

EVIDENCE FROM NEPAL: DO GOVERNMENT-INITIATED MSME SUPPORT PROGRAMS FOSTER INCLUSIVE ENTREPRENEURSHIP?

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<https://doi.org/10.37602/IJSSMR.2026.9506>

ABSTRACT

Inclusive entrepreneurship has gained increasing attention as a strategy for creating economic opportunities for women, youth, and other disadvantaged groups. However, there is still limited evidence on whether government entrepreneurship programs are inclusive throughout the implementation process. This study examines the inclusiveness of the Micro-Enterprise Development Program for Poverty Alleviation (MEDPA) program using an Access–Program Support–Outcomes framework. The analysis is based on survey data from 263 MEDPA beneficiaries and uses descriptive statistics to assess who the program reaches, the support beneficiaries receive, and the outcomes they achieve. The findings show that MEDPA has been successful in reaching many of its target groups, including women (56.3%), youth aged 16–40 (52.5%), and Janajati (49.8%). The study found that while entrepreneurship and technical skills training were viewed positively, access to post-establishment support, particularly financial facilitation, technological assistance, and market linkage services remained limited. However, nearly half of the beneficiaries reported increased annual sales, with women-owned enterprises performing slightly better than those owned by men. The study concludes that although MEDPA has expanded access to entrepreneurship opportunities, strengthening post-establishment business support is essential to achieve more sustainable and inclusive enterprise growth.

Keywords: inclusive entrepreneurship, government-initiated programs, MEDPA program

Appreciation: The article is derived from a research project entitled Promoting Innovation and Inclusion in Growth Potential Enterprises: Evidence from Nepal. The project was generously funded to the Nepal Development Research Institute (NDRI) by the International Development Research Centre (IDRC), Canada. We would like to acknowledge Prof. Dr. Raj Kumar Bhattarai, the Principal Investigator for the project and the administrative staff of NDRI for the smooth technical and administration completion of the project. We would also like to acknowledge the Ministry of Industry, Commerce and Supplies (MoICS), the then Ministry of Youth and Sports (MoYS), Micro Enterprise Development Program for Poverty Alleviation (MEDPA), Youth and Small Entrepreneurs Self Employment Fund (YSEF) Secretariat, the associated local governments, and other relevant stakeholders for the project. All authors belong to the Nepal Development Research Institute and grateful to the both IDRC, Canada and NDRI, Nepal.

1.0 INTRODUCTION

Inclusive entrepreneurship has emerged as a key policy priority for promoting equitable and sustainable economic development. Beyond fostering enterprise creation, it seeks to ensure that individuals who are traditionally excluded from economic opportunities, including women, youth, socially marginalized communities, persons with disabilities, and economically disadvantaged populations, have equitable access to entrepreneurship, productive resources, and markets. Rather than viewing entrepreneurship solely as an engine of economic growth, the concept emphasizes its role in reducing inequality, expanding economic participation, and creating more inclusive labor markets. Accordingly, governments and development agencies increasingly recognize inclusive entrepreneurship as an important policy instrument for achieving the Sustainable Development Goals (SDGs), particularly those related to poverty reduction, decent work, gender equality, and reduced inequalities (OECD, 2023; ILO, 2023).

Despite growing policy attention, access to entrepreneurship remains uneven across many developing countries. Structural barriers, including limited access to finance, inadequate business skills, restricted market opportunities, unequal ownership of productive assets, discriminatory social norms, and geographic disparities, continue to constrain entrepreneurial opportunities for disadvantaged groups. Consequently, governments have increasingly implemented entrepreneurship support programs that combine financial assistance with business development services, technical training, mentoring, and market linkage interventions to reduce these barriers and broaden participation in entrepreneurial activities.

In Nepal, entrepreneurship development has become an important component of the country's broader strategy for employment generation, poverty reduction, and inclusive economic growth. The Government of Nepal (GoN) has introduced several entrepreneurship support initiatives to encourage enterprise creation among populations that have historically experienced economic and social exclusion. Among these, Micro-Enterprise Development Program for Poverty Alleviation (MEDPA) is one of the country's flagship entrepreneurship development programs. MEDPA program primarily focuses on creating sustainable micro-enterprises among poor households, women, and marginalized communities.

The need for enterprise development program is particularly evident in Nepal's entrepreneurial landscape. Women constitute approximately 52 percent of the country's population (NSO, 2021), yet they own only about 29 percent of registered enterprises (NSO, 2018). This reflects persistent gender disparities in business ownership. Likewise, young people continue to experience high levels of unemployment and underemployment, and entrepreneurs often face constraints in accessing finance, business networks, and market linkages (Aryal et al., 2024; Chaudhary, 2025). These structural challenges emphasize the importance of government entrepreneurship programs as mechanisms for expanding economic opportunities among women and other disadvantaged groups.

Studies have generally reported positive contributions of entrepreneurship support programs to enterprise creation, employment generation, access to finance, and income improvement (Grimm & Paffhausen, 2015; Cho & Honorati, 2014). Within Nepal, existing research has primarily examined program implementation, livelihood outcomes, micro-enterprise performance, or employment generation. However, considerably less attention has been paid to whether these programs are achieving their broader objective of inclusive entrepreneurship. In particular, there remains limited empirical evidence on whether intended target groups are

not only accessing entrepreneurship programs but also receiving program support and experiencing enterprise outcomes. Most existing assessments focus either on program outputs or economic outcomes, while giving comparatively less attention to inclusivity as a multidimensional process. Inclusion should not be viewed simply as participation of disadvantaged groups but as a process involving equitable access, equitable delivery of program support, and equitable outcomes. This paper has developed and applied an Access–Support–Outcomes framework to evaluate inclusivity. Rather than treating inclusivity solely as the representation of target groups among program beneficiaries, the study conceptualizes inclusivity as a continuum encompassing three interconnected dimensions: (i) whether intended beneficiaries access program support; (ii) whether they receive the key support interventions envisaged under program design; and (iii) whether they report enterprise outcomes following program participation. By examining these dimensions independently for MEDPA program, the study provides a more comprehensive understanding of how government entrepreneurship support contributes to inclusive entrepreneurship in Nepal.

This paper addresses the research question: To what extent MEDPA program promote inclusive entrepreneurship in line with their intended objectives? It contributes to the literature on inclusive entrepreneurship in three ways. First, it moves beyond assessing program coverage to examine inclusivity across three key dimensions: access to the program, the support received, and enterprise outcomes. Second, it provides evidence from Nepal's government entrepreneurship support program, which has been implemented for more than 25 years, providing insights into how inclusive entrepreneurship policies are translated into practice. Third, the findings provide evidence to inform the design of more inclusive entrepreneurship policies and strengthen government efforts to ensure that entrepreneurship support reaches and benefits the people it is intended to serve.

2.0 LITERATURE REVIEW

i. Inclusive entrepreneurship and entrepreneurial inclusion

Inclusive entrepreneurship programs are designed to reduce structural barriers faced by women, youth, and marginalized groups by improving access to finance, skills, and entrepreneurial networks. It extends beyond increasing the number of entrepreneurs from disadvantaged groups. It also requires reducing barriers to participation and ensuring that entrepreneurs have access to the financial, technical, institutional, and business support needed to establish and sustain viable enterprises (OECD, 2019; OECD, 2023). The report by OECD and European Commission (2023) shows that youth-focused entrepreneurship programs significantly enhance employment prospects and entrepreneurial outcomes compared to non-participants. Similarly, UNDP (2024) highlights that inclusive entrepreneurship initiatives targeting women, migrants, and persons with disabilities in the Asia-Pacific region improve participation in entrepreneurship ecosystems and contribute to livelihood enhancement.

While entrepreneurship is often viewed as a driver of economic growth and employment, inclusive entrepreneurship places greater emphasis on ensuring that entrepreneurial opportunities are accessible to all segments of society. It is not limited to increasing the number of entrepreneurs from disadvantaged groups; rather, it seeks to create an environment in which individuals can access the resources, knowledge, finance, and institutional support needed to

establish and sustain successful enterprises. From this perspective, inclusiveness extends beyond program participation to encompass the quality of support provided and the extent to which entrepreneurs are able to improve their business performance over time. Consequently, evaluating inclusive entrepreneurship requires attention not only to who participates in entrepreneurship programs but also to whether beneficiaries receive adequate support and achieve meaningful enterprise outcomes.

Literature shows that women-focused entrepreneurship programs has strengthened entrepreneurial intention, self-efficacy, and economic empowerment, especially when combined with training and financial support mechanisms (Shahin et al., 2020; OECD, 2023). In addition, entrepreneurship education has been found to enhance key competencies such as business planning, financial literacy, and confidence among marginalized groups, thereby improving their capacity to sustain enterprises (Shan et al., 2025).

ii. Evidence from South Asia

In the South Asian context, governments have increasingly emphasized inclusive entrepreneurship as a tool for employment generation and poverty reduction. In India, several policy-driven initiatives such as Stand-Up India, PMEGP (Prime Minister's Employment Generation Program), and MUDRA Yojana have been designed to support women, youth, and socially disadvantaged groups through subsidized credit, skill development, and enterprise promotion (Government of India, 2016; Ministry of MSME, 2023). Similarly, youth entrepreneurship initiatives in India have demonstrated positive impacts on employment creation, but structural constraints such as access to markets and mentorship gaps persist (Gopala & Shekhar, 2024).

In Bangladesh, entrepreneurship programs implemented by BRAC have played an important role in improving the livelihoods of poor and vulnerable households, particularly women. BRAC's graduation and microenterprise programs provide an integrated package of support that includes productive asset transfers, entrepreneurship training, business coaching, financial literacy, savings promotion, and regular mentoring. Rather than providing financial assistance alone, the programs combine multiple forms of support to help participants establish and sustain income-generating activities. Studies have found that this integrated approach has increased household income, improved women's participation in economic activities, strengthened business sustainability, and enabled households to move out of extreme poverty (Banerjee et al., 2015; Bandiera et al., 2017; Balboni et al., 2022). These findings suggest that entrepreneurship programs are more effective when training is complemented by continued technical, financial, and advisory support throughout the enterprise development process.

In Pakistan, the government has introduced several initiatives to promote youth and women's entrepreneurship, including the Prime Minister's Youth Program and the Kamyab Jawan Program, which provide entrepreneurship training, subsidized loans, business incubation, and advisory services to encourage self-employment and small business development. These programs have contributed to increasing entrepreneurial intentions and expanding employment opportunities among young people. However, studies indicate that beneficiaries continue to face challenges such as limited access to finance, complex loan application procedures, inadequate business mentoring, and weak institutional support, which constrain enterprise

growth and sustainability (Zulfiqar & Yaseen, 2026). Similarly, women's entrepreneurship initiatives have improved women's access to business training and economic opportunities, but their effectiveness remains shaped by socio-cultural norms, gender inequality, and class-based barriers that limit women's ability to establish and expand successful enterprises (Roberts & Zulfiqar, 2019). These findings suggest that entrepreneurship programs are more likely to generate sustainable outcomes when financial assistance is complemented by continuous mentoring, institutional support, and measures that address structural barriers to participation.

The studies from South Asia suggest that entrepreneurship support programs have made important contributions to expanding economic opportunities for women, youth, and other disadvantaged groups. Across countries, training, financial support, and entrepreneurship development initiatives have improved enterprise creation, employment, and income generation. At the same time, the literature consistently highlights that enterprise sustainability depends on more than initial business start-up support. Continued access to mentoring, technology, financial services, and market linkages remains essential for helping enterprises grow beyond the start-up stage. These findings indicate that the effectiveness of entrepreneurship programs should be assessed across the entire enterprise development process rather than solely in terms of the number of businesses created.

iii. Evidence from Nepal

Studies conducted in Nepal show that women are actively engaged in micro and small enterprises, yet they continue to face barriers such as limited financial access, low business skills, and socio-cultural constraints (Manandhar, 2022; Acharya & Pandey, 2018). Evidence further suggests that entrepreneurship and microfinance programs have contributed to improved income, decision-making power, and participation of women in household and community economic activities (Nepal, 2023; Hillman, 2024). Chakravarty et al., (2020) state that targeted entrepreneurship interventions such as vocational training and self-employment programs have improved employment outcomes, particularly among women and rural youth, enabling them to engage in home-based and small-scale enterprises in line with local socio-cultural conditions. In addition, youth-focused interventions have also shown positive effects on entrepreneurial intention and business creation, although outcomes remain influenced by socio-cultural and institutional constraints (Chalise et al., 2023). However, marginalized groups including persons with disabilities and low-income women continue to face exclusion from entrepreneurship ecosystems due to persistent structural barriers, reinforcing the need for more inclusive and accessible entrepreneurship programs (Mendoza, 2023; Thapa, 2024).

iv. Micro-Enterprise Development for Poverty Alleviation (MEDPA) Program

The Government of Nepal introduced the Micro-Enterprise Development for Poverty Alleviation (MEDPA) program as a national initiative to reduce poverty, building on the experience of the earlier Micro-Enterprise Development Program (MEDEP). Implemented since 1998 with support from the United Nations Development Program (UNDP) and the Australian Government, MEDEP laid the foundation for promoting micro-enterprise development among economically disadvantaged populations. Following the program's completion in 2018, the Government institutionalized its approach through MEDPA. To guide its implementation under Nepal's federal governance system, the Ministry of Industry,

Commerce and Supplies issued the Micro-Enterprise Development for Poverty Alleviation Operational Guidelines, 2077, assigning implementation responsibility to local governments, including municipalities and rural municipalities. Under Nepal's federal governance structure, MEDPA has been implemented across all 753 local governments, making it one of the country's largest government-led entrepreneurship support programs.

MEDPA program targets individuals living below the poverty line, unemployed or returnee labor migrants, and entrepreneurs with partially established micro-enterprises who require additional support to sustain or expand their businesses. To promote inclusive entrepreneurship, the operational guidelines require that at least 70% of beneficiaries be women and at least 60% be youth aged 16–40, while also prioritizing Dalit, Indigenous, marginalized, and other disadvantaged groups. Program implementation is based on the Micro-Enterprise Development (MED) Model, a demand-driven approach that supports entrepreneurs through six sequential stages: social mobilization, entrepreneurship development training, skill development training, technology access and transfer, access to financial services, and market linkage and business advisory support. At the local level, Enterprise Development Facilitators (EDFs) play a central role in identifying potential entrepreneurs through household surveys, conducting market and resource assessments, forming enterprise groups, and guiding beneficiaries throughout the enterprise development process. Prospective entrepreneurs first receive Entrepreneurship Development Training based on the International Labor Organization's Start and Improve Your Business (SIYB) methodology, followed by technical skills training tailored to their selected enterprise. They are then provided appropriate technologies, financial services, and markets to establish and grow their businesses.

Despite its nationwide expansion, evidence shows that enterprise sustainability and business growth remain significant challenges. Over two decades of implementation, MEDEP/MEDPA supported the creation of more than 142,000 entrepreneurs; however, only 37,304 enterprises were reported to have graduated, 29,417 achieved resilient status, and only 1,317 enterprises successfully transitioned into small and medium-sized enterprises UNDP (2021). Furthermore, the MoICS (2020) reported that while MEDPA created 14,795 new entrepreneurs, only 3,610 (24%) showed evidence of improved enterprise capacity, whereas the status of the remaining 11,185 (76%) entrepreneurs could not be verified. This current status of the program raises important questions regarding the effectiveness of the MEDPA program, its post-establishment support and the long-term sustainability of enterprises created under the program.

3.0 RESEARCH METHODOLOGY

3.1 Research Design and Approach

This study adopts a quantitative descriptive research design to examine the extent to which the MEDPA program promotes inclusive entrepreneurship among its beneficiaries. The analysis is based on primary survey data collected from 263 MEDPA beneficiaries and focuses on describing beneficiary characteristics, program support received, and enterprise performance.

The paper does not attempt to estimate the causal impact of MEDPA because it relies exclusively on beneficiary survey data without a comparison group. It evaluates whether the surveyed beneficiaries reflect the program's intended inclusion objectives and whether they

received the major support services envisioned under the program. The study adopts a Nepal-specific operational framework for assessing inclusive entrepreneurship, organized around three analytical dimensions: access, program support, and enterprise outcome assessment shown in Table 1.

Table 1: Assessment framework

Criteria	Research questions	Indicators
Access	Who has access to the MEDPA program?	• Percentage of women and men beneficiaries
		• Percentage of youth beneficiaries
		• Percentage of beneficiaries by ethnicity/caste (Brahmin/Chhetri/Thakuri (BCT), Dalit, Janajati, etc.)
		• Percentage of beneficiaries by rural–urban location
		• Percentage of beneficiaries by enterprise sector
Program support	What enterprise development support does beneficiaries receive under the MEDPA program? And How do beneficiaries assess the support they received under the MEDPA programme?	1. Beneficiary selection process 1.1 Beneficiaries reporting entrepreneurial competency assessment 1.2 Beneficiaries reporting social inclusion considerations 1.3 Beneficiaries reporting behavioral and entrepreneurial profile assessment 1.4 Beneficiaries reporting assessment of enterprise success potential
		2. Enterprise Development training 2.1 Beneficiaries reporting improved understanding of business processes and self-confidence 2.2 Beneficiaries reporting enhanced business risk-bearing capacity 2.3 Beneficiaries reporting support for new business creation and development
		3. Technical skill training 3.1 Beneficiaries receiving technical skill training
		4. Financial facilitation 4.1 Beneficiaries receiving financial facilitation
		5. Technological assistance 5.1 Beneficiaries receiving technological assistance
		6. Market linkage and business counseling support 6.1 Beneficiaries receiving market linkage and business counseling
Outcomes	What changes in enterprise performance are observed after program participation?	• Beneficiaries reporting increased sales

Access examines whether the socioeconomic characteristics of surveyed beneficiaries align with MEDPA's intended target groups, as envisioned in its program guideline. The analysis describes beneficiaries by gender, age (including youth), ethnicity/social group, geographic location (urban/rural), and enterprise sector to assess the extent to which the program reaches women, youth, socially marginalized communities, and entrepreneurs across different sectors.

Since the study includes only beneficiaries who had already been selected by the program, it does not assess selection bias, vulnerability, or the overall effectiveness of MEDPA's targeting process. Rather, it describes the characteristics of the beneficiaries who participated in the survey.

Program support assesses the extent to which beneficiaries received the comprehensive package of services provided under MEDPA's six-step implementation cycle. This includes entrepreneurship and enterprise management training, technical and skills development training, technology support, financial facilitation and access to credit, business counselling and mentoring, and marketing and market linkage support. The assessment examines which beneficiaries received these services and where gaps in service delivery exist.

Enterprise outcomes examine self-reported changes in annual sales trend following program participation, using annual sales growth as a proxy indicator of enterprise performance. The analysis describes the proportion of beneficiaries reporting improved sales and compares outcomes across selected demographic and enterprise characteristics using cross-tabulations.

3.2 Data analysis

Data were analyzed using descriptive statistical techniques. Frequencies and percentages were used to summarize beneficiary characteristics, program support, and enterprise outcomes. Cross-tabulations were employed to examine variations in beneficiary access by gender, age, geographic location (urban/rural), and enterprise sector. They were also used to assess differences in beneficiary selection assessments and program support across geographic locations (urban vs rural), examine perceived outcomes of entrepreneurship development and technical skill training by gender, and compare enterprise outcomes- sales growth across gender and age groups. This approach enabled the study to identify patterns in program access, support, and outcomes among different beneficiary groups.

3.3 Limitation of the study

This study is based only on data collected from MEDPA beneficiaries. As a result, the findings provide descriptive evidence on program implementation and the experiences of those who participated in the programme. Since the study does not include non-beneficiaries or a comparison group, it cannot determine whether the observed outcomes were caused by MEDPA. The findings show whether the surveyed beneficiaries reflect the program's intended target groups, the types of support they reported receiving, and the enterprise outcomes observed following their participation. These findings provide useful insights into how the programme has been implemented and where improvements are needed.

4.0 RESULTS AND DISCUSSION

4.1 Access: Is MEDPA reaching its intended beneficiaries?

The first dimension of the analytical framework examines whether the profile of the surveyed beneficiaries reflect MEDPA's intended target groups as specified in its program guidelines. According to the MEDPA Program Guidelines (2077), beneficiary selection is a structured process that extends beyond identifying eligible participants. It begins with the identification

of potential entrepreneurs through household and poverty assessments, with priority given to individuals living below the poverty line and members of socially and economically marginalized groups, including women, Dalits, Indigenous Nationalities (Janajati), Muslims, Tharu, marginalized and backward communities, persons with disabilities, gender and sexual minorities, and the ultra-poor. The program then assesses the entrepreneurial potential of prospective beneficiaries by considering factors such as their interest and commitment to entrepreneurship, age, risk-taking capacity, availability of time, motivation, mobility, and the feasibility of the proposed enterprise. Based on these assessments, beneficiaries are selected and the selection process is formally documented. Following beneficiary selection, participants are organized into groups based on their interests, skills, enterprise potential, availability of local resources, market opportunities, and geographical proximity to facilitate program implementation and enterprise development.

i. Gender inclusion

Promoting women's economic empowerment is a central objective of MEDPA. According to program guidelines, the program targets individuals from economically and socially disadvantaged groups. The guidelines require that at least 70% of beneficiaries be women, reflecting the program's strong emphasis on inclusive entrepreneurship and social inclusion. This affirmative targeting mechanism is intended to address gender disparities in access to entrepreneurship opportunities and productive resources.

Among the beneficiaries included in this study, women accounted for 56.3%, while men represented 43.7%. The higher representation of women in the study sample suggests that the program is reaching women and expanding their access to entrepreneurship support. Although the findings cannot be used to assess whether the program achieved its prescribed 70% target, they indicate that women were well represented among the beneficiaries surveyed, consistent with MEDPA's emphasis on promoting women's participation in entrepreneurship (Table 2).

ii. Youth inclusion

Promoting youth entrepreneurship is a key objective of MEDPA. The program guidelines prioritize young entrepreneurs and specify that at least 60% of beneficiaries should be youth aged 16–40 years. Among the 263 beneficiaries included in this study, 52.5% (n = 138) belonged to the target age group of 16–40 years, while 39.9% (n = 105) were aged 41–60 years and 7.6% (n = 20) were above 60 years. These findings suggest that the programme reached a substantial proportion of its intended youth beneficiaries while also extending support to entrepreneurs from older age groups. This indicates that although MEDPA primarily focused on promoting youth entrepreneurship, programme participation was not limited to the target age group, reflecting a broader and more inclusive coverage of economically active entrepreneurs (Table 2).

iii. Social inclusion

Promoting the participation of socially and economically marginalized groups is a core objective of MEDPA. The program guidelines prioritize women, Dalits, Indigenous Nationalities (Janajati), Muslims, Tharu, marginalized and backward communities, persons with disabilities, gender and sexual minorities, and extremely poor households. Among the

beneficiaries included in this study, nearly half (49.8%) belonged to Janajati/Indigenous communities, followed by Brahmin/Chhetri/Thakuri (31.6%), Dalit (14.8%), and other caste and ethnic groups (3.8%). The substantial representation of Janajati and Dalit beneficiaries suggests that the program is reaching socially marginalized communities and expanding their access to entrepreneurship support. These findings also suggest that beneficiary targeting has contributed to improving access among disadvantaged populations (Table 22).

iv. Geographic inclusion

Geographical accessibility is a critical dimension of inclusive entrepreneurship in Nepal. MEDPA is designed to provide entrepreneurship support across all 753 local governments of Nepal, with the objective of expanding access to enterprise development opportunities in both rural and urban areas. Among the beneficiaries surveyed, 62.7% were from urban municipalities and 37.3% were from rural municipalities. The presence of beneficiaries from both geographical settings suggests that entrepreneurship support is accessible across diverse locations rather than being confined to urban areas. Given the structural constraints often faced by rural entrepreneurs, including limited access to markets, finance, and business development services, the participation of beneficiaries from rural municipalities indicates that the program is being providing support services beyond urban areas (Table 2).

Table 2: Socio-demographic and enterprise characteristics of respondents (N = 263)

Characteristic	Category	<i>f</i>	%
Gender (N=263)	Male	115	43.7
	Female	148	56.3
Age group (N=263)	16-40	138	52.5
	41-60	105	39.9
	Above 61	20	7.6
Caste/Ethnicity (N=263)	Brahmin/Chhetri/Thakuri (BCT)	83	31.6
	Dalit	39	14.8
	Janajati/Indigenous	131	49.8
	Others	10	3.8
Enterprise sector (N=263)	Agro-based enterprise	126	47.9
	Production/Manufacturing	53	20.2
	Service-based enterprise	84	31.9
Location (N=263)	Urban	165	62.7
	Rural	98	37.3

v. Business sector inclusion

MEDPA promotes entrepreneurship across a range of economic activities to support livelihood diversification and local economic development. Among the beneficiaries included in this study, nearly half (47.9%) operated agro-based enterprises, followed by service-based enterprises (31.9%) and production and manufacturing enterprises (20.2%). The representation of beneficiaries across these three sectors suggests that the program is supporting entrepreneurship in diverse economic activities. The relatively high share of agro-based

enterprises is consistent with MEDPA's emphasis on enterprises that utilize locally available resources and contribute to local livelihoods. At the same time, the presence of beneficiaries operating in the manufacturing and service sectors indicates that program support extends beyond agriculture. These findings suggest that the surveyed beneficiaries represent a diverse range of business sectors, reflecting MEDPA's objective of promoting entrepreneurship across different economic activities.

To further examine the inclusiveness of MEDPA, the sectoral distribution of enterprises was analyzed by the gender of enterprise owners. The findings reveal distinct patterns in enterprise participation across sectors. Among male beneficiaries, agro-based enterprises were the dominant business type, with 61.7% operating in this sector, followed by service-based enterprises (20.9%) and production/manufacturing enterprises (17.4%). In contrast, women represented the majority of beneficiaries in both the production/manufacturing sector (62.3%) and the service sector (71.4%). These findings suggest that while male beneficiaries were primarily concentrated in agro-based enterprises, women were more strongly represented in service and production-based businesses. This pattern indicates that MEDPA has facilitated women's participation beyond traditional agriculture, supporting their engagement in a broader range of entrepreneurial activities (Table 3).

Table 3: Type of MSMEs by gender

Gender		Agro-based	Production/ manufacturing-based	Service- based	Total
Male	<i>f</i>	71	20	24	115
	%	61.70	17.40	20.90	100
Female	<i>f</i>	55	33	60	148
	%	37.20	22.30	40.50	100

4.2 Program support received: What program support did beneficiaries receive?

An important dimension of inclusive entrepreneurship extends beyond beneficiary selection to examine whether participants actually receive the support services envisioned in the program design. MEDPA is designed to provide a comprehensive package of support to help beneficiaries establish and sustain their enterprises. This includes entrepreneurship and skills development training, technology support, business counselling, and market linkage support.

i. Beneficiary selection assessment

The findings indicate that MEDPA has implemented the beneficiary selection assessment process as outlined in its operational guideline. More than 80% of beneficiaries reported that their entrepreneurial competencies (85.6%) and social inclusion criteria (83.3%) were assessed, while around three-quarters confirmed the assessment of their behavioral and entrepreneurial profile (76.8%) and enterprise success potential (73.8%). Across locations, urban beneficiaries more frequently reported that these assessments were conducted than rural beneficiaries, except for enterprise success potential, where the proportions were similar (Table 4).

Table 4: Beneficiary selection assessment

Beneficiary selection assessment criteria	Urban		Rural		Total	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Entrepreneurial competencies assessed	144	87.3	81	82.7	225	85.6
Selection of poor, women, Dalits, Janajati and unemployed youth assessed	150	90.9	69	70.4	219	83.3
Behavioral and entrepreneurial profile assessed	137	83	65	66.3	202	76.8
Enterprise success potential assessed	121	73.1	73	74.5	194	73.8

ii. Perceived outcomes of entrepreneurship development training

As part of the MEDPA enterprise development process, selected beneficiaries receive Entrepreneurship Development Training (EDT) to strengthen their entrepreneurial knowledge, build self-confidence, support enterprise selection and business planning, and prepare them to start and manage a micro-enterprise. Majority of beneficiaries perceived that the entrepreneurship development training contributed positively to their entrepreneurial capacity, although the contribution was more commonly rated as medium. Across all three outcome areas, around two-thirds of both male and female respondents selected the medium category. Women were somewhat more likely than men to report a high contribution in improving their understanding of business processes and self-confidence (20.9% versus 16.5%). However, perceptions of the training's contribution to business risk-bearing capacity and new business creation were very similar across gender. These findings indicate that the perceived benefits of the training were broadly consistent for both male and female beneficiaries (Table 5).

Table 5: Assessment of entrepreneurship development outcomes

Entrepreneurship development outcomes	Male (n=115)		Female (n=148)		Total (n=263)	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Understanding business processes and boosting self-confidence						
High	19	16.5	31	20.9	50	19
Medium	81	70.4	98	66.2	179	68.1
Low	15	13	19	12.8	34	12.9
Enhancing business risk-bearing capacity						
High	10	8.7	13	8.8	23	8.7
Medium	79	68.7	101	68.2	180	68.4
Low	26	22.6	34	23	60	22.8
Helping in new business creation and development						
High	20	17.4	23	15.5	43	16.3
Medium	81	70.4	106	71.6	187	71.1
Low	14	12.2	19	12.8	33	12.5

iii. Assessment of technical skill training

Following the Entrepreneurship Development Training, most beneficiaries perceived that the technical skill training provided by MEDPA made a moderate contribution to their business, with 68.4% rating it as medium. Women were slightly more likely than men to report a medium

level of contribution (70.3% vs. 66.1%), while men more frequently reported a high contribution (18.3% vs. 10.8%).

iv. Receipt of technological assistance

Among beneficiaries who reported receiving technological assistance from the MEDPA program (n = 106), women comprised 57.5%, while men accounted for 42.5% (Figure 1). This distribution largely reflects the higher representation of women among program beneficiaries, indicating that technological assistance reached both male and female participants without substantial gender disparity. The finding aligns with the gender-responsive approach of MEDPA, which prioritizes women's participation in enterprise development. However, despite this relatively balanced distribution, only 40.3% of all beneficiaries reported receiving technological assistance, indicating that the coverage of technology-related support remained limited.

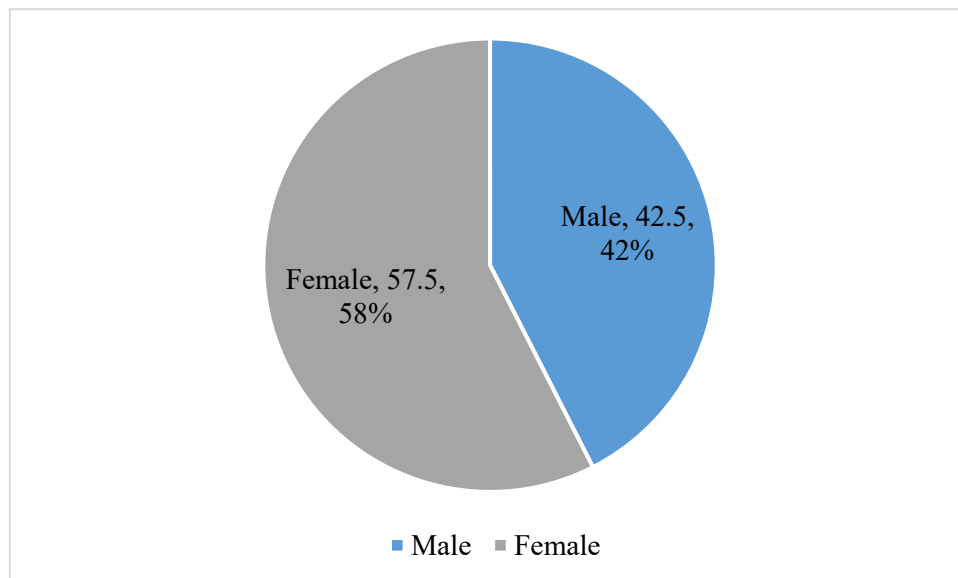


Figure 1: Receipt of technological assistance by gender

v. Receipt of financial facilitation

Among the 58 beneficiaries who reported receiving loan or financial facilitation from the MEDPA program, 62.1% were women and 37.9% were men. This pattern is broadly consistent with the higher representation of women among program beneficiaries, suggesting that financial facilitation reached both male and female participants without marked gender differences in coverage. However, only 22.1% of all beneficiaries reported receiving such support, indicating that financial linkage remained limited within the program.

vi. Receipt of marketing and business counseling

Differences were also observed across geographical locations in the receipt of program support. Marketing and business counselling support remained limited in both urban and rural areas, although urban beneficiaries were more likely to report receiving this support than rural

beneficiaries (17.0% versus. 5.1%). These findings suggest that, despite the provision of some post-establishment support, market linkage and business counselling remain among the weakest components of MEDPA implementation across both settings.

4.3 Outcome: What outcomes did beneficiaries experience- sales growth?

Sales growth is one of the key indicators of enterprise performance and a primary outcome expected from entrepreneurship support programs. To assess whether beneficiaries experienced improvements in business performance after establishing their enterprises, this section examines the proportion of beneficiaries who reported an increase in annual sales. The analysis further explores whether sales growth varies across age groups and the gender of enterprise owners, providing insights into the inclusiveness of program outcomes.

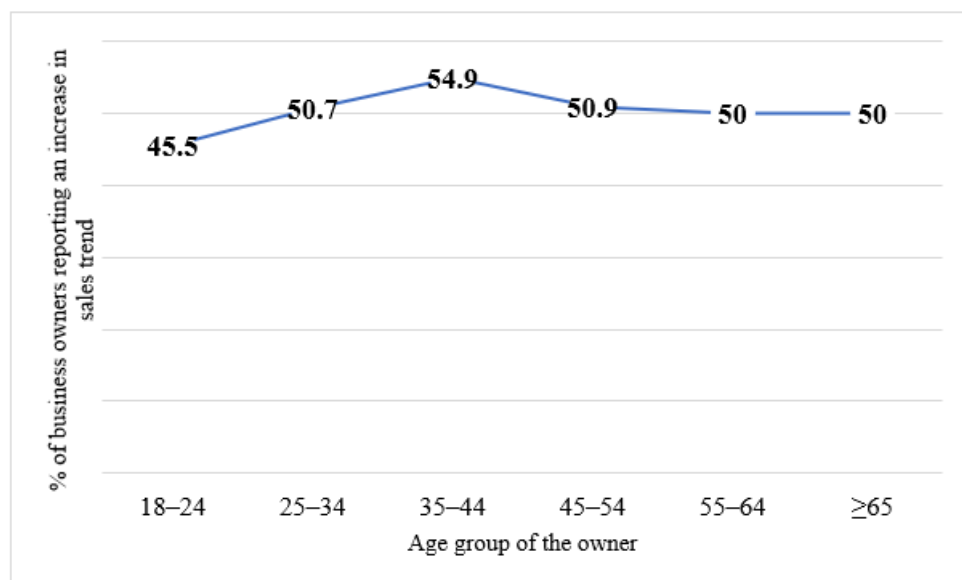


Figure 2: Perceived increase in sales trend among business owners across age groups

The data indicate a variation in perceived sales trend improvement across age groups of business owners. The proportion reporting an increase in sales rose steadily from the youngest age group (18–24 years, 45.5%) to a peak among owners aged 35–44 years (54.9%), suggesting that mid-career entrepreneurs experienced the most favorable perceived sales performance. Perceptions then moderated slightly among older age groups, stabilizing at approximately 50% for owners aged 45 years and above, including those in the 55–64 and ≥65 categories. The comparatively lower proportion among younger owners (18–24 years) may reflect the limited operational experience typically associated with newly established enterprises. This shows that perceived sales growth increased with age up to mid-career, after which it remained relatively stable across older age groups (Figure 2).

Differences were also observed by gender. A higher proportion of female-owned enterprises (54.7%) reported increased annual sales compared with male-owned enterprises (47.8%). This finding suggests that women entrepreneurs who participated in MEDPA experienced sales growth at least comparable to, and slightly higher than, their male counterparts. The

representation of women in service-based enterprises may reflect the nature of entrepreneurship promoted under MEDPA and the livelihood opportunities available to women in the Nepalese context. Many women beneficiaries operate small-scale, home-based enterprises, such as tailoring, beauty services, food processing, and pickle production, which are compatible with household responsibilities and require relatively low start-up capital. Through entrepreneurship and skills development training, MEDPA may have enabled women to establish such enterprises by enhancing their technical and business capabilities. These findings suggest that the program has contributed to expanding women's participation in income-generating activities by supporting enterprises that are both locally relevant and accessible to women.

4.4 Assessment of inclusive entrepreneurship under MEDPA program

The findings from the three analytical dimensions provide a comprehensive picture of the extent to which MEDPA promotes inclusive entrepreneurship. While the programme has been relatively successful in reaching its intended beneficiaries and implementing key elements of the beneficiary selection process, the delivery of post-establishment enterprise support remains uneven. The summary presented in Table 6 synthesizes the key findings across the three dimensions of the analytical framework.

Table 6: Assessment Framework and Summary of Key Findings for the MEDPA Program

Criteria	Research questions	Indicators	Achieved
Access	Who has access to the MEDPA program?	• Percentage of women and men beneficiaries	Women: 56.3%; Men: 43.7%
		• Percentage of youth beneficiaries	Youth between 16-40=52.5% 41-60=39.9% Above 61=7.6
		• Percentage of beneficiaries by ethnicity/caste (Brahmin/Chhetri/Thakuri (BCT), Dalit, Janajati, etc.)	BCT=31.6%; Dalit=14.8%; Janajati=49.8%; Others=3.8%
		• Percentage of beneficiaries by rural–urban location	Urban: 62.7%; Rural: 37.3%
		• Percentage of beneficiaries by enterprise sector	Agro-based: 47.9%; Service: 31.9%; Production: 20.2%
Program support	What enterprise development support does beneficiaries receive under the MEDPA program? How do beneficiaries assess the support they received under the MEDPA programme?	1. Beneficiary selection process	
		1.1 Beneficiaries reporting entrepreneurial competency assessment	85.60%
		1.2 Beneficiaries reporting social inclusion considerations	83.30%
		1.3 Beneficiaries reporting behavioral and entrepreneurial profile assessment	76.80%
		1.4 Beneficiaries reporting assessment of enterprise success potential	73.80%
		2. Enterprise Development training	

		2.1 Beneficiaries reporting improved understanding of business processes and self-confidence	High: 19.0%; Medium: 68.1%; Low: 12.9%
		2.2 Beneficiaries reporting enhanced business risk-bearing capacity	High: 8.7%; Medium: 68.4%; Low: 22.8%
		2.3 Beneficiaries reporting support for new business creation and development	High: 16.3%; Medium: 71.1%; Low: 12.5%
		3. Technical skill training	
		3.1 Beneficiaries receiving technical skill training	Men: 66.1%; Women: 70.3%
		4. Financial facilitation	
		4.1 Beneficiaries receiving financial facilitation	Men: 37.9%; Women: 62.1%
		5. Technological assistance	
		5.1 Beneficiaries receiving technological assistance	Men: 42.0%; Women: 58.0%
		6. Market linkage and business counseling support	
		6.1 Beneficiaries receiving market linkage and business counseling	Urban: 17.0%; Rural: 5.1%
Outcomes	What changes in enterprise performance are observed after program participation?	Beneficiaries reporting increased sales	Men: 47.8%; Women: 54.7%

5.0 CONCLUSION

This paper examined the inclusiveness of government initiated Micro-Enterprise Development for Poverty Alleviation (MEDPA) program by assessing beneficiary access, the delivery of enterprise development support, and enterprise outcomes. Moving beyond conventional assessments that focus primarily on beneficiary participation, the study conceptualized inclusiveness as a process encompassing equitable access, the quality and continuity of support services, and the outcomes experienced by entrepreneurs. In doing so, it contributes to the growing literature on inclusive entrepreneurship by providing empirical evidence from a large-scale government enterprise development programme in Nepal.

The findings indicate that MEDPA has been largely successful in reaching its intended beneficiaries. The program's beneficiary selection process broadly adhered to its operational guidelines, with most respondents reporting that entrepreneurial competencies, behavioral characteristics, and enterprise potential were assessed prior to enrolment. It also demonstrated substantial outreach to women, youth, Dalits, and Janajati communities, suggesting that its targeting mechanisms have been effective in expanding entrepreneurship opportunities among groups that have faced social and economic exclusion. These findings emphasize the program's achievement in promoting equitable access to entrepreneurship support.

However, inclusive access alone was not sufficient to ensure comprehensive program delivery. Although MEDPA is designed to provide a comprehensive package of entrepreneurship training, technology transfer, financial facilitation, market linkage, and business counseling services, many beneficiaries reported receiving only part of this support after establishing their enterprises. In particular, access to finance, technology, and market linkage remained relatively limited, indicating a gap between program design and implementation. These findings suggest that while the programme performs well in facilitating enterprise creation, greater attention is needed to strengthen post-establishment business development services that enable enterprises to survive, expand, and remain competitive over time.

Despite these implementation gaps, enterprise outcomes appeared broadly inclusive. Increased sales were reported across different age groups, with only modest variations between younger and older entrepreneurs, while women-owned enterprises reported slightly higher sales growth than those owned by men. The findings suggest that reducing barriers to program participation can contribute to relatively equitable enterprise outcomes across different social groups.

The study makes both theoretical and policy contributions. Conceptually, it demonstrates that inclusive entrepreneurship should not be evaluated solely by the representativeness of program beneficiaries but also by the continuity and quality of support provided throughout the enterprise development process. This broader perspective extends existing approaches to evaluating entrepreneurship programs by recognizing that sustained business development services are essential for transforming access into meaningful and lasting enterprise success. From a policy perspective, the findings suggest that future program improvements should focus on strengthening access to finance, technology transfer, market linkages, mentoring, and business counseling services after enterprise establishment. Reinforcing these components would help bridge the gap between enterprise creation and enterprise growth, thereby enhancing the long-term effectiveness of government entrepreneurship programs.

In conclusion, inclusive entrepreneurship requires not only equitable entry into entrepreneurship programs but also sustained support that enables enterprises to grow, remain competitive, and generate lasting economic benefits. Future research should employ longitudinal or quasi-experimental designs to examine the long-term effects of entrepreneurship support on enterprise survival, employment generation, productivity, and household welfare, while also investigating the institutional and contextual factors that shape program implementation across different regions of Nepal.

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