

Factors Hindering Entrepreneurship Development in Nepal

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Abstract

Micro enterprise is a very small scale enterprise which is established with the maximum capital of twenty hundreds thousands rupees except land & building, annual turnover less than ten millions, and less than nine employees including the micro entrepreneurs. Most of the micro enterprises are operating with a little fund, local resources and local skills. The main objective of the study is to identify major problems of micro enterprises in Baglung and Parbat districts. This study is based on mixed research design (quantitative and qualitative research). Data and information is collected through primary sources and secondary sources. Primary data are collected through structure questionnaires, focus group discussions, observations and field visits. Secondary data are collected from the office of the Micro Enterprises Development for Poverty Alleviation (MED-PA), district office of the Cottage and Small Industries Development Board (CSIDB). Out of 4250 micro entrepreneurs, 361 entrepreneurs are selected for study purposes. Purposive and random sampling methods are used for selecting enterprises and entrepreneurs respectively. A few statistical tools such as percentage are used for data analysis. It is found that micro enterprises have been facing various types of problems such as production or input related problems, financial or economic related problems, marketing problems, technological related problems, personal barriers, and other types of problems etc. Most of the micro enterprises were faced with marketing problems, technological problems and production and operation related problems, more than 90 percent of 361 respondents felt these types of problems.

Keywords: *Micro enterprise, micro entrepreneur, problems.*

Introduction

It is assumed that micro entrepreneurs possess a little knowledge, skills, capital, resources and market access to their products. It was observed during the field visit in both districts: Parbat and Baglung districts. Facts were revealed when the researcher visited the common facility centre (CFC) with the aim of conducting group discussion throughout the concerned entrepreneurs. In different CFCs of both districts, there were made to conduct a group discussion with the various categories of enterprises that came from different Micro Enterprise Groups (MEGs). They expressed their problems

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as they had faced before starting the micro enterprise, during the production process, and after production of goods and services i.e. marketing related problems. They also explained several other problems related to the availability of raw materials, quality of goods, prices of the goods, market knowledge, technology related, financial related, skilled labour, sales related problems, personal barriers, etc.

Directives of operation of Micro-Enterprise Development for Poverty Alleviation (MEDPA) 2070 (including third amendment, 2075) clearly define Enterprise Development Facilitator (EDF), Common Facilitator Center (CFC), Start and Improve Your Business (SIYB) and Micro-Enterprise Creation and Development (MECD), Business Development Service Provider Organization (BDSPO), people under below poverty line, ultra-poor, target groups, etc. (GON, MOICS, 2075).

The government of Nepal (GoN) and United Nations Development Programme (UNDP) started Micro Enterprise Development Programme (MEDEP) in 1998 to address issues regarding poverty among socially excluded groups by promoting and supporting them to start small scale enterprises that have the potential to bring them out of poverty (MOI, UNDP, Australian Aid, 2016).

The country's economic growth has averaged four percent over the last decade, and absolute poverty decreased to 23.8% in 2015. However, there are large disparities in the rates of poverty by gender, social group and geographical area (GON, NPC, 2073).

General Problems of Micro Enterprise in Study Areas

i) Physical Infrastructure: Both districts (Parbat and Baglung) are known as mid-hilly areas besides headquarters of these districts and all other parts of the districts also known as remote and semi- remote areas. For lack of road transportation, electricity and mid and high hilly areas, there is difficulty in supplying raw materials, production related materials such as machines, equipment, tools and distribution of finished and semi finished goods into the market. Faced with a poor base of the infrastructure, human resources, capital, material resources and remote location from industrial centers, backward areas have a difficult environment for development of micro enterprise. Banking, insurance, proper communication, security, hospital, vocational training institutions, etc are also lacking in both districts. A few numbers of these facilities are available in district headquarters but not in the rural areas.

ii) Management: In the micro enterprises sector, most of the entrepreneurs do not possess knowledge of management either practically or theoretically. They have also

got no experience about how to start a new business as well as how to run their own enterprise smoothly & properly without having support of any others.

iv) Provision of Machine & Equipments, Raw Materials and Incentives for them: There was a nominal custom duty on import of machinery for the MECSIs, but the administrative process of getting the facilities is cumbersome. Again if the industrial machinery and raw materials are imported by the trading houses, no such facilities are given. It was revealed during the fieldwork that industries, most small industries, procure raw materials from Birgunj, Bhairawa, Butwal, Kathmandu and some materials are available at district headquarters (Kusma of Parbat district, and Baglung of Baglung District) rather than from India and third countries directly because of limited quantity requirements and financing problem. High price, poor quality, seasonal availability of raw materials, unreliability of supply and delays in delivery seem to be problems most frequently faced by SMIs.

v) Skilled Labour: There is found a lack of skilled labour. Local workers are usually better paid and enjoy better and more secured jobs with various welfare benefits from the enterprise and the community, while migrant workers are paid lower wages and face poorer working and living conditions. This situation has given rise to various social problems in these places.

Review of Literature

Roy and Wheeler (2006) identified a number of common practical issues and characteristics were found to inhibit (hinder/problem) the success of many entrepreneurs in Urban Far-West Africa (UFWA): most notably, lack of market knowledge and training, limited access to capital, and lack of cooperation among possible business partners. This is also the reason why so many micro-entrepreneurs simply reproduce what already works, further compounding the issue of lack of differentiation in local market place, thwarting innovations, and contributing to the saturation of markets.

Most micro-entrepreneurs in UFWA lack access to efficient technologies, and so rely on inefficient (usually labour intensive) manual processes. Of those interviewed, the majority lacked access to the necessary resources or technologies to grow or improve their micro-enterprises. The reason most often cited was lack of capital (or access to credit) to make the necessary purchases (Roy and Wheeler, 2006).

Various problems have been faced by the industrial sectors. Industries were not

flourished mainly due to cumbersome administrative procedures, lack of incentive schemes, inadequacy of industrial raw material, shortage of capital, limited size of domestic market, inadequacies of transport and power, etc. The problems faced by the industries were due mainly to ineffective functioning of the industrial investment promotion institutions, inconsistency in and lack of economic, financial and monetary policies to attract industrial investment, lack of capital base of the financing institutions as well as high cost of capital, insufficient development of infrastructure, and coordination among related agencies (Maskay, 2001).

Ranabhat (2012) stated the main constraints/influencing factors regarding youth entrepreneurship development. They are as follows:

1. **Social and culture attitude towards youth entrepreneurship:** In general, the attitude towards youth entrepreneurship is not very positive. As a result, they are tempted to look for a job whether it is in Nepal or outside. Such an attitude hinders fostering youth entrepreneurship.
2. **Entrepreneurship education:** In the context of Nepal, although a school sector reform plan is introduced and provision is made for job-oriented skills development programmes, the specific programme on enterprise education has not been introduced yet and no substantial initiative made so far.
3. **Access to finance/start-up financing:** Lack of adequate finance is one of the most prominent problems facing young people who want to create their own business.
4. **Business assistance and support services:** Business Development Services (BDS) provides non-financial services to the entrepreneurs to establish and run their enterprises. In case of Nepal, the key deficiencies in the BDS sector are found that lack of knowledge of available business support services, lack of tailor made business training and advice for young start-ups, lack of trained counselors, development workers and adequate support agencies, lack of mentoring capacities, lack of workspace and infrastructure support and lack of other business development services such as market information/linkages, input supply and others.

Roper and Scott (2009) discovered that women faced significantly more financial barriers during start up phases. At the regional level, Jones-Evans and Thompson (2009) report that though formal and informal investments appear to be concentrated in richer areas in the UK, informal investments tended to have a greater impact on equity capital within poorer regions. About 90 percent of the people in developing countries lack access to financial services from institutions, either for credit or savings

(Rubinson, 2002).

Mehra (1985) mentioned that small scale industries suffer from structural limitations like lack of adequate resources, lack of marketing experience and know-how, paucity of adequate funds for introducing quality control and testing facilities and for undertaking any programmes for research and development.

The problems relate to such aspects as the marketing and sales, finance and credit, raw materials, organizational acquisition of small and technological improvements (Gupta, 1985).

1. Marketing plan. It includes the sphere of market and volume sold and problems connected with marketing.
2. Problem connected with procuring raw materials. There are equally important aspects pertaining to such allied matters as lack of finance for effecting bulk purchases, non-availability of quality raw materials, high market rates, and lack of facilities of transportation and so on.
3. Organizational problem. As procurement of raw materials and credit, organization of research, marketing of product and similar other problems connected with acquisition of skill.
4. The task of running the various problems connected the acquisition of industrial skill and training. It includes the need for technical training, high fee and lack of resources.
5. Adoption of Technology importance. Technological improvements constitute the most important factor in the future development of household and small scale industries. It includes financial help, machinery & equipment and technical.

The United Nations (UN, 2001) stated that the problems vary even between individual enterprises in the same size category and within a branch of activity, there are certain problems that are common to all SMEs, which are linked to three groups of issues: infrastructure, institution and economic issues. The infrastructure issues include poor and/ or expensive infrastructure such as transport, storage facilities, water electricity and telecommunication; lack of working premises; and poorly developed physical markets. Another issues include no access to formal training and, as result, lack of skills in basic economics and managerial expertise; lack of formal schooling, sometimes resulting in illiteracy; limited access to property rights; limited access to formal finance and banking institutions; excessive government regulations in areas such as business start-up, especially regarding cumbersome, time -demanding and costly procedures for business registration: lack of opportunities for bulk purchase

of inputs; lack of working capital (credit has to be obtained from informal sources such as friends or relatives or non-banking financial agencies with unfavorable terms); and insufficient funds which do not allow for further investments (UN, 2001).

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The lack of access to finance from commercial banks and special financial institutions has been found to be a major constraint of the MSE sector in Thailand, particularly for micro-enterprise. One of the major obstacles to be overcome is the role of collateral in assigning finance to borrowers (ILO, 2000). To take out a loan, many MFIs require that micro enterprises should already be well established and have been operating for some time. This puts credit out of reach for many of those hoping to start a new enterprise. MFI interest rates are quite high (about 24 per cent per year), making loans unattractive for many, who deem this to be too high to warrant taking out a loan.

Hehui (1995) pointed out the problems of institutional development, competition and related policies, investment and infrastructure, labour and capital markets, and regional imbalance.

Jha and Updhyaya (2002) had analyzed the gaps in policy, legal and regulatory environment of Micro and Small Enterprise (MSE) sector in Nepal. They have identified issues like lack of explicit policy for micro-enterprises, non-registration of MSEs, poor financial support to MSEs, and poor access to credit, difficulties of MSEs, in getting raw materials, utilities and other support services, poor institutional mechanisms, ineffective promotion of micro and small enterprises and entrepreneurs among host of their issues.

Purpose of the Study

Main purpose of the study is to identify major problems of micro enterprises in Baglung and Parbat districts. Other specific purposes of the study are as follows:

- To analyze financial problems of micro enterprises.
- To examine production/inputs operation problems of micro enterprises.
- To assess marketing problems of micro enterprises.
- To analyze technological problems of micro enterprises.

- To identify personal barriers of micro entrepreneurs.

Methodology/Approach

Research methodology provides guidelines to the research work. It is also known as a road map of the research work. This study is based on mixed research design (quantitative and qualitative research). Data is collected from primary sources. However, a few data and information are also obtained from secondary sources. Primary data are collected through personal interviews with entrepreneurs, observation of micro enterprises activities, focus group discussion with entrepreneurs and structured questionnaires. Secondary data are collected from the office of the Micro Enterprises Development for Poverty Alleviation (MED-PA), district office of the Cottage and Small Industries Development Board (CSIDB). Both quantitative and qualitative data are used. Qualitative data are acquired through Focus Group Discussion (FGD) with micro entrepreneurs of the respective districts. All micro entrepreneurs of both districts are assumed to be the total population. Out of 4250 micro entrepreneurs, only 361 micro entrepreneurs are selected for study purposes. For selecting respondents' multistage (three stage) sampling methods was used. First, selection of districts is based on a purposive sampling method. Second, entrepreneurs are selected on the basis of a random sampling method. Third, only one respondent from each enterprise is interviewed to get ultimate information. Univariate analysis has been done to compute percentage or frequency distribution.

Procedures of Qualitative Data Collection

To identify the real situation and problems of entrepreneurs, the researcher has conducted four focus group discussion programme (FGDP) i.e. first one was in Patichuar common facility centre (CFC), second was at the office of district micro enterprise group association (DMEGA) of the Parbat district and the third was in Bihunkot CFC and the fourth was at the office of district micro enterprise group association (DMEGA) of the Baglung district. Sita Sharma, ex-programme coordinator of MEDEP, Parbat district, had played the role of chief facilitator in Patichuar and Gyanushree Sharma, an active social worker as well as a teacher of government school, had played the role of chief mentor/facilitator in Bihunkot focus group discussion programme in Parbat district and Baglung district respectively.

Result and Discussion

Result of Quantitative Data Analysis

Problems of Micro Enterprises

To find out problems faced by entrepreneurs, they were asked about the main problems for their business success. It included seven questions regarding economic/financial problems, problems of inputs /operation, marketing problems, technology problems, personal barriers, and other problems. Entrepreneurs were requested to state the difficulties (problems) regarding these problems that they had faced in the course of running their business.

They have given eight options to identify economic/financial problems, they are as follows:

(i) Lack of working capital, (ii) problems of bad debts collection, (iii) lengthy loan procedures, (iv) high interest rate, (v) lack of collateral (vi) valuation problem, (vii) not available loan from financial institution, and (viii) other problems.

An attempt has been made to identify economic/financial problems through questionnaire it is found that out of seven options of economic or financial related problems, respondents felt that lack of working capital, high interest rate on loan/credit and problems on collection of due amount of sales are highly dominant to others types of problems.

A research study revealed that (Shrestha, 2007) loans were not available in time, the rate of interest was high, the process of loan arrangement was lengthy, the valuation problem, and problems of collateral while approaching the financial institutions for loans.

About 90 percent of the people in developing countries lack access to financial services from institutions, either for credit or savings (Rubinson, 2002).

Production and operation related problems are included raw materials are not available locally; lack of quality raw materials; not able to produce quality finished goods; lack of skilled/trained labor; lack of adequate supply of electricity, road, water etc infrastructures; problems regarding valuation of collateral and others problems related inputs, production and operations.

Most of the respondents stated that they had to feel the problems of raw material, supply of electricity, road, water, skill or trained labour, quality of raw material and

quality of finished goods. However, out of 361 respondents, most of them do not feel these problems in the same way. Those who are faced with such problems, feel that raw-materials are not easily available for entrepreneurs themselves.

Shrestha (2007) stated that the cottage and small-scale units have to depend on the suppliers for the raw materials and they have to procure them locally since they are not in a position to buy in huge quantities. They said that the raw materials were not locally available.

In similar research works, Khatri-Chherti and Karmacharya (2003) reported that around 38 percent of enterprises reportedly had faced problems in acquiring raw material for their enterprises. Among the problems faced, the short supply of raw materials in the local markets was the acute problem followed by the transportation problem and lengthy government process.

Zivetz (1992) noted that the problem of obtaining raw materials is the greatest headache for entrepreneurs, irrespective of the size of their undertaking. While industries dependent on external raw materials face major difficulties, even industries, which rely on domestic raw materials, encounter obstacles. This clearly shows that entrepreneurs are at the mercy of the agents for the inputs and when they cannot procure directly; their cost of production may go higher.

Marketing related problems are included lack of adequate demand; the market is too far; highly competitive market; the market is small; flow of cheaper goods; lack of packaging; lack of knowledge of branding/labeling; problems of distribution; lack of knowledge of the market for their product; lack of effective promotion campaign and others problems. Overall, out of 361 micro enterprises 332 i.e. 92 percent felt marketing related problems.

A study result showed that the market was very competitive, the market was small, there was the flow of cheaper goods in the area, the market was too far, and there was lack of transportation (Shrestha, 2007).

They have given six options regarding technological problems, they are as follows: (i) machine and equipment is not available, (ii) technology is changing very fast, (iii) it is difficult to introduce new technology because of financial constraint, (iv) difficult in identifying appropriate technology (tools and machine), and (v) other problems. Overall, out of 361 micro enterprises 330 i.e. 91.4 percent felt technological related problems.

Shrestha (2007) stated that it was difficult to introduce new technology because of

finance, it was very difficult to get the technicians, the technology was not available, the technology was fast changing and it was difficult to identify the appropriate technology. The study of Khatri-Chhetri & Karmacharya (2003) revealed that about 33 percent of each male and female entrepreneur reported the shortage of the improved technology.

They have given six options regarding personal barriers, they are as follows: (i) lack of confidence, (ii) lack of experience, (iii) lack of sustained motivation, (iv) lack of training/skills, (v) lack of trust and cooperation to each other, (vi) lack of patience, (vii) lack of support from family, and (viii) other problems. Overall, out of 361 micro enterprises 259 i.e. 71.7 percent felt personal barriers.

Ranabhat (2012) stated that family support and inspiration is very important in undertaking entrepreneurial activities. Many entrepreneurs are found inspired by their families or parents, friends, and relatives.

Karki (2016) stated that entrepreneurs feel that level of self confidence increased after starting their enterprises or after participating in Entrepreneurs Development Programme (EDP) rather than before.

Significant inhibitor to ME success and growth is the lack of trust and cooperation among micro-entrepreneurs. Of those micro-entrepreneurs interviewed fewer than 5 per cent had co-operated or expressed a desire or interest to cooperate with others outside their family to develop their businesses. The great majority preferred to operate independently; this finding was corroborated by the MFI personnel interviewed. The reason for this lack of cooperation related primarily to a lack of trust to each other (Roy and Wheeler, 2006).

Jha (2010) stated that the operational problems and challenges as faced by the entrepreneurs affect their growth in rural areas. Internal problems were related to lack of vision, lack of strategies, financial crunch, capacity utilization, poor management, inadequate training in skills, lack of vertical and horizontal integration, faculty planning, etc. External problems were related to infrastructure sickness, marketing, taxation, lack of technical knowledge, administrative hurdles, rampant corruption and competitive and volatile environment, power failure and government policy.

Overall, out of 361 micro enterprises only 13 i.e. 3.3 percent felt other types of problems and 348 i.e. 96.7 percent did not feel such problems. Very few micro enterprises expressed their view on that they had felt others types of problems. Most of the enterprises had not faced other types of problems.

Table 1: Problems of Micro Enterprises

	Economic/ financial		Production and operation		Marketing		Technology		Personal Problems		Others	
	N	%	N	%	N	%	N	%	N	%	N	%
Yes	263	72.9	327	90.6	332	92.0	330	91.4	259	71.7	13	3.3
No	98	27.1	34	9.4	29	8.0	31	8.6	102	28.3	348	96.7
Total	361	100.0	361	100.0	361	100.0	361	100.0	361	100.0	361	100.0

Sources: Field Survey, 2019

Micro enterprises or micro entrepreneurs face different types of problems. Out of these problems, more than ninety percent relate to marketing, technology and production or operation or inputs. It seems that these types of problems are dominant to other problems i.e. economic or financial problems, personal barriers and other problems.

Result of Qualitative Data Analysis

There are found various types of Micro Enterprise Groups (MEGs) such as Micro Enterprise Group (MEG) related with Allo fiber and items, MEG related with *Dhaka* (weaving) items, MEG related with off-seasonal vegetables, MEG related with sewing and cutting, MEG related with Bamboo products, MEG related with incense stick, MEG related with *Aaran* (Blacksmith's workshop), MEG related with bags and accessories, MEG, related with beekeeping, MEG related with Lapsi candy & pickle and ginger candy, MEG related with Nepali papers, and MEG, related with herbal soap.

Micro Enterprise Group (MEG) related with Allo fiber and items expressed their problems of difficulty in the collection of raw materials from remote forest, a little problem in the collection of raw materials from community forest, problems related with cooking, washing, barking, dyeing, weaving of Allo and Allo fiber which is time consuming and boring too, low market price of the Allo fiber related products and their variety items, quality of the raw materials and products, lack of labour, etc.

MEG related with *Dhaka* items shared their problems regarding selling and distribution of products, high price of the product, poor quality of product, keen market competition, availability of raw materials, design of variety of products, dominant of foreign cheapest product, etc.

MEG related with off-seasonal vegetables said that they were suffering from changing climate, lack of availability of quality raw materials like seeds, fertilizer in time, lack of transportation, lack of cold storage facility within district, problems regarding electricity, water supply/irrigations facilities, difficulty to protect from various types of infections or diseases for lack of techniques of proper treatment, heavily used pesticide/insecticide vegetables by other farmers, customers are not able to distinguish organic vegetables from non-organic vegetables in market, high cost of production due to shortage of farm labour, etc.

Members of the MEG related to sewing and cutting shared their problems. They have problems like lack of proper skills, lack of appropriate machines like log machines.

MEG related with Bamboo products [Mudda a kind of stool, Doko, Dalo, Thunchhe, Bhakari (used for keeping and storage dry agro-product such as maize, paddy, malt, etc) for example] expressed their opinion about the problems faced by them. They faced a problem of non-availability of proper raw material i.e. bamboo from the nearest business firms and distribution of finished goods in the market.

Members of MEG related with incense sticks expressed that they have a problem with incense sticks as there was lack of a proper machine for cutting/preparing sticks, lack of raw materials with quality, low volume of production, and lack of devotion to production of products. They had little income from this business. In later periods, they possessed the knowledge of raw materials. Gradually they knew how to get the raw materials at their door steps.

A few members of the MEG expressed that they have a problem running the improved Aaran (Blacksmith's workshop). There was a lack of raw materials for it. There was a lack of coal and wood in the local market. Insufficient funds to buy the raw materials are another hurdle they have to face.

The members of the MEG related with bags and accessories suffered from the problems of lack of proper market for their goods in Patichour of the Parbat district but such problems were not found in Bihunkot of the Baglung district. In the Patichour area, most of the students used imported bags, whereas in the Bihunkot area, most of the students used locally made school bags. It seemed that the students of urban or semi-urban areas wanted to use fancy/readymade bags, whereas the students of rural areas wanted to use locally made bags. Compared with Bihunkot, Patichour is a semi-urban area as it is nearer to Kusma; and Pokhara market is an access to them being joined with Pokhara-Baglung highway.

Members of the MEG, related with beekeeping, shared their problems such as low volume of production due to heavily used pesticide/insecticide in vegetables and crops, lack of suitable field of flowers for bees and lack of modern improved beehives.

Members of the MEG related with Lapsi candy & pickle and ginger candy, expressed their problems such as lack of proper branding and packaging, lack of marketing promotion, problems related with preservation of raw materials and finished products for lack of cold storage and proper equipment respectively, lack of demand of product in local market, and so on.

Members of the MEG, related with herbal soap, shared their problems such as lack of demand for products due to lack of proper promotion, distribution, branding, lack of awareness of customers regarding organic and herbal items, problems related with collection of raw materials from forest and so on.

Although certain handicraft, organic foods (Coffee), vegetables and fruits and environment friendly garments found a niche in the international market, export of MSE products from the country. Urban demand within the country itself also remained limited or nonexistent for many products. Both export and urban demands tend to be sensitive about quality, design and novelty of products that many MSE products continued not to fulfill. Production linkage based (intermediate) demand remained undeveloped to a large extent in the absence of adequate market research and supporting policies. Homestay is a kind of lodge with restaurants, also very popular in the natural tourism sector. It provides a friendly and typical traditional village environment to visitors and warm well-come with traditional food and beverages. They also present traditional cultural programmes as per demand of visitors or tourists.

Conclusions

It is found that micro enterprises have been facing various types of problems such as production or input related problems, financial or economic related problems, marketing problems, technological related problems, personal barriers, and other types of problems etc. Most of the micro enterprises were faced with marketing problems, technological problems and production and operation related problems, more than 90 percent of 361 respondents felt these types of problems.

Several problems are faced by micro entrepreneurs and micro enterprises. Most of the micro enterprises are conducted by an entrepreneur; therefore, there is no more difference between problems faced by entrepreneurs and problems of enterprise.

Micro entrepreneurs faced several problems regarding financing. Due to the lack of sufficient funds, they were not able to buy raw materials, machine, equipment and tools and other service facilities in time. For example, cutting and sewing enterprises or Dhaka Udyog (industry), entrepreneurs are not able to buy the required materials in adequate volume and in time. Even if available, the volume or quantity of materials is very low. Most of the micro entrepreneurs expressed that they have faced critical problems such as lack of working capital, high interest rate charge on loan and bad debts collection. One study showed that 90 percent of the people in developing countries lack access to financial service from institutions, either for credit or savings (Rubinson, 2002).

Most of the MEG expressed their problems regarding marketing (low market price of products, problems regarding branding, packaging, promotion, distribution of goods, poor quality of products, lack of access of market, dominant of foreign cheapest product, customers are not able to distinguish organic vegetables from non-organic vegetables in market, lack of demand of products in local market and etc); technology related problems (lack of equipments and tools, lack of quality seeds, fertilizers, lack of modern improved beehives and technology); and personal barriers (lack of skill and trained labour, lack of confidence, trust, experience, patience, lack of support of family, etc).

High cost of production due to shortage of farm labour, low volume of production, infrastructure related problems, problems related with availability and collection of raw materials, poor quality of raw materials, lack of cold storage for preserving perishable goods like fruits and vegetables, lack of warehouse for keeping finished goods, lack of skilled/trained labour, lack of adequate supply of electricity and water and access of road transportation etc are major input and production related problems. Zivetz (1992) noted that the problem of obtaining raw materials is the greatest headache for entrepreneurs, irrespective of the size of their undertaking.

Various problems of micro enterprises are found. The problem of one enterprise is quite different from the other enterprises under similar groups. There is not covered all types of problems of micro enterprises in this research. Therefore, it is recommended that further research should be conducted to identify other types of problems faced by the micro enterprises. It is suggested that the government and other concerned authorities should try to overcome problems faced by micro enterprises.

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