

ECONOMIC ANALYSIS OF WOMEN ENTREPRENEURSHIP IN JAJARKOT DISTRICT, NEPAL

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Abstract

Women entrepreneurship plays a pivotal role in fostering inclusive economic development, especially in rural and underdeveloped regions like Jajarkot district in Nepal. Despite facing significant socio-economic and cultural constraints, women in Jajarkot are gradually engaging in entrepreneurial activities, contributing to household income, local employment, and community welfare. This study aims to analyze the economic dimensions of women entrepreneurship in Jajarkot, focusing on the nature, scope, and outcomes of their entrepreneurial activities. Using both primary and secondary data, this article examines the level of income generation, access to resources, market constraints, and the support system available to women entrepreneurs. The findings suggest that while women's involvement in entrepreneurship has led to better economic self-reliance and empowerment, structural challenges such as lack of financial access, limited mobility, and insufficient policy support persist. The study emphasizes the need for targeted policy interventions, skill development programs, and enhanced institutional support to foster sustainable women entrepreneurship in the region.

Key Words: Women entrepreneurship, economic empowerment, rural development, gender equality.

Introduction

Jajarkot District, situated in Nepal's Karnali Province within the Bheri Zone, is a remote and mountainous region known for its difficult terrain and underdeveloped infrastructure. The district's administrative center, Khalanga, is partially connected to the national road network, but internal mobility remains a major challenge due to steep landscapes and frequent disruptions caused by natural events like landslides and floods. With elevations ranging from approximately 9,800 to 13,100 feet, Jajarkot encompasses a rugged topography that has historically hindered development efforts. Administratively, the district comprises three municipalities and four rural municipalities. Formerly a Village Development Committee, Khalanga was merged into Bheri Municipality in 2015. Despite these structural changes, Jajarkot continues to rank among the most impoverished districts in Nepal, reflecting a low Human Development Index and limited access to basic services. Development efforts are further obstructed by poor transportation networks and seasonal vulnerabilities, particularly during the monsoon. Economically, the district depends heavily on subsistence agriculture, although only a small fraction of land is cultivable. Limited infrastructure, including a few micro-hydropower projects, provides electricity to a minority of households. Overall, Jajarkot faces multiple socio-economic and environmental challenges that require targeted interventions for sustainable development and improved living conditions.

Entrepreneurship is widely recognized as a key driver of economic growth, innovation, and employment creation. In recent years, the discourse around women entrepreneurship has gained momentum globally due to its potential to transform socio-economic structures and

reduce gender-based disparities (Minniti, 2010). In developing countries like Nepal, the entrepreneurial participation of women, especially in rural and marginalized regions, plays a significant role in achieving inclusive development and poverty reduction (ADB, 2020). However, the journey of women entrepreneurs is often impeded by social norms, lack of education, limited access to finance, and restricted mobility.

In Nepal women constitute about 51 percent of the total population (CBS, 2021) but their participation in formal economic activities remains disproportionately low. Although efforts have been made to promote women's economic empowerment through policy reforms, microfinance, and training programs, their impact in remote districts like Jajarkot is limited. Jajarkot, situated in Karnali Province, is characterized by poor infrastructure, low literacy rates, and socio-cultural barriers that restrict women's economic participation. Despite these challenges, a growing number of women in Jajarkot are venturing into small-scale enterprises such as livestock farming, tailoring, retail businesses, and food processing.

Women entrepreneurship in Jajarkot district operates within a context of severe socio-economic and infrastructural challenges. The district's remote location, poor road connectivity, and high poverty levels restrict women's access to markets, credit, and support services. With only a small portion of arable land and limited electrification, most women engage in low-scale, agriculture-based or household-level enterprises such as tailoring, livestock rearing, and food processing. Formal training and institutional support are rare, and traditional gender roles further limit their economic participation. Despite these hardships, many women demonstrate resilience by using personal savings and family support to start businesses and contribute to household welfare.

Understanding the economic implications of women entrepreneurship in such a context is crucial for designing effective development policies. This study focuses on analyzing the economic aspects of women-led enterprises in Jajarkot, exploring their income-generating capacities, challenges, and support mechanisms. Through this localized lens, the study contributes to the broader discourse on rural entrepreneurship and gender equality in Nepal.

Entry of women in organized business as entrepreneur is fairly recent, but women have been contributing to production process since times immemorial by working in cottage industries. It is said that all their economic efforts remain unacknowledged and unaccounted. Women in Nepal have traditionally been highly esteemed. Though women in Nepal can achieve highest position in any field, majority of them are confined to hearths and homes. In Nepal, number of women is engaged in home products or cottage industries combining traditional activity and supplementing income generation.

Comparatively little information has been available about the involvement of women in entrepreneurship in Jajarkot district starting businesses. Whether in the light of gender disparities the kinds of interventions needed to support women in developing ventures where increasing number of women entrepreneurs are promoting economic growth through their individual efforts. If women are involved in entrepreneurship, they can be able to gain some income which may help them to sustain their living. The involvement in entrepreneurship also helps to improve the economic status of the women. Women can save some of their income and can also spend some money for household expenditures. Women entrepreneurship helps

to make the women self-dependent which is a leading impact on the women's economic status.

While women entrepreneurs are struggling to improve their lives in an environment of high unemployment and political unrest over the past few years, more and more women have entered into private enterprises. There are a number of women in Jajarkot who have started their own entrepreneurship and have attained a height of success. There are many challenges for the women to be involved in any entrepreneurship. There are a various opportunities too but it is difficult for women to compete in the existing market. Anyway, those women who are involved in entrepreneurship have some sort of impacts on their economic status. This study has attempted to identify and analyze the situation of women entrepreneurship and the economic impacts of entrepreneurship on women in Jajarkot district.

Objective

The general objective of the study is to entrepreneurship. Identify the problems of women entrepreneurship and analyze the economic impacts of entrepreneurship.

Literature Review

The concept of women entrepreneurship is grounded in feminist economic theory, which critiques traditional economic models for ignoring gender roles and the unpaid labor of women (Beneria, 2003). The theory emphasizes that empowering women through entrepreneurship not only enhances individual agency but also contributes to broader social transformation. The Human Capital Theory (Becker, 1964) also provides a useful framework, asserting that education, skills, and training are crucial assets that improve productivity and economic performance. When applied to women entrepreneurs, it suggests that investments in education and capacity-building are essential for enterprise growth.

Schumpeter's innovation theory of entrepreneurship further asserts that entrepreneurs are change agents who introduce new combinations of resources to drive economic development (Schumpeter, 1934). Women entrepreneurs, particularly in rural settings, often engage in innovative practices by utilizing local resources and indigenous knowledge to meet market demands. Additionally, the Resource-Based View (RBV) of the firm posits that access to unique and valuable resources like financial, social, or human which determine entrepreneurial success (Barney, 1991). In the context of women entrepreneurship, the availability of such resources is often constrained by systemic inequalities, affecting their enterprise sustainability.

Understanding women entrepreneurship also requires attention to the Institutional Theory, which highlights how formal and informal rules, norms, and cultural practices shape economic behavior (North, 1990). In Nepal, deeply entrenched patriarchal norms often limit women's access to opportunities, mobility, and decision-making, directly impacting their entrepreneurial journey. Therefore, any economic analysis must account for these socio-cultural dynamics and institutional structures.

Shrestha and Pant (2023) explored the income-generating capacity of women-led microenterprises in western Nepal. Their study found that despite facing limitations such as low capital and limited training, women engaged in small-scale enterprises like tailoring and livestock farming increased their household income by an average of 25%. The research

highlighted how these ventures not only improved financial status but also promoted independence and self-reliance. The authors emphasized the importance of supporting women with better access to resources and entrepreneurial education to sustain and expand their businesses.

Kandel and Poudel (2023) examined the influence of microfinance institutions on rural women entrepreneurs in Karnali Province. They discovered that access to credit played a vital role in enhancing business operations, enabling women to invest in tools, restock inventory, and reach broader markets. The group lending model also encouraged social cooperation and reduced loan defaults. However, the study noted challenges such as high interest rates and insufficient financial literacy. The authors suggested integrating financial education with credit services to strengthen women's entrepreneurial capacities and ensure long-term growth.

Maharjan et al. (2023) investigated the socio-cultural challenges faced by women entrepreneurs in remote areas of Nepal. Their findings revealed that gender norms, household duties, and lack of family support restricted women's entrepreneurial activities. However, those who received encouragement from spouses or family members were more likely to succeed. Flexible work arrangements and shared responsibilities emerged as key enablers. The study concluded that family involvement and community awareness campaigns are essential to overcome cultural barriers and support women's economic empowerment.

Karki and Lama (2023) explored how entrepreneurship contributes to the psychological empowerment of rural women in Karnali Province. Their study revealed that running a business improved women's confidence, decision-making abilities, and sense of social recognition. Women reported feeling more respected within their families and communities due to their financial contributions. The research suggested that entrepreneurship not only fosters economic independence but also transforms women's roles and identities. Although various studies have explored women entrepreneurship in rural Nepal, they often overlook the unique socio-economic and geographic challenges of remote regions like Jajarkot. Most research focuses on isolated factors such as microfinance, examining their combined effect in underdeveloped districts. A comprehensive study is needed to understand the interconnected financial, social, and infrastructural barriers faced by women entrepreneurs in Jajarkot challenging context.

Method

This study adopts a mixed-methods approach, integrating both quantitative and qualitative data to analyze the economic status and challenges of women entrepreneurs in Jajarkot District, Nepal. The research is based on primary data, collected through a structured questionnaire administered to 105 women entrepreneurs engaged in various enterprises such as small businesses, poultry farming, tailoring, and weaving.

The study also uses descriptive statistical tools like frequency and percentage for analyzing responses. This combined methodological framework provides a comprehensive understanding of the impact, barriers, and opportunities of women-led entrepreneurship in the remote and underdeveloped context of Jajarkot.

Data and Interpretation**Socio-demographic Information**

This section consists of the age, educational status and monthly income of the respondents.

Age of the Sampled Respondents

The age of the respondents in the study area was categorized into four groups which are shown as follows:

Table 1

Age of the Sampled Respondents

Age	No. of Respondents	Percent
15-24 years	28	26.67
25-34 years	45	42.85
35-44 years	19	18.10
45 years and above	13	12.38
Total	105	100.00

Source: Field Survey, 2023

Table 1 shows that 26.67 percent of the respondents were 15-24 years of age, 42.85 percent were 25-34 years of age, 18.1 percent were 35-44 years of age and 12.38 percent were 45 years and above of age.

Educational Status

Educational status of the sampled respondents in the study area is as follows:

Table 2

Educational Status of the Sampled Respondents

Educational Status	No. of Respondents	Percent
Illiterate	23	21.90
Primary	30	28.57
Lower secondary	19	18.10
Secondary	24	22.86
Higher	9	8.57
Total	105	100.00

Source: Field Survey, 2023

Table 2 shows that 21.9 percent of the respondents were illiterate, 28.57 percent were primary level educated, 18.1 percent were lower secondary level educated, 22.86 percent were secondary level educated and 8.57 percent were higher level educated.

Monthly Income of the Sampled Households

The monthly income of the respondents before and after the entrepreneurship is as follows:

Table 3
Monthly Income of the Sampled Households

Monthly Income	Before Entrepreneurship		After Entrepreneurship	
	No.	Percent	No.	Percent
Below Rs. 5,000	44	41.90	24	22.86
Rs. 5,000-Rs. 10,000	23	21.90	18	17.14
Rs. 10,000-Rs. 15,000	17	16.19	21	20.00
Rs. 15,000-Rs. 20,000	12	11.43	23	21.90
Rs. 20,000 and above	9	8.57	19	18.10
Total	105	100.00	105	100.00

Source: Field Survey, 2023

Table 3 shows that 41.9 percent of the sampled households earned below Rs. 5,000 per month before starting the entrepreneurship but now 22.86 percent of the sampled households earned below Rs. 5,000 per month after entrepreneurship. Likewise, 21.9 percent of the sampled households earned Rs. 5,000-Rs. 10,000 per month before starting the entrepreneurship but now 17.14 percent of the sampled households earned Rs. 5,000 to Rs. 10,000 per month after entrepreneurship. Similarly, 16.19 percent of the sampled households earned Rs. 10,000-Rs. 15,000 per month before starting the entrepreneurship but now 20 percent of the sampled households earned Rs. 10,000 to Rs. 15,000 per month after entrepreneurship. In the same way, 11.43 percent of the sampled households earned Rs. 15,000-Rs. 20,000 per month before starting the entrepreneurship but now 21.9 percent of the sampled households earned Rs. 15,000 to Rs. 20,000 per month after entrepreneurship. Finally, 8.57 percent of the sampled households earned Rs. 20,000 and above per month before starting the entrepreneurship but now 18.1 percent of the sampled households earned Rs. 20,000 and above per month after entrepreneurship.

Situation of Entrepreneurship

The situation of entrepreneurship and its impact on economic status are as follows:

Type of Entrepreneurship

The women in the study area had selected various types of entrepreneurship which is as follows:

Table 4
Type of Entrepreneurship

Type of Entrepreneurship	No. of Respondents	Percent
Poultry farming	14	13.33
Small businesses	32	30.48
Weaving and knitting	25	23.81
Tailoring	19	18.10
Others	15	14.29
Total	105	100.00

Table 4 shows that 13.33 percent of the respondents had started poultry farming whereas 30.48 percent had started small businesses and 23.81 percent of the respondents had started weaving and knitting business. Likewise, 18.1 percent were involved in tailoring and 14.29 percent of the respondents were involved in other entrepreneurship.

Reasons for Selecting the Enterprise

The respondents were asked about their reasons for selecting the enterprise and the responses obtained from them are as follows:

Table 5

Reasons for Selecting the Enterprise

Reasons	No. of Respondents	Percent
Easy to set up	17	16.19
Advice of family members	18	17.14
Experience in the line	13	12.38
Availability of govt. benefits	10	9.52
Profitability	20	19.05
Demand in the market	16	15.24
Acquired qualification and skill	11	10.48
Total	105	100.00

Source: Field Survey, 2023

Table 5 shows that 16.19 percent of the respondents had selected the entrepreneurship because it is easy to set up whereas 17.14 percent of the respondents had selected the entrepreneurship because of the advice of the family and 12.38 percent of the respondents had selected the entrepreneurship because of experience in the line. Finally, 15.24 percent of the respondents had selected the entrepreneurship because of demand in the market and 10.48 percent of the respondents had selected the entrepreneurship because of acquired qualification and skill.

Capital Invested for the Enterprise

Capital is very necessary to start any business or enterprise. The respondents were asked about the amount of capital they had invested to start the enterprise and the responses on the capital invested to open the enterprise are shown as follows:

Table 6

Capital Invested for the Enterprise

Capital Invested	No. of Respondents	Percent
Less than Rs. 50,000	47	44.76
Rs. 50,000 and more	58	55.24
Total	105	100.00

Source: Field Survey, 2023

Table 6 shows that 44.76 percent of the respondents had invested less than Rs. 50,000 to start the entrepreneurship whereas 55.24 percent of the respondents had invested more than Rs. 50,000 to start the entrepreneurship.

Financial Problems in the Enterprise

The respondents had to face various financial problems in the enterprise. The financial problems faced by the respondents are shown as follows:

Table 7

Financial Problems in the Enterprise

Financial Problem	No. of Respondents	Percent
Yes	42	40.00
No	63	60.00
Total	105	100.00
Types of Problems		
Shortage of working capital	15	35.71
Shortage of funds for expansion	14	33.33
Repayment of loan	9	21.43
Others	4	9.52
Total	42	100.00

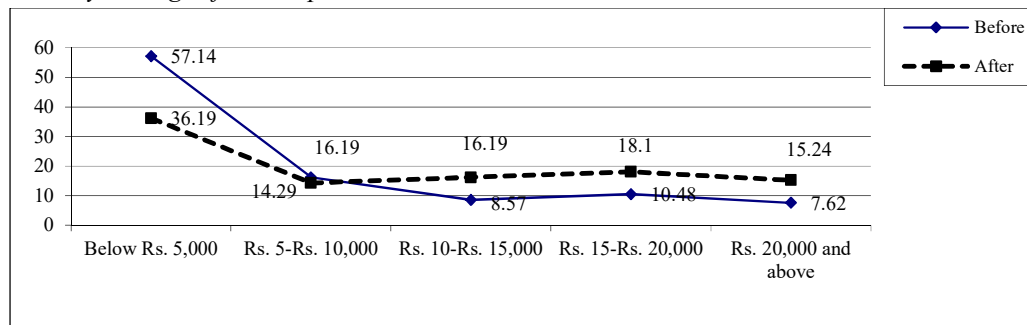
Table 7 shows that 40 percent of the respondents had the financial problems but 60 percent of the respondents had no financial problems in their enterprise. Among those respondents who had financial problems, 35.71 percent have shortage of working capital whereas 33.33 percent have shortage of funds for expansion. Likewise, 21.43 percent of the respondents have the problems in repayment of loan and 9.52 percent of the respondents have other problems.

Monthly Savings of the Respondents

The monthly savings of the respondents before and after starting the entrepreneurship are shown in the following figure.

Figure 1

Monthly Savings of the Respondents



Source: Field Survey, 2023

Figure 1 shows that 57.14 percent of the respondents saved Rs. 5,000 per month before entrepreneurship but now 36.19 percent save Rs. 5,000 per month after entrepreneurship. Likewise, 16.19 percent of the respondents saved Rs. 5,000 to Rs. 10,000 per month before entrepreneurship but now 14.29 percent of the respondents save Rs. 5,000 to Rs. 10,000 per month after entrepreneurship. In the same way, 8.57 percent of the respondents saved Rs.

10,000 to Rs. 15,000 per month before entrepreneurship but now 16.19 percent of the respondents save Rs. 10,000 to Rs. 15,000 per month after entrepreneurship. Likewise, 10.48 percent of the respondents saved Rs. 15,000 to Rs. 20,000 per month before entrepreneurship but now 18.1 percent of the respondents save Rs. 15,000 to Rs. 20,000 per month after entrepreneurship. Finally, 7.62 percent of the respondents saved Rs. 20,000 and above per month before entrepreneurship but now 15.24 percent of the respondents save Rs. 20,000 and above per month after involvement in the enterprise.

Improvement in Economic Status

The respondents were asked whether there was any improvement in their economic status after starting the enterprise and the responses obtained from them are as follows:

Table 8

Improvement in Economic Status

Responses	No. of Respondents	Percent
Yes	58	55.24
No	47	44.76
Total	105	100.00
Type of Improvement		
High	30	51.72
Moderate	9	15.52
Appropriate	19	32.76
Total	58	100.00

Source: Field Survey, 2023

Table 8 shows that 55.24 percent of the respondents had improvement in their economic status after starting the entrepreneurship whereas 44.76 percent of the respondents had no improvement in their economic status after starting the entrepreneurship. Among the respondents who had improvement in their economic status, 51.72 percent had high improvement, 15.52 percent had moderate improvement and 32.76 percent had appropriate improvement..

Findings

Majority (62 percent) of women entrepreneurs are engaged in small-scale businesses like retail, livestock, tailoring, and food processing. Most (58 percent) women used personal savings or family help as their main source of business capital. A large number (76 percent) of respondents lacked access to institutional credit for business expansion. Many (69 percent) women entrepreneurs had education below the secondary level, affecting financial and managerial decisions. Most (72 percent) reported moderate improvement in household income after starting their businesses. Majority (64 percent) of women entrepreneurs came from middle-income families, and 28 percent from low-income families. Most (81 percent) used business income primarily for household needs and children's education. More than half (67 percent) had not received any formal business training. A significant number (74 percent) reported difficulty balancing domestic duties and business responsibilities. Most (83 percent) acknowledged that family support helped them manage business challenges. More than half

(61 percent) did not maintain any formal income or expenditure records. Majority (70 percent) were unaware of government economic support schemes. More than half (59 percent) of businesses were not officially registered or insured. Most (78 percent) reported increased confidence and decision-making power after starting a business. Many (66 percent) cited poor infrastructure as a barrier to wider market access. A large majority (71 percent) said traditional gender roles restricted their economic engagement. More than half (53 percent) found group-based businesses more sustainable and cooperative. Many (68 percent) lacked financial literacy for managing business operations effectively. Most (60 percent) reported that seasonal and local demand influenced business sustainability. A large majority (75 percent) reinvested business profits into the enterprise or family welfare.

Conclusion

The study concludes that women entrepreneurship in Jajarkot district holds significant potential for improving the economic status of women, despite various socio-economic challenges. Women have shown resilience and determination by engaging in small-scale businesses and managing dual responsibilities of household and enterprise. However, their entrepreneurial growth is hindered by limited education, lack of financial literacy, insufficient access to institutional credit, and minimal awareness of government support programs. The absence of formal training and business registration further constrains their progress. Nevertheless, family support and personal commitment have empowered many women to enhance their confidence and decision-making abilities. To foster sustainable entrepreneurship, there is a need for targeted interventions such as training, access to credit, awareness programs, and infrastructural development. Promoting group-based enterprises may also provide a more supportive and sustainable model for women's economic empowerment in the region.

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