

# **Assessing the Needs and Challenges of Women Entrepreneurs in the Lalitpur District**

**A research conducted as a part of the Daayitwa Nepal Public Policy Fellowship – 2021 together with the Ministry of Women, Children and Senior Citizens and Women Entrepreneurship Facilitation Center in Lalitpur Metropolitan City to support ‘evidence-based policy making’**

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Daayitwa Nepal Public Policy Fellow 2021

## **List of Abbreviations**

<b>WEFC</b>	Women Entrepreneurship Facilitation Center
<b>CBS</b>	Central Bureau of Statistics
<b>MoI</b>	Ministry of Industry
<b>MEDEP</b>	Microenterprise Development Program
<b>SME</b>	Small and Medium-sized Enterprises
<b>DCSI</b>	Department of Cottage and Small Industries
<b>FWEAN</b>	Federation of Women Entrepreneurs Associations of Nepal
<b>FNCCI</b>	Federation of Nepalese Chamber of Commerce and Industry
<b>FNCSI</b>	Federation of Cottage and Small Industries
<b>GoN</b>	Government of Nepal
<b>FY</b>	Fiscal Year
<b>MEDPA</b>	Microenterprise Development Program for Poverty Alleviation
<b>MED</b>	Microenterprise Development
<b>LMC</b>	Lalitpur Metropolitan City
<b>KII</b>	Key Informant Interviews
<b>FEDO</b>	Feminist Dalit Organization
<b>GBV</b>	Gender Based Violence

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## Abstract

The Government of Nepal along with its various partners has been committed to uplifting the situation of women entrepreneurs. One such recent government initiative to meet this aim is the establishment of **Women Entrepreneurship Facilitation Centers** (महिला उद्यमशीलता सहजीकरण केन्द्र) in 70 different districts of Nepal. The main goal of the center is to help women entrepreneurs be economically empowered by acting as a bridge between the relevant stakeholders and women entrepreneurs so that the beneficiaries can make the most out of the services provided. This research paper in particular focuses on Lalitpur district, one out of the 70 targeted districts, which has made greater progress on the **Women Entrepreneurship Facilitation Centre (WEFC)**. The study identifies the unique challenges faced by women-owned and managed enterprises in Lalitpur by focusing on three main research questions. The research questions look into the challenges and needs of women-owned and managed enterprises in Lalitpur district. In addition, it studies the challenges faced by the WEFC while providing their services. The study aims to highlight measures that the WEFC can take to mitigate these constraints faced by its target group. Through the thematic analysis of the data collected, the study highlights six priority areas for women entrepreneurs, namely: Technical and Skill Development Training; Access to Finance; Marketing; Lack of Formalization; Impact of Covid-19; Caste Identity. Additionally, the research identifies lack of collaboration among stakeholders, limited budget and absence of an official database of women entrepreneurs as hurdles faced by the WEFC, which impacted the work of the facilitation center in Lalitpur. On the basis of the data collected, the study recommends intersectional gender-responsive policies to the *Women Entrepreneurship Facilitation Centers* and the Ministry of Women, Children and Senior Citizens to incorporate in their services.

### 1.Introduction

An inclusive and sustainable socio-economic transformation of the nation cannot be imagined without the equal economic participation of half of its population. Comprising 51.5% of the population, Nepali women's economic inclusion is crucial for our *naya Nepal*, which strives for uplifting the status of their women (**Central Bureau of Statistics (CBS) 2011**). However, the goal of achieving economic equity in Nepal remains constricted to words on policy papers due to gendered constraints, inflexibilities, and systemic failures. One such group that faces the brunt of economic inequity is that of Nepali women entrepreneurs. Research shows that women-owned small businesses mostly employ women employees and are “at the bottom of global value chain” (Ale 2021, 3). Women entrepreneurship not only serves as

the backbone for the economic development and innovation of the country, but it helps elevate the status of women in their communities, contributing to an overall empowerment.

While Nepal has seen a growth in women entrepreneurs due to the increase in economic activities, ensuring equitable access to resources and opportunities to them remains largely limited. Gender-blind policies and regulations fail to address the nuances of gendered oppression and barriers that are specific to Nepali women entrepreneurs due to the societal norms and expectations. Limited mobility, overburdened household responsibilities, higher rate of illiteracy, lack of business training, market knowledge and networking are some of the major challenges that women entrepreneurs face, which inhibits their entrepreneurial endeavors. Additionally, collateral issues due to lack of property ownership serve as an obstacle to access credit, which plays a crucial role in starting the businesses. Since most of the women-owned enterprises are in the informal sector, it makes it difficult for them to apply for credits and take advantage of the government-led initiatives.

The 15th National Plan (2019-2024) of the country aims to create a 'gender accountable' governing system to ensure equitable access to resources, opportunities, and benefits for women leadership in the economic development of the country. The Government of Nepal along with its various partners has been committed to uplifting the situation of women entrepreneurs. One such recent government initiative is the establishment of *Women Entrepreneurship Facilitation Centers* (महिला उद्यमशीलता सहजीकरण केन्द्र) in 70 different districts of Nepal. The main goal of the center is to help women entrepreneurs be economically empowered by acting as a bridge between the relevant stakeholders and women entrepreneurs so that the beneficiaries can make the most out of the services provided. The facilitation centers have been established to provide information related to entrepreneurship training, business management and registration, available credit facilities, marketing, testing, labelling, pricing, packaging of produced goods, etc. to women entrepreneurs in their respective districts. The program had been initiated in the fiscal year of 2077/ 78, however it is still in its nascent phase due to the COVID-19 lockdowns that the country faced. Despite the slow progression, these centers are a notable initiative taken by the government to center the needs of women entrepreneurs in Nepal.

This research paper in particular focuses on Lalitpur district, one out of the 70 targeted districts, which has made greater progress on the *Women Entrepreneurship Facilitation Centre (WEFC)*. The study identifies the unique challenges faced by women-owned and managed enterprises in Lalitpur by focusing on three main research questions. The research questions look into the challenges and needs of women-owned and managed enterprises in Lalitpur district. In addition, it studies the challenges faced by

the WEFC while providing their services. The study aims to highlight measures that the WEFC can take to mitigate these constraints faced by its target group. Through the thematic analysis of the data collected, the study highlights six barriers that women entrepreneurs face, namely: Technical and Skill Development Training; Access to Finance; Marketing; Lack of Formalization; Impact of Covid-19; Caste Identity. Additionally, the research shows that lack of collaboration among stakeholders, limited budget and absence of an official database of women entrepreneurs were some of the hurdles that impacted the work of the facilitation center in Lalitpur. On the basis of the data collected, the study recommends intersectional gender-responsive policies to the *Women Entrepreneurship Facilitation Centers* and the Ministry of Women, Children and Senior Citizens to incorporate in their services.

### **Research Questions:**

- 1) What are the needs and challenges faced by women-owned and managed enterprises in the Lalitpur District?
- 2) How can *Women Entrepreneurship Facilitation Centers* mitigate these constraints and challenges?
- 3) What are the challenges faced by the *Women Entrepreneurship Facilitation Centers* while delivering their services?

### **Research Objectives:**

- 1) To identify the unique challenges and needs faced by women-owned and managed micro-enterprises in Lalitpur
- 2) To understand the challenges faced by the *Women Entrepreneurship Facilitation Centers* while delivering their services
- 3) To recommend gender-responsive policies to the *Women Entrepreneurship Facilitation Centers and Ministry of Women, Children and Senior Citizens* to mitigate the constraints

## **2. Women Entrepreneurship and Challenges**

Entrepreneurship is a gendered phenomenon, where entrepreneurial choices are shaped by unequal power structures and social-cultural norms and roles existent in our societies. Due to the gender stereotypes and traditional roles assigned to women, ensuring equitable access to resources and opportunities to them serves as an obstacle for entrepreneurial development. According to the Industrial Enterprises Act 2020, industries in Nepal are classified into five different types: i) Micro enterprises ii) Cottage Industries iii) Small Industries iv) Medium Industries v) Large Industries (**Ministry of Industry (MOI) 2010**).

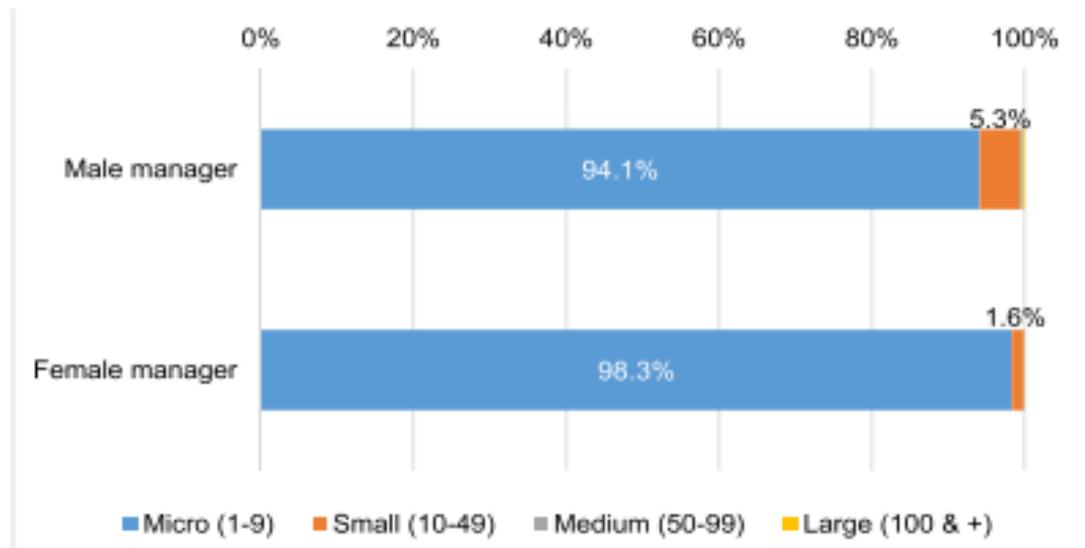
Types of industries	Fixed Capital
Micro-industry	not exceeding two million rupees (except house and land) and electric energy consumption of 20 KW or less
Cottage industry	industry based on traditional skills and technology with electric energy consumption up to 50 kW
Small industry	not exceeding one hundred fifty million rupees
Medium industry	exceeding one hundred fifty million rupees but not exceeding five hundred million rupees
Large industry	exceeding five hundred million rupees

**Source: Industrial Enterprises Act 2020**

National Economic Consensus 2018 observes that there are a total of 923,356 establishments in Nepal, out of which 50.1% are registered and 49.9% are not registered<sup>1</sup> (CBS 2021). Within these registered enterprises, only 29.8% have female owners, while the rest are owned by men (CBS 2021, xix). Additionally, female managers in these establishments are only 29.6%, with 70.3% enterprises run by male-managers (ibid, 10). The numbers in itself point towards the gender disparity that exists in the field of entrepreneurship, which traditionally is considered to be a male career path. Furthermore, we see a drastic wage gap between female and male workers. While 58% of women workers earn less than Rs. 7,600, only 12.2% of women have monthly income more than Rs. 25,000 (ibid, 7). The Microenterprise Development Program (**MEDEP**) identifies that most women in Nepal are involved in the micro, cottage and small-scale enterprises (**Sigdel 2017, 31**). It is noted that 67.9% of micro-enterprises are led by women, whereas the remaining 32.1% are run by male-entrepreneurs (**Karki 2013, 30**). Figure 1 shows the share of the number of establishments by scale of the industry and sex of the manager. As noted, micro-enterprises are observed to have 98.3% of female managers with only 1.6% in the small scale industries (CBS 2021, 16). Additionally, there are only 0.07% and 0.04% of female managers in medium and large scale industries respectively (ibid). This difference is mainly because the scale of businesses owned and managed by female managers is smaller than that of their male counterparts.

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<sup>1</sup> The statistics by National Economic Consensus 2018 excludes unregistered agriculture, forestry and fisheries, public administration, defense and compulsory social security, activities of households as employers; undifferentiated goods- and services-producing activities of households for own use and activities of extraterritorial organizations and bodies (Women in Business)



*Figure 1: Share of the number of establishments by scale of the industry and sex of the manager (CBS 2021, 16)*

As seen, while the presence of women entrepreneurs is largely present in smaller scale industries, scaling of their businesses has remained a major challenge. **Marlow and McAdam (2013)** observe that women entrepreneurship is seen as inferior when compared to enterprises led by men in areas of enterprise performance, size and sectoral choices. Since the entrepreneurship sphere remains heavily male-dominated, we often see clusters of women-led/owned enterprises in similar types of small scale businesses. Rouse et al. asserts that “women’s entrepreneurial preferences do not necessarily reflect free choices: they are often manifestations of unjust social outcomes” (**Thapa Karki et al. 2021, 690**). Several studies have been conducted to understand this unique gendered challenges faced by women entrepreneurs in different cultural contexts, which conditions the structural barriers and unjust social outcomes that they face. Considering the prescribed social roles that are allotted to women, often there are frictions observed between their roles of running an established business and adhering to the social expectations, values and norms as a woman. Grant (2013) argues that “women often downplay their entrepreneurial identities and business success to adhere to socially expected norms regarding their behavior and roles” (ibid). While it cannot be denied that women aspire to have successful business, often the incompatibility between it and their prescribed roles discourages them to instigate or expand their business ventures.

Research by **Raghuvanshi et al.** identifies 14 barriers that women entrepreneurs face to further rank and establish causal relationships among them. 5 out of these 14 are identified as major causal challenges that result in other outcome barriers (2017, 220). According to their research, lack of education, experience and training opportunities emerged as a major causal barrier followed by spatial mobility, lack of family and institutional support, lack of entrepreneurial management and problems in acquiring financial resources (ibid, 230). These causal barriers resulted in less propensity to engage in entrepreneurship, slow growth in enterprise, less monetary benefits and higher shut rates among women entrepreneurs (ibid, 231).

### 2.1. Lack of formal education and training hampers women entrepreneurs

Lack of formal education, experience and training opportunities limits the risk taking ability of women entrepreneurs resulting in less propensity to engage in entrepreneurship. The literacy rate of Nepali women is 20% lower than that of men with only 57.7% of the female population being literate (CBS 2021, 1). Figure 3 shows the academic qualification of 368 women entrepreneurs within the Kathmandu valley.

Education Level	Frequency	Percent (%)
Just literate	10	3
SLC	65	18
Intermediate (+2 level)	137	37
Bachelor	111	30
Master and above	45	12
<b>Total</b>	<b>368</b>	<b>100.00</b>

Source: Field Survey, 2013

**Figure 3: Academic Qualification of Women Entrepreneurs (Sigdel 2017, 35)**

As illustrated, 3% of the respondents are just literate, 18% have studied up to SLC, 37% up to +2 and 30% and 12% have bachelors, master and higher degrees respectively. Considering the gap in education, training related to entrepreneurship becomes important for women entrepreneurs to make an informed decision about their businesses. However, due to a higher rate of illiteracy, despite receiving training/workshops, it becomes difficult for them to upgrade their entrepreneurship knowledge and skills (**Rai 2021, 13**). Additionally, this gap creates a lack of awareness due to which they are not able to take advantage of services and exemptions provided by the government and non-government institutions.

Furthermore, it is noted that the majority of women-owned **Small and Medium-sized enterprises (SME)** lack prior market research and entrepreneurship knowledge, which impacts identifying market needs,

resulting in problems in business operations (ibid, 10). Similarly, lack of knowledge on labeling and packaging creates a disadvantage with competitors and hampers export potentials due to limited quality of the product. This lack of entrepreneurial management skills results in fear of risk taking, less growth of business, less monetary benefits, high shutdown states and less propensity to engage in entrepreneurial activities (Raghuvanshi et al. 2017, 230). Due to these limitations women entrepreneurs tend to operate small scale businesses, which are generally less profitable. Training programs that include technical business management skills is crucial to address these gaps to promote the growth of women-led enterprises. However, these programs should consider the limitations of their beneficiaries since the participation of female participants in these workshops is low due to their household responsibilities and restrictive mobility. Rai (2021, 10) also argues that there is a mismatch in the needs of the industries and the training programs provided by the government, which creates a shortage of skilled-workers.

## **2.2. Oppressive social norms create bottlenecks for female entrepreneurs**

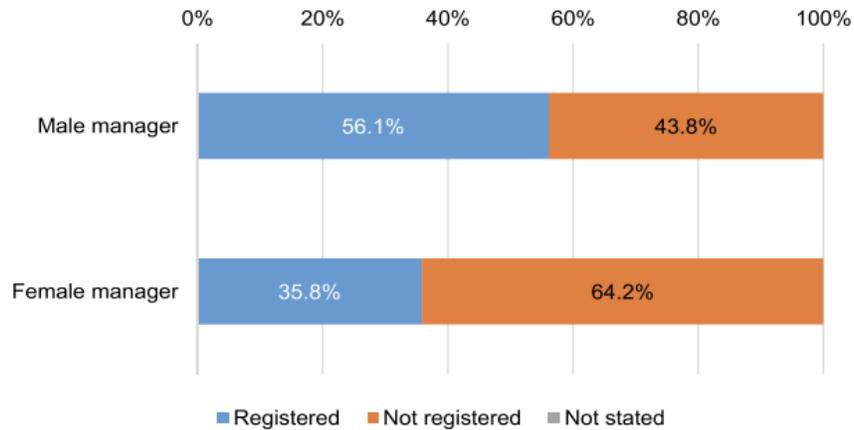
Research shows that lack of family support and limited spatial mobility was observed as the second biggest challenge that influenced the risk taking ability of women entrepreneurs and contributed to higher rates of shutdown (Raghuvanshi et al. 2017, 233). Since the dual burden of household and business responsibilities challenges the success of the business, it impacts the risk-taking ability of women entrepreneurs. In addition to the systemic failures prevalent in the country, traditional gender roles and expectations, especially in rural areas, limit women entrepreneurs to household level productions, stunting the enterprise growth. Here, the need for the support of the family becomes crucial, which when absent deters women to start, or expand their own businesses. Similarly, restrictive spatial mobility limits traveling and further networking, which has a direct negative result on the expansion of the business. Women's mobility influences their relationship with their customers and suppliers, however when this mobility is policed it impedes their ability to form networks beyond family and friends (**Karki et al. 2019, 4**). While support from social networks of family, friends, neighbors are important to instigate enterprises, not being able to outgrow that creates a tacit dependency, which hampers business scaling. Moving forward, even though the Civil Code Bill ensures equal property rights to both daughters and sons, only 26% of women have access to property rights (ibid). Moreover, only 8-10 percent women have land ownership certificates and these land averages 0.1 hectares per holding (**Goodrich et al. 2018, 38**). This lack of property ownership raises collateral issues, serving as an obstacle to access credit, which is crucial to start businesses.

### **2.3. Access to finance serves as a major barrier for women entrepreneurs**

Only 61% of Nepalese population have access to financial services out of which 56% are men and only 36% are women with the same accessibility (Ale 2021, 16). This disparity is seen because of various social, legal and institutional reasons (Ghosh & Vinod, 2017; Presbitero, Rbellotti, & Piras, 2014; Mertzanis, 2017). The Government of Nepal has taken numerous initiatives to create a conducive environment for women entrepreneurs in the forms of subsidized loans and exemptions. However, there is a lack of proper information dissemination regarding the criteria of the loan, which makes it difficult for women entrepreneurs to understand the process (Frost 2020). In addition, since there is a high demand for loans it becomes difficult to address the needs due to limited supply. Moreover, women entrepreneurs who do receive the credit services still need to take loans from other institutions at a higher interest rate due to the credit limitation, which is not sufficient for the operation of the enterprises. Similarly, a general hesitancy to provide collateral-free loans is also observed despite the provisions in place (Ale 2021, 6). UKaid report identifies lack of property; limited specialized financing products for women; limited female representation in banks and think tanks; patriarchal socio-cultural system; lack of accountability of government and non-government financial institutions as the reasons behind the hesitation of banks to provide credit to women entrepreneurs (ibid, 17). Women entrepreneurs themselves face barriers such as lack of awareness of available services, facilities and products provided by financial institutions; lack of collateral; tiresome loan documentation process; business plan requirement of banks and hesitance to formalize their enterprise, all of which prevents them from accessing finance (ibid).

### **2.4. Lack of formalization makes it harder for women to access services**

We see a reluctance in the registration of businesses among women entrepreneurs due to which most of the women-owned enterprises are in the informal sector. This lack of formalization makes it difficult for them to apply for credits and take advantage of government-led initiatives. Figure 4 shows the percentage of establishments by registration and the sex of the manager (CBS 2018, 18). As illustrated, only 35.8% of women-managed enterprises are registered in comparison with the 56.1% of male-managed registered enterprises. The fear of taxation, lack of awareness of the benefits provided after registration, corruption and the cumbersome process of registration are some of the factors that discourage women entrepreneurs from formalization (Rai 2021, 17).



*Figure 4 : Share of number of establishments by registration and sex of manager*

## **2.5. Essentialization of women entrepreneurs mostly benefits urban-middle class women**

The provisions introduced for women entrepreneurs are criticized for being ‘blanket approaches’, which have failed to meet the needs of women from different socio-economic backgrounds and address their gendered constraints (Ale 2021, 8). These provisions have also been criticized for benefitting mostly urban middle-class women, failing to address the needs of marginalized women (**Gurung 2018, 40**). The discourse around ‘Nepali women entrepreneurs’ fails to recognize the intersectionality that exists in the category of ‘Nepali women’. Since women of different social positions of caste and class have different access to resources due to our cultural history, it becomes important to view ‘Nepali women entrepreneurs’ as a non-homogenous group. This intersectional perspective needs to be adopted in our policy reforms to ensure that the facilities provided reach the most marginalized communities.

## **2.6. COVID has further created new challenges for women entrepreneurs**

While the COVID-19 pandemic has affected the overall economy of the country, the extended periods of lockdowns have most significantly impacted women-led enterprises and threatened their survival. A survey by Nepal Rastra Bank notes that as of mid-November 2020, 46.56 percent of small and cottage enterprises had resumed, while 36.64 percent were resumed partially, and 16.79 percent were entirely closed down (Prasian 2021). Similarly, according to FWEAN around 15 percent of women-owned businesses had collapsed due to the pandemic with the remaining operating partially (ibid). The pandemic has imposed serious challenges in the substantial growth and sustainability of these enterprises. Scarcity of raw materials has been one of the major challenges that has risen due to the disruption in global and local supply chains resulting in the halt of production. This pause has created anxiety among women entrepreneurs who are now struggling to repay their bank loans. Additionally, the domestication due to the

lockdowns have added responsibilities and workload on women due to the gender roles prescribed in our society. This over-burdening of work has made it difficult for women entrepreneurs to invest their time in their businesses. Nepal Rastra Bank has introduced a policy to provide subsidized loans up to Rs 1.5 million without collateral to women entrepreneurs, however challenges still persist (ibid).

### **3. Provisions for women entrepreneurs in Nepal**

#### **3.1. Exemptions provided by the Government**

Industries registered only in the name of a woman have 35% exemption in registration and 20% in fee while registering their industrial property (Goodrich et al. 2018, 39). Similarly, registration is free of cost for women-owned microenterprises (ibid). Additionally, “15 percent income tax exemption is given for enterprises with more than 50 percent native women and employees, and collateral-free loans at 6 percent interest” (Subedi 2021). However, it has been noted that banks are still hesitant to provide collateral-free loans despite the provisions in place (Ale 2021, 6). Several policies by the government are in place to revive micro, cottage and small industries, which have a dominant number of women-owned enterprises. The Government provides credit at a maximum 5 percent interest rate and requires development banks and financial institutions to utilize 20 and 15 percent of their total credit portfolio to micro, cottage and small industries respectively (Subedi 2021). In addition, Rastra Bank in 2018 has subsidized loans for women entrepreneurs, however, it has been noted that inconsistent information about the criteria of the loan has been received from various branches, making it difficult among women entrepreneurs to understand the eligibility criteria (Frost 2020).

#### **3.2. Women Entrepreneurship Development Fund**

Women Entrepreneurship Development Fund (WEDF), initiated by the Ministry of Industry (MOI) in 2015, provides a collateral free loan at six percent interest rate with the limitation up to five lakh rupees to women entrepreneurs (WEDF Operational Procedure 2065). Women entrepreneurs need to submit an application along with their business plan to the district office of **Department of Cottage and Small Industries (DCSI)**, who later send it to the center office of DCSI in Kathmandu. It is mandatory for the women-led enterprises to be in operation for at least two years and they require recommendations from umbrella organizations such as **Federation of Women Entrepreneurs Associations of Nepal (FWEAN)**, **Federation of Nepalese Chamber of Commerce and Industry (FNCCI)** and **Federation of Nepal Cottage and Small Industries (FNCSI)**, etc to apply for the credit. The DCSI analyses the application and provides loans to enterprises that meet criteria such as:- use of local resources;

sustainability, generating employment, pollution control, etc. (Adhikari 2017). Despite the WEDF being a great initiation, due to the credit limitation, women entrepreneurs still need to take loans from other institutions at a higher interest rate for the operation of their enterprises.

### **3.3. Micro-Enterprise Development Programme for Poverty Alleviation**

The Government of Nepal (GoN) and the United Nations Development Programme (UNDP) started the Micro-Enterprise Development Program (MEDEP) in 1998. This program aimed to increase the employment opportunities and level of income of groups below the poverty line by developing micro-enterprises through entrepreneurship development. Given the success of the initiative, GoN in the **fiscal year (FY) 2009/ 2010**, internalized the program and since then has expanded to all the 77 districts and 753 local levels. The government has allocated a budget of 2.24 billion to MEDPA in the current FY 2077/78 for its implementation program. The program targets members of family who are below the poverty line and its target group consists of at least “70% women (including single women), 30% Dalit, Indigenous/Janajati 40%, Madhesi 40% and youth (16-40 years) 60%” (MEDPA). The program employs the MED (Microenterprise Development) model that aims to create self-sustaining entrepreneurs. There are six components to this model:

- 1) Social Mobilization for enterprise development
- 2) Entrepreneurship development through capacity building
- 3) Technical Skill Development
- 4) Access to Finance
- 5) Access to Appropriate Technology
- 6) Marketing Linkage and Business Counseling

The initial step includes launching awareness programs in the targeted districts through community sensitization, sensitization workshop, village community meeting, orientation of the program and networking with partner organizations. Additionally, through its special screening criteria, it assesses the entrepreneurial competencies of its target groups and selects those who can best benefit from the program. MEDPA uses “Start and Improve Your Business” (SYIB), an entrepreneurship development package for rural settings, to help entrepreneurs gain entrepreneurship knowledge and skills for enterprise creation and development. After this,

different kinds of training are conducted for the development of the technical skills of the participants. MEDPA employs a demand-driven concept, and thus, as per the demand of the participants, creates and conducts technical skill development training, which aims to create sustainable entrepreneurs. The content of the training programs vary according to the type of the enterprises. Not only does the program help in capacity building, but it also facilitates access to finance, appropriate technology and helps in marketing linkage and business counseling.

### **3.4. Women Entrepreneurship Facilitation Center**

The federal government has issued “**Women Entrepreneurship Facilitation Center Operation Procedure 2021**” with the aim to promote economic independence among women entrepreneurs through employment and self-employment opportunities. The facilitation centers have been established in 70 local units of the country to provide women entrepreneurs with information related to entrepreneurship training, business management and registration, available credit facilities, marketing, testing, labelling, pricing, packaging of produced goods, etc. The main goal of the center is to act as a bridge between the relevant stakeholders and women entrepreneurs so that the beneficiaries can make the most out of the services provided. The local units have been selected according to their active involvement in industrial and marketing activities. Additionally, availability of raw materials, facilities provided by banks and financial institutes, and an active number of women entrepreneurs are some of the other criteria that were considered before selecting these local units. The center is a part of the Women and Children section of the office of the respective local level with the section chief as the focal person. Additionally, the center employs a woman entrepreneur as the facilitator who provides technical support and assistance to the work carried out by it. The procedure also requires the formation of an implementation committee of nine-members, which is led by the deputy chief of the municipality/ rural municipality for the establishment and the management of the center.

Women Entrepreneurship Facilitation Center in Lalitpur is in the Women Development Division of the **Lalitpur Metropolitan City** (LMC) Office. The facilitation center here has made significant progress when compared to other facilitation centers in different local units (MoWCSC). According to the progress report (2077/2078) of the division in LMC, given below are the activities conducted by the center so far:

- 1) **Data Collection:** The facilitation center is working on the data collection of women entrepreneurs within the district. The center aims to create a section for the WEFC in the main LMC website so that the data collected and stories of women entrepreneurs' successes can be shared with the public.
- 2) **Workshop:** A four-day-long informational workshop was conducted for 25 women entrepreneurs on record keeping, auditing, exemptions and facilities provided specifically to women entrepreneurs by Nepal government, bank and other financial institutions.
- 3) **Women entrepreneurship facilitator:** The center has a woman entrepreneurship facilitator who has been working with them since the past four months to run the center and facilitate the relevant activities.
- 4) **Inspection of women-owned enterprises:** The center carried out on-site visits of 20 women-led enterprises in different wards of the district to understand their situation while operating their enterprises.

Additionally, the center has created a network of women entrepreneurs through household visits, regular virtual sessions and a one-week awareness campaign that publicly took place in Jawalakhel.<sup>2</sup> It has also made an effort to link women entrepreneurs with different financial institutions, government offices and private sectors.

#### **4. Methodology**

This study employed qualitative data collection methods. Desk-review of the relevant literature, news, and organizational reports were used as secondary resources to understand the challenges faced by women entrepreneurs in Nepal. In order to understand the research needs of the MoWCSC, several consultative meetings were conducted with the sachib and upa sachib of the ministry. Out of the 70 districts, the *Women Entrepreneurship Facilitation Centre* in the Lalitpur municipality was selected. Since the establishment of the facilitation centers is a recent initiative, the center in Lalitpur was selected as it was noted that it had made fairly more progress than other municipalities, who have yet to start smoothly. The primary data sources were collected by conducting **Key Informant Interviews (KII)** with 9 different stakeholders working with women

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<sup>2</sup> Maheshwori Bista Rawal, interview by author, Lalitpur Metropolitan City office, October 21, 2021.

entrepreneurs in Lalitpur. The list of the stakeholders are given below:

Head of Women Development Division of Lalitpur Metropolitan City	Focal person of WEFC, Maheshwori Bista Rawal
Women entrepreneurship Facilitator of WEFC	Rojita Maharjan
Federation of Women Entrepreneurs Associations of Nepal (FWEAN)  A) Program Coordinator B) Program coordinator Economic Empowerment for Social Justice:	Kishor Kuikel Raju Rai
Sabah Nepal, President	Shristi Joshi
MEDPA Technical Assistant of Bagmati Province	Chandra Buijel
Federation of Nepal Cottage and Small Industries (FNCSI), Lalitpur Metropolitan Committee, Maha Sachib	Swasti Pradhan
Department of Cottage and Small Industry (DCSI), Lalitpur, Udhyog Adhikrit	Bhumika Ojha
Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Chair-person of Women Entrepreneurship Development Committee	Rita Simha
Feminist Dalit Organization (FEDO)	Renu Sijapati

The stake-holders were identified through desk-review and while conducting KII. The organizations have been working with home-based workers, dalit women, women entrepreneurs in Southern Lalitpur, women-led micro-enterprises, etc in the study area. Their expertise helped the study identify the barriers women entrepreneurs from different groups in Lalitpur faced. Similarly, in-depth interviews were also conducted with 6 local women entrepreneurs from different sectors to identify the unique challenges faced by them. 3 respondents were selected from the list of women entrepreneurs provided by the WEFC. Decision was made on the basis of sectors that they worked in. In addition, the rest of the respondents were selected through non-probability convenient sampling. These women entrepreneurs had shops that sold fruits and vegetables, makhmali shoes, pani-puri and stationary goods. Additionally, one had a consultancy and the other led a production house.

## 5. Findings

Women's entrepreneurial choices are shaped by unequal power structures and social-cultural norms and roles existent in our societies. The male-dominant nature of entrepreneurship, burden of the unpaid care economy, lack of family support and trust in women-led initiatives are some of the social factors that impact the work of women entrepreneurs. The thematic analysis performed on the interview manuscripts highlighted six further barriers that women entrepreneurs in Lalitpur faced while starting and operating their businesses. This section elaborates on these six barriers: a) Technical and Skill Development Training b) Access to Finance c) Marketing d) Registration e) Impact of Covid-19 f) Caste Identity. Additionally, challenges faced by WEFC while providing their services were identified through the data. It was noted that lack of collaboration among stakeholders, nominal budget and absence of a database of women entrepreneurs were some of the hurdles that impacted the work of the facilitation center. The findings of the study are based on the key informant interviews (KII) taken of 9 stakeholders and in-depth interviews of 6 women entrepreneurs working in different sectors in the Lalitpur district.

### 5.1. Technical and Skill Development Training

Technical and skill development training has served as an important platform for aspiring, as well as, established women entrepreneurs to start and scale their businesses. Several training programs have been conducted by the relevant stakeholders such as the Department of Cottage and Small Industries, MEDEP program, FWEAN, FNCCI, etc. to capacitate women entrepreneurs. However, we see a gap, where the beneficiaries are unable to materialize these learnt skills into sustainable businesses. All the stakeholders interviewed, who have been a part of providing training to women entrepreneurs in Lalitpur, expressed the lack of instigation of businesses by the participants after receiving the training. The Head of Women Development Division of WEFC explained:

*“A lot of money is being spent on providing training to women entrepreneurs specifically, however it has not been efficient. Women get trained and they either end up staying at home, or use the skill for household production.”*

There are several barriers due to which the production has either not taken place, or has been limited to only household use and a small network of neighbors and friends. It was noted that there is a tendency seen among participants where the same individuals participate in several different training programs, thus not being able to focus on one skill and its value addition. The focus on numbers of participants for the sake of reports instead of the identification of the impact created by these training programs has affected the creation of women-led businesses. Additionally, there is a lack of skill upgradation in these training programs, whereby training programs only cover basic skill sets, making it difficult for women

entrepreneurs to translate them into sustainable business. One of the participants illustrated the issue:

*“They (women entrepreneurs) know how to thread eyebrows, but are not skilled enough to run the entire beauty parlor. They can sew petticoats, but struggle sewing other different types of materials. Now, with such half-developed skills, how will they be able to run an enterprise of their own?”*

The lack of advanced skill training has impacted entrepreneurial and value chain development, and has failed to meet the demands of the market. Moreover, repetition of similar training programs has affected value addition of the services and products, impacting scaling of the business. Participants held the view that there was a need for a holistic and structured package of training programs which include design thinking, business planning, auditing, record-keeping, marketing, registration and tax procedure. One of the trainers interviewed stated:

*“Starting a business is not a ‘one-step-procedure’, it involves making a business plan, marketing, selling, and record-keeping. Women entrepreneurs lack knowledge for structured business management. They do not understand that profit is not just the money that you have in your hand, but you need to keep a record of what you have invested and gotten in return. Just a skill-building program without technical knowledge is not sufficient.”*

Additionally, participants pointed out that enhancement of skill through various levels of training from basic to advanced was very crucial, not only to meet the demands of the competitive market, but also for women entrepreneurs to have sufficient skills to start their own businesses.

Moving forward, we also see gender essentialization in the types of training programs provided to women entrepreneurs. 9 of the participants interviewed pointed out that most of the training programs provided were either related to stitching and weaving, making soaps and detergents, or beauty parlor skills. One of the key-informant interviewee explained:

*“We mostly see gender stereotyping in training in rural areas. There is a prevalent idea that tailoring work should only be done by a woman. The idea that if you give a machine to a woman she will be able to earn a livelihood out of it is very prevalent, which is good, but that is not just the skill that she is capable of. There is a lack of diversity and innovation in these training sessions.”*

Participants perceived gender stereotyping and lack of diversity in training programs to narrow the business prospects of women entrepreneurs as it created duplication in the types of training provided and failed to tap into the local resources and the demands of the market.

## **5.2. Access to Finance**

All the participants interviewed considered access to finance as one of the biggest challenges to start and

continue operating their businesses. Lack of collateral was identified as the major hurdle for women entrepreneurs to access credits from banks and financial institutions. Participants pointed out that despite provisions in place to provide loans without collateral to women entrepreneurs, there still is a lack of implementation of the provision. Working as a documentary filmmaker with her own production company, our participant stated:

*“Banks have provisions to provide loans for women entrepreneurs without collateral, however when you do seek the service, they ask for some sort of guarantee, or collateral, making the provisions redundant. Most women do not have property in their own name, which makes it difficult for them to apply for credit”*

Similarly, our key-informants informed us that despite recommendation letters provided by them to their members, the process to receive loans has still not been easy. It was seen that there was distrust to give loans to women entrepreneurs due to gender stereotypes, which impacted the decisions of the credit providers. This lack of implementation of the policies in place has made it difficult for women entrepreneurs to access finance to start their business. Additionally, the lack of financial injection has also deterred them from expanding their enterprises.

Another barrier that was highlighted was the lack of awareness among the beneficiaries regarding the government schemes, incentives and exemptions provided to them. One participant explained:

*“The Department of Cottage and Small Industry provides collateral-free loans up to 5 lakhs to women entrepreneurs with low interest rates through the WEDF. However, there is a lack of proper information dissemination among women entrepreneurs. They do not know that the service is available. Additionally, they are also not aware that they might not receive the full amount.”*

Lack of information about the facilities available makes it difficult for women entrepreneurs to take advantage of the provisions in place. In addition, only certain groups of women entrepreneurs can utilize the resources since they have networks to be informed about these incentives and have the documents. A respondent, who received a grant of 2 lakhs from the government for her business explained:

*“The announcement of the grant was done in a very short period of time. I was able to apply instantaneously because I had the required documents. That is not the case with other women entrepreneurs. Even while accessing credit most do not know about the process. It is relatively easier for us because we have lawyers, or members in the family with businesses.”*

Similarly, due to lack of proper information regarding loan facilities, stakeholders pointed out that most women entrepreneurs are hesitant to take loans since they are scared and not confident. It was perceived

that proper counseling and awareness about the facilities available was essential to facilitate the access of finance to women entrepreneurs.

### **5.3. Marketing**

Another issue brought forth by the participants was the lack of knowledge about the market needs, which led to starting business without a structured plan. Stakeholders working with women entrepreneurs expressed that there was a lack of prior market research. Women entrepreneurs were seen to start their business without prior knowledge of the market needs. One of the respondents expressed:

*“They start businesses without knowing what to do. They get influenced by other women entrepreneurs around them and just make a jump-start with the business without identifying the local needs and availability of raw materials.”*

This lack of proper planning affects the sustainability of the business, resulting in loss and further discouraging women entrepreneurs from starting their business. In addition, most of the respondents pointed out that women entrepreneurs struggled with marketing their products and services. A common query of, “Where should we sell our products?” is prevalent among them. Lack of quality assurance of the products further adds to the issue of marketing. Our key-informant respondents informed that there was a lack of knowledge about packaging, labeling and branding of products due to which the products are not able to compete in the market. One of the respondents highlighted that it was, firstly, difficult for the products to reach the market due to lack of knowledge regarding it, and secondly, the goods that did reach the market, could not compete due to the lack of quality assurance. Moreover, because of the lack of use of technology, traditional methods of production are still being used, which not only is time consuming, but also limits the unit of production. The Women Entrepreneurship Facilitator of the WEFC stated:

*“There is a lack of innovation in technology in these enterprises. For example - solar dryers can be used for making pau, however women are still dependent on the weather for their production. Due to the lack of technology we have not been able to tap into the actual potential.”*

Additionally, due to the lack of knowledge about the market, women entrepreneurs are dependent on middle men, who tend to take a larger portion of their profit. It was perceived that linking women entrepreneurs directly with the buyers was important to ensure that their work was not being taken advantage of.

### **5.4. Lack of Formalization**

There is a prevalent hesitation seen among women entrepreneurs to register their enterprises. Our

respondents identified the reasons behind this lack of formalization, which occurs due to various factors listed below:

- a. **Lack of information:** Most women entrepreneurs in the informal sector are unaware of the benefits provided after registering their businesses. It was noted that oftentimes registering was seen as a way for the government to only gain taxes from their enterprises rather than a procedure that would benefit them. One of our KII stated:

*“There is this idea that registration is a process for the government to collect taxes. Most women entrepreneurs in the informal sector claim that they have been working just fine without registering and would not want to be a part of the bureaucratic process.”*

Similar views were reiterated by other respondents as well.

- b. **Registration Procedure:** The overly bureaucratic procedure of registration served as another hurdle for formalization. Women entrepreneurs need to travel to Lalitpur to register their enterprise, which often discourages them since it requires investment of time and money. Additionally, they would need to shut their business during this process, which is a loss for their business. Moreover, sometimes due to delay in the registration, even an entire day is not sufficient. Similarly, one of the women entrepreneurs shared her frustration regarding the tax payment process:

*“I am aware of the benefits of registration, however, while paying tax the process is so tiresome and slow that it frustrates me. There are plenty of enterprises in the informal sector that are working just fine. The bureaucratic nature of the procedure makes me want to stop from renewing my registration, especially when I have to shut my shop for an entire day just to give away my hard earned money.”*

- c. **Registration fee:** The registration fee is another financial factor that deters formalization since it ranges from Rs. 1000 to Rs 50,000 depending on the size of the industry with yearly renewal fee.

- d. **Required Documents:** Moving forward, the registration process requires a photocopy of the citizenship of the land-owner, house ownership certificate, or a recent payment of the electricity or water bill. Since most women entrepreneurs do not have the house under their name, it is difficult for them to acquire the necessary documents without the support of the landowner, or their family. One of our respondents, who owns a pani-puri/ miscellaneous goods shop expressed:

*“I want to register my business because then it will help me apply for a loan too. However, my land-lady is a bit old and she does not understand the process and is hesitant to give me the*

*photocopy of her citizenship. I do not know what to do because convincing her seems impossible.”*

Several other participants identified subsidized loans, being able to apply for insurance and incentives from banks and financial institutions as motivational factors to formalize their business. However, it was also highlighted that enterprises that were registered under the name of women were actually not being run by them. One of the stakeholders shared their experience:

*“We called registered women-led businesses and found out that many of them were owners just for the namesake. The business was being run by the male members in the family, who were benefiting out of government schemes and incentives for women entrepreneurs. It is not that these women are not interested in running the business, but it is because they are not allowed to. If there is any legal trouble related to the business, it is these women who have to deal with it since the enterprise is in their name.”*

Despite provisions being in place to encourage enterprises led by women, the misuse of such initiatives calls for the government's attention to ensure that the services reach the beneficiaries. Our respondents pressed that it was important for the government to have measures in place to follow-up on enterprises to mitigate such misuse.

## **5.5. Impact of COVID-19**

The onset of the pandemic impacted businesses all around the country, however women-led/ owned businesses faced the brunt of the issue. Many enterprises not only came to a halt, but many closed as well since they were unable to bear the operational costs. Participants expressed how the impact on global and local supply chains affected their enterprises. A respondent, who owns textile business and works with home-based women workers shared:

*“During the lockdown there was a huge hit on our business. Our orders were canceled, the payment was stalled. Many enterprises took loans to sustain themselves. It was especially difficult for enterprises producing luxury goods since during the time there was a very limited market.”*

Other respondents echoed the experience stating how they were out of business for months and even now things were picking up slowly. Another issue faced was the lack of supply of raw materials since all sorts of mobility was restricted. Enterprises that were dependent on raw materials available in neighbouring countries especially suffered because of it.

Moving forward, the lockdown saw an increase in household chores for women since the entire family

were now indoors. Stakeholders working closely with women entrepreneurs addressed the increase in gender-based violence (GBV), which often was a tabooed issue to bring forth. Both the increase in GBV and household chores impacted the efficiency of the women-led enterprises, which to begin with were suffering due to the pandemic. In addition, there was a rise in mental health issues due to the pandemic. The WEFC even carried out a mental-health virtual session for its network of women entrepreneurs, who were experiencing anxiety and lack of motivation due to the hit in their businesses. Respondents highlighted the importance of digital platforms during the lockdown. Many businesses shifted their marketing to online platforms, and stakeholders even conducted training sessions online. As effective as it was during the desperate times, a digital divide on the basis of gender and class was observed. One of our respondents stated:

*“Most low-income families either do not have mobile/ laptop, or have them in limited numbers. Now, would you use the device for your child’s school, or your training program? We tried to arrange our sessions during the evening, but then women had to tend to their household chores, which made it difficult for us to find a common-ground.”*

The question of how many beneficiaries have access to technology and are capacitated to use them becomes crucial to make the most out of digital platforms during the pandemic and in this digital age.

## **5.6. Caste**

Most of the respondents stated that they had not personally seen direct discrimination on the basis of caste when it came to women entrepreneurs. However, it was highlighted that women entrepreneurs from marginalized groups faced discrimination while selling edible products such as milk, meat, etc. due to the internalized casteism, which is still prevalent in our society. This discrimination is most often observed in rural settings, however prevalence of it in urban areas cannot be denied. One of the respondents stated:

*“Our society has come way forward when it comes to caste issues. I have not seen caste serve as a barrier to become an entrepreneur. If you have the skill, I do not think anybody can stop you from working.”*

However, another stakeholder added how a hotel run by a Dalit man had to shut down once the neighbors found out about his caste identity. Our respondent who directly works with Dalit women added:

*“42% of Dalits are below the poverty line, out of which 80% of them are Dalit women. Economic empowerment is crucial to eliminate poverty. It is important for programs for women entrepreneurs to focus on marginalised groups of women since historically they have been denied resources.”*

Organizations with projects that work with women entrepreneurs added that since their programs were

short-termed, it was difficult to tap into the issue of caste since it required a long-term intervention for sustainable impact. It was perceived that a gradual change was necessary to eradicate caste-discrimination. Stakeholders pressed on the importance of identifying women entrepreneurs from marginalized groups and creating long-term intervention programs. Adding to it, one of our respondents pointed out that since marginalized groups have been historically oppressed, the vast majority of them are below the poverty line. They stated:

*“It is difficult for them to sustain their livelihood. When you do not even have money to eat, starting a business is not even a thought. Intervention programs should ensure alternatives for their participants from marginalized groups so that they have incentives to join these training programs.”*

Additionally, one of our respondents shared:

*“We conducted a workshop for women entrepreneurs where we had people from different caste groups. Initially, we saw hesitation, where participants would not drink tea together, or even attend the sessions, but gradually, this changed. People knew that these training programs would benefit them so they attended it despite their initial reluctance.”*

A need for targeted long-term intervention was pointed out to bring caste sensitivity in the field of entrepreneurship. It was perceived that collaboration with organizations working with marginalised groups and addressing the issue of caste in training programs was important to tackle caste discrimination.

## **5.7. Challenges faced by the WEFC**

The study identified three major challenges faced by the WEFC while delivering its services. It was noted that lack of collaboration among stakeholders, nominal budget and absence of a database of women entrepreneurs were some of the hurdles that impacted the work of the facilitation center.

### **5.7.1. Lack of collaboration**

There is an evident lack of communication and cooperation among the relevant stakeholders and government bodies that are working for women entrepreneurs. Most KII expressed that they had not heard about the establishment of the WEFC and were not aware of its function. Similar problem was illustrated by the focal person of the WEFC, who expressed:

*“It was only later that I came to know about the MEDPA program. 70% of the beneficiaries of their program are women. We are working in the Women Development Division of Lalitpur, we are experts in*

*the field of women empowerment. They should be consulting us since we have been working with women for years, but that has not happened.”*

The MEDPA program has been initiated by the Ministry of Industry, Commerce and Supplies to increase employment opportunities and level of income of groups below the poverty line by developing micro-enterprises through entrepreneurship development. Both the objectives of the WEFC and MEDPA have similarities, yet collaboration between them still has not been materialized. It was expressed that both the government-led initiated programs should have representatives in their committees from the other program for efficiency in communication. This lack of communication has affected the maximum impact of these programs. Since most of these programs have a similar pool of beneficiaries, lack of collaboration leads to duplication of training programs conducted by them. One of the respondents highlighted that if there was cooperation among the different stakeholders, a proper advanced level of training programs could be provided to the beneficiaries for skill-building instead of giving a basic level of training to many individuals. The respondent further added:

*“We have been working with women entrepreneurs for years. We can connect the WEFC with our beneficiaries, assist them in designing programs, and convey the needs of our women entrepreneurs. However, the government needs to inform us about their programs and seek help, but that has not happened. It is only now through this interview that I know of the WEFC.”*

Organizations working with women entrepreneurs expressed similar views. These organizations have been working with Dalit women, home-based workers, women entrepreneurs in southern Lalitpur, women-led micro-enterprises, etc. All the respondents shared their eagerness to collaborate with the WEFC and mobilize their unique expertise. It was expressed that a common digital platform such as an official email list, social media group, etc. could help in dissemination of official information of such programs by the government to create and inform the network of relevant stakeholders working in the field.

### **5.7.2 Lack of budget**

Another issue faced by the facilitation center that was highlighted by the focal person was the lack of sufficient budget to cater to its responsibilities per the operational procedure. For the fiscal year of 2077/78, the WEFC had 5 lakhs as its budget, which was not enough to cover the activities. The Women Entrepreneurship Facilitator explained:

*“Local women entrepreneurs are interested and passionate to join training programs, however we have a nominal budget due to which we are not able to meet their demands. We recently conducted a 4-day-long training program, but that is not sufficient to cover all the topics. However, we do not have funds for*

*further events”*

Due to the lack of sufficient funds, the WEFC is unable to hire more human resources to conduct their programs. Currently, there is only one facilitator who looks after the entire operation of the center. The focal person of the center expressed that there are government-led programs which have budgets that are not being used. The importance of collaboration was highlighted yet again to be able to make the most out of the allocated fund. One of the stakeholders added:

*“Each ward has money allocated to carry out development work for women, however this budget is not being tapped into and is being used for other sectors. The upadhyaksha of wards come and ask us how they can use the budget. The WEFC can coordinate with these ward level officials and mobilize the fund.”*

### **5.7.3 Lack of Data**

Despite the efforts of the WEFC, there is a lack of available data of women entrepreneurs in the Lalitpur district. The data has been fragmented among various government bodies and organizations. Lack of data makes it difficult to identify the trends seen among the women entrepreneurs and further identify the areas that need more focus. An official database of women entrepreneurs is important for data-driven decision making.

## **6. Discussion**

The aim of this paper was to explore the barriers and needs of women entrepreneurs in Lalitpur. It further analyzed the challenges faced by the WEFC while providing their services. Most of the data reiterated the findings existent in previous research, however further nuances were developed through this study. Our study showed that despite taking skill-building training, women entrepreneurs were still not engaging in entrepreneurship. One of the reasons identified was that they lacked advanced entrepreneurial skill sets to run an enterprise, which made it difficult for them to compete in the market with their goods and services and meet its needs. In addition, it was observed that since the same individuals took many training programs, it was difficult for them to focus on one skill and move towards its value addition. The training programs failed to equip women entrepreneurs with holistic advanced knowledge of enterprise and value chain development, and hence were not efficient. It was also observed that gender stereotyping was prevalent while providing training to women entrepreneurs, which limited them to certain fields further narrowing their business prospects. It can be argued that this gender stereotype is one of the reasons behind the cluster of women entrepreneurs in SMEs, which are predominantly low income/ low growth. In addition, this gender stereotyping in training programs also failed to create skilled-workers according to the demands of the industries.

While existing research does point out lack of access to finance as one of the biggest barriers, this study noted that mostly women entrepreneurs with existent networks were able to easily access financial services provided by the government. Since these groups of women entrepreneurs had the resources to be informed about the incentives and had the required documentation, the provisions benefited them while failing to reach marginalized groups. Similarly, lack of information about the benefits of formalization, tiresome registration process, registration fee and lack of required documents served as some of the factors that deterred women entrepreneurs from registering, leaving them to operate in the informal sector. As mentioned in previous studies, the research also showed that fear of taxation, lack of property ownership and distrust in women-led initiatives influenced formalization status of women entrepreneurs. It was observed that enterprises that were registered under the name of women were actually being run by male members of the family, who benefited out of the incentives designed for women entrepreneurs. When policies specifically curated for women entrepreneurs fail to reach the targeted group and benefit men, it points at the failure of the government to implement their gender responsive policies. Furthermore, lack of business knowledge, quality assurance of products and identification of the market needs affected the sustainability of the business and hampered their strength to compete in the market.

During the lockdown, scarcity of raw materials, disruption in global and local supply chains, overburdened household chores, shutdown of the market and gender-based violence impacted the smooth operation of women-led businesses. The study highlighted the need for mental health support for women entrepreneurs due to the distress caused by the loss experienced during the pandemic. A digital divide on the basis of gender and class was observed, which made it difficult for women from lower socio-economic class to take advantage of digital platforms during the lockdown. It was noted that this gender divide in the accessibility of the technology was important for the stakeholders to address and take further steps to capacitate women entrepreneurs to make use of these devices.

The caste-lens applied to the research showed that most stakeholders did not consider caste discrimination as a major stumbling block for the development of women entrepreneurs. Data showed that most held the belief that direct discrimination on the basis of caste was limited and biases were only seen while selling edible products. There was a lack of consideration of the systemic disadvantage that marginalized groups faced, which limited their social capital necessary for entrepreneurial development. A general hesitation among organizations to instigate caste-sensitive projects was seen since it was believed that a short-term intervention was not sufficient. The study highlighted the importance of identification of marginalised women entrepreneurs and introduction of long-term interventions that are caste-sensitive.

Collaboration among the stakeholders working with women entrepreneurs was identified as one of the crucial steps to move forward. It was observed that there was a lack of communication and coordination among the relevant actors. Study showed that most of the organizations working with women entrepreneurs were unaware of the WEFC. Additionally, there was a gap in official communication even among the two government-led programs (WEFC and MEDPA), which had similar objectives and goals with their intervention. It was seen that this lack of cooperation among the key-players impacted the efficiency of these programs. Since one of the issues faced by the WEFC is the lack of budget, collaborative efforts would help maximize the impact. In addition, quality advanced training could be provided to beneficiaries by tapping into the existent networks of the stakeholders. Lastly, the study highlighted the importance of an official database of women entrepreneurs for data-driven decision making.

## **7. Recommendations**

1. Create a mechanism to collect and update the database of women entrepreneurs in the Lalitpur district by collaborating with the relevant stakeholders.
2. Collaborate with MEDPA and employ their MED model to identify and train women entrepreneurs with advanced skill and entrepreneurship development, and the technical know-how of the enterprise.
3. Arrange training programs that are gender responsive for women entrepreneurs at local and Ward/ VDC/ Municipality level. Include topics such as the enterprise registration process, tax procedure, incentives provided by the government and financial institutes for women entrepreneurs, benefits of formalization and caste-sensitization in these programs to inform the participants.
4. Ensure that the same individual is not attending different training programs and establish a follow-up procedure to identify the impact of the programs in the creation of women-led enterprises.
5. Through a demand-driven approach, diversify the training programs provided to women entrepreneurs to challenge the gender stereotype and ensure that they are not predominantly in low-income/ growth entrepreneurial sectors.
6. Lobby for strict and effective implementation of subsidized and collateral free loans for women entrepreneurs.
7. Establish a mechanism to follow-up on enterprises registered under the name of a woman to ensure that the benefits are not being abused by male members of their family.

8. Create an allocated space in wards to conduct weekly markets to sell the products of women entrepreneurs in Lalitpur to mitigate the dependency on middle-men. Online platforms such as WinBiz created by FWEAN can be used to digitally promote the goods.
9. Mobilize local level government bodies and *mahila samuha* in each ward to identify the unique needs and grassroots level challenges that women entrepreneurs of the community face. Additionally, women representatives of the ward members can help create awareness and act as role models to promote women in entrepreneurship.
10. Address the psycho-social needs of women entrepreneurs by conducting sessions on mental health.
11. Collaborate with MEDPA program, stakeholders working with women entrepreneurs in Lalitpur, local level government bodies to ensure that the services provided reach to women from every socio-economic background.
12. Devise a government level mechanism to share and exchange information regarding the different activities conducted by the WEFC and the relevant stakeholders. This platform could further encourage coordination among the key actors and help in sharing expertise and resources.
13. Employ a case-sensitive lens while devising and conducting programs for women entrepreneurs. Further, aim to create a long-term intervention program to encourage women entrepreneurship in marginalized communities.
14. Create awareness about the WEFC through social media platforms, community events at local levels, caller tune messages and orientation programs to different stakeholders and beneficiaries.

## **8. Conclusion**

The initiative taken by the Ministry of Women, Children and Senior Citizens to create WEFC in different districts of Nepal is a laudable step to promote women entrepreneurship. The work done by the WEFC in Lalitpur so far, even during the pandemic, indeed sets itself as an example for other facilitation centers in the different districts. Various literature on women entrepreneurs in Nepal highlight the gendered constraints that they face while operating enterprises. The relevant actors in this field are aware of these challenges, however lack of systemized communication and coordination among them has hampered further development. It is important for the WEFC in Lalitpur to collaborate with these existing stakeholders to maximize its efforts and work towards the value addition of women entrepreneurs. Additionally, it is important to ensure that the facilities provided are just not limited to urban women but cater to the needs of women in rural areas and who belong to marginalized communities. Here, the federalized dissemination of power serves as an excellent platform for WEFC to mobilize local bodies to understand the need of women entrepreneurs at a local level and disseminate information accordingly.

The WEFC in different local bodies has great potential to promote women entrepreneurship. Data-driven intervention and strategies is a way forward for it to amplify its work effectively.