



Lal Prasad Sharma

## IMPLEMENTATION AND RELEVANCE OF BUSINESS SKILLS TRAINING FOR WOMEN

### Introduction

Women often face difficulties in accessing the labour market due a variety of reasons such as lack of education, poor economic condition, family and household responsibilities, limited technical skills and social reasons. To promote the employment of women and girls, the Employment Fund (EF) in Nepal aims to include women and girls as 50% of its overall clientele each year.

Under a contract with the World Bank, EF implemented the Adolescent Girls Employment Initiative (AGEI) from 2010 to 2013, connecting 4,410 young women aged 16 to 24 to skills training. 65% of the graduates were gainfully employed after the training. To attract women, additional components were introduced, including a life skills training module.

A study on "Access of Women to Skills Training" was commissioned in 2014 to document the process and strategies applied by EF to enable women between the age of 16-40 to acquire skills training for employment, as well as to gauge the contribution and impact of EF skills training in the lives of these women graduates. This learning series is based on the study which reached 423 EF graduates, age between 16-40, who received training between 2010 and 2013.

This summary note focuses on the implementation aspects, and relevance of the business skills training provided under the EF.

### Overview of business skills training – objectives, content, scope, and coverage

The major reason for the introduction of business skills training was that most graduates of occupational skills training programs opted for wage employment. It was envisaged that business skills training would motivate some of the trainees towards self-employment and starting their own enterprises.

Business skills training was offered to trainees who are interested in entering self-employment after the completion of occupational and life skills training. The training was 5 days long, and the content was a blend of IEDI model of micro-enterprise creation and International Labour Organization's (ILO) version of Start and Improve Your Business (SIYB). The content focused on entrepreneurial traits, identifying and selecting business ideas, and business planning.

Implemented by:





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Of the total women who participated in occupational skills training, only 9% (2,636) participated in the 5-day-long business skills training; 61% of them went into self-employment. Out of the 175 self-employed trainees in the study sample, 37% went into self-employment without participating in business skills training.

In terms of age there is almost equal distribution between age group 16-24 and 25-40 in taking up self-employment. Among those who went into self-employment, 5% are from the Dalit community, 54% Janajatis and the remainder were from "other" groups.

Selection of trainees for the business skills training was the responsibility of the Training and Employment Service Providers (T&Es). After the T&Es identified the required number of trainees, resource persons were invited to conduct the training program, assisted by a trainer from the concerned T&E. The selection criteria for business skills training were provided to the T&Es and trainers from concerned T&Es were also oriented on the selection process and criteria. Even then, the major complaint of the resource organisation was that there was a tendency among the T&Es to assemble the specified number of trainees without really considering their potential for self-employment. In other words, the guidelines and selection criteria were not properly followed.

### Self-employment and its relation to business skills training

The primary reasons the respondents chose self-employment were earning a decent income, and flexibility to look after the family. Respondents self-employed in their traditional trades chose it so that they could run their business from home and take care of their families. Family members were also satisfied that their daughter or daughter-in-laws were in productive work without compromising family responsibilities.

Among the self-employed, almost 49% were able to sustain their business for over two years. Their ability to survive for two years, the most difficult period for start ups, indicates that they should be in a position to continue.

### Taking up self-employment without business skills training

The study found that not all self-employed trainees had planned to go into self-employment. This resulted in a sizable number of respondents not attending the business training. It indicates that self-employment is a process that requires time, consultation, network and capital. The business skills training was an eye opener for those who participated, but it is not a requirement for success, as a sizable number of trainees took up self-employment without the training. The major reasons for women taking up self-employment without participating in business skills training included:

- Business skills training was optional and it was up to an individual to decide whether to participate or not.
- The participant had not decided to go into self-employment when they completed the occupational and life skills training.
- There was no initiative from the T&Es to encourage trainees to participate in the business skills training.
- There wasn't much gap between the occupational and business skills training. As a result, the women trainees rushed back to their homes after attending occupational and life skills training.
- It took some time for women to think about self-employment, which happened after observing the market and discussing self-employment with family members.



Divya Raj Upadhyaya

It was noted that there is a tendency to set up business after certain time, usually one year after completion of the training. During this period, a majority of the respondents were employed where they developed contacts and networks, and became familiar with the market. They were also able to accumulate some savings to invest in their business. An employment period also helped them develop the self-confidence to deal with customers. It would be far too ambitious to expect the trainees to set up businesses immediately after the completion of occupational

and business skills training. It is also important to note that while business skills training can create awareness about self-employment, several other factors such as the family, the market, the influence of colleagues and relatives, and the availability of capital play an equally important role in taking up self-employment.

### Usefulness of business skills training

The part of the business skills training that dealt with entrepreneurial traits was found most interesting and 49.07% of the respondents retained some of the content.

#### Usefulness of Business skills training

Apart from the session on entrepreneurial traits, sessions on business planning were also (18.63%) useful. The respondents who obtained loans from commercial banks and cooperatives did prepare a business plan in the format prescribed by the lending institutions. Sessions on entrepreneurship and entrepreneurial characteristics were retained by the respondents because it was a structured learning experience (SLE) where respondents learned through various exercises and games.

The respondents were of the opinion that business skills training should be spread over during the occupational skills training instead of scheduling it after life skills training. The arrangement of undergoing occupational skills training before the business skills training gave graduates limited choice when selecting business ideas, as their choice of business was dictated by the training they received.

### Other factors and their relation to self-employment of graduates

#### Caste, ethnicity and self-employment

It was not very common for graduates from the Dalit community to take up self-employment (5%) whereas it was highly popular among Janajatis (54%). The reasons for lesser number of self-employed from the Dalit community could be lack of adequate capital to start a business, lack of exposure to markets, and low degree of confidence. However, those who took up self-employment from this community earned between Rs. 100, 000 - 300, 000 per year, which indicates that they were doing well.

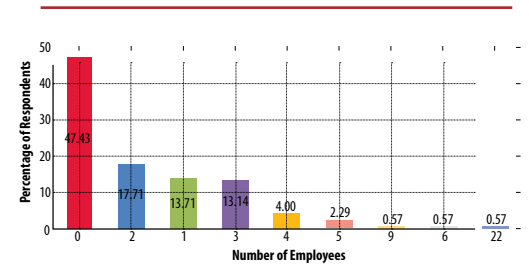
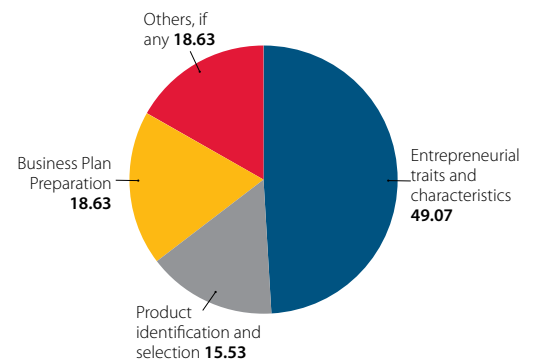
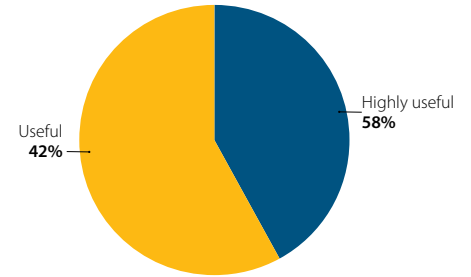
#### Education and size of business

Among the self-employed, the highest level of educational qualification was higher secondary (5%). The majority of the respondents had completed Grade V-VII (42%). The most common businesses for respondents with basic education (Grades V-VII) were tailoring, embroidery, mushroom cultivation, and hand knitting. Respondents who had completed Grade VIII to SLC had businesses like boutiques, beauty parlours, dressmaking, tempo driving, and electrical and mechanical workshops.

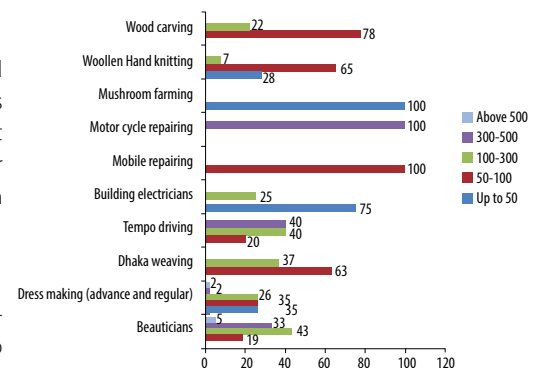
The respondents with basic academic qualifications (Grade V to VII) had businesses that were limited in terms of size and income. The majority of them invested their own capital to start their business and their annual income was in the lower range, between Rs. 50, 000 - 100, 000. They were just meeting, or slightly above the threshold earning of Rs. 4600 per month. Graduates who had higher academic qualifications managed to mobilize resources from financial institutions. This resulted in an increase in the size and volume of their business, and their annual income was much higher.

#### Employment generation

The businesses run by the respondents were small family-run enterprises. Normally the self-employed person was running the business alone (47.43%). 18% of the respondents employed two workers and another 13% employed three workers. The chart below summarizes the number of employees in businesses run by the self-employed.



#### Proportion of Respondents (%) by Annual Income Category (in NRs 000)



The self-employed who were not employing other workers were woollen hand knitters, tempo drivers and motorcycle repairers. The businesses that employed two to four workers included beauty parlours, tailoring shops, and electrical wiring.

### Annual income by occupational trade for self-employed graduates

A brief analysis of annual income and other variables such as age, education, caste and ethnicity indicates that the representation of young girls aged 16-24 is prominent throughout various income levels, with the highest concentration among the self-employed earning between Rs. 50,000-100,000 per year. The tendency to borrow loans from cooperatives and other financial institutions is not common among the self-employed whose earnings were limited to Rs. 100,000 per year. This could be because they were not in a position to obtain loans as they did not have adequate savings or collateral to mortgage against loans.

### Lessons learned

Self-employment is a process that requires time, consultation, network and capital. The business skills training was an eye opener for those who participated, but it is neither a necessary, nor a sufficient condition for self-employment, as a sizable number of graduates took up self-employment without the training. There is a tendency to set up business after a certain period of employment, usually one year after completion of the training. An employment period also helped them get ready to go into business, and this time-period should be kept in mind when offering business skills training.

While business skills training can create awareness about self-employment, several other factors such as the family, the market, the influence of colleagues and relatives, and the availability of capital play an important role in taking up self-employment. Sessions on entrepreneurship and entrepreneurial characteristics were retained by the respondents because it was a structured learning experience (SLE) where respondents learned through various exercises and games.

The arrangement of undergoing occupational skills training before the business skills training gave graduates limited choice when selecting business ideas, as their choice of business was dictated by the training they received. Integrating it into the occupational skills training would be valuable.

In terms of caste and ethnicity, it was not very common among the Dalit community to take up self-employment (5%) whereas it was highly popular among Janajatis (54%). The reasons for lesser number of self-employed from the Dalit community could be lack of adequate capital to start a business, lack of exposure to markets, and low degree of confidence.

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### Case study



Januka Duwadi is married with three children. She took training in JTA poultry level I and now wants to do level II. She chose this trade as this trade required less mobility. She did not want to leave her children and work outside. The factor of staying at home and taking care of the family was the major reason that she chose this trade.

Her husband returned from Dubai this year after seeing her doing so well in Nepal. He came to support her in their business. She invested Rs. 500,000 by taking a loan from the bank. Her husband handles the money but she has her say in the expenses.

In summers, she keeps one lot of 1,200 chickens and earns up to Rs. 1,00,000; in winters, she keeps 1,500 to 1,600 chickens and earns up to Rs. 2,50,000.

"If I had not taken this training, I would never have known what I am capable of." She is very satisfied with the job. She has bought a scooter for herself with the money she has earned. She is respected more in the family and has an important role in decision-making. Before, it was only her husband deciding everything for the family.

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