



## **Indigenous Financing Modalities for Entrepreneurial Learning in the *Thakali* Community of Nepal**

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### **Abstract**

Entrepreneurship skill has become a major demand for every people around the globe. Everyone is directly or indirectly, an entrepreneur. A skillful entrepreneur can enhance one's economic status so that he/she can achieve a decent lifestyle. For a person to learn about entrepreneurial knowledge and skills, financing is an essential. There can be various modalities of financing for learning but this article is aims to explore the indigenous financing modalities which are practiced in the *Thakali* community of Nepal. This study also aims to find out the ways in which *Thakali* people become successful entrepreneurs in their community. In this ethnographic research paper, the *Thakali* community of *Thak Khola* of Mustang District was selected as a sample and used the constructivist approach of knowing the practical financing modalities for such entrepreneurial learning in the community. By the ethnographic study of more than four months in the sample community, it was found that every relative of a financially weaker member lent support to strengthen the financial status by encouraging them to have an enterprise. It could be compared with Complete local support model, Flat grant model and Equalization model of financing. Every *Thakali* is an inborn entrepreneur in various commercial sectors of the local community. The innovative ideas, the study found about enabling a successful *Thakali* entrepreneur, was uplifting a non-entrepreneur by donating cash-gift as financing model to gain the skills of successful entrepreneur.

**Keywords:** Entrepreneur, *Thakali* community, Skills, Financing

## Introduction

This is an ethnographic study on indigenous financing modalities for entrepreneurial learning in *Thakali* community of Nepal. In this study, the conceptual framework was derived from literature and critical ethnographic study on embattled local *Thakali* community, basically from *Thak Khola* valley. "The term entrepreneur describes a creative and dynamic individual who develops products and sells them to the external market. The term entrepreneur describes the same creative and dynamic type of individual but one who operates within the large organization" (Davies, 2003). Nevertheless, the ability to being successful entrepreneur, different local financing activities was managed on the basis of different financing modalities in their community. Complete local support model, Flat grant model, Equalization model and Incentive grant model were also found as financial management tool to uplift the financial status within the community. Among different local financing activities, household business/animal husbandry, cultural ceremony/funds in the name of God, social saving and credit co-operative *Dhikur*<sup>1</sup> as well as cash gift to weaker members for uplifting were major objects to perk up the financial status. Pertinent financing modalities play crucial role to improve the status of deprived community. Likewise, there were different models of financing as per the socio-economic phenomenon. Nevertheless, this study is distinguishing in the way is uses the lens of four financing models, viz: Complete local support model, Flat grant model, Equalization model and Incentive grant model.

## Objectives of the Study

- To explore the financing modalities practiced in *Thakali* community of *Thak Khola* valley.
- To find out the ways how *Thakali* people become successful entrepreneurs in their community.

## The Community

*Thakali* is a Nepalese tribe also called Himalayan entrepreneurs. *Thak Khola* valley administrated six VDCs (Village Development Committees) Jomsom, Marpha, Tukche, Kobang, Lete & Kunjo. *Thakali* language is associated with Tibeto-Burman groups (Gauchan, 2005). Caste wise, they worship different clan Gods. *Gauchan*<sup>3</sup> worship *Lha: Langba Nhurbu*<sup>2</sup>, *Sherchan*<sup>3</sup> worship *Lha: Ghangla Singi Karpo*<sup>2</sup>, *Tulachan*<sup>3</sup> worship *Lha: Chyurin Gyalmo*<sup>2</sup> and *Bhattachan*<sup>3</sup> worship *Lha: Hyawa Hangjuyn*<sup>2</sup> (Gauchan, 2005). *Thakali* takes 0.06 percent (12,973) of total population (Population Census 2011, p. 60). Among them, *Thakali* language speaking population is 6,441 (49.6% of total) (Gauchan, 2005). *Thak Khola* is the place of origin of *Thakali*, but more than 80% *Thakali* live outside of *Thak Khola* now (Ibid). However, the major ethnic group of *Thak Khola* is *Thakali* (Population Cencus, 2011). The government of Nepal has implemented many successful development projects in *Thak Khola* and the valley now has a reasonably good infrastructure and basic services (Vinding, 1998).

## The Economy

“*Thakali* earn incomes to cover these (taxes, religious ceremonies, marriages and entertainment ) expenses through the sale of goods produced by the household, local business and trade, business outside *Thak Khola* and the sale of labour” (Vinding, 1998 p. 142). Travel trekking and adventure groups also are operated around this area. “In recent decades, incomes from the sale of cash-crops (especially apples) and hotel business have increased” (Ibid). “Studies of the *Thakali* refer to them as traders and businessmen” (Heide, S. 1988b, p.1 as cited in Vinding, 1998, p. 142). “..... It is important to note that while most *Thakali* are business minded, only a few are true innovators and venture capitalists” (Vinding, 1998, p. 137).

Local credit and savings associations *Dikur* made *Thakali* become successful investors, cooperative to foster economic status in the community. Vinding (1998) further stated that “Larger and comparatively equal” land holding is found in this community which helps for the standard living. Population growth is probably lower than the national average i.e. high opportunity of agricultural occupation. They are inborn business minded. They come from close-knit societies with strong traditional political organizations. They emphasize on education” (Vinding, 1998).

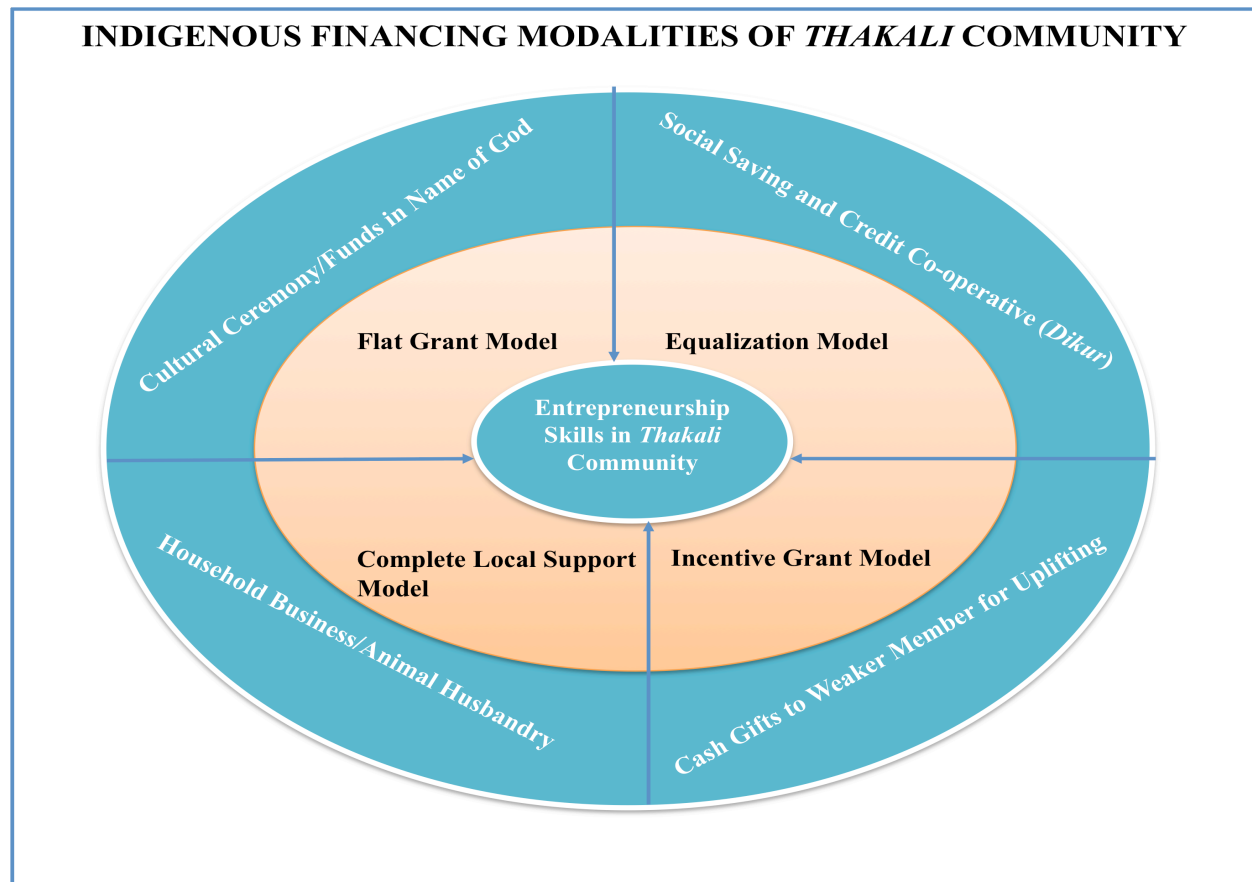
## The Allocation Modalities

The term modality may be defined as the means or specifications used to implement a funding instrument (Jacob, 2013). Among the different modalities, basically, the following allocation models of financing were used for entrepreneurial learning in targeted community:

- **Flat Grant Model:** State grants without taking into consideration local taxpaying ability
- **Equalization Model:** More state funds allocated to area of less wealth models
- **Complete Local Support Model:** Support for the local community by the community
- **Incentive Grant Model:** Sustainability and cultural competency

In this research, researcher developed the theme in accordance with the defined modalities to compare the local financing activities. There was a special linkage between different modalities of financial components within this community. Wage labor, productivity, education and more prominently cultural management were used as ideal linkage for skill formation as well as to develop entrepreneurial skills in *Thakali* community.

**Figure 1.1. Attributed financing models in *Thakali* Community**



(Reconstructed from theory, financing modalities, & Vinding, 1998)

To address the local financial activities, in this paper, household business/animal husbandry was used as complete local support model, cultural ceremony/funds in the name of Gods adoration by *Thakali* was used as flat grant model, social saving and credit co-operative *Dhikur* was used as equalization model and cash gifts to weaker members for uplifting was used as an incentive grant model, for this study.

In this thematic review, it was found that there was the same component to park up the entrepreneurial skills of *Thakali* community as per the exhibit model in the figure 1.1. Flat grant model is defined as grants without taking into consideration about local taxpaying ability, which was attributed in cultural ceremony/funds in the name of gods. Equalization model is defined as funds allocated to area of less wealth that was attributed in social saving and credit co-operative which is called as *Dhikur* in local language. Michael Vinding (1998) also observed that needy members of *Dhikur* received the fund before wealthy ones, so the system benefitted the poor (p. 131). Likewise, complete local support model is defined as support for the local community by the community which was attributed in household business/animal husbandry. Lastly, incentive

grant model is defined as sustainability and cultural competency which was attributed in cash gift to weaker members for uplifting and to have an enterprise. Rigor was maintained in this thematic review through prolonged engagement with participants for counterpart with defined modalities on foremost and explicit local financial activities of embattled community.

### **Research Design**

Subsistence of different constraints on local community, study has preserved the value of researcher due to the process of critical ethnography on semi-rural area of *Mustang* district of Nepal and is ranked highly in all measured levels of western tourism after *Khumbu* (Mt. Everest) region (Government of Nepal, 2012). The area has high level of self-employment and cash-crops as well as *Banchhaghar* and has an optimistic family involvement in household businesses and animal husbandry. Population growth rate is below the national average and the numbers of people represent from this community are decreased from previous census (Population Census, 2011).

In this paper, the *Thakali* community was selected as a sample and the constructivist approach was used for knowing the financing modalities prevailing in the community. Case studies, ethnography, and naturalistic inquiry have gained reasonably widespread (Heck & Hallinger, 2005) acceptance. "Ethnography is also sometimes taken to refer to a study in which participant observation is the prevalent research method but that also has a specific focus on the culture of the group in which the ethnographer is immersed" (Bryman, 2008 p. 402). Nonetheless, Critical ethnography was selected to get a thorough understanding of the cultural myth and retrospective consensus on their local financing activities. The design is able to extract the key attributes of the community practices from ancient period as a convention. "Most phenomena cannot be explained in isolation, which is a result of their complexity in reality" (Flick, 2010 p. 15). Cohen, Manion & Morrison (2007) suggest that critical ethnography is intended to identify the values, systems, norms, key concepts that are guiding and underpinning situations (p. 187). So, more than four months was spent in the sample community to understand the socio-economic as well as cultural embedded ubiquitous values, artifacts and underlying assumptions on the local economic activities.

The study accepts multiple reality or subjectivism (Creswell, 2003) for ontological and constructivist approach i.e. knowledge can be constructed (Guba & Lincoln, 2005) for epistemological discourse. Likewise, inductive paradigm was taken in relation to primary data that embraces real time data; field observation, field note, textual data and community myth. Similarly, related research articles, published books, recent figure of Central Bureau of Statistics (CBS) and other different publications were used as the source of secondary data. Ethical issues are the critical aspects for the conduction of research, basically, in qualitative research (Pant, 2012). Nonetheless, all ethical aspects for researcher were maintained during this research.

### **Skill Formation**

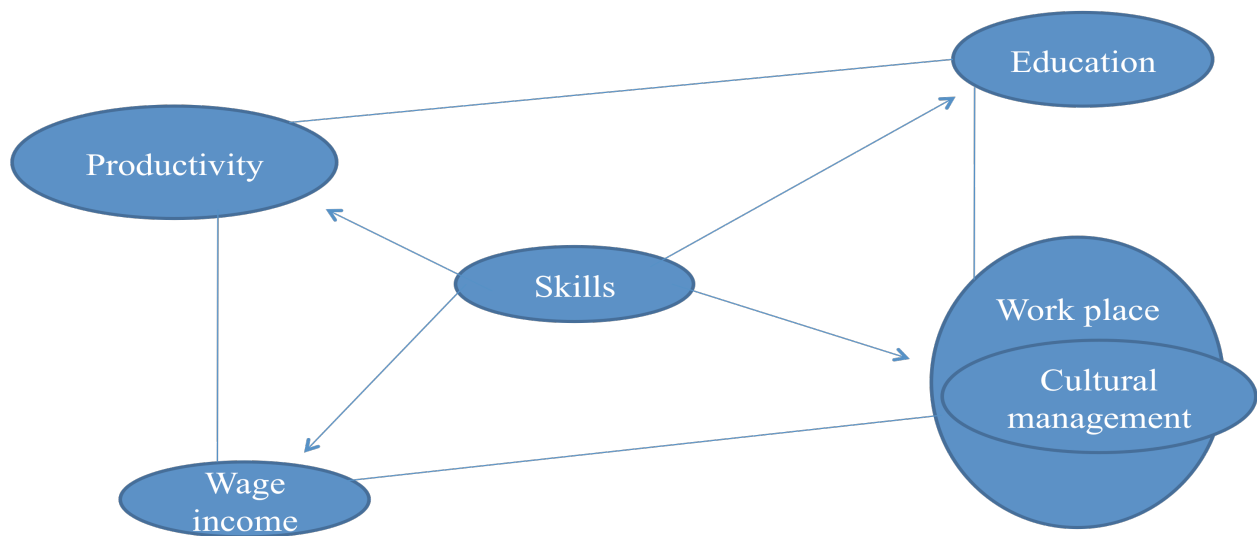
Skill can be defined as a technique that has a significant role to conduct a productive work in the contextual phenomenon. In this research, there was a special linkage between wages income, productivity, education and most prominently cultural management and work place on

*Thakali* community. Partnerships for 21st century skills ([www.21centuryskills.org](http://www.21centuryskills.org)) remark the following skills for life and career:

- Flexibility & Adaptability
- Initiative & Self direction
- Social & Cross-cultural skill
- Productivity & Accountability
- Leadership & Responsibility

Nevertheless, these skills are inductive aspects for skill formation in different local community. Wage labour, productivity and education play a vital role for skill formation on work place as per the cultural management. In this critical ethnographic study, the following linkages in *Thakali* community were identified:

**Figure 1.2. The Important skills formation linkage in *Thakali* Community**



(Reconstructed from Theory, Ethnographic note & KU's class note of PhD)

Skill formation of *Thakali* community denoted that the influences of four components of financing modalities exist, in this community. They usually barter the wages income and/or sell the wages that generate the skill within the community. In this regards, Vinding (1998) state that the most important contribution a wife makes to the household is her labour which is at least as valuable as that of her husband (p. 191). But, nowadays assortments of women of this community are more visionary on different local enterprises skills. In this concern, Bush (2003) suggests “vision is increasingly regarded as an essential component of effective leadership” (p. 6). Nevertheless, women are more skillful and visionary to prepare the delicious food for business purpose that enhances the entrepreneurial as well as leadership skills within the community. These statements also argue that the special linkage between wage labour, productivity and entrepreneur skills that fosters through education which would be attributed basically in work place through cultural management. *Thakali* were very much inquisitive to have education within the community. In this connection, Vinding, (1998) further clarified that “illiteracy is now considered old fashioned and backwards, and most *Thakali* prefer their spouse

to be literate" (p. 221). Cultural management is the most important feature within the community (Work Place) to foster the entrepreneur skills. Sergiovanni (1984) states "culture serves as a compass setting to steer people in a common direction" (p. 4). Entrepreneur skills seem leading to common direction in this community. Nevertheless, it was found that *Thakali* used wage labour, productivity and education to enhance entrepreneur skills in the specific workplace through well cultural management.

## Discussion

As a professional of tourism sector, I have inquisitiveness on inimitability of *Kaligandaki Galchhi*<sup>4</sup> and *Thak Khola* valley from the beginning. It was very cold when I reached this valley. There were different religious practices undertaken. There was the provision of animal transportation at *Eklibhatti* when I had been there on 21<sup>st</sup> February 2014. There were different caravan routes for *Khachar*<sup>5</sup> and/or *Jopkey*<sup>6</sup>. Centralized trekking, expedition and adventure tourism were in operation. Basically, in Nepal open economic policy is implemented from 1996 AD. Privatization and localization can be seen on tourism sector, basically around *Annapurna* and *Mustang* area. Likewise, local taste of different foods that includes *Dhindo*<sup>7</sup> is available which is very hygienic and contains high calories for health as per the scientific thinking. Especially, they use *Gundruk*<sup>8</sup> for pickle with *Dhindo*.

Similarly, different cultural ceremony has been observed in this community. Death/funeral ceremony was seen more expensive than their financial status. But there was a mutual co-operation among the community members. In this case, all villagers and relatives donate the cash, crops, fruits and wages to the victim family as financial supports. They provide different gifts on different ceremony. Vinding (1998) further elaborates that *Thakali* parents give their daughters a small amount of grain, a few agricultural tools, cooking utensils, and sometimes also jewellery, cash money and a field as dowry on the time of marriage (p. 191).

A participant R. P. Sherchan of *Thak Khola* quoted that:

*I have given 5 Jopkey to my son in law to maintain his livelihood. At the beginning, I told him to return my Jopkey when he becomes financially strong but later on I thought not to take it back as he is doing better in this field* (Field Note [FN]: 2014/02/15).

This proves that such familial help has promoted the life of the relatives. Such *Jopkey* are used for carrying the luggage of tourists that helps to generate good income in the locality. I found that a *Jopkey* earns Rs. 700/- per day.

Likewise, another participant Mr. K. B. Bhattachan has stated that:

*In the past, I used to buy horses from India and when the female horses were pregnant from the same breed, the price of calf generally used to be Rs. 40,000/- but if the horse was crossed pregnant with donkey, the born calf from this practice was more expensive up to Rs. 80,000 per calf and the buyer of crossed calf used to pay the sum in advance when the female horse was pregnant* (FN: 2014/02/20).

But the Government of Nepal as per its policy has banned crossing the horse with donkey every term thinking that the dynasty of horse may vanish. Such crossing can be done after each two terms. In real practice, they do not alter the crosses to have increased financial gain.

Similarly, Mrs. T. K. Gauchan representing *Thakali Bhanchhaghar*<sup>9</sup> of *Thak Khola* reported that:

*As I am running a Thakali Bhanchhaghar at Thak Khola and my customers are local people and the tourists from different countries of the world. I serve Dhindo associated with different other vegetables and pickles which is liked by most of the people and it has helped me to earn a good sum to maintain my family life. In our culture, women are very skilful to prepare such delicious type of foods (FN: 2014/03/05).*

Through such conversation, it is revealed that the people of such community are entrepreneur leader including women. Further, all the family members, in this community, follow the instructions of female members at home.

In this community, as per their tradition, all the sons of the family marry with the single woman. Hence, family is joint not divided and the income of all the male members is joint that helps in increasing the financial status of the family. But, nowadays, it has brought negative impact too in the family. It is believed that women are sexually harassed and modern family members deny such culture and they have migrated to other parts of the nation such as Beny, Baglung, Jomsom, Kathmandu, Pokhara etc. doing different kinds of businesses, basically they are engaged in *Thakali Bhanchhaghar*.

During my research period, I have traced that the people of this community have been engaged in *Dhikur* program where people become the member of *Dhikur*. This also has helped the people of this community to launch a business or to solve their personal financial problems. This is a financial co-operative practice within the society. Michael Vinding (1998) also observed credit and saving associations *Dhikur* in this community. He further stated that "Loans are obtained from banks, moneylenders, local credit and saving associations, and from funds belonging to patilineal descent groups, villages and temples" (p. 105). Similarly "....Still another is to participate in a *Dhikur*" (p. 127).

Regarding this, Mr. T. P. Sherchan has stated that:

*I had to buy some Jopkey for using them in carrying luggage of the tourists. I had shortage of money. But I became the member of Dhikur society and I bid the amount for a particular month and purchased three Jopkey which I have been using them in luggage carrying business of tourists earning per day Rs. 700/- per Jopkey and this has helped me to maintain my livelihood (FN: 2014/01/12).*

As stated above, the people of this community worship different clan Gods and they collect certain compulsory equal amount per household to create a fund and this fund is used to observe different cultural rituals of the community. In this community, to observe death funeral rites/rituals, it is very expensive for everyone. In such a case, the member is highly benefitted from such fund because the individual should not have to spend personally for this case. This fund is further used for the expenses incurred during different cultural programs for entertainment of the community.

### **Findings and Conclusions**

Having conducted this research, it was found that relatives of a financially weaker member support to strengthen the financial status of the latter by encouraging them to have an enterprise. Basically, this community applies complete local support model (Household business/animal husbandry), Flat grant model (fund in the name of god/cultural ceremony) and Equalization model (*Dhikur*) of financing to uplift their financial status. Generally, every



member of *Thakali* community is an inborn entrepreneur in various commercial sectors of the local community.

A successful entrepreneur, in this community, has been engaged in enabling a non entrepreneur by donating cash-gift (by the relatives) as financing model to gain the skills of successful entrepreneur. Basically, they use the different types of financial techniques as types of traditional cash-gift that is refundable and nonrefundable. *Thakali* women are skillful to prepare delicious typical foods and have good sense of hospitality. Many business firms, in this community, are women oriented. For example-*Thakalai Bhanchhaghr* which is widespread acceptable in semi-rural area and capital as well as other cities of the country. Basically, women of each household are the leader and decision maker, in this community.

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### Notes

1. "*Dhikur*" is a kind of co-operative within the society members. They collect certain amount every month from all members and whatever so is collected, the total sum will be taken by one of the leader members of the society. In this practice, they bid at the end of each month. The low bidder collects the sum in that particular month with turn by turn respectively for all members.
2. There are four types of *Thakali* in their community. Gauchan, Sherchan, Tulachan and Bhattachan. They believe and worship different clan gods as per their belief.
3. Michael Vinding (1998) noted in the book named "The Thakali: A Himalayan Ethnography" on the topic of clan Gods of Thakali as "The four Tamang Thakali clans each have a clan deity. Gauchan's deity is God Jewel Elephant (*Lha Langba Nhurbu*), Tulachan's is Goddess Sea-Monster Queen (*Lha Chyurin Gyalmo*), Sherchan's is Goddess White Lioness of the Glacier (*Lha Ghangla Singi Karpo*) and Bhattachan's is God Self-Created Yak (*Lha Yhawa Rangiyung*). The material body of the latter is the head of a yak the other are wooden masks. The four clan gods appear and are worshipped once every twelfth year during the *Lha Phewa* festival" (p. 292).
4. "*Kaligandaki Galchhi*" is deep and narrow gorge and/or valley formed by the *Klaigandaki* River. As per the encyclopedia, it is one of the deepest ravines in the world.
5. "*Khachar*" is the calf produced by crossing breed of donkey with horses.
6. "*Jopkey*" is the young calf produced by crossing breed of yak with cows and basically available in high hilly and Himalayan region of Nepal.
7. "*Dhindo*" is a classical kitchen recipe well popular in the community. It is made by barley flour continuously stirred with boiled water till it become thick and cooked. It is served hot with green vegetables, salad and spicy pickle. We can use corn, millet and wheat

flour to make the *Dhindo* but *Thakali Bhanchhaghar* usually uses barley flour to make typical *Dhindo* for basic food in their livelihood.

8. "*Gundruk*" is a fermented and dry vegetable made by green spinach or mustard. This can be used for Nepali curry and/or pickle.
9. "*Thakali Bhanchhaghar*" represents the typical kitchen i.e. restaurant and/or hotel operated by *Thakali* community. This restaurant is famous for unique tastes of Nepali food that embraces *Dhindo*, plain rice, pulse, green salad, green chili, piece of lemon, different vegetable, chicken/mutton curry, ghee produced from the milk of local cow, curd and spicy *Gundruk* pickle etc.

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