



Impact of Nepalese Chamber of Commerce and Industry (CCI) programs on entrepreneurship quality development in Nepal

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ABSTRACT: Entrepreneurs always try to enlarge their personal and business capability. CCI is an association of entrepreneurs that facilitate to improve entrepreneurship quality. For this purpose, CCI has continuously organized various programs that affect to enhance entrepreneurship quality development. This study mainly measured impact perceived by members of CCI from the CCI programs in relation to development of entrepreneurship quality. Geographically, Nepal was categorized into four strata and one CCI was selected from each and four hundred members of CCI were selected for questionnaire survey. Quantitative and qualitative analysis was done. They perceived as result of CCI programs on entrepreneurship quality improvements are exposure capacity development, replication of best practice, business knowledge development, investment capacity enhancement, increase social status, risk bearing capacity, credibility enhancement, debt financing capacity enhancement, decision making capacity improvement, leadership capacity development, development of convincing power to others, and network building. The study shows that entrepreneurship quality can be developed through effective CCI programs in Nepal.

KEYWORDS : Chamber of Commerce and Industry (CCI), CCI programs, Entrepreneurship quality improvement,

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I. INTRODUCTION

The entrepreneurial function implies the discovery, assessment and exploitation of opportunities, in other words, new products, services or production processes; new strategies and organizational forms and new markets for products and inputs that did not previously exist (Shane & Venkataraman, 2000). According to Schumpeter, "Everyone is an entrepreneur when he actually carries out new combinations". Finding new combinations of factors of production is a process of entrepreneurial discovery that will become the engine that drives economic development. These "new combinations" constitute better ways to meet existing demand or create new products, often making current technologies and products obsolete (in a "process of creative destruction") (Schumpeter J. , 1942). Entrepreneurs, whose economic aim may have a social impact and contribute to economic development through creating jobs, services and valuable goods (Austin, 2006). Entrepreneurship is as a scientific field and its direct relationship with economic growth and development. The overwhelming impact of entrepreneurship in any economy cannot be over emphasized. It is said to be a vital instrument for economic transformation and the stimulation of the global development and also a wealth generator for both individual and the economy at large (Mr. Abdul Jaleel, 2017).

The long history of the chamber movement can be traced back to 1599, when the term "chamber of commerce" appeared for the first time, in Marseille, France (International chamber of commerce, 2017). Gradually, establishment of chamber of commerce spread in all over the world. Today, chambers of commerce exist in almost every country of the world.

A chamber of commerce is an association or network of businesspeople designed to promote and protect the interests of its members. A chamber of commerce, also known as a "board of trade," is often made up of a group of business owners that share a locale or interests, but can also be international in scope. They will choose leadership, name representatives and debate which policies to espouse and promote. Chambers of commerce exist all over the world. They do not have a direct role in creating laws or regulations, though they may be effective in influencing regulators and legislators with their organized lobbying efforts (Kenton, 2018).

In Nepalese context, the history of CCI found that after democracy established, different types of organizations and institutions started to appear numerously. In the same way, some of the business people of Nepal established one institution named Vanik Mandal. After Vanik Mahal was established, some business people became conscious and active. At the same time, Indian Prime minister Jawahar Lal Neharu came to Kathmandu. At that time, Vanik Mandal offered a letter of facilitation along with many other institutions (FNCCI, 2024 B.S). In 1952 (2009 B.S.), Vanik Mandal was dissolved and one business organization was established named Chamber of Commerce. Nepal Chamber of Commerce (NCC) established in the year 1952 is the first Chamber of Commerce in Nepal. At present, it has more than 1,600 ordinary members and more than 8,000 registered firms (Nepal Chamber of Commerce, 2017). At present, CCI is established and operating municipal level, regional level, commodity level to national level in Nepal.

CCI has been organizing various types of program and activities all over the country which focuses on entrepreneurship quality development. The main objective of this study is to measure impact of those programs perceived by members of CCI in relation to entrepreneurship quality improvement.

II. MATERIALS AND METHODS

The present study is mainly focused on finding out what the impact were perceived by CCI members from the participation in various programs organized by Nepalese CCI. This study was guided by pragmatism research philosophy so that applied quantitative and qualitative methods. The study was mainly based on primary data. This study has been trying to represent all over the country. For study purpose, whole Nepal was categorized into four strata by considering 75 districts i.e.; administrative division of the country and ecological belt and one district from each strata was selected that were Jhapa, Makawanpur, Kaski and Surkhet districts. Primary data were gathered through structured questionnaire interviews from 400 CCI members selected as sample from each district. There were also conducted four FGD and 10 key informant interviews which were 60–90 minutes in length and captured data from key organizational informants. The informants were selected from members list of sampled CCI and their perception in involvement and participation with the CCI programs. Factor analysis was run to test significant for further analysis of data and mean was calculated for quantitative analysis. Thematic and content analysis was done in qualitative analysis.

III. RESULTS AND DISCUSSION

CCI has been organizing various types of programs to targeting the members and this study has measured impact on CCI member in relation to entrepreneurship quality enhancement perception. The further statistical analysis was done after factor analysis. Mean is calculated of responses collected in five point scale completely improved to not improve.

Factor loading

The factor analysis of impact of various programs of CCIs in relation to the entrepreneurship development of entrepreneurs shows that it is significant for further analysis. There are 11 activities which have significant from the value of factor loading. The study put the minimum .5 value of each variable to accept for the further analysis. The selected variables have obtained minimum .589 to maximum 1.111 factors loading.

Table:1 Factor loading

KMO and Bartlett's Test^a		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.886	
Bartlett's Test of Sphericity	Approx. Chi-Square	1990.311
	Df	78
	Sig.	.000
Rotated Component Matrix^a		
	Factor loading	
Exposure capacity development	.922	
Replication of best practice	.736	
Knowledge development for business	.713	
Investment capacity enhancement	.789	
Increase social status	.696	
Risk bearing capacity	.589	
Credibility enhancement	.597	
Debt financing capacity enhancement	.735	
Decision making capacity improvement	.679	
Leadership capacity development	1.111	
Development of convincing power to others	.985	

Source: Field Survey

Successful business people have many traits in common with one another. They are confident and optimistic. They are disciplined self starters, creative, determined, passionate towards their work. CCI develops various programs so as to develop the entrepreneurship qualities of an entrepreneur.

After factor analysis, 11 program of CCI are found significant for the further analysis. Minimum value of factor loading considered for the selection of variable is .5. The KMO test found the P = .000 which is less than .5 significant level.

The study asked the individual respondent of CCI members about their experience on impact of CCI's programs to develop the entrepreneurship qualities of entrepreneur. People get the information and knowledge from the various sources. The information shared by CCI is one source of knowledge to develop the entrepreneurship skill of entrepreneur. The below table shows that in average, the mean value of all activities are close to 3 which means the response is 'improved'. So, in general it can be said that 'CCI program is effective to improve the entrepreneurship quality of CCI members'.

Table:2 Summary table of impact of CCI's program

		Completely improved	Moderately Improved	Improved	Less Improved	Not improved	Total	Mean
Exposure capacity development	Frequency	61	122	55	134	28	400	2.8650
	Percent	15.3	30.5	13.8	33.5	7.0	100.0	
Replication of best practice	Frequency	87	156	51	94	12	400	2.4700
	Percent	21.8	39.0	12.8	23.5	3.0	100.0	
Business knowledge development	Frequency	94	158	75	64	9	400	2.3400
	Percent	23.5	39.5	18.8	16.0	2.3	100.0	
Investment capacity enhancement	Frequency	28	88	53	155	76	400	3.4075
	Percent	7.0	22.0	13.3	38.8	19.0	100.0	
Increase social status	Frequency	38	77	199	63	23	400	2.8900
	Percent	9.5	19.3	49.8	15.8	5.8	100.0	
Risk bearing capacity	Frequency	137	160	56	30	17	400	2.0750
	Percent	34.3	40.0	14.0	7.5	4.3	100.0	
Credibility enhancement	Frequency	61	177	128	20	14	400	2.3725
	Percent	15.3	44.3	32.0	5.0	3.5	100.0	
Debt financing capacity enhancement	Frequency	32	64	71	151	82	400	3.4675
	Percent	8.0	16.0	17.8	37.8	20.5	100.0	
Decision Making capacity Improvement	Frequency	48	81	129	111	31	400	2.9900
	Percent	12.0	20.3	32.3	27.8	7.8	100.0	
Leadership capacity development	Frequency	90	83	58	99	70	400	2.9400
	Percent	22.5	20.8	14.5	24.8	17.5	100.0	
Development of convincing power to others	Frequency	131	112	52	64	41	400	2.4300
	Percent	32.8	28.0	13.0	16.0	10.3	100.0	

Source: Field Survey

Presentation of variables on above table is impact perceived by those who participated in CCI programs. These followings are the perceived impact as entrepreneurship quality on members of CCI are Exposure capacity development, Replication of best practice, Business knowledge development, Investment capacity enhancement, Increase social status, Risk bearing capacity, Credibility enhancement, Debt financing capacity enhancement, Decision Making capacity Improvement, Leadership capacity development, and Development of convincing power to others had improved in overall.

From the FGD also, participants shared the significant impact of CCI programs for the entrepreneurship quality development of entrepreneurs. They shared that there were various impacts on the quality development like impact on protection of right and interest of entrepreneurs, building public relation, leadership quality improvement, easy to work with government agencies, network expansion, social recognition, conflict solution, comprehensive skill improvement, enhancement in motivational factor, legal knowledge, improvement, opportunities selection, risk taking ability, cooperative behavior etc.

The study had taken the interview with the president of CCI Surkhet, Mr. Padam Bahadur Shahi, who entered in business in 2050 BS. He was born at dailekh district in a remote village. After completing school level, he came to Surkhet for further study and during study in higher level education, he started a small hotel without no more knowledge about hotel business and joined Surkhet CCI as a member. Mr. Shahi stated that to be an entrepreneur, honesty and hard work are main characteristics. To upgrade business with current scenario, different skills and knowledge must be gained through training and study as well as capability to adapt new technology. Regarding the impact of CCI program, he shared his experience that he faced many problems in the

beginning in the absence family business background, so he regularly involved in CCI's various programs, and became able to enter in business network and get recognized in this area. Surkhet CCI is protecting interests of entrepreneurs, motivating them, building more confidence, developing entrepreneurship quality for increasing competitiveness and create the feeling of responsibility towards consumers and society.

SCCI was establishing herbal collection center in public private partnership model to promote the value of natural herbals available in surrounding areas. It was focusing and supporting entrepreneurs for commercialization of agricultural farming also. The main motto of SCCI was to make self sustained region by developing entrepreneurship. It was frequently conducting meeting with members to develop the programs to meet their expectations. It had established library also to educate the members. Some international companies were also investing as joint venture in agro-based industry in Surkhet. It has been coordinating as well as lobbying among tax office, municipality, government administrative office to solve the problems of members. Mr. Shahi expected positive result of CCI program in the field of entrepreneurship development and improvement of socio-economic status of members.

Arun Raj Sumargi, industrialist of Hetauda Chun Udhyog shared his experience about the role of CCI in entrepreneurship development of entrepreneurs, "I am a member in CCI from business inception time. In CCI, I met entrepreneurs from various sectors. CCI is playing the role of mediator between Government and entrepreneurs. It also supports to link with international companies and entrepreneurs through B2B meeting. It supports to transform and modify existing industry. It gives guidelines to protect investment and operation of industry. One village one product (OVOP) and one district one product (ODOP) program of CCI is also gradually promoting in different districts which encourage the entrepreneur to promote their product. CCI provides the capacity building training also to develop the entrepreneurship quality of entrepreneurs."

The analysis of quantitative and qualitative data also shows that there is significant impact of CCI programs on entrepreneurship development of entrepreneurs, but it is not sufficient. It needs to strengthen the management capacity of CCI to implement the effective programs for CCI members.

IV. CONCLUSIONS

CCI is an apex body as association of entrepreneurs that lobby to secure vital interests of industry and business community. Present study mainly measured the perception of members of CCI on entrepreneurship quality improvement as an impact that participated in various programs organized by CCI. Primary data was collected through structured questionnaire survey among members of CCI, FGD and in-depth interviews with key informants. Result drawn from quantitative analysis about perceived improvement found effective in relation to entrepreneurship quality development. Perception of CCI members on CCI programs have found as exposure capacity development, replication of best practice, business knowledge development, investment capacity enhancement, increase social status, risk bearing capacity, credibility enhancement, debt financing capacity enhancement, decision making capacity improvement, leadership capacity development, and development of convincing power to others had improved in overall. Qualitative data from the FGD and in-depth interview also support to the result shown in quantitative analysis. There are also be added that they got platform to develop business network.

Entrepreneurship quality can be developed through CCI programs. So membership of CCI should be increased and attraction on participation in programs should also be increased. This study put some inputs in the field of entrepreneurship development in Nepal. All CCIs actively operating in different level such as local level to national and international level in Nepal should be focused on entrepreneurship quality enhancement.

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