

FACTORS INFLUENCING THE YOUTHS' INTEREST ON AGRICULTURAL ENTREPRENEURSHIP IN NAWALPARASI DISTRICT, NEPAL

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Abstract

Due to inclement climate and political unrest, there was large scale emigration and the main source of income for the Nepalese people has begun to diminish. To evaluate the effects of elements that affect young people's interest in starting an agricultural business and to look into the connections between these factors and that desire was the main goal. The study was carried out by using a descriptive survey research design, with 100 young people from the Nawalparasi District, as respondents. Everyone who responded, agreed that acceptance, attitude, and knowledge were the things that motivated young people to start their own agriculture businesses. Attitudes and acceptances greatly influenced the interest of young individuals in agricultural entrepreneurship. The influence of education on young people's enthusiasm towards starting their own businesses was insignificant, according to the study.

Keywords: *Agriculture, Entrepreneurship, Entrepreneurs, Information and Communication Technology, Youth.*

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1. Introduction

The national economy is based on the agriculture sector. Nepal is a very diversified nation. The main sector of the economy is agriculture. In the 1980s, only 20% of the country's land was suitable for farming, but it provided over 90 percent of the population with a living and it was responsible for 75% of exports (Savada, 2008). The Nepalese economy relies on the agriculture industry a lot. The country's food security and the creation of job possibilities for entire rural agricultural communities are some of the reasons why agriculture plays such a vital role. In today's free market within the international context, commercializing and broadening the agriculture sector is vital to make it effective through competitive advantages (Mujuru, 2014).

The primary industry in Nepal since ancient times has been agriculture, but due to a large number of people leaving the country for work abroad, the unfavorable environment, and social and political unrest, this industry has been gradually declining. The last few years have seen the extension of cultivation of fruits, vegetables, and spices. The production of vegetables has grown. The rate of production of livestock products is also increasing (Division, 2011). The limited landholding size and traditional farming techniques cause low labor productivity. The workers in non-agricultural industries are dissatisfied, with their living standards and low labor productivity. Farmers are moving to cities and other countries more and more. Due to this reason, exports of agricultural goods have been restricted and are only available to nearby nations (Rima, 2014). Farmers, who do not own land, are abandoning agriculture because it is difficult to make a living without land.

2. Review of Literature

In the environment of Nepal, husbandry business is considered a secondary business compared to other business sectors. People still consider husbandry business as a low status business. According to some study, organic husbandry has a socioeconomic impact on Nepal's agrarian productivity and the agrarian credit inflow into banks. There is no exact exploration of the factors, impacting the youths' interest in husbandry entrepreneurship in Nepal.

Entrepreneurship is the perfect way to make the nation's profitable economy more in the globalised world (Keat, et al., 2011). The educated family contributes to the emergence of youthful entrepreneur (Kirkwood, 2007). Since it encourages the youth, numerous youthful generations are not apprehensive about the benefits of husbandry. The people, who are apprehensive about the benefits of agrarian entrepreneurship, are not interested in this field as it is not considered one of the fancy or famed professions. Therefore, it is necessary to discover the rudiments to encourage the youthful generations in the husbandry field.

Young generations are the means for bringing about vital changes (Brooks et al., 2013). The behavioral change of the society also plays an important role for the young generation to move forward (Beyuo et al., 2013). The engagement of the young generation in the planning and decision making would create strategy and liveliness in the work situation. They stimulate economic growth and social development. Hence youth must be at the cutting edge of renaissance agriculture.

Youth has limited access to agricultural production as the parent grasps the ownership of land (Justine et al., 2011). They have small part or no land. To be successful at agriculture,

they must have a proper hold on the ownership of land. To perform successfully, they need to have own land which would give profit economically, with the use of proper technology (Sharma *et al.*, 2010). Young generation, therefore, finds it not profitable to perform farming in a small portion of land and they prefer to find other means of career and become employed. Traditional methods, along with less support from family, youth are discouraged from taking up agriculture as a career and business (Aphunu, 2010).

People are attracted towards entrepreneurship largely due to its positive goods. It creates wealth and the job openings for the people (Gurol and Atsan, 2006). It has been established that there is significant relationship between entrepreneurship and growth of economics in the creation of jobs, survival of the establishment and adoption of technology (Pazarskis *etal.* 2006). Demographic factors like gender, age, income, position, and race play a major part for youth in husbandry entrepreneurship (Tamizharasi & Panchanatha, 2010).

3. Statement of the Problem

The dream of Nepalese youth is to become a white-collar worker in order to better themselves and the country. The age and gender characteristics of youth make them different in terms of attitude, knowledge and acceptance which make them less interested in agricultural entrepreneurship. The influence of youth's demographic on their interest in agricultural entrepreneurship has been the focus of many researchers. Hence the study on the relationship between factors influencing youths' interest in agricultural entrepreneurship and demographic variables in Nawalparasi District.

4. Need of the Study

As there is increase in the number of people migrating abroad looking for better opportunity, many studies, conducted in different countries, indicated that there is great scope for agriculture to be pursued as their professional career (Brooks *et al.*, 2013). In the context of Nepal, the current research will provide more relevant findings, on the scope for agricultural entrepreneurship in Nepal.

5. Objectives of the Study

The objectives of the study were:

- ♦ To identify the factors that influence the interest of youths in agricultural entrepreneurship
- ♦ To investigate the relationship between factors influencing the interest of youth to become agriculture entrepreneurs in Nawalparasi District of Nepal.

6. Hypotheses of the Study

H1: There is positive and significant effect between attitude and youths' interest in agriculture entrepreneur.

H2: There is positive and significant effect between acceptance and youths' interest in agriculture entrepreneur.

H3: There is positive and significant effect between knowledge and youths' interest in agriculture entrepreneur.

7. Research Methodology

7.1 Sample Selection

The study was grounded on the primary data, accumulated through a close ended questionnaire. The stratified sampling approach was implemented to collect the necessary data. The participants were chosen in the age group of 18- 40 years from Nawalparasi District. Hundred responses were collected from

Nawalparasi District and these data were considered for the final analysis of research.

7.2 Period of Study

The study was conducted between October 2022 and January 2023. The data were collected in the same time frame.

7.3 Sources of Data

This study was established on primary source of data. Data were collected through a questionnaire. The selected respondents were those, who were involved in agriculture entrepreneurship and they were included under registered or non-registered business.

7.4 Tools used in the Study

The study employed the exploratory design, which used an inductive approach from the descriptive data. The SPSS software was used to analyze the qualitative data. This study had analyzed the relationship between dependent and independent variables. The multiple regression equation, with the coefficients of independent variables, was obtained as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where,

Y = Youth interest to become an entrepreneur as the dependent variable

X1 = represents Attitude

X2 = represents Knowledge

X3 = represents Acceptance

8. Data Analysis and Interpretation

8.1 Effects of Attitude in the Interest of Youth in Agricultural Entrepreneurship

The effects of independent variables on the dependent variable were calculated and explained, by using a regression method. All the independent variables were regressed separately with the dependent variable. The dependent

variable, youths' interest in agricultural entrepreneurship, was regressed on all factors, to find out whether these selected factors really affected the youths' interest in agricultural entrepreneurship or not.

According to the results of ANOVA, as presented in Table -1, the estimated regression model was good since the p-value (0.000) of F test was statistically significant at 0.01 levels. Similarly, the significant p-value ($0.000 < P$) of t-test indicated that regression coefficient was sufficiently interpretable. Therefore, regressing Interest on Attitude, the estimated model turned out to be;

Y	=	α	βX_1		I
Interest	=	0.411	+ 0.778		
T	=	1.642	7.610		
p	=	0.000	0.000		
R ²	=	0.371			
Df	=	98			

As per the regression result, around 37 percent of the total variation in youths' interest in agricultural entrepreneurship could be explained by all independent variables- attitude, knowledge and acceptance. There was positive and significant ($\beta X_1 = 0.778$, $P = 0.000 < P$) effect of attitude on youths' interest in agricultural entrepreneurship. An estimated effect on youths' interest in agricultural entrepreneurship, with respect to attitude, was 0.778, which means that a single percent change in attitude, would bring about 78 percent change in levels of youths' interest in agricultural entrepreneurship.

8.2 Effects of Knowledge on Youths' interest in Agricultural Entrepreneurship

According to Table 2, the estimated regression model was good since the p-value (0.001) of F test was statistically significant at 0.01

levels. Therefore, regressing Interest on Knowledge, the estimated model turned out to be;

$$\begin{aligned}
 Y &= \alpha \beta X_2 && \text{.....II} \\
 \text{Interest} &= 1.527 + 0.318 \\
 T &= 6.523 & 3.342 \\
 p &= 0.000 & 0.001 \\
 R^2 &= 0.102 \\
 Df &= 98
 \end{aligned}$$

As per the regression result, around 10 percent of the total variation in youths' interest in agricultural entrepreneurship could be explained by the all independent variables like attitude, knowledge and acceptance. There was positive and significant ($\beta X_2 = 0.318$, $P = 0.001$) effect of knowledge on youths' interest in agricultural entrepreneurship. An estimated effect on youths' interest in agricultural entrepreneurship, with respect to knowledge was 0.318, which means that a single percent change in attitude and acceptance would bring about 32 percent of change in levels of youths' interest in agricultural entrepreneurship.

8.3 Effects of Acceptance in Youths Interest in Agricultural Entrepreneurship

According to **Table 3**, the estimated regression model was good, since the p-value (0.000) of F test was statistically significant at 0.01 levels. Similarly, significant p-value ($0.000 < P$) of t-test indicated that regression coefficient was sufficiently interpretable. Therefore, regressing Interest on Acceptance, the estimated model turned out to be;

$$\begin{aligned}
 Y &= \alpha \beta X_3 && \text{.....III} \\
 \text{Interest} &= 0.263 + 0.839 \\
 T &= 1.227 & 9.595 \\
 p &= 0.000 & 0.000 \\
 R^2 &= 0.484 \\
 Df &= 98
 \end{aligned}$$

As per the regression result, around 51 percent of the total variation in youths' interest in agricultural entrepreneurship could be explained by all the independent variables like attitude, knowledge and acceptance. There was positive and significant ($\hat{\alpha} X_3 = 0.839$, $p = 0.000 < P$) effect of attitude and acceptance on youths' interest in agricultural entrepreneurship. An estimated effect on youths' interest in agricultural entrepreneurship, with respect to attitude and acceptance, was 0.839, which means that a single percent change in acceptance would bring about 84 percent of change in levels of youths' interest in agricultural entrepreneurship.

9. Findings of the Study

From the findings, it has been concluded that Nepal is in the correct path, in promoting agriculture entrepreneurship. A lot of efforts from the government and society, to foster attitude and acceptance among the youths, did play an important role on agricultural entrepreneurship. In the context of Nepal, level of knowledge and education exerted insignificant influence on the young generations to become agricultural entrepreneurs. Similarly, family guidance, government support with more advertisements through different media like social media, radio, TV, newspaper, did promote and motivate youths towards this profession. The findings will also enlighten the related authorities, to come forward and work on this matter seriously as it can be a breakthrough in agriculture and also in the economy in the process.

10. Suggestions

Majority of illiterate and low status youths were not aware of the incentives, provided by the government. They face many problems like being unable to expand their business because

they did not know about loan facilities available through financial institutions. Hence the government should enable them to access loan facilities. There is a necessity of agricultural infrastructure that would enable youth to live in villages. This will definitely go far in supporting them in agribusiness.

11. Conclusion

It has been concluded that Nepal is heading in the right path of transforming husbandry into business. Attitude and acceptance have positive impact on the youth's interest in agrarian entrepreneurship. In the environment of Nepal, knowledge and education exerted insignificant impact on the youth in Nepal. The family and government played a vital part in motivating the youthful generations to involve themselves in husbandry as their career. In Nepal, husbandry-grounded business has a future to move in a positive way, with the help of government and family support. It is interesting to record that some youths were returning from abroad, to invest their money and energy in their own country. Youths show interest in husbandry business because this business can be started by investing less money. Further, the government is furnishing different types of incentives to the business. Since numerous youths are returning from abroad, to start business in their own land, with the support of family members, training programmes could be planned in this sector.

12. Limitations of the Study

Despite lots of efforts, the study suffered from some flaws. The study was based on Nawalparasi District and also the selected respondents were in the age group of 18-40 years. Further, it focused only on three factors like attitude, acceptance and knowledge. It did not include other factors, which may also affect the interests of youths to become agricultural

entrepreneurs. In future, new research can be done in different districts of Nepal.

13. Scope for Further Study

Future research can be done in different districts of Nepal by considering other factors also as motivators of youth towards agribusiness. Additionally, with the increasing role of technology in agriculture, further research could explore the impact of information and communication technology (ICT), mechanization, and innovative farming practices on youth interest in agricultural ventures. Another important area for future research is the exploration of gender-specific influences. A comparative study of the barriers and motivations faced by young men and women, could provide a better understanding of the unique challenges each group encounters in the agricultural sector.

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Table-1: ANOVA For Effects of Attitude in Interest of Youths in Agricultural Entrepreneurship

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	5.571	1	5.571	57.908	0.000
	Residual	9.429	98	0.096		
	Total	15.000	99			

a. Dependent Variable: Interest

b. Predictors: (Constant), Attitude

Source: Primary Data and computed using SPSS

Table-2: ANOVA For Effects of Knowledge in Youths' Interest on Agricultural Entrepreneurship

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1.535	1	1.535	11.169	0.000
	Residual	13.465	98	0.137		
	Total	15.000	99			

a. Dependent Variable: Interest

b. Predictors: (Constant), Knowledge

Source: Primary Data and computed using SPSS

Table-3: ANOVA For Effects of Acceptance in Youths Interest in Agricultural Entrepreneurship

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	7.266	1	7.266	92.067	0.000
	Residual	7.734	98	0.079		
	Total	15.000	99			

a. Dependent Variable: Interest

a. Predictors: (Constant), Acceptance

Source: Primary Data and computed using SPSS