

An Inquiry into the Forest Based Enterprises Managed by Women through Group Based Enterprise Operation Model and Empowerment Outcome in Nepal: Cases from Sindhupalchowk and Nawalpur Districts

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Abstract

Forests, as invaluable natural assets of Nepal, can be transformed into vital resources for enhancing livelihoods. By judiciously tapping into these resources, both social and economic conditions for communities can be elevated, ensuring sustainable benefits for all. Enterprise development intervention approaches follow some established modalities that can potentially help develop entrepreneurship. However, entrepreneurship development and successful enterprise outcome are two separate things. Group entrepreneurship has been found to be the effective means to offer the collective solutions to unlock various obstacles to create enterprises among the rural women while giving rise the sense of empowerment. The timeline for these newly established group enterprises spans between 1 to 1.5 years, making it difficult to draw definitive, generalisable conclusions about their performance in terms of sustainable operation. Interactions among the members highlight the need for enhanced business capacity to navigate the evolving policy and market landscape. The participants have developed entrepreneurship but we cannot assure the long-term sustainability of enterprise themselves. The benefits entrepreneurship development can be observed in an extended time and space. A longer intervention of a similar nature would provide additional data, enabling more confident conclusions. Moreover, for the sustained success of these enterprises, it is essential not to assess them solely through the financial lens of profit and loss, instead, their impact should be evaluated by integrating the principles of social enterprise-a concept that has yet to fully develop its policy framework in the community forestry of Nepal.

Key words: Community forestry, Empowerment and Sustainability, Enterprise development approaches, Group entrepreneurship

INTRODUCTION

Forest area which accounts about 44.74 per cent of total land area of Nepal (MoFSC 2018) is an important natural resource for the rural livelihoods for poverty reduction, food security and economic growth. Its theoretical benefits has been highlighted for eco-tourism, hydropower, agriculture, livestock farming, clean environment, and forest and herbal based industries.

In view of the contribution of forest to providing ecosystems goods and services, Nepal's forestry sector has been receiving top policy priority through its policies and periodic plans, inter alia, emphasising the participatory forest management and substitute forest product import through entrepreneurship development (NPC 2017). There are more than 30,000 community forests including private/family forests and agricultural forests in private farms (NPC

2020). It is estimated that small and medium forest based enterprises could generate more than \$8.7 billion and 1.38 million workdays (IIED 2016). Over the years, forest cover has increased nationally, however, despite the huge theoretically projected benefits of the forest to promote the livelihood through forest based enterprises; Nepal has not been able to tap into this potential. Furthermore, this is still unclear as how the local people and in particular, are utilising forest resources for enterprise development under community forest management for the maximum benefit.

In this backdrop this paper further aims to understand the key question as how and through which processes community forest resource based women led enterprises can be created and whether these result in women's empowerment. The lessons thus learned can be useful for the broader application for the similar activities in the future.

The remainder of the paper is structured as follows: Introduction: It mainly sets out the statement of the issues around the enterprise development based on forest resources and particularly in the community forest management setting of Nepal. Methods: this section provides as how this study was carried out at different stages of the project, namely: conceptual phase; feasibility, ideation, implementation and exit. Approaches: In this section a broader overview of the enterprise development approaches are made and how these were adapted for the implementation of the project. Similarly, discussion are made to distinguish individual versus group entrepreneurship and its context for forest enterprise development. Finally, some broad and specific conclusions for forest based enterprise development particularly amongst women has been drawn as what can be replicated or contextualised in the similar context in Nepal and elsewhere.

METHODS/METHODOLOGY

This study was carried out in a project context whose primary objective was to create gender-sensitive and business-oriented low-carbon solutions that empower women economically aiming to enhance women's resilience to climate change and the COVID-19 pandemic through nature-based entrepreneurial initiatives. The project has been implemented in Devchuli and Gaidakot Municipality of Nawalpur and Bahrabise Municipality and Tripurasundari Rural Municipality of Sindhupalchok district.

Overarching method for this research constitutes the idea of action research. Action research relates to solving practical problems while developing new knowledge by systematically analysing and studying the processes that contribute to the collective knowledge (Greenwood and Levin 1998).

This study employs mainly the qualitative approach designed to investigate the context, group dynamism, rural entrepreneurship and its outcomes among women. At different time intervals twenty four focus Group Discussions (FGD) were conducted at the enterprise level in Sindhupalchowk and Nawalparasi districts which represent two distinctly different geographic locations having different forest-ecological zones, environmental characteristics and endowment of forest based resources. Sindhupalchowk district represents the enterprises from the high hills and mountainous region while Nawalpur represents at low lying flat land areas good accessibility and mobility. In terms of forest resource endowment, Sindhupalchowk has *Lokta*, *Sisno*, *Lapsi*, *allo*, coffee, broom grass and for Nawalparasi, *sal* leaves, *Thakal*, herbs and bamboo. These districts are also characterised by great ethnic and caste diversity.

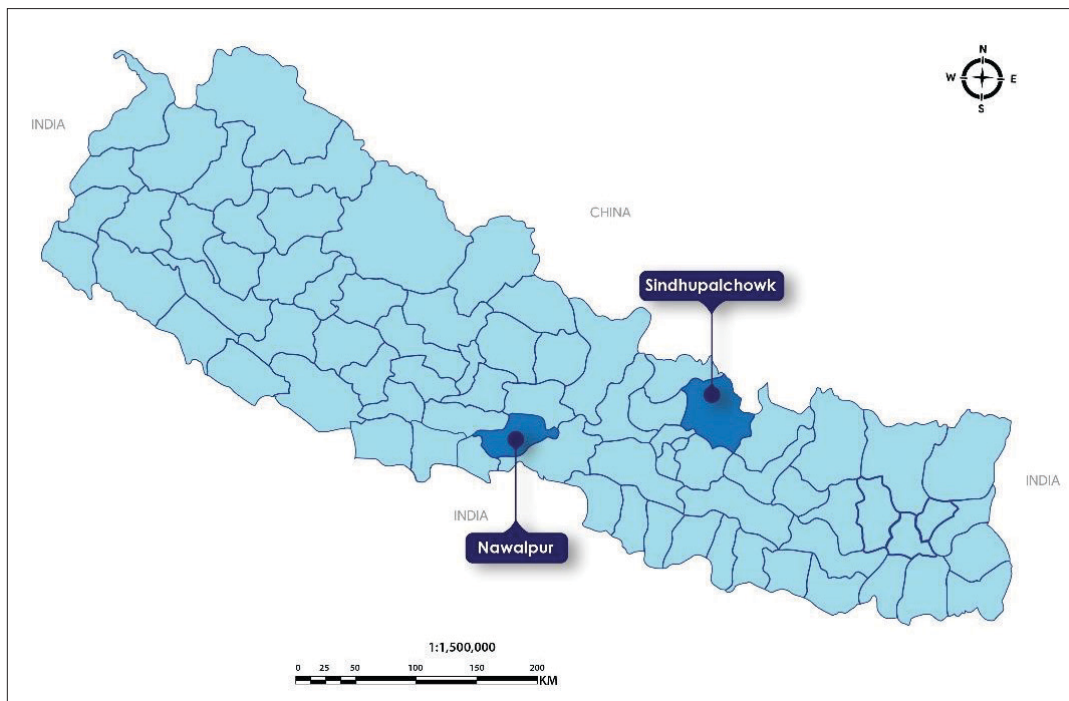


Figure 1 : Project location- Nawalpur and Sindhupalchowk

Twenty four key informant interviews were conducted reiteratively with enterprise leaders, local government representatives, government agency people, market actors and project staff. These interviews were helpful to corroborate the findings from the FGD. Case study of selected enterprise provided the most comprehensive and deeper information on enterprise performance and entrepreneurship. Ten life history interviews were conducted among the women entrepreneurs to understand their entrepreneurial trajectory at the group level. Data obtained from these diverse methods and sources provided the basis for comparison between cases and provided complementary information for the main body of thematic analysis. Major themes include the process individuals consolidating in a group enterprise (building

up of institution); operation of the enterprise, market linkages and networking, approaches adopted for sustainable use of resources, challenges and mitigating strategies adopted.

Resource Endowments in the Research Sites

Table 1 presents the total forest area in the municipalities under this project. This data clearly indicates the fact that forest area coverage is by far above the proportion of land coverage by other purposes such as agriculture, infrastructure, river and settlements. Forest as natural endowment can be utilised for livelihood opportunities of the users to enhance their social and economic status while tapping the resources judiciously.

Table 1: Forest land in the project site municipalities

District	Structure	Name	Total area in ha.	Forest area in ha.	Forest %
Sindhupalchowk	Rural	Tripurasundari	9,389	6,021	64.1%
	Municipality	Bahrabise	13,425	6,905	51.4%
Nawalpur	Municipality	Devchuli	11,251	5,957	52.9%
		Gaindakot	15,964	9,733	61.0%

Source: MoFE 2018.

Established Enterprises

As discussed in the previous sections, over the project period, 18 varieties of enterprises were created of which 16 are entirely forest resource based and two are agro-forestry based mainly grown at the farm level. These enterprises include: trifala (1), broom (3), leaf plate (3), ginger, turmeric (1), thakal (1), bamboo basket and stool (1), coffee (1), Plant nurse (1), lokta-hand paper (1), lapsi (1), allo fiber extraction (1), nettle powder (2) and nigalo basket(1). The nature of these enterprise widely vary in their operation of which most of these are seasonal for harvesting and limited processing, requiring regulatory compliance to engage in formal market to commodities like coffee prioritised for export potential (GoN 2015; GoN 2080 BS). Majority of these enterprises are operating informally while some have registered at municipalities, forest and cottage industry offices. In a study, Paudel *et al.* (2018; 2014) observe the similar situation that not all small scale forest enterprises are registered with Nepal’s Department of Industry (DoI) or DCSI, many of them operate unregistered attributing the factors such as small size and the exhaustive, time-consuming and tedious administrative process.

Overview of the Approaches for Enterprise Development in Nepal

In this section we will overview some of the established approaches applied in the enterprise development and then later we will dwell upon the features of the different enterprise development approaches adopted within the project setting.

Enterprise development mainly comprises three major facets which are: i. Enterprise formation/creation approach; ii. Enterprise expansion or diversification; and, iii. Enterprise transformation (Boomgard *et al.* 1989) cited in Mahajan and Dichter 1990; Bastakoti 2003). So, different approaches apply on different modes of the enterprise development. This paper mainly discusses the approach applicable to enterprise creation level. Over the years many heterogeneous approaches and methods have been tested, piloted and up-scaled in enterprise development rather than a specific ready-made model as a blueprint for something. It can be argued that, the *modus operandi* for enterprise development was an outcome of the ideologies developed and tested overtime by success and failures and tailored accordingly.

Lamsal *et al.* (2017) have recorded five different enterprise development approaches adopted by the government, development partners, non-governmental agencies in Nepal. These include: Sustainable Livelihood Approach (SLA); Community Forest based Enterprise Approach (CFBEA); Integrated Enterprise Approach (IEA); Value Chain Approach (VCA); and Market for Poor Approach (M4PA). However, in practice most of the intervention adopt mixed approaches with a certain degree of overlap.

Micro Enterprise Development Program (MEDEP) Model

Micro Enterprise Development Program (MEDEP), one of the mega initiatives in promoting enterprises in Nepal that supported creating more than 75,000 micro entrepreneurs by developing a comprehensive package of enterprise development strategies in a business incubation manner. These distinct strategic steps include: 1. Entrepreneurship development training; 2. Market study; 3. Skills development; 4. Micro-credit; 5. Access to appropriate technology; and, 6. Business counseling, linkages to market, and development of the subcontracting system. While following all the strategic steps, it has been observed some 8 to 12 months of time taken to create an enterprise.

Adaptation and Assimilation of Approaches In EEWFS:

The project intervention embraced a mix of diverse models followed in the past. All the enterprises were collectively owned and managed by a group of women entrepreneurs. While the overall approach largely fits with the model developed by MEDEP, it goes beyond this approach, and included other simple yet important complementary inputs which aimed at addressing the concerns and values of various local level enablers such as community as well as intra family relations. The enterprise development effort adopted in this project thus combined the provision for core inputs such as physical assets, capacity development, product development, marketing; and complementary services such as social mobilisation, seed capital, building coordination and linkages, and many other services as needed to mitigate the various 'missing input' as argued by Mahajan and Dichter (1990). To expand the approaches followed, we discuss them at two distinct levels i.e. i. Enterprise creation level; ii. Broadening policy and linkages level. Below in the diagram, the trajectories of the processes/approaches adopted for enterprise creation has been illustrated as feasibility, ideation, capacity development, output and cross cutting achievements.

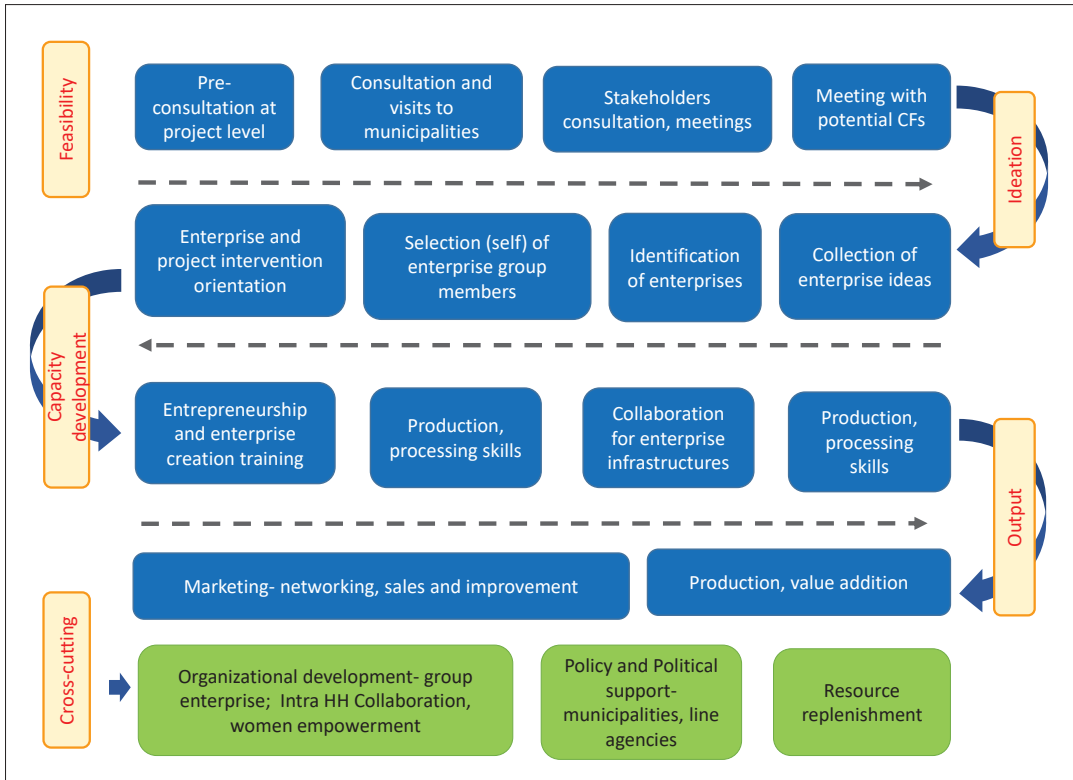


Figure 2: Step-by-step process followed in EEWFS

Enterprise Creation

Provision of Infrastructures and Technology

Micro entrepreneurs often grapple with the dearth of proper physical facilities for smooth operation of their enterprises as procuring these can be beyond their means. Support for the infrastructures and physical assets in the long run can instill the feeling of highest sense of ownership and provide the base for collective activities. Interaction with the members of the enterprises underscore the fact that “commonly owned physical structures” reduce their entrepreneurial vulnerability while ossifying the philosophy of the group for enterprise to lead to an entrepreneurial venture. The project input

has began to construct the new buildings where needed and provision of machine, equipment and technology. For buildings and land acquisition, support has been received from the community forest, municipality and the women entrepreneurs own contribution to some extent.

Initiation of Savings

Initiation of saving schemes have been found instituted in all the enterprises having regular operation except in the case of ginger-turmeric enterprise. Saving scheme mainly serves twin purposes. Firstly, it encourages the members to meet regularly on a monthly basis; on a set date of the month, although intermittent absenteeism have been reported for social and family reasons. Secondly,

it helps promote savings habit and build both financial and social capital. It has been found that on the monthly meeting business agendas are deliberated, meeting minutes are recorded and decisions are communicated among the members. According to the group members, conducting the regular meetings are critical to foster the group ideology and group entrepreneurship. Furthermore, group meetings are used as learning forums for discussion about productive behaviours and practices.

Capacity Development

Capacity development is defined as the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time and is not a one-off intervention but an iterative process (UNDP 2008). The project had carried out various training on entrepreneurship, gender and equity, organisation management and exposure visit events which systematically facilitated address capacity and technical gaps in terms of knowledge, skills, and attitudes to unlock the inherent potential and desire of the women to be able to stand as “group entrepreneurs”.

Couple Training

One of the new element added to expedite the enterprise development process was to conduct “couple training” so as to dispel the likely intra-household misunderstanding, expectations, curiosity and eventually garner family support. A two day training among the enterprise groups (except 4) was conducted covering the subject on gender relation, patriarchy, domestic violence, livelihood, sharing and caring, conflict and resolution methods and techniques. Interaction with the members about its effectiveness clearly

suggested that the training had been useful for fostering a fair and inclusive environment, informed spouses have been found to be very helpful, and easier to persuade about the scope of entrepreneurial activity and women’s agency over the activity undertaken. Spousal frictions have significant implications for household efficiency and economic well-being (Jones, 1983; Udry 1996, cited in Iversen, 2011, *et al.*). When couples experience conflicts or lack effective communication, it can disrupt decision-making processes, lead to inefficiencies in resource allocation, and ultimately affect their economic stability

Resource Regeneration

Most often the natural resource based enterprises grapple with the supply side constraints either due to over extraction earlier or non-replenishment of the same to offset the longer term supply (Paudel *et al.* 2018). Motivation for resource conservation and regeneration is largely a behavioral subject which is driven by the incentives that the resources at the community’s disposal can provide or is providing both for the short, medium or long term needing at approximately the same rate at which they are being used (Thomson and Freudemberger 1997). In order to manage the resource, it was forethought at the time of enterprise planning and initiated planting and replanting of the resources at the community forest or at the members home-yard. This exercise broadly provided the idea for resource replenishment plan for certain primary resources.

Farmers Field School (FFS)

The genesis of FFS goes back to late 1980s as an approach to identify common problems and develop collective solutions while experimenting and sharing the experiences, learning as a group to boost their confidence

to undertake new initiatives (FAO 2021). In the similar vein, this project also initiated the similar approach of FFS in a leased two *ropanis*¹ of land among coffee growers group. Members have been able to learn about the coffee farming system including some basics of marketing collectively.

Support in Marketing

Ensuring the sale of the final product is central strategy of the marketing. However, products from forest based enterprises are largely surrounded by heavy regulations (Pandit *et al.* 2008). One of the major challenges on the production front, is that they may not either be able to produce at scale. Similarly, unlike many commercially established products which carry brand and images, micro enterprises' corporate marketing image lie in its story, rurality, and small range of products-for niche or personalised market. Most of the enterprises do not sell their goods directly to the final consumers. Between them and the final users, there exists various marketing intermediaries- the so called middlepersons and probably invisible chains as well.-. It has been found that middlepersons play a crucial role for marketing of products employing their resources, contacts and experience. They can sell goods more efficiently and economically than the producers themselves.

One of the strategies undertaken for selling of the goods was to empower the local trader as a bridge between the producers and end market in Sindhupalchowk. The reciprocity existing between the producers and a local women entrepreneur cum trader has been found to be very useful to exchange product information and market demand for production. The product information are channelled to the

producers in three tiers: i. customer to seller; ii. Seller to supplier (in this case supplier refers to local middleperson); and, iii. Supplier to producers. For small producers in the rural areas, it is always difficult to deal with this kind of market information and distribution channel.

Furthermore, the producers were assisted to participate in the exhibition for product display, market linkage, marketing skills development² having direct access to interact with the consumers at large and some prospective buyers. Some of the producers received orders for supply, for example trifala. Udhyami Ghar in Kathmandu has been by far the most contacted sales point which procures the goods produced by micro-entrepreneurs, largely on pay-as-sales-go basis.

Establishing the proper network for many products such as *Thakal* hats, fruit baskets etc. through local hotels and *haat* bazars has been continuing with modest results. One of the promising market feature for leaf plate has been observed as its publicity for bio degradability, eco-friendly, produced by women and indigenous people. Also, it has publicised its image through the established national level iconic celebrities. Nevertheless, most of the group enterprise have still to find a reliable market system where supply and demand, delivery arrangements etc. are well established. In this case, more work needs to be carried out to establish the regular and reliable market system. Similarly, engaging in various trade and industry fair, associating with product specific business membership based organisations is important. Furthermore, the groups also need to be empowered by business information and market skill development trainings to uplift their position in value chain.

1 One ropani of land area is about 505 square meters and where about 100 plants of coffee can be planted.

2 Exhibition held in Nov 30-4 December, 2023, FNCCI, 9th International Fair Trade.

Policy and Linkages

Coordination and Collaboration with Local Government, DFO and Other Relevant Agencies

Collaboration and partnership has a great space for embarking on the entrepreneurial activity particularly while working in a competitive yet interdependent societal framework where various competing and complementing entities co-exist. Furthermore, collaboration is carried out to overcome the lack of required resources and to remain competitive (Parizotto *et al.* 2020). The intervention has been instrumental to connect the women entrepreneurs with the local municipality, forest offices, traders, and regulatory authorities to build their awareness, capacity to deal with the government systems, make their problems and challenges heard and supported. Most of the group enterprises have been able to gather complementary support from the local municipalities, e.g. land for building, construction and build other infrastructures and further commitment to facilitate the sale of seedlings from the nursery. In the similar vein, the group has been able to acquiesce the fund from district based forest offices mainly for obtaining subsidies for plantation, machine and equipment and various capacity development related training.

While the federal governance system in the country has given some exclusive authority and role to the municipalities, there can be new opportunities for funding, and policy support for the promotion of forest based enterprises.

Group Enterprise: Rationale and Performance

Wennekers and Thurik 1999, argue that entrepreneurship is behavioral characteristics

of a person rather than an occupation and is not synonymous with small business. Furthermore, they propose to define the entrepreneurship as “the manifest ability and willingness of individuals, on their own, in teams, within and outside existing organisations to perceive and create new economic opportunities (new products, new production methods, new organisational schemes, and new product–market combinations), form and the use of resources and institutions”(op cit. 46-47).

Enterprise development model discussed in this paper has been based mainly through forming and consolidating the group. Adoption of the group based approach was not necessarily premised to bias the individual but because of the importance of the inherent characteristics of the group as to manage the interest of the individual in collective action, encompassing, and inclusive to augment the enterprise processes. The study of group dynamics has become the attention of scholars and practitioners. Organisations across the world have become interested in the development of groups (Jones, 2019).

Formation of a group to achieve a particular purpose is an old age practice in Nepal (and elsewhere) among the community people, e.g. farmers group, users committee and many other community development oriented tasks. Farmers group is one of the agricultural institutions that has a role in developing rural business units with the local people (Listiana *et al.* 2021). Farmers group- although in many instances are informally built upon trust- are believed to ensure mutual cooperation. Hence, group/s are considered to be the major vehicle for garnering the collective action; Lam (1998) argues that the size of the group is one of the key variable that matters for determining the success of the collective action. Lam further argues that higher number of group members

will accrue more costs for coordination, organising the activities and size may affect the functions of the group. Lickel *et al.* (2000) express the view that social groups differ in different ways such as size, ethnicity, membership and underscores the importance of analysis of how people perceive the full range of social groups is necessary to describe how people understand the social world.

Bruce W. Tuckman in 1965 and later with Mary Ann Conover Jensen created a model for small group development and functioning. The original model describes four different stages of group development: *Forming, Storming, Norming and Performing*. The fifth stage – *Adjourning* - was added as joint work with Jensen (Jones 2019). According to this model the group can be assumed at its first stage – *Forming*- participants try to form their own group choosing their own members while developing participants' interpersonal skills, knowing their behaviours, and enabling leadership skills.

Chamla and Singhi (1997) have defined two different types of community based farmers organisations, namely, i. community-based and resource-orientated organisation; and, ii. Commodity-based and market-orientated organisation. However, in this action research, the forest based resource enterprise groups may well fit into the latter definition because these organisations are based on value addition through different layers of integrated value chain activities under competitive environment to maximise the returns from collective enterprise.

Fukuyama (2001) cited in Bhandari and Yasunobu, 2009, argued that economic development is influenced not just by the existence of formal institutions, but also by certain norms and values that accelerate exchange, savings, and investment. He outlined four means through which culture affects

economic behaviour-impact on organisation and production, attitudes towards work and consumption, the ability to create and manage institutions, and the creation of social networks. Implicit incentive of associating in the group is to easily ensure the acquisition of public and other agency managed technical and financial support than for the individually driven initiatives. Examining the outcome of the group is not always a easy task for its intrinsic intricacy influenced by different vested interests. While discussing about the advantages and disadvantages of the group, we received varied responses from the members. There are evidences that social groups and to large extent economic interest groups sustain until mission and objective are achieved (Benoit *et al.* 2015). However, by all means, at this stage it is not possible to measure the sustainability of the groups and whether the enterprises will be continuing through groups. Major determinant factor for this can be the fulfilment of the needs and interest of the individual member. Field observations indicate that some members have left the group and in some group, new members have joined. This indicates that group variability will be in the state of flux governed by their personal and family circumstances.

In the section below, we will delve into the transitory pathway describing the stages as how an individual converged to a group embracing the essence group entrepreneurship.

Metamorphosis of Group Entrepreneurship

The evolutionary trajectory of the group entrepreneurship observed in the project context clearly demonstrates at least three broader stages of enterprise and entrepreneurship development (Figure 1). These are discussed below, in turn.

Individual to Group

Literally an individual is a single physical human being as a legal subject, rather than as belonging to a group of people and its antonym has been referred to as collective, group, joint and shared (<https://en.wiktionary.org/wiki/individual>). Furthermore, Grossman and Santos (2016) have viewed an individual and a group (collectivism) from a cultural point of view as individualist cultures emphasising on self-direction, autonomy, self-expression, along with self-fulfillment, personal achievement, and personal rights and liberties. In contrast, collectivist cultures emphasise harmony, relatedness, and connection, along with in-group goals, social responsibilities, relationships, and conformity. They further argue that these worldviews make a sharp difference in the pursuit and purpose of their socio-economic standing. Furthermore, entrepreneurially oriented group is fundamentally different than the group formed for community development actions e.g. agriculture, drinking water, forest. Distinguishing the differences of the different types of groups is very important for policy and implementation actions.

Group to Group Entrepreneurship

Bogaert and Das (1989) who initially pioneered the conceptual basis of the idea in India outline as:

“...instead of individual turning into an entrepreneur, a whole group of rural persons is enabled to undertake an activity, often the tradition craft with which they are familiar and to interact effectively with the market in such a manner that they obtain a fair price for their product”.

In this context, before associating in the group, we observe that an individual firstly believes in the values of the “group” as a viable means of exchanging the actions among group driven by common interest, Vision, Mission, Goal, Objective, Strategies, Activities and Budget (VMGOSAB). Heterogeneity of ethnicity, age, possession of craftsmanship, knowledge and skills are found to be valuable asset of the members and pooling of these elements- some tangible, some intangible- in a common platform was a challenge.

Group Entrepreneurship to Group Enterprise

Hansen (1996) indicates the difficulty of carrying out the group approach to entrepreneurship and argues that past efforts and trainings had been exclusively geared to fostering the individual entrepreneurship; some evidence suggest that this approach can be carried out to the group either by developing it from within or facilitation from outside agency and nurture it until it can move on its own.

In a community with subsistence household economy, socio cultural practices are less driven by the entrepreneurship and innovation, where instilling the drive for the entrepreneurship can be a challenge. In this particular context, the process followed to create enterprise firstly identified the individuals who voluntarily expressed to be an entrepreneur either being motivated by need or observed opportunity within the community forest. Secondly, they were then molded as entrepreneur through a combination of various actions such as conducting objective oriented training, counselling, consultation, interaction- at the household level and consultation with peers. However, creation of a functional

enterprise is an outcome of the group action motivated by hope of success triggered by the sense of entrepreneurship based on the group. Nonetheless, there may arise a question whether the creation of enterprise can be attributed to the agency of the group or some other elements behind and beyond. The responses from the group members

varied while attributing the inherent group essentiality for building the confidence, reciprocity and symbiosis, group based enterprise would be the answer where all the members of the group intend to function as investors, workers and risk takers and most importantly to achieve the goal of private gain by collective action.

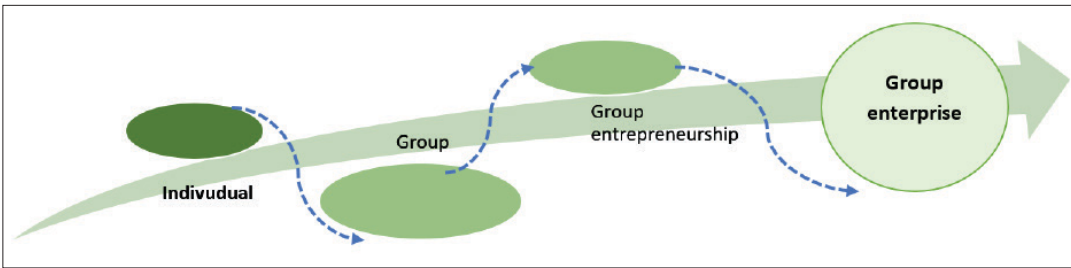


Figure 3: Trajectory of the enterprise creation.

Women’s Collective Enterprise and Empowerment

By and large, of the age of the enterprises is about 1.5 years from their conception to operation, so having the answer for the above question can be quite spurious. The interactions with different women group revealed that they are satisfied because it is located in their own locality, based on under-utilised local raw materials, activities that can be carried out at own pace and use of leisure. The enterprises they are undertaking (Thakal handicrafts, leaf plates, bamboo *nanglo* and baskets, handmade papers, etc.) do not require intensive physical labour and does not compromise their household chores and other major activities e.g. agricultural tasks. Similarly, they expressed the view that as women they have less opportunity to get integrated into market exchange which provides direct access to cash; highly value the contribution of these income generating activities as empowering phenomena although the contribution is modest or minimal to the overall livelihood portfolio.

Another crucial stimulating entrepreneurial factor described was to have a new economic opportunity which they value something giving a sense of ownership and being (self-worth). Access to and availability of raw materials with minimal payment of fees/royalty was expressed as another stimulant factor for starting the enterprise, albeit acquiescing them is very cumbersome and involves ranges of regulatory institutions-.

The World Bank defines empowerment as the process of enhancing an individual’s or group’s capacity to make purposive choices and to transform those choices into desired actions and outcomes (Alsop *et al.* 2006). They further emphasise that empowerment both as goal and driver of development while redressing the imbalances of power between those having it and not having it (ibid: 2). Women’s empowerment has been a global development agenda for some decades recognising its significance for gender parity and sustainable development aiming to increase women’s economic, social, and political power (Reshi and Sudha 2022). Economic empowerment

enables women to access resources and actively participate in economic decision-making. Social empowerment fosters their involvement in cultural, social, and community activities. Political empowerment ensures their engagement in the political process and decision-making, giving them a voice in shaping the future (op cit). Hence, women's empowerment is an effort to increase women's ownership and control of economic and non economic resources (Purnamwati and Utama 2019). Sustainable Goals of the United Nations aims to achieve gender equity in many of the SDGs, and Goal 5 explicitly aims at the achievement of gender equality and the empowerment of all women and girls. In rural Nepal women play a significant role in community development and family economic activities. So, women's empowerment is crucial for realising the development goals and unlocking their potential to engage in economic development activities to transform their social and economic status as equal partners in all spheres of life and influence social change. Benoit *et al.* (2015) note that social and gender inequities are major challenges in much of rural Nepal to implement the community development work including forest and women often have an underprivileged position in terms of access to economic

opportunities among other. Furthermore, they emphasise that women's self-esteem and confidence are shaped by various factors, including cultural norms and expectations, education, societal roles, exposure to the wider world, earning potential, decision-making responsibilities, and their inner sense of identity, autonomy, and strength (ibid:71). As a means of empowerment, they found that project interventions through leasehold forestry significantly boosted their self-esteem. This was achieved through their active participation in income-generating activities, training programs, and engagement in meetings, which fostered greater competitiveness and collaboration within groups.

In light of the forest enterprise development intervention within the aforementioned enterprises, context-specific broad empowerment variables were formulated to assess the perceptions and outcomes among women enterprise group members. These variables aimed to capture the respondents' sense of agency, as presented in table 2. When asked about the changes they perceived, the group members articulated the following outcomes as a result of the project intervention through group-based enterprises.

Table 2: Key empowerment variable and perception

Empowerment variable	Perception/Output
Entrepreneurship	New as well as improved skills for production processes, entrepreneurship development, identification of opportunities, enhanced capacity on risk taking ability, manage group and collective leadership approach, organisational management skills, savings
Access and control over resources	Increased access to forest resources, infrastructures and technology, resource conservation and importance of conservation

Status (community and family)	Respect in the community, increased self-esteem and worth, expression of women's agency, invited by local agencies to participate in various relevant meetings and decision making processes, increased ability in household decision making and participation in enterprise tasks by allocating of time, access to cash (albeit still small)
Decision making	Enabled to make choices, democratic decision making, sharing and caring, knowledge and awareness of rights and procedures
Social inclusion	Intersectionality, heterogeneity of different caste, ethnicity, age
Claiming the rights and policy influence	Ability and confidence to claim rights, increased bargaining power, influence local governments, line agencies, accessing services, engagement in making and shaping of policies, plans and budget for community forest and enterprise at local government level
Networking	Marketing, social and political, promotion of organisation, confidence and comfort to travel outside of own locality, exposure to market outlets, exchange of ideas and concerns

DISCUSSION

Creating and managing enterprises are not easy task. Each forest based enterprise development model must be tailored to the unique needs, objectives, and constraints of individual member, as there is no one-size-fits-all solution. Therefore, the best way to support and promote effective forest resource based enterprise systems is to empower members in their decision-making process, as they best understand their environment, constraints, needs and eventually operate standing on their own feet. This involves guiding them in selecting the appropriate enterprise that will deliver the desired benefits for their specific situations while assisting them in implementing their plans and ensuring that they can successfully operate and benefit. Based on the findings some crucial issues on forest based enterprises are discussed below. Moreover, the discussion proffers the way forward for future replication under the similar circumstances.

Access to Resources

Once Community Forest (CF) members decide on the forest enterprises of their choice, they need uninterrupted access to the resources as raw materials from CF which is critical to decision making for investment. Some key challenges remain particularly in areas of access to resources. Given the abundance of forest resource, if used judiciously, can provide source of income and jobs leading to greater economic development, however, conversely if not, the same can lead to the "resource curse" (Medase *et al.* 2023) or conflict. At times, this potential has been observed impeded by either tenure or access issues to obtaining the necessary permits to harvest or selling the same. This kind of constraints may adversely affect ecosystem services by encouraging to forgo the current activities. Any quantitative restrictions to extract primary raw materials may hinder the full capacity utilisation of the enterprise, e.g. Lokta, sal leaves, allo. In addition to this, there

are reports and observations of cases of natural calamities such as forest fire (The Kathmandu Post 2024) and landslides happening every year severely limits the access to resources. These factors are normally beyond the control of the community. In such situation, what alternatives can be carried out needs to be planned ahead in consultation with the enterprise members.

Tapping into the Opportunities Witnessed In CF

Given the favorable factors such as rich bio diverse resources, increasing infrastructure and technology, availability of business support services, decentralised local governance structures, growing environmental concerns and green economy, can provide an ample opportunity to make the optimum use of underutilised resources in future. But for this to happen, it is important to include the enterprise development agenda in the community forest plan and municipality's annual and periodic plans. Similarly, some of the prominent threats for forest enterprise can be summarised as competition with the mass produced goods, limited demand to create adequate income, price fluctuation, better employment elsewhere, natural disasters etc.

Supporting an Informed Decision by Entrepreneurs

One of the key elements to make entrepreneurial decision is to provide a comprehensive enterprise information on wide ranging enterprises feasible in the area. This includes explaining the potential benefits, weaknesses and risks of each enterprises comprising holistic enterprise development environment e.g. enabling policy, resource availability and nature of access, organisational management capacity, and market requirements. The

more detailed and comprehensive the information is, aspiring entrepreneurs can make better informed decisions for the creation, diversification or transformation of the enterprises. An effective way to gather and share this knowledge is by utilising the knowledge of local forest users' ecological expertise, knowledge of local bodies and relevant entities on various legal requirements to comply with and local and external market agents. By collecting and consolidating this knowledge, valuable insights can be shared with the broader community forest users' to support the individual/group based forest enterprise designs. On the bases of these information, specific business plan/s can be drawn.

Preparation and Implementation of Strategic Plan

Majority of the enterprises draw on their business plan which mainly comprises the analysis on production, technology, market and financial aspect. However, in addition to this, a group enterprise have to draw a long term enterprise development strategy with defined goals, targets and activities which helps them to provide a clear common vision and direction to maneuver the enterprise.

Capacity Building for Stakeholders and Communication Plan

It has been observed that conflicts and anomalies existing between authorities, forest users and entrepreneurs. Some of these conflicts are obviously structural and some are due to the lack of communication between these entities. Conducting regular interaction, orientation and induction over the broader subject of the enterprise development may help adjust the programs and service delivery mechanism of the major service providers

and regulatory entities such as District Forest Office (DFO), municipalities, development agencies. This sort of activities should form the part of communication and capacity development strategy of the enterprise development agency. Pandit *et al.* (2008) express the similar view to develop the capacity of the line-agencies and regulators while avoiding the confusion among multiplicity of agencies.

Adoption of Multiple Marketing Strategies

Commercial sustainability is one of the major challenges micro enterprises face. To grow in the market, enterprises should be able to respond to the quality, quantity and timely delivery and simultaneously be ready to face competition with modern sector with which they are not familiar with. As observed, most of the forest based enterprises have been operating part time in an informal institutional set up. In such a situation, supporting them to build strategic partnership with the formal sector buyers and getting adapted to their requirements is critical to succeed in marketing. Apart from this handholding on various aspects of product design, packaging, quality assurance, permit documentation and delivery is quite essential. Connectivity with Udhyami Ghar, local traders, hotels, participation in trade fairs, working symbiotically with the local market intermediaries and invitation of national level celebrities to introduce the product indicate good initiatives taken towards good marketing direction, however, having regular buyer and assured marketing helps avoid the market vulnerability along the value links. Bannor, *et al.*, (2021) recommend achieving this through an integrated yet diversified approach that combines generic and segment-specific needs.

Furthermore, small producers may not be able to invest for advertisement of the product. In such case telling the story behind the product has been found to be appealing to the customers as a useful means of human communication dealing with event through concrete actions in a specific spatiotemporal background and stories give people psychological effects stimulate immersion and empathy (Kim 2020).

Sustainable Operation

Whether the enterprise has operated sustainably or not can only be observed in a long time horizon after the commencement of their commercial operation. Given the nature of the enterprises here possess the characteristics of micro-enterprise mainly managed by poor and marginalised women through group approach. Furthermore, these enterprises are of seasonal in nature for operation, the engagement of the members is only partial, and the income generated by them can only be a very small fraction of overall livelihood portfolio at the household level. Study conducted in a forestry project in Nepal has observed that due to operational problems, many small scale forest based enterprises were at the brink of failure (Rai *et al.* 2016). Similarly, Paudel, *et al.* (2018) in another study note that although the stimulating external agencies support, most of the forest enterprises closed their operation upon the discontinuity of the support, indicating the partial success of the interventions provided. This kind of situation further begs a question that whether the strategies adopted for promoting small scale forest enterprise are correct and for how long an external support is required and what strategies and determining factors for success should be contemplated in advance.

Probably, Community Forest Based Enterprises (CFEs) should not always be looked from the stringent economic and financial lens, rather as Piabuo *et al.* (2022) have argued the need to see them as social enterprise which bear the hybrid character of having social mission as well as application of commercial strategies to generate profit. Since social enterprise is an evolving concept which, they argue that the classification of community forest enterprises as social enterprise in the new framework permits practitioners to tailor technical support to the needs of CFEs based on where they are situated. Interestingly, forest enterprises in this study area does not only carry the economic sense but also possess strong social elements embedded. This sort of contextual undercurrent exercises have brought the members even closer to the community forest philosophy. Since Nepal's regulatory policies and regimes do not recognise the philosophy of social enterprise *per se*, so introducing this new idea needs more work to have its policy space for community forest based enterprises.

CONCLUSION

At the very outset, we hasten to express that the approaches adopted have been able to create different sets of forest enterprises; however, it is too early to conclusively assert the applicability of findings from this study for its generalisability which further supports the view expressed by Bray, *et al.* (2006, cited in Paudel, *et al.* 2018) that there is no single right way to manage small scale forest enterprises because each of them have their unique conditions and responses to redress them vary. Also, we have observed that departing from mere limited conservation outlook to broader understanding and awareness about the economic opportunities, entrepreneurial ecosystems and complexities of the forest resources can offer at large. This study concludes that women's group to a great

extent fulfilled entrepreneurial features. They redistribute power and resources in very important ways. This provides women powers although not to invert the overall structural authority of men but to garner support from men and leveraging "male cooperation" while engaging in "out-of-box" activities. Project intervention through formal/informal group based institutions clearly highlight the fact that it is possible to create viable enterprises; group entrepreneurship has been found to be the key to collective action for enterprise creation (although the concept is still in its evolutionary phase) which provided an optimistic possibility to organise poor, disadvantaged, *Dalit* and women of marginalised community in meaningful economic activity which aims at supplementing their family income while making the good use of yet not fully utilised Non-Timber Forest Resources (NTFR) which is one of the priorities of the GoN for the improvement of livelihood.

At the implementation side, one common problem has been found to be the inadequate time and support for market development and widening the link for product sales. Group entrepreneurship requires sustained funding over a longer period of time at least to cover a complete enterprise cycle and pay-back period. Whether the conceptual framework of group enterprise, *per se* can be an alternative approach for designing enterprise development strategies vis-à-vis individually owned enterprises – particularly under a heterogeneous rural-socio context needs to examine with longer term project intervention strategies. Creation of enterprises is one aspect, nonetheless, simultaneously whether enterprises can "keep the lights on" largely depends on the financial gain and incentives as such is still unclear. Presumably unless they are able to generate the tangible financial and social benefits, the potential of vulnerability of dissipation/dissolution of the groups looms large.

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