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ECOSOC

HIGH LEVEL SEGMENT

Roundtable 4:

***“Innovative Strategy for Developing Women
Entrepreneurship & Gender Equality in Nepal”***

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Background:

At a time when there is growing recognition of the need to diversify the economy and provide fresh approaches to the development of new products, new services and new ways of working together, the contribution and commitment of more than half of Nepal's population that constitutes of women is an asset that Nepal cannot afford to waste. Yet the position and participation of women at different levels, and employment is still very low. Much of this is rooted in our patriarchal culture, traditions and the fact that policies and laws have yet to be formulated to address both men and women equally. The laws for women are not only unequal but also discriminatory whether it is the law on property, citizenship right or equal participation.

To focus on economic empowerment of Nepali women, we still have a long way to go. Women form a major workforce of the country but they are the unrecognized workforce. However, with changing times the situation is slowly evolving and more and more women are opting to join the paid workforce. Nepal, is a country where the people are born with an inherent sense of entrepreneurship. Each day finds a new set of women entering into private enterprise – however small or big. Almost 90 percent of Nepal's business consists of small and medium enterprises (SMEs); but barely a fraction is wholly owned by women. It is indeed an important concern for our economy, society as well as for individual women who are the largest under-represented group in terms of participation in the economy, as owners of enterprises.

The need to develop enterprise promoted and managed by women in a consolidated and effective way is clearly a crucial issue. We cannot be an economically thriving nation unless we have successful entrepreneurs among women who represent more than half of the nation.

Status of Women & Employment Opportunities:

The total population of economically active women is more than six million, which is around 70 percent of the female population. Out of the economically active women, 85 percent are engaged in the informal sector and 63 percent can be termed as home based labour. It has been estimated that less than 5 percent of women are involved in administrative jobs.

Traditionally, women of ethnic communities in Nepal such as Newars, Gurungs, Sherpas and Thakalis have a long tradition of involvement in business activities beside taking care of the household and supporting the farm work. Women from these communities are relatively empowered and have some entrepreneurship skills running small-scale businesses at local levels.

At present, women employment in Nepal has been largely confined to the informal sector. Nepali women in the rural areas are mostly engaged in agro-based activities. Cultivation, poultry, dairy, small retail shops and handicraft work from agro-products (bamboo mat, basket) are the main sectors of employment. Educated women prefer teaching or nursing as a profession. But with increasing number of women being educated and the global influence of media has led to the entry of more and more women into formal sectors of employment like carpet and garment industries, tea estates, processing and service industries. In urban Nepal, the thrust for educated women is on jobs in marketing, sales, hospitality, banking, travel-tourism, IT and communications amongst others. This changing pattern has also led to better pay and growth opportunities for urban women.

Women entrepreneurship emerged in late 70s in the Nepali economy, but is mostly confined to small and medium scale business activities. At present, 7,000 women entrepreneurs are registered and it is estimated that 400,000 women are active in business activities all over the country. Their contribution to the national economy is estimated at 40 percent of the GDP.

Industrial development in Nepal is at emerging stage where manufacturing industries contributes not more than 10 percent of the GDP and provides employment to not more than 4 percent of the labour force. In this scenario, small and medium scale enterprises become the chief source of employment and a major contributor to the economy. On average it costs Nepali Rs. 300,000 for large industries to create a job whereas small and cottage enterprise create a job on a mere investment of Nepali Rs. 10,000. There are other challenges to be met such as opportunities for access to markets particularly for small women producers in the informal sector. There is notable absence of market information and opportunities for women, small producers particularly in the rural areas. The challenge for government operating through government run programmes, INGO Project, NGO and CBOS, and the formal private sectors is to coordinate projects that are run in the mountains.

Challenges for women entrepreneurship to flourish include lack of access to credit, inadequate managerial and technical skills, low levels of education, poor market information, inhibitive regulatory environments and lack of access to IT skills. These deterrents diminish growth and profitability and their ability to contribute effectively to productive work.

On average, women in Nepal work 10.55 hours per day that is considerably higher than 7.51 hours by men. Despite the higher workload women are paid less than their male counterparts for varied reasons. Existing hierarchy, market access and lack of information are some primary reasons that deprive women from their rightful remuneration. Change in mindset, attitude, beliefs and value systems is fundamental. What is really needed is to make more women view the option of enterprise or career as a positive and achievable aspiration. Of course, it will take some time. We need to ensure, for example, that culture and attitude

of entrepreneurship are thoroughly embedded in our education system so that more women regard setting up and running their own businesses or taking up careers.

Organizational Support for Women Entrepreneurship Development:

Establishment of Women Entrepreneurs' Association of Nepal (WEAN) and creation of Women Entrepreneurship Development Committee (WEDC) under FNCCI are important milestones for women entrepreneurship development in Nepal.

The programmes of WEAN are focused on creation and development of women entrepreneurs through skill upgrading, entrepreneurship training, marketing, product development and micro-credit programs. WEAN with support and coordination with various cooperatives, chambers and enterprises has been able to create a new dimension of work for rural women entrepreneurs.

The Federation of Woman Entrepreneur Associations of Nepal was established in 2002 as an apex body which represents women entrepreneurs in trade, industry, commerce and tourism sectors throughout Nepal. The aim is to build linkages and affiliations at the regional and international level for promotion of woman entrepreneurship, exchange of visits for trade, interchange of services, sharing of knowledge and best practices, setting up of an intra country cooperative focusing on promoting and marketing of products of women entrepreneurs. Federation of Woman Entrepreneur Associations of Nepal also a coordinating organisation supporting the interests of women entrepreneurs in Nepal through effective lobbying for relevant policies and programmes on women's issues with government and non-government organisations for national and socio-economic development.

Federation of Nepalese Chambers of Commerce and Industry(FNCCI), the apex body of the business community in Nepal is also actively involved in the development of women entrepreneurship. Through its women development cell at the central level and various committees at the district levels, FNCCI has been impacting the lives of women through various programmes that address the issues of socioeconomic empowerment of the Nepali woman.

While consistent efforts are being made, there is much more that needs to be achieved and many, many women who have to be reached out to as yet.

Policies and Programs:

Gender has become one of the key crosscutting issues in development over the past thirty years throughout Asia. In the seventies, as the realisation grew that most development agendas had largely ignored women and their often special needs; donors and practitioners adopted a *Women in Development* approach

that focused on increasing women's participation and involvement in program activities generally designed for men. However, over the next two decades it became increasingly clear that the WID approach tended to isolate women from the context of their lives, sometimes ignoring their economic contributions and adding to their labour burden. As a result there was a shift in perception and Gender and Development became the key strategy with the view that women are agents of social change rather than passive participants or victims. From this perspective, women's economic empowerment derives from women's greater overall power and influence at different levels — micro, meso, and macro.

In Nepal, there are no specific policies to promote women entrepreneurship. However, understanding its importance the Government of Nepal has included various programs and activities from the ninth National Plan with a focus on income generation activities. In the 10th National Plan, the government has incorporated policy and program specifically for poverty reduction targeting women and marginalized communities.

Under the national program, to empower women and marginalized people, activities related to income generation, micro-credit facilities, market facilitation and access to technical know how, development of entrepreneurship skills has been outlined. However, due to the prevailing political instability and lack of governments' implementing capability the programs and policies were rendered ineffective. What is of major concern is that women's issues were clubbed together with issues of the marginalized communities. There is an evident gap at the planning level more so as there is lack of women's representation in making the policy framework.

Nepal Woman Crafts: An Innovative Approach to Promoting Women Entrepreneurship and Productive Employment.

Nepal Woman Crafts a private enterprise based in Kathmandu is a manufacturer, wholesaler and exporter of handmade paper, paper products and traditional rope incense. NWC is strongly committed to empowering women producers group by consistent upgrading of skills and quality of products. Using traditional skills with contemporary facilities enabling to create exclusive products that have a demand in the global market.

Over the years of experience of working with the grassroots to mid level of producer groups mainly women, a realisation struck as to why source the raw materials to the capital. Should not the regional people see a ray of sunshine into their lives and benefit the rich resources they have with added value.

Nepal has rich forests and what was being done earlier was, the raw materials to make paper from the bark of the Lokta shrub was brought to the capital and the suburbs and sold for exorbitant price. This did not provide a good business

practice for either the buyer or the seller. I thought about it a lot and came to the conclusion that if I provided technical know-how and financial assistance, the paper could be made in the region of its origin itself. This would not only provide the village with a new industry but would also foster greater development and change in their lifestyle, while Nepal Woman Crafts would benefit in having readied paper delivered to its factory. Therefore Nepal Woman Crafts sent a team of experts to the far western region to do research on the availability of the raw materials to make paper. It took one month for the researchers to find out that raw materials was in abundance and people in the area of Bajura did not know the value nor the usages of the raw materials. They would take their cattles to the forest to graze and would destroy the valuable Lokta shrubs so that their cattles could move freely to graze.

Nepal Woman Crafts invited two groups of villagers from Bajura who were keen to partner with NWC to Kathmandu and gave them total knowledge of paper making and limitless products that could be made from paper including an observation tour of the paper market. An agreement was signed where NWC provided entire funds, technical expertise in teaching paper making & equipment, plus offered the groups 50% shares for the first year. After selling the paper 25% of our cost was recovered from the first lot. The second year we decreased our share and increased theirs to 75% in order to recover our investment quickly. The third year they earned enough to pay back the balance. With an assurance of purchasing their entire production we shook hands and tore the contract paper and offered them 100% ownership. We strongly believe this is a business model that diminishes the distance of opportunities and jobs for people in the far-flung regions of Nepal and the Capital. The success story of this model was widely shared, more and more villagers were keen to learn the skill, and many seeing the possibilities took bank loans to set up smaller paper making units: resulting in more and more employment creation. So far NWC has created work opportunities to 10 thousand villagers.

I have strongly cautioned the villagers not to allow raw materials to fly away from their forests as, they are the rightful owners of their natural resources but, they should welcome investors and technical experts to join hands for innovative skills.

Impact: Till date fifteen paper making units have been established.

This experience is a lesson learnt indicating that the path to economic prosperity and employment for gender equality is partnering and creating key alliances at the village level itself.

Work Profile of Shanti Chadha:

Director: Women Skill Development Project -1985 to 1993

Objective of the project: empowerment of women through skill training and on the job training.

Profile: Production of textile garments, paper products, handicrafts from different regions produced by women marketed locally and Internationally.

Impact : Declared a self sufficient project which only needed assistance in market linkages.

Founding member: Sana Hastakala, a cooperative which retails and exports

Impact: 110 women producers products are marketed locally and overseas.

Introduced first mountain Flight in Nepal.

Impact: Very popular in the tourism sector, regular earnings for the airlines.

Introduced Rod Iron Furniture in Nepal.

Impact: 35 industries all over the country.

Founding member: Women Entrepreneurs Association of Nepal (WEAN) - 1987. **President** WEAN: 1999-2004

Vision and Mission of WEAN: Helping women to set up enterprises and grow in their established business. Through the years, WEAN has broadened its vision to achieving full participation of women in nation building through entrepreneurship development. It intends to achieve this vision by advocating for policy changes that promote women entrepreneurship and by designing and undertaking result-oriented and sustainable programmes for existing and potential women entrepreneurs. WEAN is represented at the Federation of Nepalese Chambers Commerce and Industries (FNCCI).

WEAN offers Training, Marketing Assistance, Micro Credit, Networking and other extension services to urban and rural Women Entrepreneurs.

Marketing assistance is provided by WEAN directly to its members as well as through the WEAN Co-operative, a sister organisation which WEAN helped establish in 1991, with assistance provided by UNDP, as a marketing outlet for women producers.

Impact: Hundreds of women have benefited as entrepreneurs. Some of them are exporters and travel abroad to participate in exhibitions.

Import of pickles to Nepal has reduced immensely.

Pickles are exported to Hong Kong, Taiwan, Bangkok and UK.

Founder President: Federation of Women Entrepreneurs Association of Nepal which was established in 2002 as an apex body which represents women entrepreneurs in trade, industry, commerce and tourism sectors throughout Nepal. The aim is to build linkages and affiliations at the regional and international level for promotion of woman entrepreneurship, exchange of visits for trade, interchange of services, sharing of knowledge and best practices, setting up of an intra country cooperative focusing on promoting and marketing of products of women entrepreneurs. FWEAN is also a coordinating organisation supporting the interests of women entrepreneurs in Nepal through effective lobbying for relevant policies and programmes on women's issues with government and non-government organisations for national and socio-economic development.

Executive Member: Federation of Nepalese Chamber of Commerce and Industries since 1997. FNCCI is the apex body of the business community and represented in the economic policy making of the country.

Co-chairperson: FNCCI Women Entrepreneurship Development Committee. 1995 – 1997

Chairperson: Women Entrepreneurship Development Committee (WEDC) – till date.

Objective of WEDC: Improving the socio-economic status of the Nepali women through entrepreneurship development. Offer economic and industrial development services to benefit rural and urban women entrepreneurs. The need to involve women in industrial activities has assumed great importance in the recent thrust by the government towards an open and liberal economic environment. Encourage and empower women to join the national economic mainstream. Link women in business and provide opportunities for the development of their potential.

Functions: To set up women entrepreneurs development units in all FNCCI district chambers all over the country

Services in the form of trainings, product development and quality improvement, upgrading product development and skills, marketing linkages, market information are provided on regular basis.

Workshop and seminars are conducted to analyse and assess the development of women entrepreneurs.

Participate and organise -national and international trade fairs, seminars, workshops and exhibitions.

Impact: 36 Women Entrepreneurship development committees have been formed in 36 FNCCI district chambers.

WEDC is motivating and responding to the needs of entrepreneurship development in the districts according to the requests for trainings in the specific areas as per their needs, focusing mainly on inherent skills, base natural resources - forest and agriculture.

Participatory self-assessment workshop is being held in Kathmandu on the 15-16 July 2006. 36 Presidents of the WEDC committees from FNCCI district chambers will participate to review and reflect whether the committee's contribution to women entrepreneurs in the districts in the form of trainings and market access has contributed to any shifts in their decision making power or whether their access to resources has increased.