

## **Influential programs of Nepalese Chamber of Commerce and Industry (CCI) for the entrepreneurship quality development in Nepal**

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**ABSTRACT:** Chamber of Commerce and Industry (CCI) is an umbrella organization of entrepreneurs that works for its members through various programs. Present study is mainly focused on measure effectiveness of those programs in relation to entrepreneurship quality development in Nepal. The study was guided by pragmatism philosophy based on mixed method both quantitative and qualitative was applied. Structured questionnaire, FGD and in-depth interview instruments were used for data collection. Study was conducted in four district of Nepal with 400 respondents, four FGD and ten key informant interview. Factor analysis, statistical analysis and significant tests were run for quantitative analysis and thematic as well as content analysis was done for qualitative analysis. Programs of CCI were found mainly in three types meeting and discussion, legal & social activity, and partnership programs as after factor analysis. All these programs are effective on entrepreneurship development but program implementation and communication is found poor that why most of respondents are found unknown about program. Practice and effectiveness of programs have been found similarities and dissimilarities among study areas. Participation in the program should be increased for entrepreneurship quality development.

**KEY WORDS:** Chamber of Commerce and Industry, Meeting and discussion, Legal & social activity, and Partnership programs

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### **I. INTRODUCTION**

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.

Entrepreneurship is an open system and a complex process that enterprise highly implants itself to external environment. Hereinto, entrepreneurial team, entrepreneurial environment, and entrepreneurial policies are three main elements influencing the success and failure of entrepreneurship. (Wei, Xuejun, & Ning, 2012). Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks- in terms of time, equity, or career; the ability to formulate an

effective venture team; the creative skill to marshal needed resources; the fundamental skills of building a solid business plan; and, finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion (Dhanak, 2017, p. 4).

The emergence of entrepreneurship is a continuous and important phenomenon in modern economies (Arend, 1999). Ogundele (2007) defines entrepreneurial emergence as the process of coming into existence of new entrepreneurial organization. Development refers to the process of enhancing entrepreneurial skills and knowledge through structural training and institutional building programmes. It aims at enlarging the base of entrepreneurs to accelerate the pace of venture progress, job creation and economic development (UNDP, 1999). Entrepreneurial development programmes may include support for orientation and awareness, development of the competencies necessary to recognize market opportunities and organize resources to meet them (Enoch, 2012).

CCI has organizing and conducting 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 effectiveness of those programs of CCI in relation to entrepreneurship development.

## II. MATERIALS & METHOD

This study is based on descriptive and exploratory research design. The study was conducted in Jhapa, Makawanpur, Kaski and Surkhet district of Nepal covering the executive board members and general members of CCI of respective districts. The study was based on the mixed method guided by pragmatism research philosophy; both questionnaire survey and key informants interview and Focus Group Discussion (FGD) were conducted with executive board members and general members of CCI. The sample size was calculated by considering the confidence level (95%), prevalence (.5) and margin of error (.05) and 400 samples were selected by using the simple random sampling technique. Structured questionnaire survey was done to collect the data. The statistical model like factor analysis, mean value and frequency are used to analyze the data.

The study has explored the influential CCI programs that contribute to improve entrepreneurship quality in Nepal. Principal component analyses is done for factor analysis which is appropriate to measures on a number of observed variables and wish to develop a smaller number of artificial variables (called principal components) that will account for most of the variance in the observed variables. The principal components may then be used as predictor or criterion variables in subsequent analyses. The factor loading value = .5 was considered and with eigen-value is 1.00.

## III. RESULT & DISCUSSION

CCI has various types of program implementing for the promotion and dissemination of products which focuses on capacity development activities.

The further analysis was done after factor analysis. There are more programs of CCI, so it was grouped into three factors.

### 2.1 Factor Loading

Kaiser-Meyer-Olkin (KMO) test was done to ensure the significant level of data. The KMO test found that  $P = .000$  which is significant at .05 significant level. Rotated component matrix has grouped the variables into three major groups: meeting & discussion, legal & social activities, and Partnership program. The minimum value of factor loading was considered at .5. There are 8 variables under the 1<sup>st</sup> component (meeting & discussion). Similarly, there are 5 variables under the 2<sup>nd</sup> component (legal & social activities), and three variables are included in 3<sup>rd</sup> component (Partnership program).

**Table:1** Factor Loading

<b>KMO and Bartlett's Test</b>			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.851
Bartlett's Test of Sphericity	Approx. Chi-Square		3310.076
	Df		171
	Sig.		.000
<b>Rotated Component Matrix</b>			
	1. Meeting & Discussion	2. Legal & social activities	3. Partnership program
Lobbying	.774		
Training	.844		
Seminar	.820		
B2B Meeting	.718		
B2S Meeting	.480		
Negotiation with labor union	.557		
Business net work	.584		

Round Table Meeting and Interaction	.534		
Legal Consultant Facility		.724	
Issue of Certificate of Origin		.854	
Social Representation		.782	
News Letters or Bulletin		.912	
Donation		.876	
Information Facility			.723
PPP Program			.820
Tax Consulting Facility			.810

Source: Field survey

## 2.2 Meeting And Discussion

Meeting and discussion are core areas of CCI programs. There are different types of activities conducted under this component as lobbying, training, seminar, B2B meeting, B2S meeting, negotiation with labor union, business network and round table meeting and interaction.

The data presented below shows that in total 22.8% said that lobbying program was most influential followed by 31% who said influential whereas only 4.5% said that it was not influential. The mean value is 2.4200 which is close to the influential, so it seems moderately satisfactory response. The training program was also found influential because 24.5% said most influential and 35.3% said influential having with 2.3500 mean values in total. Seminar is one program which was reported by 11.3% as most influential followed by 29% who said influential whereas 39.8% were unknown about its effect. The mean value of total response of seminar is 2.7450. Comparatively B2B meeting was more influential than the B2S meeting because the mean value of B2S meeting is 3.1000 which is closer to the 'don't know'.

**Table:2 Meeting and networking**

Questions	Response	Most Influential	Influential	Don't know	Least influential	Not influential	Total	Mean
Lobbying	Frequency	91	124	129	38	18	400	2.4200
	Percent	22.8	31.0	32.3	9.5	4.5	100.0	
Training	Frequency	98	141	101	43	17	400	2.3500
	Percent	24.5	35.3	25.3	10.8	4.3	100.0	
Seminar	Frequency	45	116	159	56	24	400	2.7450
	Percent	11.3	29.0	39.8	14.0	6.0	100.0	
B2B Meeting	Frequency	40	77	217	36	30	400	2.8475
	Percent	10.0	19.3	54.3	9.0	7.5	100.0	
B2S Meeting	Frequency	23	49	230	61	37	400	3.1000
	Percent	5.8	12.3	57.5	15.3	9.3	100.0	
Negotiation with labor union	Frequency	33	61	237	33	36	400	2.9450
	Percent	8.3	15.3	59.3	8.3	9.0	100.0	
Business network	Frequency	43	75	205	53	24	400	2.8500
	Percent	10.8	18.8	51.3	13.3	6.0	100.0	
Round table meeting and interaction	Frequency	161	158	42	30	9	400	1.9200
	Percent	40.3	39.5	10.5	7.5	2.3	100.0	

Source: Field survey

Negotiation with labor union was also not so influential because the mean value is 2.9450 because the value is closer to the response of 'don't know' which indicates that majority of CCI members are not influenced by this program. The effectiveness of business network development program was also not so effective because the mean value is 2.8500 which indicate that more than 50% people were unknown about this program. Finally, CCI members were asked about the effectiveness of round table meeting and interaction program. The program was found comparatively influential because 40.3% and 39.5% said most influential and influential respectively having with 1.9200 mean values.

The study assumed the null hypothesis to test the impact as: There is no significant difference between the respondents of four districts regarding the impact of meeting & discussion programs of CCIs to entrepreneurship quality development of CCI members. The hypothesis is rejected from the f-test because P value = .031 which is less than .05 in significant level at 95% confidence interval. The meeting and networking program is one of the regular activities of all CCI, but it also depends upon the need of planned activities. From the discussion with executive board member of CCI, there is fixed schedule of regular meeting in monthly basis but most of the times; meetings are held in need basis. The priorities of CCIs are different in district wise because of their differences in other development activities like coordination & networking program, legal & social activities, partnership program etc which have also affected the practice of meeting and networking.

Table:3 Impact of meeting & discussion programs of CCIs

		Sum of Squares	df	Mean Square	F	Sig.	
Meeting and networking	Between Groups	291.647	3	97.216	2.981	.031	
	Within Groups	12912.750	396	32.608			
	Total	13204.398	399				
<b>Multiple Comparisons</b>							
Dependent Variable	(I) Address	(J) Address	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Meeting and networking	Damak	Hetauda	.14000	.80756	.862	-1.4476	1.7276
	Damak	Pokhara	-.16000	.80756	.843	-1.7476	1.4276
	Hetauda	Pokhara	-.30000	.80756	.710	-1.8876	1.2876
	Hetauda	Surkhet	1.81000*	.80756	.026	.2224	3.3976
	Pokhara	Surkhet	2.11000*	.80756	.009	.5224	3.6976
	Surkhet	Damak	-1.95000*	.80756	.016	-3.5376	-.3624

Source: Field survey

The multiple comparison of one to one district shows that there was significant different between Hetauda and Surkhet, Pokhara and Surkhet and Surkhet and Damak because  $P = .026, .009$  and  $.016$  respectively whereas there was no difference between Damak and Hetauda, Damak and Pokhara and Hetauda and Pokhara because  $P = .862, .843$  and  $.710$  respectively.

### 2.3 Legal & Social Activity

CCI has legal and social activities to sensitize the CCI members about the legal aspect of business and its corporate social responsibilities. There are five types of programs under the legal and social activities. The members were asked about the effectiveness of legal consultancy facility programs. Among the respondents, in total 4.8% said that it was most influential followed by 16.8% who said influential with 3.3825 mean values. The mean value is above the average (3) point which is closer to the unknown (don't know). Similarly, issue of certification of origin was responded having with 3.3350 mean values. 22.8% CCI members said that it was not influential. The respondents were asked about their social representation program, out of the respondents 6.5% said that it was most influential followed by 6% who said influential whereas 49% were unknown about it. The mean value of social representation is 3.1725 which is closer to the unknown response of CCI members.

**Table:4** Legal & social activities

Questions	Response	Most Influential	Influential	Don't know	Least influential	Not influential	Total	Mean
Legal consultancy facility	Frequency	19	67	130	110	74	400	3.3825
	Percent	4.8	16.8	32.5	27.5	18.5	100.0	
Issue of certification of origin	Frequency	25	24	234	26	91	400	3.3350
	Percent	6.3	6.0	58.5	6.5	22.8	100.0	
Social representation	Frequency	26	55	196	70	53	400	3.1725
	Percent	6.5	13.8	49.0	17.5	13.3	100.0	
News letters or Bulletin	Frequency	29	67	152	99	53	400	3.1955
	Percent	7.3	16.8	38.0	24.8	13.3	100.0	
Donation	Frequency	38	30	164	81	87	400	3.3725
	Percent	9.5	7.5	41.0	20.3	21.8	100.0	

Source: Field survey

CCI also publishes the newsletters and bulletin to disseminate their programs, and inform the general public about their performance. Out of the respondent in total 7.3% reported that the publication activities was most influential followed by 16.8% said influential having with 3.1955 mean value. The donation program was also not so effective from the perspective of CCI members because the mean value is 3.3725 which is closer to don't know response of respondents. From the response in all five types of activities, the average mean value is more than average point. The average point is 'don't know' which indicates very less effectiveness of legal and social activities.

The study also measured the impact of legal and social activities of CCI on entrepreneurship development of CCI members. The null hypothesis as: There is no significant difference between the respondents of four districts regarding the impact of legal & social activities programs of CCIs to entrepreneurship quality development of entrepreneurs. The hypothesis is rejected by F-test because the  $P = .000$  value which is found less than  $.05$  in significant levels at 95% confidence interval. So, the study established the alternative hypothesis that there was significant difference between the respondents of four districts regarding the impact of legal & social activities programs of CCIs to entrepreneurship quality development of entrepreneurs. Knowledge of legal process like registration process of company, local & central government tax

clearance, yearly renewal, certificate of origin, partnership program with national and international organization etc are most important and necessary for the entrepreneurs. All these CCIs have facilitated such activities to support the entrepreneurs. Entrepreneurs need not to go individual office for the renewal or tax clearance because respective CCI has authority to collect the local government tax from the all CCI members and to pay to local government. Similarly, CCI support in other legal process also from their own offices to make the work easy and fast but implementation of programs are found different in all CCIs of four districts.

**Table:5** Impact of legal & social activities programs of CCIs

		Sum of Squares	df	Mean Square	F	Sig.
Legal and social	Between Groups	534.270	3	178.090	10.196	.000
	Within Groups	6899.339	395	17.467		
	Total	7433.609	398			
<b>Multiple Comparisons</b>						
Dependent Variable	(I) Address	(J) Address	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval
Legal and social	Damak	Hetauda	2.66970*	.59254	.000	Lower Bound 1.5048 Upper Bound 3.8346
	Damak	Pokhara	.70970	.59254	.232	-.4552 1.8746
	Hetauda	Pokhara	-1.96000*	.59104	.001	-3.1220 -.7980
	Hetauda	Surkhet	-.11000	.59104	.852	-1.2720 1.0520
	Pokhara	Surkhet	1.85000*	.59104	.002	.6880 3.0120
	Surkhet	Damak	-2.55970*	.59254	.000	-3.7246 -1.3948

Source: Field Survey

The one to one comparison of district found that there was significant difference between the respondents of Damak and Hetauda, Hetauda and Pokhara, Pokhara and Surkhet and Surkhet and Damak district regarding the impact of legal & social activities programs of CCIs to entrepreneurship qualities development of entrepreneurs because P = .000, .001, .002 and .000 respectively but there was no significant difference between the respondents of Damak and Pokhara, Hetauda and Surkhet district regarding the impact of legal & social activities programs of CCIs to entrepreneurship qualities development of entrepreneurs because P = .232 and .852 respectively.

## 2.4 Partnership Programs

There is more chance of success through partnership programs. The Public Private Partnership arrangement is a long-term contractual commercial arrangement between a public entity and a private sector party with clear agreement on shared objectives, and a significant degree of risk-sharing for the delivery of public infrastructure and services. Partnership program is beneficial for the sharing of economic and human resources that can cover the interest of public and private sectors. CCI is also involved in partnership program for the dissemination and implementation of program. The CCI members were asked about the effectiveness of information facility system of CCI which was responded by 7.5% as most influential followed by 9.3% who said influential whereas 51.5% had no knowledge about its effectiveness. The mean value of response is 3.1975 which is closer to the response of 'don't know'. So it is not satisfactory result.

**Table:6** Partnership programs

Questions	Response	Most Influential	Influential	Don't know	Least influential	Not influential	Total	Mean
Information facility	Frequency	30	37	206	78	49	400	3.1975
	Percent	7.5	9.3	51.5	19.5	12.3	100.0	
PPP Program	Frequency	14	17	231	29	109	400	3.5050
	Percent	3.5	4.3	57.8	7.3	27.3	100.0	
Tax consulting facility	Frequency	28	60	131	140	41	400	3.2900
	Percent	7.0	15.0	32.8	35.1	10.3	100.0	

Source: Field survey

The PPP program was also not influential for the CCI members because of very few responses of respondents on its positive effect. Only 7.8% respondent felt its effect in their profession. The mean value of total response on PPP program is 3.5050 which clearly indicate the 'least influential'. More than 75% CCI members had not satisfactory response on the effectiveness of tax consulting facility of CCI. The mean value is also closer to the response of 'don't know'.

Participators in interview and FGD also shared that CCI programs which could influence the CCI members to encourage them actively expand their business. They shared some of the major programs like market management, skill development training, observational tour, coordination among various government agencies, competitiveness enhancement of members, trade fairs, contribution in establishment of campus and

university. They were confidently saying that CCI was successful to motivate the new comers in business field. CCI was always advocating on the issues and concern of entrepreneurs and organizing various types of entrepreneurship development programs.

The study measured the impact of partnership program of CCIs on entrepreneurship development of its members which assumed the null hypothesis as: There is no significant difference between the respondents of four districts regarding the impact of partnership programs of CCIs to entrepreneurship quality development of entrepreneurs. The null hypothesis is rejected from the F-test because the P value is found less than .05 in significant levels at 95% confidence interval. The result indicates that there was significant difference between the respondents of four districts regarding the impact of partnership programs of CCIs to entrepreneurship quality development of entrepreneurs. The status of partnership program for the training and development activities are not so effective in all CCIs. From the study of their previous activities, it was noticed that very short-term activities like exhibition program, joint meeting and discussion, one or half day workshop and seminar are done but not long term result orientated activities. Only in case of CCI of Surkhet, they were doing some long-term program like institutional capacity enhancement of CCI for their sustainability with the support of GIZ.

**Table:7** Impact of partnership programs of CCIs

		Sum of Squares	df	Mean Square	F	Sig.
Partnership program	Between Groups	95.248	3	31.749	5.010	.002
	Within Groups	2509.730	396	6.338		
	Total	2604.978	399			
<b>Multiple Comparisons</b>						
Dependent Variable	(I) Address	(J) Address	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound Upper Bound
Partnership program	Damak	Hetauda	-.68000	.35603	.057	-1.3799 .0199
	Damak	Pokhara	.14000	.35603	.694	-.5599 .8399
	Hetauda	Pokhara	.82000*	.35603	.022	.1201 1.5199
	Hetauda	Surkhet	1.37000*	.35603	.000	.6701 2.0699
	Pokhara	Surkhet	.55000	.35603	.123	-.1499 1.2499
	Surkhet	Damak	-.69000	.35603	.053	-1.3899 .0099

**Source:** Field Survey

One to one comparison of districts shows that there was significant difference between Hetauda and Pokhara, Hetauda and Surkhet only whereas there was no difference between Damak and Hetauda, Damak and Pokhara, Pokhara and Surkhet and Surkhet and Damak because P value is greater than .05 in significant level. The result indicates that the impact of partnership program of CCI was similar in most of the districts.

#### IV. CONCLUSION

This study mainly measured the impact of CCI programs in entrepreneurship quality development. There have been found varieties of programs that are organizing by CCI. From the survey of CCI members and discussion with them, it was found that CCI was working for the promotion and facilitation of business activities of its members through various programs. These programs are categorized into three groups i.e., meeting & discussion program, legal and social activities and partnership program after run factor analysis. There are different types of activities conducted under meeting & networking program component as lobbying, training, seminar, B2B meeting, B2S meeting, negotiation with labor union, business network and round table meeting and interaction. There are five types of programs under the legal and social activities such as legal consultancy facility, issue of certification of origin, social representation, newsletters or bulletin and donation. Tax consulting facility, PPP Program, and Information facility are under the partnership program. All program found more or less effective but participation not satisfactory because responses are more on unknown level in quantitative analysis. Qualitative responses show that programs are effective so that should be continued with effective implementation and informing members efficiently. Practices of the program are found quite differences in all study areas due to local requirement dissimilarities whereas there are similarities too.

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