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Opportunities and Challenges of Bamboo Based Entrepreneurship in Badikhel Area of Lalitpur District, Nepal

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Abstract

This study opportunities and challenges of bamboo based entrepreneurship was carried out in Badikhel area of Lalitpur district, Nepal. This paper is a descriptive study focused to assess the opportunities and challenges of bamboo based entrepreneurship. Both primary and secondary data were used. Questionnaire, key informants interview, focus group discussion were used to coined the required information. The quantitative data are presented in tabulator form and qualitative data are interpreted as a narrative form. The study showed traditional marketing strategy, lack of resources, traditional skills, and transportations, lack of opportunities, lack of financial knowledge and lack to access to financial institutions are major challenges while promoting the bamboo based enterprises. However, this study proved that these entrepreneur, identified good opportunities, practice on equal wage for same work, initiate their ventures and they have formulated plan. The study indicated that financial access, training facilities, government subsidy, etc. are opportunities in this regard. Pahari were socialized in farming, husbandry, bamboo winning, bamboo crafting and now some people are shifting others. There are some recommendations that could uplift the micro enterprises in Nepal. Without entrepreneurship rural area cannot be developed, thus, good policies and plan must formulate and implement as well with sufficient financial and technical support by local government and development stakeholders. The verbal consent was taken while collecting the data.

Keywords: Entrepreneurship, bamboo, pahari, opportunity, challenge, & development.

Introduction

Entrepreneurship is the purposeful activity of an individual or group of associate individuals, undertaken to initiate, maintain or aggrandize profit by production or

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distribution of economic goods and services (Cole, 1968). According to Joseph Schumpeter, entrepreneurship is based on purposeful and systematic invention, it is essentially consists in doing things that are not generally done the trading course of business routine. Entrepreneurship is the dynamic process of creating incremental wealth by individuals who assume the risk of equity, time and careers to infuse resources with value for society (Blaug, 2000). An entrepreneur is an individual who takes the risk to start their own business based on an ideas they have or a product they have created while assuming most of the risks and reaping most of the rewards of the business. Entrepreneurship is important, and an essential tool for rural development but issues such as cultural factors, lack of role models, limited networks, and inadequate support are identified as significant barriers to the growth of rural entrepreneurship (Gautam, 2014).

Godawari is a municipality in Lalitpur District in Bagmati Pradesh of Nepal. It is constituted by merging the former 11 Village Development Committees (VDC) of Lalitpur and now it is divided into 14 wards. Godawari Municipality is situated about 10 km far from the Kathmandu center in the south of the Valley. The municipality covers 96.11 sq.km of geographical land area (Profile of Municipality, 2018) with population of 78,301 people living in 17,762 individual households (CBS, 2011). Despite being small in size, the municipality has diversified varieties of climate and accordingly diversified varieties of crops, vegetables and fruits are there in Godawari. The municipality has diversification of caste and varieties of Newar, Tamang, Brahman, Chhetri, Dalit, etc.

Issue of the Study

In recent years, there has been a shift of business activities from urban to semi-rural and rural areas. There is an increase of new business emerging, outside cities, as well as already existing companies opening branches there. The rapid entry and growth of small enterprises (SEs) has constituted one of the most important aspects of development in Nepal. The Government of Nepal (GoN), Department of Cottage and Small Industries (DCSI) and Cottage and Small Industries Development Board (CSIDB), Center of Techniques Education and Vocational Training (CTEVT) under the Ministry of Industry (MoI) are especially responsible for the development of small enterprises. The Nepalese economic scenario reveals predomination of the primary sector, show growth and mass deprivation.

Most studies had focused on rural analysis and little analysis in semi-urban areas. Research on their socio-economic, culture, bamboo product marketing, religion, and rituals had targeted, but no research had been done to find out the causes of bamboo based entrepreneur and their socio-economic empowerment and existing challenges and opportunities of the venture. Existing challenges and opportunities of bamboo based entrepreneurship in the

study area is the foci question of this paper. Entrepreneurship is one of the important economic force which helps to enhance the livelihoods of people. This study gives some information about entrepreneurship and self-reliance and becomes base for further business plan and strategy of bamboo entrepreneurship for new generation. In order to understand the bamboo based entrepreneurship status of Pahari community. In addition, the entrepreneur is also viewed from the lens that bamboo based entrepreneurship can be produced by relatively low income people and that generate self-employment. The study has focused on Badikhel (Pahari community) area from Godawari municipality of Lalitpur district.

Objective

The objective of this paper is to analyze the existing opportunities and challenges of bamboo based entrepreneurship in the study area.

Literature Review

Previous reviewed literature shows that bamboo based workers sector is innovative and the scholars or researcher especially to Nepal. The foundation of new businesses are important for national and regional economic development. In regional development entrepreneurship is the most fundamental feature. Various government programs are created to develop entrepreneurship in rural areas in order to create economic and employment growth (Hunter, & Kazakoff, 2012). Policies introduced by local governance structures are often directed towards promoting entrepreneurship. In Nepal, rural entrepreneurs is encouraged enough through financial-related incentives.

Saxena (2012) implies that rural development is linked to entrepreneurship more than ever before. Entrepreneurship considered as a development strategy and becomes more popular model in development discourse. It can be regarded as an attempt to create the management for risk taking appropriate to opportunities, as well as to mobilize human, materials and financial resources in order to achieve the goals of overall development (Keeble & Tyler, 1995). This paper sees the opportunities and challenges to entrepreneurs in the study areas.

Nepal has a poor economy along with weak social indicators such as life expectancy, mortality rate, literacy rate, food and nutrition, etc., which is comparatively even higher in rural parts of Nepal (MoH, 2016). Entrepreneurship are people or a group of people who invest capital, initiate ventures and also, organize, coordinate, and direct a business. They recognize ideas, identify good opportunities and execute plans to formulate a marketable

solutions (Frederick et al., 2012; Hisrich, Peters, & Shepherd, 2013). Different authors have defined entrepreneurship in different ways (Chavada, et al., 2013). The concept of entrepreneurship is situational and has no commonly agreed single definition (Eijidenberg & Masurel, 2013). It is also a multilevel and complex phenomenon with global interest (Singh & Chauhan, 2016) and needs of entrepreneurs.

Methods

The study was conducted in Badikhel which is situated in Godawori Municipality. It is famous for bamboo based product, agricultural lands and forestry. This paper focused on present situation of Bamboo based economic ventures, dealing with existing problems and challenges for its further development. Being so, this paper followed the descriptive pattern of study. By consolidating quantitative data to better understand the issue, this paper followed deductive logic and pragmatic outlooks. As a quantitative research method, the paper coined required data from schedule survey questionnaire. Non-probability purposive sampling techniques was used to select study households and covered 30 households who are immense involved in Bamboo enterprises in the focused area. Simple descriptive statistical tools, for instance, tabulation, percentage, diagram and charts were used to analyze the data. Verbal consent, minimum similarity index, anonymity and professional ethics are tackily followed to make the study more reliable and valid.

Results and Discussion

Opportunities of Bamboo Based Entrepreneurship

Low business establishment cost

As a small business, it is easy to establish in term of its cost. It is generally installed with low investment by local people. The cost of installation is presented as per the following table.

Table 1: Distribution of the respondents on the number of the staffs in business

Business establishment cost	Number	Percent
Less than 20,000	4	13.4
20,000-60,000	16	53.2
60,000-1,00,000	6	20.0
100000 and above	4	13.4
Total	30	100

Source: Filed Survey, 2022

Out of 30 respondents, 4 (13%) said that they establishment cost was between NPR 20,000. 8 (54%) said that the business establishment cost was between NPR 20,000-60,000. 6 (20%) establishment their business with NPR 60,000 - 1,00,000 and the rest 4 (13%) spent NPR 1,00,000.

Employment generation

Employment is one of the major issue of developing countries. Small scale industries like bamboo industry generates employment opportunities to the local people. Different numbers of various families of Badikhel area are involved in bamboo based industry for their livelihood. Distribution of various family members involved in the industry is presented below:

Table 2: Distribution of the Respondents on the Number of Involved Family Members in Business

No. of involved family members	Number	Percent
1-3	14	46.7
3-5	4	13.3
5+	2	6.7
None	10	33.3
Total	30	100

Source: Filed Survey, 2022

Out of 30 respondents, 14 entrepreneurs have 1-3 involved family members or staffs, 4 have 3-5 involved family members or staffs, 6 has 5+ involved family members or staffs and 10 do not have any staff in the business.

Government subsidy

Government is supposed to support the needy people of the country. As per the policy, government has provided subsidies for the bamboo based entrepreneurs too. Status of the government subsidy to the local people is given in the following table:

Table 3 Distribution of respondents on the availability of government subsidy

Government subsidy	Number	Percent
Yes	20	66.7
No	10	33.3
Total	30	100

Source: Filed Survey, 2022

Out of 30 respondents, 20 entrepreneurs did get government subsidies whereas the rest. Did not receive any government subsidy.

Availability of natural resources

Natural resources play significant role to establish as well as run small and cottage industries. Local people use available natural resources as raw materials too. The availability of natural resources is mentioned in the following table:

Table 4: Distribution of the respondents on the availability of natural resources

Availability of natural resources	Number	Percent
High	8	26.7
Medium	18	60
Low	4	13.3
Total	30	100

Source: Filed Survey, 2022

Out of 30 respondents, 8 (26.7%) entrepreneurs has been getting a high level of natural resources to run their enterprise. 18 (60%) of them were getting medium level at natural resources. And 4 (13.3%) of them had low levels of natural resources availability to help them in the business.

Raw materials collection

Raw materials is pre-condition for the operation of resource based enterprises. Bamboo is pre requisite raw material for the bamboo based enterprises. Bamboo should be collected locally or outside station to run the industry. Table 5 shows the raw materials collection pattern of the study area.

Table 5: Distribution of the respondents on the raw materials collection

Raw materials collection	Number	Percent
Local Areas	8	26.7
Out of local site	18	60
Out of valley	4	13.3
Total	30	100

Source: Filed Survey, 2022

Out of 30 respondents, 8 entrepreneurs has been collecting a high level of raw materials from run their enterprise. 18 of them were collecting raw materials from nearby local site. And 4 of them had collected raw materials from out of valley.

Challenges of Bamboo Based Entrepreneurship

Availability of sufficient infrastructure

Infrastructure is required for the forward and backward linkage of an industry. Moreover, physical infrastructures provide appropriate environment to run such enterprises. Badikhel area of Godawari municipality is suffered with insufficient infrastructure facilities which is regarded as a challenges for the performance of enterprises. The availability of infrastructure in the area is given below:

Table 6: Distribution of the respondents on the availability of infrastructure

Infrastructure	Number	Percent
Available	6	20.0
Not available	24	80.0
Total	30	100.00

Source: Filed Survey, 2022

Out of 30 respondents, 24 (80%) said that they did not have sufficient infrastructure to run their enterprise, whereas, only 6 (20%) said that they have enough infrastructure.

Accessibility to the market

The products of small and cottage industries need to send the market. Therefore, market access determines the success of any enterprise. The bamboo based enterprises of Badikhel area do have little access for its products. Market accessibility of Badikhel area

enterprises has given as follows:

Table 7: Distribution of the respondents on the accessibility to the market

Accessibility to the market	Number	Percent
Easy access	8	26.7
Difficult access	22	73.3
Total	30	100.00

Source: Filed Survey, 2022

Out of 30 respondents, 22 (73%) said that they did not have easy access to the market, whereas, only 8 (27%) said that they could easily access the market.

Availability of skilled human resources

Human resources is the key to succeed any industries. Moreover, skilled human resource is required to acquire better performance. Due to education system and career security, the area is facing unavailability of skilled human resources. The data is presented on the following table:

Table 8: Distribution of the respondents on the availability of human resources

Availability of human resources	Number	Percent
Easily available	6	20.0
Difficult to find skilled human resources	20	66.7
No skilled human resources	4	13.3
Total	30	100

Source: Filed Survey, 2022

Out of 30 respondents, 20(67%) said that they could not find skilled human resources to run the businesses. 4 (13%) said that they were not able to find any human resources. And, 6(20%) said that they could easily find human resources they want to hire.

Conclusion

The focused issues of this paper is to examine the opportunities and challenges of bamboo enterprises in the study area. Entrepreneurship is a very important driving force for the economic and social development of any country. Entrepreneurs are found to face various challenges to succeed in their enterprises due to socio-cultural, educational, economic, and infrastructural restrictions. It is found that poverty and lack of financial resources

were crucial challenges that deterred participants to either start or expand their enterprises. All of them were either borrowing or getting loans to establish their business. The socio-cultural factors have restricted the participants from succeeding in their enterprises. The participants of this research, entrepreneurs of rural Nepal. Were adversely affected by deep-rooted patriarchal culture and norms along with gender disparity. It was found that there were very few bus services to access the village of Badikhel. It was concluded the skilled human resources were hard to find in the area. Most of the skilled manpower had moved to the city areas and shifting another sector. This was one of the major challenges for the entrepreneurs. The findings from this research suggest that entrepreneurs from rural Nepal are highly entrepreneurial even though they are uneducated, financially weak, the targets of many superstitious beliefs, victims of gender disparities and restricted due to embedded patriarchal perceptions. The findings from this small-scale study highlights some important issues and questions the affect the daily lives of women residing in rural Nepal.

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