

Global Journal of Arts Humanity and Social Sciences
ISSN: 2583-2034
Abbreviated key title: Glob.J.Arts.Humanit.Soc.Sci
Frequency: Monthly
Published By GSAR Publishers
Journal Homepage Link: <https://gsarpublishers.com/journal-gjahss-home/>

Volume - 4 | Issue - 10 | Oct 2024 | Total pages 836-844 | DOI: 10.5281/zenodo.13990248

Triangular (State-University-Market) Collaboration and Entrepreneurship Development in Nepal¹

BY

Tika Ram Gautam, PhD

Associate Professor and Former Head of Central Department of Sociology, Tribhuvan University, Nepal.



Abstract

The concepts; entrepreneur and entrepreneurship, have become widely popular in politics and academia in the modern capitalist world including Nepal today. There have been diverse debates on the notion of "entrepreneurship" to distinguish it from the field of "small business studies". However, the concepts of business and entrepreneurship are closely interconnected each other. The concepts are also now entered into the university of Nepal with two objectives. First, is linking society and university. Second, is to stimulate potential entrepreneurs encouraging and supporting them to establish business through Business Incubation Centre established within University. This paper aims to highlight the key pillars of business and entrepreneurship in different parts, particularly at local level, of Nepal. It also aims to explain how the triangular collaboration; State-University-Market/Industry, could be the most effective way of promoting business and entrepreneurship in Nepal today. Based on various documents; academic and policy, and narratives-concerns expressed by university, industry, and government, this paper argues that the local level entrepreneurship initiatives can be promoted through such triangular collaboration.

The interest and emphasis of State-University-Market/Industry are now focused on the entrepreneurship development and employment generation in Nepal which is manifested through three key pillars. First, Universities are focusing their academic activities; courses and teaching, on business and entrepreneurship-oriented higher education through academia-industry collaboration. It is often mentioned in vision and work plan including policies and programs of university as well. Second, the government of Nepal is also focusing its policies and programs emphasizing on entrepreneurship development. Federal, provincial, and local governments of Nepal are therefore provoking for new entrepreneurial initiatives. Third, entrepreneurs and business people (local, national, and international) are looking for suitable environment for investment in potential new business and entrepreneurship. They are urging government to create secure entrepreneurial environment. Thus, the potentialities of establishing business and entrepreneurship in Nepal is possible through triangular; State-University-Market/Industry (SUM), collaboration that leads to entrepreneurship development accelerating employment rate and economic growth in Nepal.

Keywords: Entrepreneur, entrepreneurship, collaboration, state, university, market, Nepal

Article History

Received: 11- 10- 2024

Accepted: 22- 10- 2024

Published: 24-10- 2024

Corresponding author

Tika Ram Gautam,
PhD

1. Introduction

Entrepreneurs are individuals or group of individuals who invest capital, organize and direct business and industrial units. An entrepreneur assembles, coordinates, and directs various factors of production namely land, labor, capital, and other materials. "An entrepreneur initiates ventures, employs workers, organizes production, develops markets and influences the development of managerial thoughts" (Shrestha, 1982:11). As stated by Higgins "Entrepreneurship is meant the function of seeing investment and production opportunities, organizing an enterprise to undertake a new production process, raising capital, hiring labor, arranging for the supply of raw materials, finding a site and combining these

factors of production into a going concern, introducing new techniques and selecting top managers for day to day operation" (Higgins, 1966:88). Entrepreneurship is thus, characterized by the dominant element of innovation, a streak of creativity and ready for risk-bearing (K. C., n.d., p. 2). However, the features of entrepreneurship could be different from one entrepreneur and entrepreneurship to another.

¹This paper is the revised version of key note speech delivered in a second national conference on Sociology for Business and Entrepreneurship Development organized by Kabhre Multiple Campus, Banepa, Kavre, Nepal on 8-9 June 2024.



An entrepreneur could be a trader, a technician, an educated unemployed, or the like. The elements common to all of them are the desire for breaking away from traditional ways of doing things, face the organizational and technical problems in decision-making process, and measure up to the risks which are implicit in the process (Joshi, 1977:40 cited in K. C. n. d., p. 2). The performance is based on the nature of entrepreneur and entrepreneurship.

It is generally agreed that entrepreneurship has a positive influence on economic growth a country: it boosts creation of employment and promotes development and expansion innovation (e.g. Van Praag and Versloot 2007). In post-communist economies private companies played an especially significant role by providing people with jobs and consumer goods, adding to the overall welfare of the countries undergoing transformation processes (McMillan and Woodruff 2002 cited in Boruc, 2018, p. 47). In many countries entrepreneurship is playing dual role; creating employment and supplying goods and services as per the need of society and the state. However, in the context of Nepal entrepreneurship is assumed as the creator of employment engaging youths as entrepreneurs. The provisions mentioned in State-University-Market/Industry (SUM) policies focus mainly in engaging youths for creating employment opportunities. The emphasis is on training and educating youths within and beyond universities of Nepal. Although the initiatives on entrepreneurs and entrepreneurships are recently started in Nepal they have longer history.

2. History of Entrepreneur and Entrepreneurship

Entrepreneur and entrepreneurship are at the core of development in the contemporary world of 21st century. Beginning from the industrial era the notion of entrepreneurship is continuously evolving. It would therefore be good to mention the historical evolution of entrepreneurship in the world. As mentioned by Bashyal (2024) in the sub-title of his write up perspective through the ages evolution of entrepreneurship is mentioned as follows:

The first known instance of human trading comes from New Guinea around 17,000 BCE when locals exchanged obsidian, a black volcanic glass used to make hunting arrowheads for other needed goods. Around 15,000 BCE, the first animal domestication began taking place, and around 10,000 BCE, the first domestication of plants. This step toward agriculture was critical for the advancement of the human species. Agriculture allowed us to start to form larger stationary communities and cities, which set the stage for the development and spread of human knowledge. From industrial revolutions to tech booms, entrepreneurs have pushed boundaries, disrupted industries, and created innovations that have changed the world. Today's entrepreneurs are as diverse as their ideas. Whether they're writing a business plan for the next big app in Silicon Valley or opening an inventive brewery in a small town.

The concept of entrepreneurship is gradually evolving over the period of time and has become important issue even today. Employment in local market or within country is closely connected to the entrepreneurship development. To develop entrepreneurship,

the idea and practice of entrepreneurship, should be defined concretely in the context of country. It is started to discuss on the issues of entrepreneurship in different ways in both developed and developing countries including Nepal. In the context of Nepal, the discussion of entrepreneurship is found more focused or emphasized on employment generation rather than in production of goods and services. It is because employment generation is in the priority of state. Migration of youths from Nepal for employment has become an important issue today. It is seriously drawing attention of state, university, and market in Nepal today. However, the notion and practice of entrepreneurship has to be focused on both employment generation and production of goods and services.

It would be good to summarize the historical development entrepreneurship in terms of economic sociology with the idea of Zafirovski (2016) who writes:

Historically, the conception and even the very designation of economic sociology originates in earlier economics-with none other than marginalist economist Jevons inventing the term and proposing the idea, and classical economist J. B. Say's 'social economics' adopted by J. S. Mill-as well as in early sociology since Comte through Durkheim and Weber. As a historical curiosity and relatively unknown moment in the history of economics and sociology, Jevons moreover proposes that economists can 'rescue' their science from its current 'confused state' 'only by a subdivision of Economic Sociology' (note capitalized words) implicitly defined in terms of Spencer's cited definition of sociology as the 'science of the evolution of social relations. (P. 60)

The idea of entrepreneurship is historically evolved with the evolution of social relations in terms of his/her economic activities. The concept was gradually developed from Comte to Durkheim to Weber from sociological perspective. Thus, there was gradual shift in the change during the evolution of the concept of entrepreneurship. However, the concrete definition of the concept entrepreneurship is still required. Entrepreneurship include knowledge, skills and practice based on latest technology in real life. Technology determines the nature of entrepreneurship in all societies throughout the world. For the clarity I would like to quote what Thornton (199) concludes as:

Over the last thirty years, Weber's theory on the origin of the entrepreneurial spirit as a cultural account of individualism has been the metatheory underlying the dominant supply-side perspectives in entrepreneurship research. Theory development and empirical research from a demand-side perspective are currently underdeveloped but on the rise. This review boosts the demand perspective by focusing on the influences exerted by firms and markets. It suggests that sociological frameworks, an embeddedness perspective, ecological and institutional theories, and multilevel models could be used to integrate analyses of individual, organizational, market, and environmental characteristics in explaining how, where, and why new ventures are founded. In sociology, there have been recurrent reminders of the importance of the totality of interpretation, as evidenced by periodic essays to "bring back" men (Homans 1964), firms (Baron

& Bielby 1980), states (Skocpol 1985), society (Friedland & Alford 1991), and work (Barley 1996). Rapid advances in theoretical and empirical work in sociology are now providing avenues for "bringing back" the study of entrepreneurship into sociological research. (P. 41)

The notion of entrepreneurship is gradually changing across its history. It is changing with the changing context of science, technology and culture. The social embeddedness of entrepreneurship is also gradually shifting with the gradual change in the same article Thornton (1999, p. 30) writes, "An important perspective for understanding social and economic environments is the embeddedness approach (Granovetter 1985, Lie 1997). In his seminal 1985 essay, Granovetter argues that economic environments are embedded in social and structural relationships that modify neoclassical predictions of atomistic economic behavior". Thornton (1999, p. 30) further writes, "Contrasting his argument to Williamson's (1975) classic dichotomy of "markets and hierarchies," Granovetter illustrates how economic processes, whether governed by market or hierarchy, are affected by their embeddedness in social and structural relations. The character of venture capital firms and initial public offering (IPO) and acquisition markets exemplifies both relational and spatial embeddedness". Thus, the nature and form of social embeddedness is fundamental to the success or failure of any entrepreneur and entrepreneurship.

3. Entrepreneurship in Practice

Entrepreneurs can be divided into three broad categories i.e., Private Entrepreneur, Government Entrepreneur, and Institutional Entrepreneur (K.C., 1989:18–19). In capitalist system of economy, private entrepreneurs have been actually playing dominant role in all sectors of the economy mainly industry, trade, and the like. But government controls all economic activities and performs entrepreneurial role in socialist countries (K. C., n. d., p. 2). Based on government control; rules and regulations, and the performance capability of entrepreneurs and entrepreneurships the sustainability of the entrepreneurship is determined. The rules and guide the entrepreneurship in its operation. The institutional capability of entrepreneurship contributes how the entrepreneurship performs. The institutional capability and its performance is associated with its social networks that determines economic networks. In the modern capitalist world, expansion of economy leads to the growth and success of the entrepreneurship.

In fact, responding to Polanyi's argument, Granovetter (1990) postulated that modernization, on the contrary, would lead to a proliferation of sociability in economic transactions. Hence, Granovetter's spin on Polanyi's model paved the way for what now amounts to a copious body of literature on the effect of social relations on economic action (Smelser and Swedberg 1994; Swedberg 2002, 2003; Guillen et al. 2002; Granovetter 1985, 1990, 1995, 2002). Three key theoretical and methodological concepts are the cornerstone of the new economic sociology: social embeddedness, social networks, and social capital (Verdager,

2009, p. 14). These three concepts are key to shape the nature, size, and performance of any entrepreneurship.

Social capital emerges as a direct product of embeddedness (Granovetter 1985; Portes 1995). First theorized by Bourdieu (1977) and Coleman (1988), social capital has become the focus of substantial theoretical debate among sociologists and political scientists (Edwards, Foley, and Diani 2001; Putnam 1993). However, in the capitalist world economic relations is based on mutual transaction of human needs goods, and services. This economic connects people on the basis of their contribution on production, distribution, and consumption. This kind of networks is possible in capitalist market through connection based on entrepreneurships. The scenario of entrepreneurship in Nepal is gradually expanding and growing through various levels of entrepreneurships. However, the current status of entrepreneurship, its success and failure, and possible alternatives are less explored in context of Nepal. Therefore, this paper is based on this gap to explore and describe the barriers, hurdles, and failure of entrepreneurship vision and practices to identify potential alternatives for entrepreneurship development and promotion in Nepal in future.

4. Objectives and Methods

The objectives of this paper are to introduce entrepreneur and entrepreneurship in general, describe entrepreneurship scenario and finally explain triangular collaboration among state, university and market as an essential collaborative initiative for entrepreneurship development in Nepal.

In order to conceptualize and operationalize the triangular (state-university-market) collaboration among stakeholders it reviews secondary literatures on entrepreneur and entrepreneurship in the world in general and Nepal in particular. The empirical data, required to draw conclusion on the current status of entrepreneurs and entrepreneurships and the imagination and efforts made by three key pillars; state, university, and market, on entrepreneurship development in Nepal, were collected from representative case studies and published and unpublished scientific papers on the issues. Most of them were collected online and a few offline sources and medias. The data thus collected from various secondary sources were analyzed following the content analysis method. The contents were thematically identified from literatures on case studies and other literatures on the entrepreneurship and its development in Nepal. In addition, researcher's personal observations on entrepreneur and entrepreneurship in Nepal were also used as the further validation of results obtained from content analysis.

5. Micro, Small, and Medium-Sized Enterprises

The levels and types of entrepreneurships can be categorized on various basis such as amount of investment, number of employees, levels, and types of produced things. International Labour Organization (ILO, 2013) defines types of entrepreneurship based on number of employees which is also applied in the context of

Nepal. However, in Nepal, entrepreneurship in Nepal are categorized on the basis of number of employees. Major categories of entrepreneurship are micro, small, medium, and large. In short, they are called MSMEs and are defined based on the number of workers employed as follows:

The lowest or the smallest type of entrepreneurship is micro-enterprises that have fewer than 9 employees. This criterion for micro-entrepreneurship is the size of employees which is less than ten. Second category of entrepreneurship is small which is supposed to have ten or more than ten and less than fifty employees. Small enterprises have 10-49 employees working collectively. With the increase in the number of employees the type of entrepreneurship also differs. Medium-enterprises employ 50-99 and called medium-sized entrepreneurship. And large enterprises have 100 or more employees. This the highest category of entrepreneurship in terms of size of employees involved. This kind of conceptualization is also adopted by the government to categorize the entrepreneurship or local level.

6. Studies on Entrepreneurship in Nepal

Studies and debates on entrepreneur and entrepreneurship in Nepal is lately started and taking momentum very recently. Various efforts on academic and political arena are being made to concretely define, operationalize, and plan to begin startup business based on innovative ideas. Many Nepali youths have vision of being entrepreneur and running their entrepreneurship. They have also started various kind of entrepreneurship in their own effort. However, after a short period of time they unexpectedly failed in their entrepreneurship. There are various reasons behind the failure of such entrepreneurship in Nepal. One of the study by Rijal, Poudel, and Upadhyay (2021, p. 67) have mentioned a number of reasons particularly focusing on factors that challenge startup formation and growth. These factors are mentioned in table 1.

Table 1

Factors that challenge the startup formation and growth

<p>Finance</p> <ul style="list-style-type: none"> • Initial capital • Growth funding • Venture Capitalists • Access to loan • Operating cash flow 	<p>Factors that challenge startup formation and their growth</p>	<p>Market</p> <ul style="list-style-type: none"> • Customer development, acquisition and retention • Customer value proposition • Product/service and market mismatch
---	--	---

<p>Human Capital</p> <ul style="list-style-type: none"> • Employee recruitment and retention • Skill building • Organizational culture • Costs 	<p>Policy</p> <ul style="list-style-type: none"> • Ease of company registration • Import/export registration • Clear policies and processes
<p>Culture</p> <ul style="list-style-type: none"> • Perception of startups in society • Family/social support for entrepreneurs 	<p>Processes</p> <ul style="list-style-type: none"> • Execution • Operations administration and accounting
<p>Support Systems</p> <ul style="list-style-type: none"> • Infrastructure (telecommunication, electricity, transport, internet) • Network • Mentorship • Professional services • Incubators/accelerators 	<p>Demographics</p> <ul style="list-style-type: none"> • Age • Gender • Location

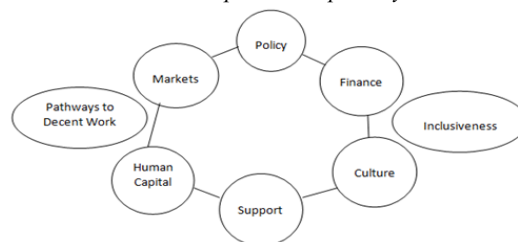
Source: Rijal, Poudel, and Upadhyay (2021, p. 67).

Major factors (Table 1) are finance, human capital, culture, support system, market, policy, process, demographics (which are common to all over the world). In the context of Nepal, the average rating of challenging factors is human capital (3.75), Finance (3.25), Support system (3.05), Marketing (2.7), Processes (2.4), Culture (2.35), and Demography (1.8). Thus, Nepali entrepreneurs are facing various challenges while running their startups. To continue the startups coping with the challenges in the areas of entrepreneurship it is necessary to be familiar with the entrepreneurship ecosystem framework. The common entrepreneurship ecosystem framework developed by the International Labour Organization (ILO) is shown in figure 1.

The Inclusive entrepreneurship ecosystem framework developed by the ILO includes policy, finance, culture, support, human capital, and markets in order chain. The entrepreneurship begins with the appropriate policy framed by the state and the policies of triangular collaboration with university and market.

Figure 1

The ILO's Inclusive Entrepreneurship Ecosystem Framework



Possible additional dimensions, cutting across the entire ecosystem or selected components are technology and environmental sustainability

Source: ILO (2023, p. 7) Pratik Kunwar: youth, investment, skilling, mindset, education (problems and challenges)

Both the pathways to decent work and inclusive include six components; policy, finance, culture, support, human capital, and markets. When an entrepreneurship successfully completes the cycle of ecosystem framework there is higher chances of success of the entrepreneurship. As discussed earlier there is less chances of completing the cycle among the entrepreneurs of Nepal. If any entrepreneurship completes the cycle, there is challenges of maintaining the continuity of the cycle for its sustainable development and growth. It would therefore be important to mention some cases of failure to understand the barriers of entrepreneurship development and promotion in Nepal.

7. Innovative concepts that failed in Nepal¹

Nepali youths have vision of entrepreneurship and courage and confidence in investing and operating entrepreneurship themselves. But it is sad to say the entrepreneurs with innovative concepts and ideas have also failed in their entrepreneurship due to unfriendly entrepreneurship environment created by the state and market. State has to take it seriously and formulate policies based on lessons learned from past experiences so that entrepreneurships can be developed and promoted. Some of the innovative concepts that failed in Nepal are mentioned here.

1. **Sagoon:** Sagoon was founded by Mr.Govinda Giri in 2009, but he faced a ridiculously rough capital environment and after 14 months of trial and error, he had to shut down his search engine. In September 2013, he quit his job and started working full-time from the basement of his home.
2. **United Telecoms Limited (UTL):** At one time it was regarded as quality telecommunication service provider. UTL had successfully built strong image within and beyond Kathmandu valley. But its sustainability was not possible in the long run due to decline in customer demand, weak administration and heavy financial losses. Its ordeal was the inability to judge and adapt the current market and create more customer demand.
3. **Patanjali Products (Fail lab test in Nepal):** The FMCG major Patanjali Ayurveda's six medical products have failed Lab test in Nepal after failing in its home country India. Due to its substandard quality the Ministry of Health's department of drug administration, has asked Patanjali unit in Nepal to recall six of its medical product.
4. **Lenskart:** The art of selling is what makes a product sell

¹ This case is borrowed from

<https://www.collegesnepal.com/cover-story/innovative-concepts-that-failed-in-nepal/>

in the market. Customers are highly tuned to the image of a product and brand. When Lenskart came up with the ad "Shake it off like the earthquake", after earthquake in Nepal in 2015 killed more than 3000 people, seriously raised questions" Is this really a time to push out an offer for Vincent Chase Sunglasses.

The above mentioned cases of failure gives us two important messages. First, there a number of youths who have the vision of entrepreneurship and are capable of investing in Nepal to serve society and state producing the goods and services in need. Second, however, there is no entrepreneurship friendly policy and conducive environment for entrepreneurs to invest in Nepali market. The second message discourages Nepali youths on thinking about entrepreneurship development within country and chase them away from Nepal. In the long run, Nepali society and state will suffer much from this phenomenon.

8. Entrepreneurs and Entrepreneurship in Nepal

Entrepreneurship has become an important issue in political and academic arena and even in the market. All the stakeholders of all these areas have taken it as serious issue and shown their presence in policy documents as well as in oral narratives by political leaders, academicians and even by journalists. The issue of entrepreneurship has become priority for the state, university and market. Before talking about entrepreneur and entrepreneurship in Nepal it is important to review the priorities of three key pillars; state, university and market, of entrepreneurship development in Nepal. The collaboration among these key pillars are important to the development of entrepreneurship in all societies and states. It is therefore important to review and discuss the policy priorities of those pillars in the context of Nepal.

8.1 National Planning Commission, Government of Nepal
 National Planning Commission (NPC) is an authorized government mechanism that provides policy suggestions to the government of Nepal. In order to formulate state policies in priority government appoints experts as a team of national planning. The experts are selected from different sectors to identify and plan policies on priority basis. It contributes in sectoral development. The formal planning of Nepal began from 2013 BS (2059 AD) as the first plan. Currently, the sixteenth plan (FY 2081/82-2085/86) is ongoing. While going through this sixteenth plan we can find a title productive employment, dignified labour and sustainable social security. Under this title there is the provision of entrepreneurship in relation to youths and employment.

Since there are still limited opportunities of employment within country youths will have to go continue to move to foreign country for employment. In this context, it is necessary to explore the better employment opportunities with secure, well managed and dignified services and facilities in other new destination countries for labour agreement.

In order to end the obligatory mobility of youths for foreign employment through optimum and beneficial use of received

remittance, income, knowledge, skills, experience, efficient culture technology, entrepreneurship and confidence in productive sectors mobilizing three tiers of government to create internal employment.

Informal employment and care related work and well managed economy is necessary for dignified work. After the graduation of Nepal from less developed to developing countries there is chances of reduction in financial aid. In this condition, in order to achieve sustainable development goals, it is necessary to invest the capital and technology received from foreign employment in productive sectors.

8.2 University Grants Commission, Nepal

Together with the government initiatives and commitment in entrepreneurship development in Nepal other actors have also promised to follow the same path. The funding mechanism of Nepal's universities University Grants Commission, Nepal has declared "Entrepreneurship and Self-Employment" as one of the major programs. The objective of this program is to support teachers and faculty to develop entrepreneurship culture through developing entrepreneurship skills among students and faculty. Under this program grants will be provided to skill training, legal training, financial education, support for startup business, and similar other grants. It leads to self-employment among students and teachers. About 500 hundred students and teachers will be supported for entrepreneurship training. Fifty best individuals among the trainees will be provided support for startup business as per the criteria mentioned in UGC working procedure (*Karyabidhi*) 2080 BS.

8.3 Tribhuvan University and Other Universities in Nepal

As per the vision paper and work plan presented by Baral (2080 VS/2024 AD), entrepreneurship is in the priority of university curriculum and programs. It is mentioned that in order to deviate university product students from being clerical and moving to foreign country it is necessary to mobilize human and other resources to operate industry occupation through developing required knowledge and skill. In order to make it success all stakeholders including the government and private sectors have to collaborate in such initiatives.

In order to develop campuses/colleges as center of excellence capable human resources will be managed. It is also mentioned that from now on the qualification of teaching faculty who will be engaged in teaching and research in such campuses/college should have PhD as the minimum qualification. There will also be collaboration with federal, provincial and local government for the research as per the need of government at different levels focusing its usefulness in terms of policy formulation. Campuses/Colleges will be developed as the center of excellence through research and consultancy services.

The campuses/colleges teaching vocational and technical subjects will be supported for the collaboration among people, entrepreneurs to handover the necessary service, skills, and technology. In addition to this students studying in campuses/colleges will support students in conducting research for

innovation to get patent right on their innovation. Or they will also be supported providing startup capital to involve them in productive business. It will convert university products students from clerical to employer.

Business Incubation Centre (BIC) is established at Central Department of Economics under Tribhuvan University. Other constituent and affiliated campuses/colleges of Tribhuvan University have also started to link their teaching and research to entrepreneurship.

Other universities of Nepal including Kathmandu University have started to develop and implement courses and programs on entrepreneurship development. They have also established business incubation center the support to startup business and patent right.

The relevance and importance of universities and campuses/colleges can be understood what Traver (2016) write in the context of United States of America. The essence of the article which is mention everything in the abstract of Traver (2016) writings.

President Obama's America's College Promise proposal has brought renewed attention to community colleges' capacity to connect the college and career aspirations of today's undergraduates. Despite this capacity, however, community colleges have historically offered students two distinct educational pathways: a liberal education transfer-oriented program or a terminal vocational program. In the face of this long-standing and ideological divide, some community college instructors have taken to integrating students' liberal and vocational learning in individual courses, an act that requires a willingness to define "liberal" and "vocational" learning in broad terms. Through a preliminary qualitative case study and content analysis of students' assignments, this research explores the nature and impacts of said integration in two spring 2015 sections of Introduction to Sociology at Queensborough Community College of the City University of New York. (P. 287)

This abstract highlights how important the voice of state (president) is and how the role of university is directly connected with the voice of state so that incorporating vocational and other education in campuses/colleges is possible. It also emphasizes on state-university collaboration in producing market need human resource that can directly contribute in achieving state's goals in terms of entrepreneurship, business and other activities. If we go through the history of industrial effort of state in the context of Nepal one can find significant contribution of industry and business in the line of state vision and policies.

8.4 Industrialist, Businessman and Entrepreneurs (Industry, business and entrepreneurship)

The initiatives on entrepreneurship and industrial development in Nepal is not new phenomenon. There were various industrial areas including Balaju Industrial Area in Kathmandu, Hetauda Cloths Industry in Hetauda, Butwal Dhago Factory in Butwal, Sunwal Sugar Mill in Sunwal, Nawalparasi and so on operating in different parts of Nepal. These industries and factories were producing

goods of various nature useful to fulfill the demands of Nepali people. All of them were performing well. However, most of these industries in Nepal are either closed or not running well with good performance. There are various reasons behind the failure and closure of these industries in Nepal.

As highlighted by K. C. (n. d.) some of the past experiences of entrepreneurship in Nepal. The authors ideas were focused on the failure of entrepreneurship caused by a number of barriers Nepali entrepreneurs have to face. As mentioned these barriers are identified as limited access to capital, low level of confidence, low return from industrial investment, lack of education and training, political instability, and lack of favorable policy. These kind of barriers have to be removed from the side of state and entrepreneurship environment has to be created. Removing the barriers of entrepreneurship will encourage and motivate entrepreneurs to invest in the area of their interest and entrepreneurship skills. This kind of entrepreneurship friend environment can be created through specific measures.

K. C. (n.d.) in the same write up identifies creation of investment-friendly climate, extension of institutional services, easy access to finance, favorable government policy, and provision of education and training as the motivation to entrepreneurship. When the entrepreneurs will be motivated in their entrepreneurship they will contribute in creating and managing employment including producing goods and services. The scenario, prospects and problems of entrepreneurs and entrepreneurship in Nepal is discussed in the following sections.

9. Scenario, Prospects and Problems of Entrepreneurship in Nepal (Case Studies)

To identify the prospects of entrepreneurship development in Nepal it is necessary to review some typical cases on the practices of entrepreneurs and entrepreneurships. Here are some of the highlighted and widely attention drawn cases from which all of us can learn lessons and think about future prospects.

Case 1: Entrepreneurship Scenario (Ajit Shah, Published March 26, 2023)²

Nepal is a country with a rich history and culture, and is now home to a growing number of entrepreneurs. In recent years, the number of young entrepreneurs in Nepal has been steadily increasing, with many of them starting their own businesses. According to a report by the Nepalese Young Entrepreneurs' Forum (NYEF), the number of startups in Nepal has increased by more than 50 percent in the last five years.

The success of these entrepreneurs is due in part to the support they receive from the government and other organizations. The government has implemented various initiatives to encourage entrepreneurship, such as the Enterprise Accelerator Program, which provides mentorship and resources to help entrepreneurs

² <https://www.linkedin.com/pulse/rise-entrepreneurship-nepal-ajit-shah>

develop their businesses. Additionally, organizations such as the Nepal Investment Board and the Nepal Entrepreneurs' Association have been providing support to entrepreneurs in the form of grants, loans, and other forms of assistance.

These initiatives have enabled entrepreneurs to access resources and mentorship that would otherwise be difficult to obtain. As a result, many entrepreneurs have been able to launch successful businesses in a variety of industries, such as technology education, and healthcare

The success of these entrepreneurs has had a positive impact on the economy of Nepal. According to a report by the World Bank, the number of jobs created by entrepreneurs in Nepal has increased by more than 20 percent in the last five years. Additionally, the number of businesses registered in Nepal has increased by more than 30 percent in the same period. This case tells us that role of government is vital to the development and promotion of entrepreneurship in Nepal. As mentioned earlier, state is therefore one of the fundamental pillars of entrepreneurship development.

Case 2: Prospects and Hurdles of Entrepreneurship in Nepal (By Sujan Dhungana, Published: 06:02 am Jan 16, 2017)³

Sujan Dhungana of "The Himalayan Times" spoke to Mangesh Lal Shrestha, President of Nepalese Young Entrepreneurs' Forum, to know about the current state of entrepreneurship development in Nepal, along with its prospects and hurdles. The Excerpts of the talk is as follows:

We do have enough business ideas and vision in Nepal. But the fear of failure is stopping people from attempting to become an entrepreneur. This is the major setback to entrepreneurial growth in the country. Similarly, lack of opportunity linkage and market linkage to our products and services is another factor which discourages entrepreneurs. The government instead of assisting entrepreneurs to link themselves with the market nationally and globally is only focused on identifying ways to regulate them. The government should develop a core governance foundation and then develop infrastructure in the country to ease the operation of any business. Likewise, it should encourage investment in different sectors under public private partnership model. This second case illustrates both prospects and problems of entrepreneurship in Nepal. Many youths have their vision with entrepreneurial ideas. However, there is no entrepreneurship ecosystem framework and entrepreneurship friendly environment.

Case 3: Problems at various levels (Prachi Pandey, Saturday, February 4, 2023)⁴

The story on this case is mentioned in detail here. Nepal is ranked 94th on the list of ease for doing business (World Bank, 2021).

³ This case is mentioned by Sujan Dhungana which is borrowed from <https://thehimalayantimes.com/business/fear-of-failure-has-inhibited-entrepreneurship-development-mangesh-lal-shrestha>

⁴ This case is mentioned by Prachi Pandey which is borrowed from <https://english.onlinekhabar.com/entrepreneurship-in-nepal-in-progress.html>

Further, Nepal's business registration procedure made starting a business more difficult by requiring in-person follow-up for employee registration for social security (World Bank, 2019). However, with access to technology, youth are still attracted to follow the path of entrepreneurship in Nepal and it is evident that the country has a lot of room for understanding the loopholes and taking action to work towards progress.

The situation is even more dreadful if you are a female entrepreneur. Women usually start their own businesses out of economic necessity rather than opportunity and frequently have less confidence in their entrepreneurial abilities than their male counterparts. It becomes evident that providing women with loans, business opportunities and the means to generate income may enable them to better manage their poverty. Then, calling for more than facilitating women's access to assets or enabling institutions, laws and policies can ease them while doing business.

In the history of Islam, one of the best stories is that Muhammad's wife was an entrepreneur. She was a businessperson who made money to support him while he became this global religious figure. However, the ease to run a business is not that simple, even after centuries. With government leadership and policy changing frequently, one of the biggest problems of entrepreneurship in Nepal is entrepreneurs lack the right entrepreneurial environment. Many times, entrepreneurs are not sure about the legal hassles here in Nepal.

The bureaucrats in the government offices employed to help the visitors are not friendly and provide insufficient information. Hence, it is not uncommon for Nepali youth to have a negative approach to the government and its system in Nepal.

All the above mentioned three cases clearly reflect that there is problem of completing and maintaining the cycle of ecosystem framework. All the entrepreneurs are suffering from any of the components of ecosystem framework. The entrepreneurs performing well in the beginning and leading to the success have also come to meet the crisis of success at the end. Most of the analysis made in the reviewed literature highlighted that the major reasons of entrepreneurship failure in Nepal are closely connected to the government policies guiding markets and collaborative initiative among state, university and markets. University does not know what the state and market needs because there is no state-university collaboration in research and teaching. There is also gap between university and market because market doesnot inform university what is market demand that the university has to fulfill through research and teaching producing market friendly human resource on the one hand and efficient and capable entrepreneurs who can independently run their entrepreneurship in collaboration with university and the state standing strongly in the market base. These facts tell us that it is the time to maintain good governance through appropriate entrepreneurship friendly policy by the state in collaboration with university.

10. Time for good governance⁵

Before entering into the discussion why it is the time for good governance it would be relevant to mention one story which reflects the lack of good governance as well as lack of entrepreneur friendly ecosystem framework and its implementation. The story truly reflects how an innovative entrepreneur in Nepal faces unpredictable hurdles that leads the entrepreneur to the death. The story is as follows. Recently, a young man from Ilam set himself on fire after writing a long note on Facebook. He described his struggle as a businessman in Nepal and pointed out the wrongdoings of reputed business houses.

He even mentioned the failure of the state in monitoring these business houses and boosting entrepreneurship in Nepal. This incident brought into light the struggles of small businesspersons to solve their financial problems. Hence, it is essential that the government ensures good governance in the country in order to preclude such incidents in the future.

Yet, it is not wrong to say that the status of entrepreneurship in Nepal is better now than it was before. This is mainly due to wide access to technology and customers. Essentially, today, a cell phone gives you access to the world, you have so much computing power in your hands, and it gives you access to markets and knowledge that are hugely valuable. However, there is lack of collaborative efforts for the development and growth of entrepreneurship in Nepal. Many substantive evidences mentioned earlier clearly reflect that entrepreneurship failure due to lack of good governance in the context of Nepal. It is therefore time not to delay to initiate good governance to protect and promote entrepreneur and entrepreneurship in Nepal. The good governance, particularly related to entrepreneur and entrepreneurship, is possible through triangular collaboration among state, university and market.

11. Conclusions: Collaborative Initiatives

The concept of entrepreneurship has not only become a matter of discussion but also priority agenda in the policies of state, university and market in Nepal today. Three key pillars of entrepreneurship; State-University-Market/Industry (SUM) have mentioned the provisions on entrepreneurship development and promotion in their vision and policy papers. Previous studies (Pratik, Kunwar, ILO) have also mentioned three pillars; state, university, and the market as responsible actors of entrepreneurship in any part of the world including Nepal. It is also observed that their independent and isolated role on entrepreneurship development cannot be successful to the development of entrepreneurship in Nepal. It is therefore evident that there is urgent need of initiating triangular collaboration among state, university and market to create entrepreneurship environment in Nepal. In addition, state-university collaboration can only produce

⁵ This case is mentioned by Prachi Pandey which is borrowed from <https://english.onlinekhabar.com/entrepreneurship-in-nepal-in-progress.html>

the efficient and capable market friendly human resource that can contribute to the startup and development of entrepreneurship. University plan remains at the core of state policy backed up the evidences through conducting research on entrepreneurship development possibilities in different parts of the country. The recommendation made through such evidence based conclusion can appropriately contribute entrepreneurship policy as well as practices. Market is another pillar that stands itself for entrepreneurship coordinating with state and university for required market friendly human resource. Moreover, markets investment can be productive and useful when it is focused in the priority areas of society and country. Such need based entrepreneurs contribute in generating employment as well as production of the goods and services in need. University in collaboration with state and market can design its curriculum focusing on priority issues and need. It can also recommend evidence based policy for possible triangular collaboration between state, university and market leading to successful entrepreneurship. State policies in favour of entrepreneurship including its support can create financially secure and supportive environment. The cases on success and failure of entrepreneurship development mentioned earlier, thus, clearly shows that State-University-Market/Industry (SUM) collaboration is today's need of entrepreneurship development in Nepal.

References

1. Baral, Keshar Jung. (2080). *Vision Paper (Vice-Chancellor) on Operating and Managing Tribhuvan University*. Tribhuvan University.
2. Bashyal, Prashant. (June 6, 2024). *Nepal's Entrepreneurial Landscape: Opportunities and Challenges*. Available in <https://medium.com/@prashant.bashyal7/nepals-entrepreneurial-landscape-opportunities-and-challenges-f47f838835bd>
3. Boruc, Weronika. (2018). Family, Friends, and Money—What Makes an Entrepreneur? Analysis of Data from Poland, 1993–2013. *Polish Sociological Review*, No. 201 (2018), pp. 47-60. Stable URL: <https://www.jstor.org/stable/26449222> Accessed: 17-10-2024 01:27 UTC
4. International Labour Organization (ILO). ((2023). *Building Inclusive Entrepreneurship Ecosystems in Nepal: An Analysis of Kathmandu and Pokhara*. International Labour Organization.
5. K. C., Fatta Bahadur. (n. d.). *Entrepreneurs in Nepal: An Empirical Study*. Available in <https://www.researchgate.net/profile/Hussien-Al-Hasnawi/post/Do-anyone-know-about-published-research-article-about-entrepreneurship-education-in-Nepal-and-entrepreneurship-intention-of-Nepali-youths/attachment/5df3386bcfe4a777d4fa3bdb/AS%3A835544661639168%401576220779033/download/ENTREPRENURE+IN+NEPAL+An+Empirical+Study.pdf>.
6. Kunwar, Pratik. (2018). *Entrepreneurship and Enterprise Development: Assessing entrepreneurship and enterprise development in Kathmandu*. Daayitwa public service fellow 2018 | office of member of parliament Gagan Thapa.
7. National Planning Commission. (2081 VS). *Sixteenth Plan (FY 2081/82-2085/86)*. National Planning Commission, Government of Nepal.
8. Rijal, Sushant, Poudel, Smriti, and Upadhyay, Paras. (2021). The Five Biggest Factors Challenging Start-ups in Nepal. *Westcliff International Journal of Applied Research (WIJAR)*, Volume 5, No. 1. Fall 2021 (Issue 1. December 2021).
9. Samundra Paudel. (2019). *Entrepreneurial leadership and business performance: Effect of organizational innovation and environmental dynamism*. (Kathmandu University School of Management (KUSOM), Lalitpur, Nepal)
10. Seabright, Paul. (2016). Religion and Entrepreneurship: a match made in heaven? *Archives de sciences sociales des religions*, 61e Année, No. 175 (juillet-septembre 2016), pp. 201-220. Stable URL: <https://www.jstor.org/stable/10.2307/26356533>.
11. Thornton, Patricia H. (1999). The Sociology of Entrepreneurship. *Annual Review of Sociology*, Vol. 25 (1999), pp. 19-46. Stable URL: <https://www.jstor.org/stable/223496> Accessed: 19-10-2024 05:37 UTC
12. Traver, Amy E. (2016). How Do We Integrate Students' Vocational Goals into Introduction to Sociology Curricula, and What Are the Effects of Doing So? *Teaching Sociology*, October 2016, Vol. 44, No. 4, Special Issue: *Teaching Sociology in the Community College Context* (October 2016), pp. 287-295. Stable URL: <https://www.jstor.org/stable/24887538>.
13. University Grants Commission. (2080 VS). *Karyakram Karyabidhi* (Program Working Procedure). University Grants Commission, Nepal.
14. Zafirovski, Milan. (2016). Toward Economic Sociology/Socio-Economics? Sociological Components in Contemporary Economics and Implications for Sociology. *The American Sociologist*, March 2016, Vol. 47, No. 1 (March 2016), pp. 56-80. Stable URL: <https://www.jstor.org/stable/43956976>.

Reference links:

1. <https://www.linkedin.com/pulse/rise-entrepreneurship-nepal-ajit-shah>
2. <https://english.onlinekhabar.com/entrepreneurship-in-nepal-in-progress.html>
3. <https://www.collegesnepal.com/cover-story/innovative-concepts-that-failed-in-nepal/>
4. <https://www.linkedin.com/pulse/policies-challenges-opportunities-start-ups-nepal-anil-parajuli>

