

Entrepreneurship Education: Pathway to Economic Empowerment through Income Generation

Background

Poverty reduction is an overarching goal of the government plan and policies. Agriculture remained a major livelihood option for majority of rural people. However, smallholder farming households can't rely fully on it due to small size of land, limited technical knowhow, low productivity and lack of access to market. Remittance has evolved as the second most major source of income as higher number of rural population, especially men, are migrating to urban centres or abroad in search of better income opportunities. Other sources of income are small enterprises in production and service sector and wage labor for those who have virtually no farm land, investment capacity and other sources of income. Male migration is widespread in GOAL project areas as about 80% households have at least an individual migrated either to other districts, India or abroad for employment. It is changing traditional gender roles and female are increasingly involved in productive activities away from their engagement in mostly reproductive roles. However, they have little exposure to entrepreneurship activities and limited skills in numeracy, record keeping and developing business plans. Equipping them with business skills empowers them not only to increase their income for improved quality of life and sustainable livelihoods but also to bridge the existing gender disparity in the household and community. With this context, the project designed an entrepreneurship education (EE) classes with theoretical and practical courses to improve knowledge and understanding on business and technical skills, which are required to start new or improve existing business, using a non-formal adult learning approach.

Project in Brief:

Name: Good Governance and Livelihood

Location: Rolpa, Pyuthan and Dhading

Duration: 2014-2019

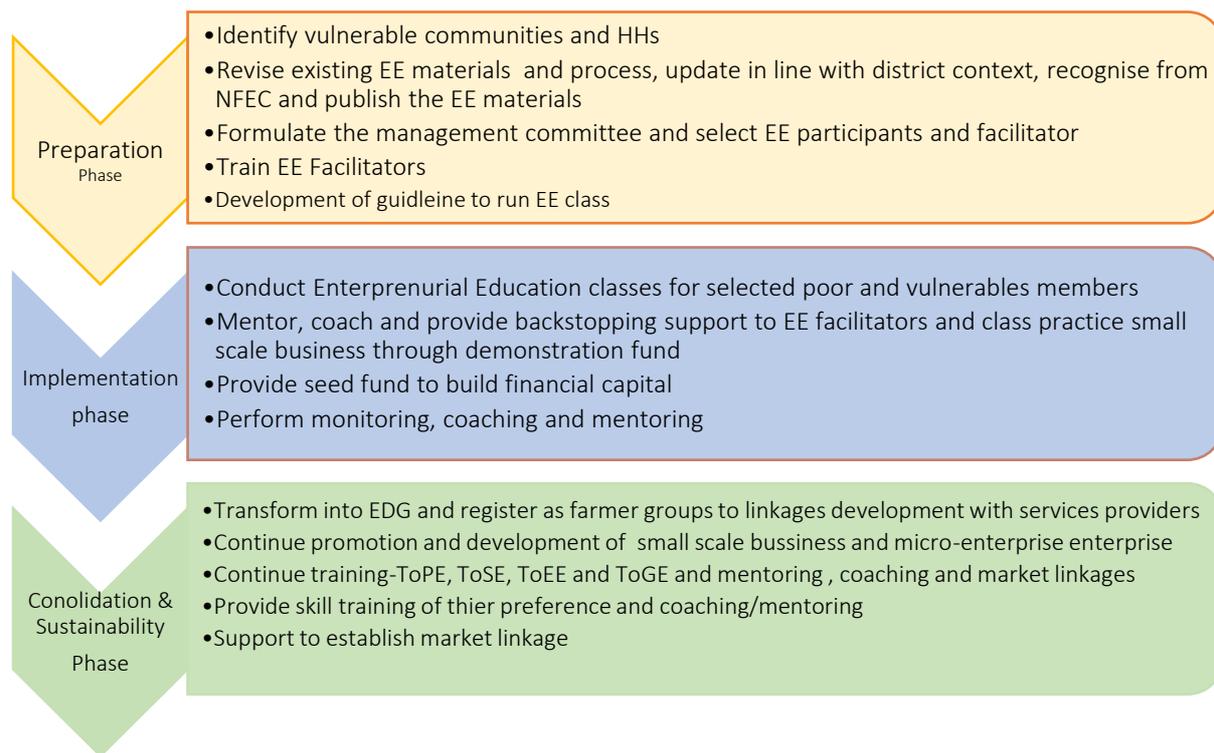
Funding Partners: Australian Government through Department of Foreign Affairs and Trade (DFAT) and ADRA Australia

Implementing Partners: Rupantaran, FIRDO Nepal, RUDAS Nepal



Implementation Approach/Methodology

The diagram below described the methodological approach to entrepreneurship development initiatives in GOAL project.



Implementation Process of Entrepreneurship Education Classes

Two modules of EE class were developed with a focus on business types, microenterprise, value chain, business planning, entrepreneurship and introduction to different on-farm and off-farm businesses. The course was reviewed and endorsed by Non-Formal Education Centre (NFEC) under the Ministry of Education. The project developed guidelines to run EE class, set up demonstration and operate saving and credit mechanism. Groups were provided with initial fund (Rs. 1500 per member) to start saving and credit mechanism within group. In addition to EE class, Start and Improve Your Business modules (Training to potential entrepreneur, Training to Starting Entrepreneur, Training to Existing Entrepreneur and Training to Growing Entrepreneur) were provided to members developing thirst for entrepreneurship. Likewise, various skill training on on-farm and off-farm income generation/business opportunities were provided based on individual preference and potential. The practice of keeping income and expenditure in a record book was promoted and the project also facilitated the preparation of a basic business plan.

Existing mechanisms such Ward Citizen Forum (WCF) and Agriculture, Forest and Environment Committee (AFEC) need to be engaged in planning, implementation and monitoring of EE classes for effective delivery. Collaboration and coordination with relevant stakeholders such as Non-Formal Education Centre (NFEC) under the Ministry of Education, District Education Office (DEO) and other stakeholders was ensured for necessary approval, ownership for internalization of materials and approaches. Further, sustainability EE classes was considered from the beginning by envisioning the graduation of EE class into Enterprise Development Groups (EDGs) and registration as farmer groups. Some of the entrepreneurs were also registered as Cottage and Small Industry. Timing of the class was flexible based on participant preference and local context. Number of participants per class also vary according to local context but average number per class was about 20.

Facts and figures:

- 1854 participants completed 6-month long EE class
- 1250 project participants-initiated farm and non-farm microenterprise
- All 90 groups having establish revolving fund with total amount reaching of NPR 91,01,497 and already 1,821 have accessed loans for their enterprise upgradation activities
- 1193 participants received additional skill enhancement trainings in enterprises of their choice
- 1066 beneficiaries prepared business plan of their enterprise

Outcomes and Impacts

Increased confidence among women participants:

Although the focus was on entrepreneurship, participants improved their literacy and numeracy skills. All members can now write and read their names, confidently put signature in minute book during group meeting, and speak confidently without hesitation with outsiders. The entrepreneurship education has improved the status of women by diversifying their engagement in community roles and productive activities. EE classes' environment and process have provided ample opportunities to mix-up with each other, share opinions and experiences; the participants have become more open, confident and have demonstrated self-assured behaviors. Engagement in income generating activities helped women build their confidence and they longer have to rely upon male counterparts for a small expense. Increased income also helped them to be decision maker to buy asset or to spend on children's education, food and healthcare. During the field observation, it was observed that traditional gender role is changing gradually and those husbands who earlier complained of feeling ashamed to join hands in wives' work were now happy to help and flourish the business. And this phenomenon added lot of confidence and energy in the family as a whole.

Anita Pun is a resident of Sirpa VDC. She is a participant of Laligurans Women Entrepreneur Group, Sirpa-5. She was a housewife without any income or savings. When she completed 6-month EE class and learnt about different income options, she took NPR 6000 loan from her group and supplemented her own money to purchase a sewing machine to start a tailoring business. Anita is currently earning about NPR 7000 to 8000 (94-106 AUD) per month. She is also saving part of her income for the future.

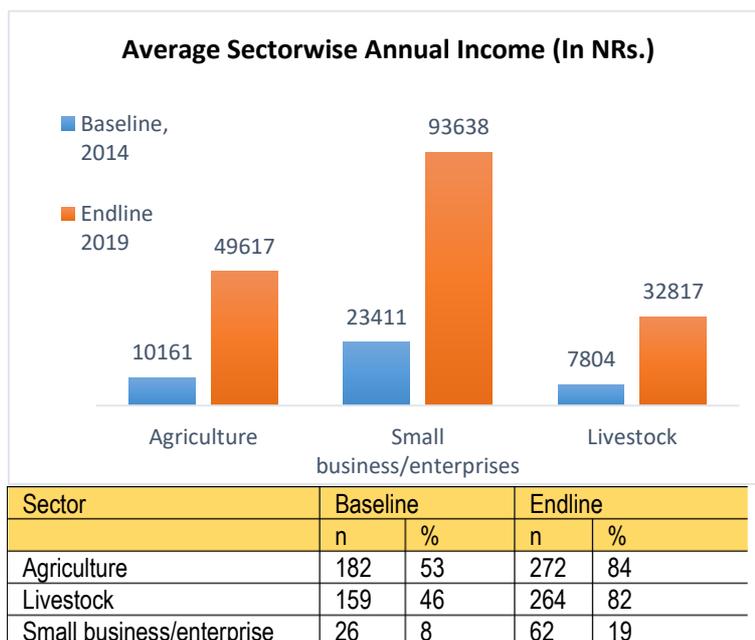
Subsistence to market-oriented production

Those women who were just growing vegetables for their household purpose switched to commercial vegetable farming. Many people even have switched their enterprise by identifying their area of interest. Prior to the project invention community people were reluctant to sell any surplus farm-based products as it was regarded as low social prestige culturally. The training not just helped people establish an enterprise but helped them lead a successful one. People got skill-based trainings in the area of their interested enterprises. Every individual who were part of the skill training program not just took the training but also converted their business idea into a commercial enterprise as desired by the program. There has been raised awareness on marketing aspect and people have started selling their products within the village and in the nearby markets. The women selling surplus production has been role model for others in village and the social taboo is slowly diminishing. Further, the success achieved by these women in obtaining additional income has motivated others to follow their path.

Increased livelihood status through income generation

The income generated through engaging in commercial venture has contributed positively in enhancing their livelihood status. During the project survey, it has been found that majority of population spend their income in child education, health expenses, food purchase and savings. Further, the project has also developed management skills in the entrepreneurs of the community.

People have started to maintain record of their performed activities. Additionally, the project has helped to prepare a business plan. This record keeping has helped households to know about the monthly earning and expenses. The learning during the field observation was "acknowledgement



about earnings and expenses provided an idea to minimize the expenses in upcoming days". These learnings had clearly resulted in good planning and management of household.

Increased access to resources and services

The beneficiaries were organized in groups and were delivered the enterprise education classes as well as capacitated in group management and saving and credit. The groups, during the classes, placed the collective efforts towards conducting practical demonstration of what they have learned. This helped them to work in a team. Similarly, the saving and credit provision within each group kept the group intact and increased the collaborative efforts among members to help each other. Further, the groups were registered in DADO initially and later in local government which has opened up space for resource leveraging from these stakeholders. These groups have already secured resources from local governments and district agencies especially on input and capacity building support in farm and off-farm businesses of group members.

Key Learning

- Members of the groups were left to choose the enterprises on their own which had positive effect on enthusiasm expressed by the members to start the enterprises. However, it was realized that individual preferences were too diverse and was difficult to have a focused support from the project. It would be fruitful to provide some guidance on most promising enterprises that suits their skills and have market potential.
- Working with certain commodities only with full fledge value chain approach would be beneficial for producers to have efficient and sufficient production as well as development of market system. A stronger market component would have been useful to create sustainable market linkage for entrepreneurs.
- EEC modules need to be redesigned to provide specific skills and knowledge on business aspects, specially the business and financial literacy. Production skills should be dealt separately. This could potentially reduce the duration of course and encourage regular participation of poor women who have difficulty to allocate longer time to attend class.
- More focus should be given in the use of visuals (posters, chart, picture etc) and practical learning. This would help to make class more interactive to strengthen adult learning.
- Project could have done better in the development of local service providers in business skills as well as inputs and technical advisory for the sustainability of services in post-project period.

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