with DEO for effective implementation and also evaluation of the project. Changing the attitude and behavior of a person might take time but it is never impossible so continuous interventions are needed.

### **Conclusion and Implication**

Out of the result, discussion over results and findings, I came to the conclusion that (a) NGOs globalization approaches to reach at people and peoples' interest contradict to each other. NGOs advocate for software support in education and people look for hardware support (b) despite the effort of NGOs only a few interventions have been sustained (c) though NGOs have been regarded as vacuum fillers from UNESCO's (2009) point of view and capacity developer (Ulleberg, 2009) they can promote alternative approach to development in the field of education (d) alternative approaches of educational interventions such as mobilization of youths, resource mobilization, local material use, and local and indigenous knowledge sharing can be sustainable activities that NGOs can continue (e) NGOs can promote the culture of using local available human and material resources as input;

they can figure out local culture to be continued, modify, and change in the process; and they can focus only those alternative educational programs which might be sustained with local initiatives as their outcomes.

Different groups of people imply the output of this study. For instance government functionaries need to look and monitor the activities of NGOs, guide and supervise them. This can be done through joint planning, joint implementation, joint monitoring, joint supervision, and collaborative research for constant feedback. Teachers on the other hand can imply the alternatives approaches as a means to quality education. This can be done by encouraging parents, teachers, students and SMC members to bring new thoughts and implement them for their expansion.

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## The End of Poverty: A challenge to make it happen in our own lifetime

**-Kanchan P. Kharel**

Jeffrey Sachs, author of *The End of Poverty*, has worked as the Special Advisor to UN Secretary-General Kofi Annan, and as the director of the Earth Institute at Columbia University. He has also served as economic advisor to the countries of Africa, Asia and Latin America. As an economist of international fame, he has a huge contribution in framing the Millennium Development Goals (MDG) and fought against poverty.

This book *The End of Poverty* is an attempt to answer how the world can get rid of extreme poverty. The author does not forecast on what will happen; rather he suggests what may happen. He believes *our generation* holds the capacity to eliminate the extreme poverty in next two decades. The capacity we have- in terms of wealth of the rich world and the power of knowledge- and through collective decisions- can provide promising ways to fight poverty and shape our future. His insights, convictions and arguments in this book are based on his field

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experiences in over hundred nations with around ninety percent of the world populations.

*The End of Poverty* begins with an overview of distribution of world's poor by region. The distribution is based on degrees of poverty— mainly extreme poverty (below \$1 per day) and moderate poverty (between \$1 and \$2 per day) – and it shows the situation in 2001. Out of 1.1 billion poor people, 93 percent of them live in three regions: East Asia, South Asia, and Sub-Saharan Africa. Since 1981, their numbers increased in case of Africa (almost half of the population already in extreme poverty), but has comparatively decreased in East Asia and South Asia, thanks to the advancement of ITC and globalization.

However, the tragedy, as Sachs says, is that one sixth of world population are living under extreme poverty and are residing mostly in countries like Malawi, Bangladesh, India and China. Therefore, the biggest challenge is to get this one-sixth out of the poverty trap, ensure them basic needs such as health, education and nutrition, and lift them up to the ladder of development. Sachs views that we need to understand *how we got to where we are*.

The writer portrays historical overview of the spread of economic prosperity aiming to understand the vast inequality. Until 1800 A.D., poverty is seen among every one (universal poverty) except few rulers and landowners. However, since 1800, the era of modern economic growth begins. Technological advancement accelerates the

economic growth of Europe and the United States. For instance, US per capita income increases by 25<sup>th</sup> folds (from \$1200 to \$30,000) at an annual growth rate of around 1.7 percent per year. While the average per capita income of Africa increases meager; the increase rate is three-fold (\$ 400 to \$1300) during that time frame of 1820 A.D. to 2000 A.D. at an annual growth rate of 0.7 percent per annum.

The primary reason behind uneven growth, according to Sachs, is “the richer countries were able to achieve two centuries of modern economic growth. The poorest did not even begin their economic growth until decades later, and then often under tremendous obstacles.” However, there are many other problems in the complex system of economic growth. Some of these include poverty traps, physical geography, fiscal-trap, governance failures, cultural barriers, geo-politics, poor economic policy framework, lack of innovation as well as demographic traps. Nonetheless, there are practical solutions to address these problems. But Sachs suggests that it needs a good action plan with a good differential diagnosis of the specific factors that have shaped the economic conditions of a nation. He emphasizes that the failure of Structural Adjustment Policies—the narrow approach led by International Monetary Fund and World Bank—is one of the fundamental reasons for putting development practice in wrong direction. Therefore, he proposes ‘Clinical Economics’ as a new diagnostic method for development

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economics that checks the complex system of economic growth and come up with practical solutions.

Sachs develops his concept of Clinical Economics with learning that he received from his experience as an advisor to countries like Bolivia, Poland, Russia, China and India. Sachs' response to Bolivian hyperinflation gives him insights into economic alternative (the search for economic alternative to Coca production after US military interdicts Andean drug trade) and physical geography (complexity with high hills). Contrary to this, in Poland, he learns that the same geography also determines fate of the country (as Poland becomes route to trade and foreign exchanges between Germany in the West and Russia in the East). But when coming closer to Russia, he finds that guiding principles play a critical role to determine a country's economy. For instance, in case of Bolivia, the guiding principle is democracy, end of hyperinflation, and reinvention of the country; whereas Poland is looking for its return to Europe. Nevertheless, Russia never gets admitted to European community and does not receive external assistance when it looks for it.

Similarly, Sachs has a different set of learning from China and India. First, Chinese style of Gradualism—means radicalism in rural reforms but a quick opening of the economy of trade—of the state enterprises is unique in itself. However, the speedy economic growth of China is because of the combination of low-cost labors, modern

technology, and business-friendly environment. Also, the vast coastline (useful for export led growth) and overseas Chinese communities (who acted as foreign investors and role models) became significant contributors for China's economic growth. Second, India's paradigm shift from a self-sufficient economy (strong state control, *License Raj*) to a market-oriented liberalization has its foundation on fear against the global forces. Surprisingly, the revolution in the field of Information and Technology gives India a new impetus to break this fear and generate hope.

Sachs argues that clinical economics is the beginning, not the end, of the process. His confidence leads him to express about the economic problems of Africa, which he believes as difficult but still solvable. The disease burden of Africa (AIDS, malaria, TB, diarrheal disease, acute respiratory infection, vaccine-preventable disease, nutritional deficiencies, and unsafe childbirth) opens up debate on is disease a cause of poverty, a result of poverty, or both? As a result, WHO commission on Macroeconomics and Health (CMH), chaired by Sachs, concludes that the causation runs towards both ends. However, the CMH realizes that aid is not sufficient for Africa to fight against these challenges. Thus, a combination of investment targeted to local needs and condition is what required enabling Africa to break out the worst poverty trap. So, he advocates the idea of a 'global fund' to address the challenges of Africa.

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With the convincing idea of 'global fund', Sachs suggests how investment can be made that is required to end poverty. According to him, the extreme poor lacks six major capitals: human, business, infrastructure, natural, public institutional and knowledge. Therefore, he concludes, investment on these capitals is not only essential but also critical. However, the investment requires good economy which poor countries lack. In other words, the impoverished countries fail to achieve increased saving (in household level) and increased tax revenues (for government spending and investment); meaning- the country is in the poverty-trap. Therefore, the role of Office Development Assistance (ODA) is crucial in breaking the poverty trap because ODA supports the public budget for investment on mentioned capitals. However, this also means that there is a need for scaling up of investment (foreign assistance), including a system of governance that empowers the poor while holding them accountable. This calls for the need of global partnership.

The economist now draws the attention of his readers on the need of global partnership and cooperation, and also the role of the United Nations, donor communities (rich countries); and global financial institutions like IMF and World Bank. He reflects that the key to ending poverty is to create a global connections that reach from

impoverished communities to the wealth of the world power and back again.

The UN efforts toward building global partnership are remarkable. The introduction of Millennium Development Goals (MDGs) brings the global leaderships at one place to think about the rights and responsibilities of the world community. The eight goals of MDGs demand a global plan for poverty reduction. But, as the world is expecting a global partnership and effort to achieve its eight goals, the 9/11 terrorist attacks in the USA shatters this optimism. The Bush Administration's war on terrorism spends huge sum of money that affects the Millennium Challenge Account (US aid program). Despite all this, the main point, Sachs underlines, is that the MDGs can still be financed within the limits of the ODA that the donor countries have already promised in the Late Monterrey Consensus. The consensus urges all developed countries to make 'concrete efforts' to 0.7 percent of each of their total GNP as the overseas development assistance to the poor countries.

Sachs's allegations over IMF and World Bank, as 'split personalities', call for the need of reshaping these institutions. He says that these institutions tell countries to continue their business without any hope of meeting the MDGs. For instance, despite knowing the fact that aid are insufficient for a country [Ethiopia] to achieve MDGs;

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IMF can't stop boasting how well things are going in this country. Besides, rich countries have their strong influences on IMF and World Bank because in these systems 'one dollar' means 'one vote'. Likewise, Sachs recommends change in the process of funding. For instance, instead of stating the amount of aid a country can receive; the first step should be an understanding what actually the country needs in foreign assistance. After that, IMF and World Bank should arrange required amount from the donors.

The key proposal made by Sachs is the Millennium Development Goals based Poverty Reduction Strategy on the period until 2015. This strategy basically comprises of five key parts— differential diagnosis, investment plan, financial plan, donor plan and public management plan, which has to be realized in the light of global cooperation. Therefore, he says it is a 'global compact' to end poverty. It means both of the parties (recipient country as well as international community) must be equally responsible. Rich countries should commit to help all poor countries, but then poor countries also must hold commitment on good governance and political stability.

After taking too much of the role of rich countries, Sachs finally raises question as to whether the rich can afford to help the poor. Having known that rich world have vast wealth, he argues the question isn't whether the rich can afford to help the poor, but whether they can afford not to.



As already mentioned, as poverty can be sufficiently fought within the limits of 0.7 percent of GNP of the high-income world, rich countries, now must prove them towards this end. Asking US whether they can afford mere 7 cents out of every \$10 in income is a ridiculous question, knowing the fact that top hundred taxpayers of US has a combined income of \$69 billion which is almost equal to the combined income of four African countries: Botswana, Nigeria, Senegal and Uganda.

In response to the allegations made by rich world over poor countries (especially Africa), Sachs has only one answer- "These assertions are incorrect." For instance, the rich countries state that despite their huge efforts, the situation of Africa is never going to change. They allege Africans are corrupt, lack modern values, and have no democracy because of which even if aid saves their children but these children are sure to become hungry adults. In reply, Sachs proves with evidences that there has been insufficient aid to Africa no matter how hard rich countries boast about their 'huge efforts'. Relating to the charge against Africa, that it lacks modern values, is pointless because virtually every society is lazy and unworthy until it gets richer. Another charge stating Africa as 'a shortfall of morals' (a common view that Africans have more sexual partners) is futile because the research (The Lancet, UK Medical Journal) finds out that "African men typically do not have more sexual partners than men elsewhere." Moreover, Sachs says that the

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popular view like ‘a rising tide raises all boats’ by champions of globalization is also not contextual in every cases because the rising tide may have lifted the economies that lie at the water’s edge but it does not reach the mountaintops of the Andes or the interior of Asia and Africa.

Keeping these issues in mind, Sachs emphasizes that rich world should stop telling ‘poverty is not our problem; it is theirs’ because eliminating poverty at a global scenario is a global responsibility that yields global benefits. Rich world people feel, like in the USA that why we should pay taxes for the problem [poverty] which is not ours. Sachs replies to it saying that the problem lies not in the public opposition to foreign assistance but in the lack of political leadership to inform their public about the importance of the safety of global society and the lives of millions of impoverished people.

Sachs ends the book discussing on the challenges of our generation. He confirms, “We can realistically envision a world without extreme poverty by the year 2025.” But the author guides this generation with certain steps to give an end to the extreme poverty. To sum up, Sachs advises that time has come to commit to end poverty by adopting a plan and by raising voices of the poor. The time has come to *redeem* the role of United States, rescue IMF and World Bank and strengthen the United Nations. With technology and science we need to promote sustainable development

so that we can ensure a better world for our future generation. All in all, the time has come for every individuals to make personal commitments to make extreme poverty a past.

This book can be the best described as the source of optimism for every one of us, especially for those who might have started considering poverty as an ever unsolvable problem of the world. It is an eye opener to development practitioners and economists who believe that simply theorizing economics would solve the problems of poverty. Also, it would be unfair to tag this book as something 'quixotic' because at the end the world must be put into the right direction, and the author's assertions certainly provide meaningful direction. However, it is yet to see to what extent the world leaders react to the urge of this book concentrated towards making the poverty a history.

## Contributors

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