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Enterprise Performance in Nepal: Evidence on Migration, Grants, and Business Development Support from Palungtar Municipality

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Abstract

In Nepal, enterprise development is a very important factor in livelihood diversification and local economic resilience especially where labor migration and decentralized development planning influence the situation. The paper will be looking at the enterprise performance in Palungtar Municipality, Nepal, and will look at the contribution of the context of migration, grants, and business development support. The analysis will consider three major outcomes including the business growth, annual enterprise revenue, and enterprise resilience using cross-sectional data on a field survey of 185 enterprises, which has taken place in 2025. The models used were multivariate regression and logistic regression to business growth and ordinary least squares (OLS) regression with robust standard errors to revenue and resilience outcomes. The findings show that enterprise characteristics and program support variables did not have significance in short-term business growth. Consequently, women-led businesses, education level, and overall business development plan had significant and positive links with increased annual business revenue. There was a negative correlation between training completion and revenue, and this could be because of some targeting effect or a delayed return on capacity-building interventions. Statistically significant determinants of enterprise resilience were not established, suggesting that resilience can be influenced by macro-dynamics of the household and community that are not tied to enterprise-level aspects. The study provides available evidence on entrepreneurs at the municipality level by combining the context of migration with the analysis of enterprise support and provides policy-relevant information to develop inclusive and resilience-focused enterprise development policies in Nepal.

Keywords: Business development support, Enterprise performance, Labor migration, Women-led enterprises

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are a vital force that ensures the growth of the economy, creation of jobs, and poverty alleviation of low- and middle-income countries (LMICs). In Nepal, a significant portion of non-agricultural labor force is occupied with micro and small businesses and in many cases, they act as the key livelihood strategy of families with low access to formal wage labor (Asian Development Bank (ADB), 2020). Enterprise activities especially in semi-urban and rural municipalities are of significance since they supplement agricultural livelihoods, engage the surplus labor, and assist households to cope with economic instability and labor migration.

The migration of labor is now a characteristic of the development course in Nepal. Nepali workers migrate to the gulf countries, Malaysia and India in large volumes and remittances in the recent times have contributed over a fifth of the gross domestic product in Nepal (Government of Nepal, 2023). Local development of enterprises is complicated by the migration. On the one hand, remittances may enhance household liquidity; allow investing in small businesses, and entrepreneurship. Conversely, the migration can decrease the supply of local labor, the support of enterprise survival, and the household reliance on external sources of income (Sijapati & Limbu, 2017). In response to livelihood vulnerabilities, the government agencies, non-government organizations, as well as development partners

in Nepal have initiated several interventions on enterprise support in the form of grants, business development planning (BDP), and entrepreneurship training. Such programs are designed to enhance the productivity of businesses, promote self-employment, and enhance the economic resilience in the localities. Nonetheless, their effectiveness is still ambiguous empirically. Although there are studies indicating the positive impacts of grants and training on enterprise survival and profitability, there are also studies indicating limited or short-term effects especially when market accessibility and managerial capacity constraint is still present (Karlan et al., 2016; Premand et al., 2016).

The issue of gender also puts a strain on the performance of the enterprise. In Nepal, the number of women who participate in entrepreneurship has risen, in part because of the out-migration of men and changing household roles (Acharya & Bennett, 2019). However, structural barriers are usually experienced by women entrepreneurs, which may affect enterprise results; they include restricted access to finance, market, and decision-making power (Agarwal, 2018). Besides the growth and revenue, enterprise resilience, which is the ability to adjust and overcome the shock, has gained significant development results (Béné et al., 2018). In Nepal, resilience is not only defined by the firm-level features, but household and community factors can also be very important e.g., migration, remittances and social networks. Although there is a current concern on enterprise development, the available literature on enterprise development in Nepal is mainly based on national level information and is also more thoughtful with financial consequences like profit or survival even without considering the resilience and gender aspects. This paper fills these gaps by looking at the performance of enterprises in Palungtar Municipality, and combining the context of migration and enterprise support interventions. Through a study of gender variations in business expansion, revenue and resilience, the study has given context-specific and policy-relevant information to developing inclusive and migration-sensitive enterprise development strategies in Nepal.

Literature Review

The existence of enterprise performance in Nepal can be influenced by the resources of firms, as well as by the structural factors, including access to finance, business support, migration, and gender-based entrepreneurial restrictions. A market research at the World Bank on SMEs in Nepal indicates that numerous businesses desire to expand, but growth is usually inhibited by the poor business support systems, limited advice services access, inability to access cheap finance, and lack of skilled labor (World Bank, 2020). On the same note, a regional analysis conducted by UNESCAP states that the majority of MSME start-ups in Nepal are dependent on family property, savings, informal sources, and remittances, meaning that formal financial systems are not responsive enough to enterprise demands (United Nations ESCAP, 2020).

Migration and remittance researches bring a new dimension to the evolution of enterprises. The Nepalese evidence demonstrates that international remittances are able to shift the probability of nonfarm entrepreneurship among the left-behind households, implying that migration can offer capital to invest in local enterprises even in the condition when labor is drained out of the household economy (Kharel et al., 2022). More comprehensive comparative data also reflect that financial and social remittances may stimulate business formation, especially in situations when there is a complementarity between cash transfers and knowledge, networks, and return migration (Bettin et al., 2024). The results can be used in a municipal setting as in Palungtar where the processes of migration and enterprise coexist in family livelihood strategies.

Gender based studies also demonstrate that the performance of women enterprises cannot be interpreted using the conventional indicators of the market. In Nepal, women businesspeople understand formalization in different ways that can be related to livelihood security, business sustainability, and social context, that is, enterprise decisions may be influenced by family and social norms rather than the logic of profit maximization (Thapa et al., 2021). A more general survey of feminine entrepreneurship in Asia also shows that women tend to lack resources, education, and financing against significant economic contributions (Franzke et al., 2022). It is also found more recently that women entrepreneurs are doing better when feasibility assessment, investment, and access to a loan are stronger in Nepal (Karna, 2025). Lastly, the study on post-earthquake Nepal shows that small business resilience tends to be poor when there is no continuity planning and risk management systems (Asgary et al., 2022). Combined, these studies support studying the growth of enterprises, income, and stability together in a migration-sensitive city model.

Data and Methods

The study was conducted by the researchers in the Ward No. 5 of the Palungtar Municipal, Gorkha District, Nepal. Palungtar Municipality is a semi-urban local economy, which has a blend of trade, manufacturing, service, and

agriculture based businesses and in which home is very vulnerable to domestic and international migration. The municipality has served as a target area in interventions of livelihood support like grants to enterprises, business development training and support of business planning hence apposite environment to research on enterprise performance with respect to migration and program assistance. The primary data was collected as a field survey that was cross-sectional and that will be conducted in 2025. The systematic interview questionnaire was used on 185 enterprise proprietors (N = 185) operating on Palungtar Municipality- 5. Enterprises were sampled using municipal registers and by way of consultation with local stakeholders and subsequent systematic field listing of enterprises was then carried out so that there would be relevant representation of micro, small and medium enterprises among the key business sectors.

Data concerning nature of the enterprise, owners, migration, and remittance exposure, exposure to grants and training, business development planning, and business performance in terms of revenue and growth as well as resilience was gathered using the questionnaire tool. Face-to-face interviews were employed as data collection methods by trained enumerators and informed prior consent was obtained by all the respondents. In order to ensure the quality and reliability of the data, standard field supervision, daily consistency checks, and the post-survey validation were used. The dichotomous variables were coded in the form of 1 = Yes and 0= No whereby the type of enterprise was coded into 1 = MSME (Micro, Small and Medium Enterprise) and 2 = SME (Small and Medium Enterprise), based on the number of employees. Business sector was categorized to 1 = Trade, 2 = Manufacturing, 3 = Service and 4 = Agriculture. The exposure to the migration was taken into consideration at household level using remittance measures and migration experience scales.

Three main outcome variables were analysed, which were the development of the business (binary), annual enterprise revenue (AER) (continuous) and the resilience of the enterprise using a normalized index between 0 and 1, with higher scores showing resilience. The age of the owner, level of education, gender of ownership of the enterprise, years of operation, number of employees, receipt of grants, completion of training and completion of business development plan (BDP) were some of the control variables. Descriptive statistics like means, standard deviations and proportions have been used to summarize the enterprise and owner characteristics. The analysis on enterprise type (MSME vs SME) was done through bivariate distributions. Multivariate regression was used to determine the correlation between migration, program support, and enterprise results. The logistic regression models were used to estimate the binary outcome of the business growth and its results were in the form of odds ratios (ORs) with high standard errors and 95% confidence intervals (CIs). The use of ordinary least squares (OLS) regression with robust standard errors was made to determine continuous outcomes, including annual revenue and resilience index. All the models had the following categories of references (MSME enterprises, male-led enterprises, no formal education, trade sector, no receipt of grants, no training completion, no BDP completion). The standard errors were strong to describe the potential heteroscedasticity. All the analyses were carried out with the assistance of Stata, and the statistical significance was verified at traditional levels.

Results and Findings

Table 1 shows the descriptive nature of the 185 enterprises that were surveyed in the Palungtar Municipality.

Table 1: Descriptive statistics of enterprise and owner characteristics (N = 185)

Variables	Mean	Std_Dev	Min	Max
Enterprise type	1.66	0.48	1	2
Women led	0.55	0.50	0	1
Owner male	0.45	0.50	0	1
Owner age	43.09	12.93	20	64
Education level	1.22	1.01	0	3
Sector	2.20	1.10	1	4
Years of operation	11.94	7.15	1	24
Employees	14.18	7.80	1	29
Received grant	0.59	0.49	0	1
Grant AER	45445.95	38864.10	0	96500
Training completed	0.59	0.49	0	1
BDP completed	0.56	0.50	0	1
Annual revenue AER	1574477.00	858603.30	287040	4762940
Profit margin	0.22	0.10	0.06	0.4
Business growth	0.53	0.50	0	1
Resilience index	0.48	0.30	0.01	1

Sources: Field survey, 2025

The sample includes MSMEs and SMEs in which the average enterprise type of 1.66 (SD = 0.48) will be more SMEs. Most of the enterprises (55 percent) were run by women. The age of the owners of the enterprises was 43.1 (SD = 12.9) which showed that the median education level was low to moderate in general.

The companies were already present in terms of trade, manufacturing, service and agricultural services and average existence of 11.9 years (SD = 7.15) and 14 workers on average (SD = 7.80). Some 59 percent of the businesses were granted and receiving training and 56 percent did a business development plan. Its average revenue per annum stood at 1.57 million AER (SD = 0.86 million) and their average profit margin was 22%. The reported business growth was 53% (little more than half), and resilience as a whole index was 0.48 (SD = 0.30), which is medium resilience. This indicates that SMEs constitute the majority of enterprises in the sample (65.9%), while MSMEs represent 34.1%, reflecting the local enterprise structure in Palungtar Municipality.

Table 2 indicates the distribution of the enterprises characteristics of the type of enterprise (MSME and SME). Among all the 185 enterprises surveyed, 65.9 percent of the enterprises surveyed were SME and 34.1 percent were MSME. The larger proportion of the SMEs was in the form of enterprises dominated by women (58.2%), whereas the MSMEs were 49.2. Sixty-three and fifty-six point five and sixty-three and fifty six percent of MSMEs and SMEs respectively indicated having received grants and training completion business development plan (BDP) completion respectively with marginally more program participation.

The MSMEs and SMEs in sectors were predominantly in the trade, followed by manufacturing, service and agriculture where the distribution of the two enterprise types in sector was relatively the same. As a rule, the table indicates that there were less significant differences between MSMEs and SMEs according to gender make-up and exposure to programs, but the level of sectoral participation was not as dissimilar between MSMEs and SMEs groups of enterprises.

Table 2: Distribution of enterprise characteristics by enterprise type (MSME vs SME), N = 185

Characteristics	N(%)	MSME N(%)	SME N(%)
Enterprise Type			
MSME	63 (34.1%)	63 (34.1%)	
SME	122 (65.9%)		122 (65.9%)
Women Led			
No	83 (44.9%)	32 (50.8%)	51 (41.8%)
Yes	102 (55.1%)	31 (49.2%)	71 (58.2%)
Received Grant			
No	76 (41.1%)	23 (36.5%)	53 (43.4%)
Yes	109 (58.9%)	40 (63.5%)	69 (56.6%)
Training Completed			
No	76 (41.1%)	24 (38.1%)	52 (42.6%)
Yes	109 (58.9%)	39 (61.9%)	70 (57.4%)
Bdp Completed			
No	81 (43.8%)	24 (38.1%)	57 (46.7%)
Yes	104 (56.2%)	39 (61.9%)	65 (53.3%)
Sector			
Trade	66 (35.7%)	22 (34.9%)	44 (36.1%)
Manufacturing	47 (25.4%)	18 (28.6%)	29 (23.8%)
Service	41 (22.2%)	12 (19.0%)	29 (23.8%)
Agriculture	31 (16.8%)	11 (17.5%)	20 (16.4%)

Sources: Field survey, 2025

Table 3 provides the comparison of the mean value of the continuous characteristics of enterprises of MSMEs and SMEs. The average age of owners of enterprises was observed to be the same in all types of enterprises with a mean of 43.1 years of average years of operation and average years of operation of MSMEs (11.9 years) and SMEs (12.0 years) being close to each other. As would be expected, SMEs employed much more workers in comparison with MSMEs in which average workers of SMEs were 18.7 and 5.4 employees respectively.

The rate of the average amount of grant was more or less the same when comparing the grant recipients whether they were the MSMEs and the SMEs. The average annual revenues of SMEs were somewhat less than the revenues of MSMEs but the diversity of revenue change was also great in both groups. The profit margins were similar in the types of enterprises and the average was 22 percent and the resilience index score was equal (0.48) in both MSMEs and SMEs and this indicates that enterprise resilience is not different.

Table 3: Mean (standard deviation) of continuous enterprise characteristics by enterprise type (MSME vs SME)

Enterprise Type	Total Mean (SD)	MSME Mean (SD)	SME Mean (SD)
Owner age (years)	43.09 (12.93)	43.54 (13.79)	42.86 (12.52)
Years in operation	11.94 (7.15)	11.86 (6.92)	11.98 (7.30)
Employees	14.18 (7.80)	5.37 (2.59)	18.73 (5.26)
Grant amount (AER) among grantees	77133.03 (10322.49)	76575.00 (9456.75)	77456.52 (10846.77)
Annual revenue (AER)	1574477.08 (858603.29)	1653461.75 (870870.25)	1533689.92 (852933.72)
Profit margin	0.22 (0.10)	0.21 (0.09)	0.22 (0.11)
Resilience index (0–1)	0.48 (0.30)	0.48 (0.29)	0.48 (0.30)

Sources: Field survey, 2025

The result of the logistic regression analysis of the variables associated with the growth of the business is shown in Table 4. Overall, all the enterprise characteristics, or the program related variables did not have statistically significant association with the business growth. The nature of the business, ownership by women, industry in which the business is based and the age of the business owner did not play a major role in determining the likelihood of growth of the business.

The reporting of business growth was more likely to be reported in the businesses that were under training (OR = 2.13); however, it was not significant. Equally, Grant reception and achievement of a business development plan (BDP) were not significantly related to growth outcomes. The level of education, years of operation, the number of employees, as well as the level of grant were also not effective. These findings suggest that, at the period, program support and its characteristics in enterprise was not a very strong predictor of business development.

Table 4: Logistic regression analysis of factors associated with business growth (N = 185)

Predictors	OR	Robust SE (coef)	p-value	95% CI	
				Lower	lower
Enterprise type (SME vs MSME)	0.86	0.568	0.79	0.282	2.618
Women-led enterprise (Yes vs No)	1.21	0.314	0.543	0.654	2.239
Primary education vs No education	0.473	0.404	0.064	0.214	1.044
Secondary education vs No education	1.01	0.415	0.981	0.448	2.278
Higher education vs No education	0.443	0.537	0.129	0.155	1.267
Manufacturing vs Trade sector	0.863	0.395	0.71	0.398	1.872
Service vs Trade sector	0.775	0.437	0.561	0.329	1.827
Agriculture vs Trade sector	0.831	0.472	0.695	0.329	2.096
Received grant vs No grant	0.148	1.594	0.23	0.006	3.354
Training completed vs Not completed	2.134	0.511	0.138	0.783	5.811
BDP completed vs Not completed	0.477	0.484	0.126	0.185	1.232
Owner age (per year increase)	1.001	0.012	0.918	0.978	1.025
Years in operation (per year increase)	0.98	0.023	0.39	0.937	1.026
Number of employees (per additional employee)	1.016	0.034	0.653	0.949	1.087
Grant amount (AER)	1	0	0.189	1	1

Table 5 indicates the results of the OLS regression model on the determinants of annual enterprise revenue (AER). Female run enterprises were discovered to possess significantly higher revenue announcements each year in comparison to male run enterprises (Chi square= 311,825 AER; = 0.012). The level of education was also positively correlated to the revenue of the enterprise and the enterprises that are owned by highly educated people get significantly more income than enterprises that are not owned by highly educated people (555,729 AER; p = 0.045). It was also found that annual revenue showed a positive and significant relationship with completion of business development plan (BDP) (Chi square = 464,062 AER; = 0.004).

On the other hand, annual revenue was not significantly connected with enterprise type, sector, grants received, the numbers of years in operation, number of employees and grants. Training achievement was not positively correlated to the revenue (β = -619812 AER; p < 0.001) and this corresponds to the fact that the enterprises that underwent its training could have been comparatively new or were financially weaker during the time that the studies were carried out. The general outcomes demonstrate that the gender of ownership, education, and business planning are more related to the performance in terms of revenue than the enterprise size or grant-related factors.

Table 5: Determinants of annual enterprise revenue (AER): OLS regression with robust standard errors (N = 185)

Predictors	Coef	Robust SE	p-value	95% CI	
				lower	Lower
Enterprise type (SME vs MSME)	-36453.32	237367.35	0.878	-505040.31	432133.66
Women-led enterprise (Yes vs No)	311824.68	122086.24	0.012	70814.18	552835.19
Primary education vs No education	258648.29	144363.77	0.075	-26340.30	543636.89
Secondary education vs No education	215291.47	162748.18	0.188	-105989.77	536572.73
Higher education vs No education	555729.24	275326.98	0.045	12206.11	1099252.37
Manufacturing vs Trade sector	48951.79	147285.91	0.74	-241805.38	339708.98
Service vs Trade sector	88250.24	178676.39	0.622	-264474.91	440975.40
Agriculture vs Trade sector	-275242.98	188389.21	0.146	-647142.21	96656.25
Received grant vs No grant	393141.25	532094.47	0.461	-657266.67	1443549.1
Training completed vs Not completed	-619811.58	171067.98	0	-957516.97	-282106.19
BDP completed vs Not completed	464062.19	159060.22	0.004	150061.33	778063.04
Owner age (per year increase)	-533.62	5418.51	0.922	-11230.32	10163.07
Years in operation (per year increase)	8258.36	7971.00	0.302	-7477.204	23993.934
Number of employees	-10484.21	14132.79	0.459	-38383.77	17415.35
Grant amount (AER)	-4.63	6.63	0.486	-17.74	8.46

Table 6 reflects the consequences of the OLS regression analysis of the factors of enterprise resilience. The correlation between the resilience index and the rest of the enterprise features, the features of the owner, or the program variables was not statistically significant. Type of enterprises, women ownership, educational level, industry where I am operating, getting grants, undertaking training and completion of BDP did not play a significant role in the resiliency outcomes.

The owner age, the duration of operation, employees and size of the grant were also not found to have any significant effect. As a rule, the outcomes point to the fact that the measure of enterprise resilience was not substantially differentiated by enterprise size, exposure to a program, or owner characteristics, which proves the opportunity that the resilience is an element of other factors than those regulated by the variables on the enterprise and program levels.

Table 6: Determinants of enterprise resilience (index 0–1): OLS regression with robust standard errors (N = 185)

Predictors	Coef	Robust SE	p-value	95% CI	
				lower	Upper
Enterprise type (SME vs MSME)	-0.017	0.081	0.838	-0.177	0.144
Women-led enterprise (Yes vs No)	-0.024	0.045	0.585	-0.112	0.064
Primary education vs No education	-0.067	0.055	0.226	-0.177	0.042
Secondary education vs No education	-0.045	0.062	0.463	-0.167	0.076
Higher education vs No education	0.005	0.077	0.945	-0.147	0.157
Manufacturing vs Trade sector	-0.004	0.06	0.947	-0.122	0.114
Service vs Trade sector	0.086	0.061	0.161	-0.035	0.208
Agriculture vs Trade sector	0.007	0.07	0.915	-0.131	0.146
Received grant vs No grant	-0.13	0.21	0.538	-0.544	0.285
Training completed vs Not completed	0.106	0.079	0.181	-0.05	0.262
BDP completed vs Not completed	-0.118	0.071	0.1	-0.259	0.023
Owner age (per year increase)	0.002	0.002	0.217	-0.001	0.006
Years in operation (per year increase)	0.004	0.003	0.267	-0.003	0.01
Number of employees	0.001	0.005	0.865	-0.009	0.011
Grant amount (AER)	0	0	0.676	0	0

Discussion

The paper has discussed the performance of the enterprises in Palungtar Municipal, Nepal with the elements of the business development, annual business income of the business and sustainability with respect to the attributes of the enterprises, migration context, and livelihood support programmes. The findings can be applied within the current empirical literature about the micro- and small-enterprise performance in low- and middle-income countries (LMICs), namely in a decentralized and municipality-level context.

According to the descriptive findings (Table 1), the enterprise environment is diverse with most of the enterprises being SMEs, and more than 50 percent of them being operated by women. This correlates with the data on Nepal and South Asia that the role of females in micro- and small-scale entrepreneurship is growing, which is usually linked to the out-migration of men and the alteration of the labor balance in the country (Lokshin & Glinskaya, 2009; World Bank, 2021). The medium to low educational attainment by the owners of the enterprises is characteristic of the country as the insufficient formal education remains a barrier to the modernization of enterprises and their productivity (CBS, 2022; McKenzie & Woodruff, 2014).

The fact that the mean age of the enterprise is nearly 12 years also means that the enterprise base is relatively developed which is contradicted by the research whose aim is to researches on a high turnover and informality of microenterprises in LMICs (La Porta &Shleifer, 2014). However, the existence of both the long-established businesses with medium rates of employment is indicative of stagnation over time, instead of energetic growth, which is usually characteristic of the rural and semi-urban economies (Banerjee & Duflo, 2011).

Table 2 and 3 suggest that there are minor differences in gender distribution, sectoral distribution, and program exposure between the MSMEs and the SMEs. Though, based on the definition of SMEs, there were much more workers in SMEs than there were in MSMEs, other performance variables as revenue, profit margin and resilience had more or less similar performances. This finding is in line with speculations that the size of an enterprise does not necessarily translate into high performance in the environment where market constraints, low demand, and bottlenecks in the infrastructures are common (Grimm et al., 2012).

By the fact that the scores of resilience the MSMEs and the SMEs have overlapping values, it is also possible to note that the presence of externalities (market access, climate variability, and household risk-sharing mechanisms) could be the more important conditioning factor of shock exposure than enterprise size itself (Barrett et al., 2021).

The output of logistic regression (Table 4) shows that there are no significant predictors of business growth. Although the link between the training completion and the odds of growth were found significant, they were not meaningful. This observation duplicates contradictory results in the accumulating body of research on the short-term outcomes of entrepreneurship education, in which knowledge and practice acquisition is not always translated into measurable growth outcomes in the short-term (McKenzie & Woodruff, 2014; Cho & Honorati, 2014).

Similarly, the lack of a significant correlation between the receipts of the grants and the growth is consistent with the experimental and quasi-experimental studies that suggest that a capital injection may not be sufficient to lead to a sustained growth in the small markets (Banerjee et al., 2015). It can be observed in the case of Nepal where the local demand is low and the local businesses will prefer to trade in the saturated markets, the structural change will become the driver of growth rather than incremental assistance.

Some very significant associations are found with OLS results of annual enterprise revenue (Table 5) in contrast to the growth outcomes. Women operated businesses that had far much higher revenues and this is one of the findings that disapproves the long held beliefs that female run businesses perform poorly as opposed to male run businesses. Another new insight into the possibilities of women entrepreneurs is also the new evidence that active women entrepreneurs despite social and structural obstacles may be a highly chosen cohort of highly managerial and domestic support (in places affected by migration) (Campos et al., 2017; World Bank, 2019).

While MSMEs are widely considered key actors in local economic development, the enterprise structure observed in this study shows that SMEs constitute the majority of the sample (65.9%), whereas MSMEs account for 34.1%. Therefore, the findings should be interpreted in the context of a municipality-level enterprise landscape where SMEs represent a larger share of operating businesses.

Education, especially at a higher grade, was too correlated with revenue, which validates the human capital theory, and it is consistent with other reasons that management skills, numeracy, and record keeping with ability enhance

performance of the business (Becker, 1993; McKenzie &Woodruff, 2014). Great positive relationship between business development plan (BDP) completion and revenue also confirms the importance of planning and strategic orientation which is replicated in SME development programs whereby organized business practices are more significant than ad hoc decision making (Bruhn et al., 2018).

Surprisingly, the training completion had a negative relationship with the revenue. This trend is counterintuitive but other regions have also been doing the same and may perhaps be attributable to targeting effects i.e. training programs will over represent weaker or more recent enterprises (Cho & Honorati, 2014). It may also indicate availability costs of training attendance in the short-run or time lag between acquisition of the skills and production of revenues.

The fact that there are no significant predictors of enterprise resilience (Table 6) suggests that enterprise or program characteristics are not effective predictors of resilience as were measured in this work. This fact is highly consistent with the recent literature which argues that resilience is multidimensional and context-specific and, therefore, incorporates household resources, social ties, migration relationships, and access to covariate shocks (Barrett et al., 2021).

The Migration and Remittances in Nepal have a central position in the risk management of the household which are more inclined to insurance the enterprises against the shocks through informal insurance arrangements rather than through enterprise level adjustments (Lokshin et al., 2010). This set of trivial associations might therefore represent an implication of the general significance of the household-level and community-level factors which are poorly modeled by enterprise-based models.

All these findings suggest that livelihood support interventions in the municipal environment like Palungtar will go beyond the same packages of grants and training. The greater attention paid to the ability development related to education, business planning, and gender-sensitive enterprise support could possibly give more promising revenue outcomes. In the meantime, resilience building strategies may also need to include enterprise support through more global household and community-based interventions, including migration-conscious programming and social protection relationships.

This is further supported by the fact that the growth results are constrained, and the intervention should be at the market level over longer periods of time to address the demand constraints, infrastructure as well as the integration of the value chain.

Conclusion

In this paper, the enterprise performance of Palungtar Municipality, Nepal, was discussed, and it was evaluated as per the growth of the business, annual revenue of the business, and the sustainability in relation to the nature of the enterprise and the livelihood support programs. Findings indicate that the outcomes of the businesses within the study area are moderate with regards to their revenue and stability but there was no significant variation between the size of the enterprises, their sectors as well as the exposure to the programs with regard to business development in short term. These consequences point to the structural constraint of a local business that functions on a semi-urban municipality economy.

The positive aspect between women-led business, high level of education and achievement of business development plan and increased annual enterprise revenue was highly felt and this reveals the importance of human resources and strategic planning towards enterprise performance. Nonetheless, the positive short-term revenue and growth effects of the received grants and training completion were not positive, which shows that only financial and training intervention will not have immediate positive performance effects. The absence of material predictors of enterprise resilience also means that the labor of resilience is a product of more holistic household and community-based factors, including migration and informal risk-sharing structures, and not just enterprise-specific factors.

First of all the enterprise support programs should appreciate business planning and capacity management sector specifically to women in business ventures rather than focusing on grants or training on a short term basis. Second, training interventions based on market-based training and education-related training that will include post-training mentoring can be used to increase the effectiveness of capacity-building interventions. Third, the resilience building strategies need to be holistic i.e. the support of the enterprises should relate to the ways of living of households, migration patterns, local safety nets. Finally, future program appraisals should have their longitudinal design in place to aid in the measurement of the delayed effects of the interventions on the enterprise growth and resilience. A combination of these findings can be used to undertake more specific, contextually sensitive enterprise development policies at a municipal level in Nepal.

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