

(A text book based on the syllabus of Mid-West University, School of Management (MUSoM), BBA Third Semester.

Business and Society

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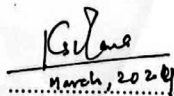
Foreword from the Vice-Chancellor

It is my great pleasure that Dr. Anand Prasad Subedi has written a textbook based on the syllabus of Mid-West University, School of Management (MUSoM) for Bachelor of Business Administration (BBA) third Semester. The subject code and title of the book is "MGT 433: Business and Society". As the Vice Chancellor of the University, I am very delighted to the completion of Dr. Subedi's effort and dedication in producing this comprehensive textbook.

In today's dynamic landscape, the intricate relationship between business and society is ever-evolving and influencing on economic, social, and environmental realms. So, the syllabus is expected to introduce such issues to the BBA students. I hope, Dr. Subedi has written this textbook dealing with every contents as expected by the syllabus, which provides invaluable insights for both students and scholars. In some cases, we have been facing a dearth of textbooks prepared based on the Mid-West University syllabus. I am hopeful that the publication of this textbook will reduce such an academic dearth.

His tireless efforts in producing this comprehensive textbook will undoubtedly enrich the academic community and inspire countless students and scholars to delve deeper into this field of study. His passion and commitment to advancing to the understanding of the complexities of modern business and societal practices shine brightly through the pages of this work. At the last, I would like to see his more publications in the days to come.

Thanks.



March, 2024

Prof. Keshar Singh Rana, Ph.D.
Vice-Chancellor
Mid-West University, Nepal.

Vice-Chancellor

Words from the author

I, with great pleasure and a sense of accomplishment, have presented this textbook entitled “Business and Society”, written specially for the third semester students pursuing the Bachelors of Business Administration (BBA) degree from the Mid-West University, Nepal. The paper of BBA third semester having subject code MGT433 is a compulsory subject which is implemented in Mid-West University, School of Management (MUSoM). This course has envisioned to prepare students to understand the society in which they do business, live and develop their individual identity. Subsequent to this, students familiarize themselves to the business with social entrepreneurship. Being a faculty member of sociology, it is the outcome of my genuine strife to provide students with a comprehensive and detailed resource and the knowledge based syllabus in which BBA students will be familiar with the sociological understanding and its application to the business domain.

I hope this textbook will be a supportive material to the students studying BBA and the individuals in concerning fields in general. I have strived to discuss each and every topic of the syllabus thoroughly.

Preparing a textbook is itself a challenging job, nevertheless, I am always passionate to do something in the field where I work. Thus, I have produced this textbook that is fairly helpful to satisfy your expectations and at the same time, it looks forward to receive your feedbacks and supports. I will always appreciate your feedbacks and suggestions regarding the contents of the textbook and try to make it perfect in its next editions.

I would like to express my gratitude to the faculties and students who have supported me to materialize this task. I would, specially, like to remember here Dr. Sharad Chandra Kashyap, Associate Professor in English, Mid-West University, for his contribution in making my text book grammatically flawless because he has spent a long time in proof reading the entire manuscript of the textbook.

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2024 February

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Basic social insights on modern world and business

1.1 Meaning and definitions of development:

The discourse of development and underdevelopment is growing rapidly and it has been complex to define by virtue of the changing nature of society and human life style. Nevertheless, we must have clear understanding regarding the meaning of development and underdevelopment. Before going into the meaning of development one need to be clear about the concepts of development and growth whereas development may not result from growth but growth must result from the development. Thus growth is the major concerns of the advanced and developed countries while development is a major issue for the developing and underdeveloped countries. The issue of development is crucial in underdeveloped countries because there is miserable life standard in terms of human development. Thus the ultimate goal of the development is human development where the strategy of the development must focus on improving the livelihood standard of the people.

Defining the meaning of development in few sentences is very challenging because the perception of development is continuously changing. For example, if getting electricity was termed as an indicator of development earlier, may be satellite TV connection, and internet connection is what we called development now and it might change in future. So there is no single definition of the term development.

More interestingly, it can vary from place to place, time to time, and person to person as well. So development is a complex phenomenon comprising many dimensions of human lives. It not only talks about the development in economic domain but also about social domain, political domain, administrative domain, and environmental domain.



Defining the meaning of development with reference to single field of human life is an incomplete definition of it. The economists will definitely say that per-capita income (PI), gross domestic product (GDP) growths are the major two aspects of development, the political scientists will say political freedom, freedom of speech and expression, and sovereignty are principal indicators of development. Similarly, experts from different areas of specialization prefer different principal aspects for the development.

In general, we may generalize the meaning of development as the increment on per-capita income, insurance of basic necessities of life and also the freedom of speech and expression. If we focus on the five aspects of development that has been mentioned above diagram more idea can be gained. Development is the state of aggregation of the improvement in economic, political, social, administrative, and environmental spheres. In economic development raising national income, reducing poverty, and more equitable distribution of wealth and income are crucial concerns. In political development state has to develop the political system to deal with its fundamental problems and it should be more responsive to the changing political demands of the people. In social development it focuses more on bringing social equality in terms of access to the health services, education, housing, continuity to follow cultural practices etc. In administrative development it is more about the development of the administration which is responsible for delivering services to the people. In

environmental development the long lasting preservation of natural resources with full of bio-diversity and assurance of continuation of existing ecosystem with no losses.

Definitions:

Let's have a look on few definitions on the meaning of development forwarded by the experts which will helpful to make our understand strong.

“The concept of development contains not only material prosperity, but also the idea of something more in the way of human dignity, security, Justice, and happiness.”
-Willy Brandt

“Development means the process away from underdevelopment of rising out of poverty.”
-Gunnar Myrdal

“Development is a state of mind, a tendency, a direction rather than a fixed goal. It is a rate of change in a particular direction.”
-E. W. Weidener

At last, we can easily say that the development is not mix up the words of construction and real estate companies rather in a broader sense. Construction of physical infrastructure in just one part of development where there are multiple other dimensions of which we have discussed above. In short the meaning of development is a lot more than what we use it day to day life.

1.2 Meaning and definition of underdevelopment:

Since the aftermath of the world war II most interest has been taken in the problems of backward and less developed countries. Leaders of the nations started to think about to improve the nation's economy. At that time the situation of people was very worse and nations' economy was feeble. Almost all countries were trying to improve the living standard of the populations and they tried to make an understanding regarding the term development. Although there is no single definition of underdevelopment which is universally acceptable yet there are certain indicators made by the United Nations on which there is a consensus those can be used to identify the state of underdevelopment. The United Nations said regarding underdeveloped countries that “an underdeveloped country is one which has a real per-capita income that is lower in relation

to the real per-capita income of USA, Canada, Australia, and Western Europe”. Thus underdevelopment is a relative concept as it involves comparison of one set of countries with the other. In addition to this, underdevelopment refers to the state of an economy where levels of living of masses are too low due to low per-capita income resulting from low level of production. Underdevelopment is relative concept yet it sustains absolute poverty where in mass population fail to fulfill their basic needs i.e. food, clothing, and shelter. Underdevelopment is low level of development characterized by low real per-capita income, wide spread poverty, low level of literacy, low life expectancy, and underutilization of the resources. Underdevelopment is a state where the countries fail to provide minimum level of livelihood standard to the large section of its population. It results misery, frustration, and may be social deviances.

1.3 An overview of Nepal with respect to development and underdevelopment:

a) Imbalance trade:

In 2078/079 F.Y. Nepal has 17 kharb, 20 arb, 42 karod deficit in foreign trade which is 35.5% of total domestic product. In this F.Y. Nepal exported the goods cost of Rs. 2 kharb, 3 karod and imported the good cost of 19 kharb, 20 arb, 45 karod. In the same fiscal year the percentage of the increment in import was 24.7 and in export was 41.7 nevertheless deficit trade appears (NRB, 2079). The trade situation has remained same in the current year.

b) Per capita income (Nominal):

Table 1: Per Capita Income (Nominal)

S. N.	Country	Year		World rank in 2021	Continent
		2020	2021		
1.	Luxembourg	1,16,921	1,31,302	1st	Europe
2.	Ireland	85,206	1,02,394	2nd	Europe
3.	Switzerland	87,367	93,515	3rd	Europe

S. N.	Country	Year		World rank in 2021	Continent
		2020	2021		
4.	Norway	67,327	82,244	4th	Europe
5.	USA	63,358	69,375	5th	North America
6.	Iceland	59,643	68,844	6th	Europe
7.	Denmark	61,154	67,920	7th	Europe
8.	Singapore	59,795	66,263	8th	Asia
9.	Australia	52,905	62,619	9th	Australia
10.	Qatar	54,185	61,791	10th	Asia
11.	Nepal	1178	1173		
	World	11,108	12,284		

Source: International Monetary Fund, World Economic Outlook (October-2021).

c) Low level of resources utilization in terms of human resources:

As of mid-March 2021, the number of workers left for foreign employment with labor permit has reached 4,466,973, out of which the number of males is 4,248,547 and females is 218,426. As of mid-March of fiscal year 2020/21, the number of workers who have gone for foreign employment with labor permit is 33,161 and those who have re-obtained labor permit is 52,289. Covid-19 has become the major reason behind the increasing number of reobtaining of work permit (MoF,2022).

Nepal's major destinations for foreign employment are Qatar, Malaysia, Saudi Arabia, United Arab Emirates and Kuwait. In recent years, countries like Cyprus, Romania, Maldives, Malta, Jordan, Turkey like countries have become attractive destinations for Nepali youths for employment (MoF,2022).

d) Agriculture based economy:

In fiscal year 2011/12, the contribution of agriculture sector (agriculture, forest and fisheries) to GDP was 32.7 percent whereas it has been gradually decreasing in recent years and is estimated to remain 25.8 percent in fiscal year 2020/21 (MoF, 2021).

The share of population depending on the agricultural sector is gradually declining due to the modernization and commercialization of agriculture as well as the expansion of services in nonagriculture sectors. According to the Nepal Labor Force Survey of 2008, 73.9 percent of the population was engaged in agriculture sector, but in 2018 the proportion has decreased to 60.4 percent.

e) **Human development status of Nepal in the last 3 decades:**

Table 2: *Human Development Status of Nepal in the Last 3 Decades*

Year	Life expectancy at birth	Expected years of schooling	Human development index
1990	54.4	7.5	0.387
1995	58.6	8.1	0.419
2000	62.3	9.0	0.453
2005	65.3	9.5	0.482
2010	67.6	11.9	0.537
2015	69. 5	12.7	0.583
2016	69.8	12.6	0.586
2017	70.2	12.6	0.588
2018	70.5	12.8	0.596
2019	70.8	12.8	0.602

Source: UNDP, 2020

f) **Underdevelopment in Karnali province:**

Table 3: *Underdevelopment in Karnali Province*

Description	Karnali province	Nepal
Per-capita income	164 \$	1372 \$
Poverty	28.9%	18.6%
Multi-dimensional poverty	39.5%	17.4%
Life expectancy at birth	67 years	70 years
Literacy	62.77%	85%

Source: Budget speech 2079/080, Karnali province government.

1.4 Key arguments on evolution of capitalism:

The word “capitalism” is very common in present era. Let’s comprehend the meaning of capitalism before discussing the context of the raising of capitalism in the world.

1.4.1 Capitalism:

An economic and political system in which a country's trade and industry are controlled by private owners for profit. Modern capitalist systems usually include a market-oriented economy, in which the production and pricing of goods, as well as the income of individuals, are dictated to a greater extent by market forces resulting from interactions between private businesses and individuals than by central planning undertaken by a government or local institution. Capitalism is built on the concepts of private property, profit motive, and market competition.

Different forms of capitalism exist around the world, with variations in the level of government regulation, social safety nets, and degree of public ownership of key industries. Capitalism is characterized by competition among businesses, which can lead to innovation and efficiency. It also allows for individuals to pursue their own economic self-interest and to accumulate wealth. However, critics argue that capitalism can result in income inequality, exploitation of workers, and environmental degradation.

Capitalism is an economic and political system in which businesses are owned and run for profit by individuals/private sector. Capitalism operates on the principles of supply and demand, competition, and profit maximization. It, in capitalism, is believed that the price of the goods and services would be affordable for all because of the market competition and services based on supply and demand, and businesses compete with each other to attract customers and maximize profits.

Modern capitalist systems usually include a market-oriented economy, in which the production and pricing of goods, as well as the income of individuals, are dictated to a greater extent by market forces resulting from interactions between private businesses and individuals than by central planning undertaken by a government or

local institution. Capitalism is built on the concepts of private property, profit motive, and market competition.

Prominent features of capitalism:

- i) Motive to make profit.
- ii) Promotes Private ownership on property.
- iii) Minimizing the government's role on market and economy.
- iv) More initiative for the private market.
- v) Beliefs on price of the goods and services determined by market competition.

The evolution of capitalism can only be really understood in an international dimension and with a multidisciplinary focus.

1.4.2 Context of the evolution of capitalism in the world:

Following might be the context of evolution of capitalism in world economy.

a) Silk Road- a global route:

Silk road was a road for the trade route stretched across Eurasia with connected east and west for centuries. It existed from 130 B.C. to 1453 B.C. Silk road used to enable merchants to travel for trade which became the earliest example of capitalism and globalization. Silk road was one of the busiest road of trade in ancient era.

The great route got its name “silk Road” from the overwhelming dominance of “silk” as one of the transported commodities along this route. The Silk Road spanned thousands of miles and included land and sea routes that connected China, India, Persia, Arabia, and Europe. The silk road is neither a actual road or a single route. The term instead refers to a network of routes used by traders for more than 1500 years. The Silk Road enabled the flow of goods such as silk, spices, and other luxury items from China to the West, which fueled demand for these items and created profitable trade

opportunities for merchants. As trade increased along the Silk Road, new markets and trading centers emerged, leading to the growth of commerce and capitalism.

b) Use of paper money instead of barter:

Barter is trading goods or services between two or more parties without the use of money but the capitalism grew after the use of paper money. China developed the system of paper money in around 770 B.C. and in USA paper money was started dates back to 1690. Changing format of transactions from barter to paper money and rise of currency was an important aspect of the evolution of capitalism.

c) End of feudalism in Europe:

Feudalism was a political and economic system where we found a system of obligations and duties between lords (who owns the land) and vassals (persons under the protection of feudal lords). In this system, land ownership was the key source of power and wealth. Feudalism existed till 1400 AD in Europe. After 1400 AD, feudalism was supposed to be weak with the renaissance in Europe and there was increase in trade, growth of more towns, rise of new merchants class, and increments of economic mobility which ultimately supported to the development of capitalism. Over time, various factors contributed to the decline of feudalism, including the Black Death, the rise of trade and commerce, the emergence of nation-states, and military innovations. The Black Death was one of the deadliest pandemics in human history. It is supposed that, Black Death swept across Europe killing an estimated 25 million people, or one-third of the continent's population. Black Death also had some positive long-term effects, including improvements in public health and hygiene practices, as well as the emergence of a more assertive labor movement as surviving peasants and workers began to demand better wages and working conditions.

d) Renaissance in Europe:

In 14th century renaissance took place in Europe where great revival of art, science, literature, and human freedom was appeared. From 14th century to 17th century, the renaissance promoted the rediscovery of classical philosophy, literature, and arts. In this period some inventions became crucial for the economic development, such as; in 1450, the invention of the Gutenberg Printing Press allowed to improve communication. Similarly, scientific discovery led to major thinking: Galileo and Descartes presented a novel view on astronomy and mathematics.

During renaissance, the European economy grew in trade, developments like improvements in banking led to an overall increase in commercial activities.

e) Contribution of Adam Smith:

In 1776, Adam Smith published a book “An Inquiry into the Nature of the Wealth of Nation” which is commonly referred to simply as “The Wealth of Nation” in which Adam Smith presented very important philosophical insights which are;

- i) Our individual need to fulfill self-interest results in societal benefits.
- ii) Freedom to produce and exchange goods as they pleased (free trade).
- iii) Opening the markets up to domestic and foreign competition.
- iv) People’s natural self-interest would promote greater prosperity than with inflexible government regulation.

f) Contribution of Max Weber:

Capitalism in north Europe evolved when the protestant ethic influenced large number of people to engage in work in the secular world, developing their own enterprises, engaging in trade, accumulating wealth for

investment. All those things revealed in the book “the protestant ethics and spirit of capitalism” in 1905 written by Max Weber (1864-1920), a German sociologist. This invaluable book unfolded the social precondition for high economic activities and economic prosperity at large. Hence the contribution of Max weber became milestone for the capitalism.

g) Industrial revolution:

Industrial revolution was the transition to new manufacturing process in Great Britain, Central Europe, and the United States of America that occurred during the period around 1760 to 1840. In this revolution, industrialization of mass enterprises appeared in which significant work and investment from individuals required. In this scenario, industrial revolution propelled towards the adoption of capitalism. It was characterized by a shift from hand production to machine production, powered by new technologies and resources such as the steam engine and new methods of production. The new technologies and methods of production led to a significant increase in productivity, allowing for the mass production of goods and the growth of markets.

h) Imperialism:

Imperialism is considered as an outcome of the capitalist system because increasing concentration of wealth within the richer countries leads to capitalism. Imperialism can be seen as a natural extension of capitalism. It involves the expansion of capitalist economic interests beyond national borders, typically through military or economic domination. Imperialism has historically been used to acquire new markets, resources, and labor, which are essential for the continue growth and accumulation of capital.

i) Modern international market relation:

In modern era, modern international market relations fostered by liberalization have been the major factor for

the enhancement of capitalism. liberalization involves opening up a country's markets to international trade and competition, removing government's restrictions on tariffs and other trade barriers, and allowing private enterprise to operate freely. Now, globalization process is closely related to the development and expansion of the capitalist economic system. This is often associated with free market capitalism and is aimed at increasing economic growth and efficiency.

Understanding modern world economy in terms of capitalism and globalization.

1.5 Globalization:

Globalization refers to the worldwide phenomenon of technological, economic, political, and cultural exchange brought by modern communication, transportation, and legal infrastructure. It is a term used to describe how human beings are becoming more interconnected with each other around the world economically, politically, and culturally.

1.5.1 Prominent features of globalization:

We might outline the characteristic features of globalization along the following lines:

a) Liberalization:

It is one of the features of globalization in which the freedom to establish any industries or businesses within their own country and also to expand their venture in other countries is given to the entrepreneurs. In this process, countries will reform its economic policies so that other country and market is free to have economic business to the next countries. Without liberalization, globalization cannot be imagined.

Before the World War II governments of every states used to make strong and strict rules and regulations in the field of business. These was less business friendly environment for foreign and domestic investors. Same case was found regarding internal business and its

expansion towards transnational scale. In short, there was strong economic policies in terms of establishment of and expansion of the business. The process of liberalization progressed through the signing of General Agreement on Tariffs and Trades (GATT) in 1947, the single European Act in 1986, and the North American Free Trade Agreement (NAFTA) in 1992 by which policy of free trade, removal of restrictions and barriers on business started to appear in world economy which is called liberalization. The term liberalization to freedom of business enterprises from excessive governmental control where less licensing provisions and formalities to be followed by business forms appears.

Nepal has started to liberalize its investment and trade system unilaterally in 1992. It became the first least developed country to join the World Trade Organization (WTO) through the full accession procedure in 2004. Nepal has also become the member of The South Asian Free Trade Area (SAFTA) and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) as well. Nepal has signed 17 bilateral trade agreements notably with China and India. By identifying the effective role of trade in renovation a traditional agrarian economy into modern economy, the trade policy of 2009 has been adopted by Nepal (Kharel, K.R.; Upadhaya, Y. M.; & Adhikary, D.B: 2021).

b) Privatization:

In privatization any property, corporation, business, or service is transferred from government's ownership to privately own sectors. This privatization process has been the pre-condition of globalization because it makes possible for the mobility of goods, services, and capital worldwide effectively. Without privatization, globalization can't be imagined.

c) Trade:

Trade stands for the flow of goods and services among the different parts of the world. Trade helps globalize

material and non material culture simultaneously where goods and services are the most basic and longstanding feature of an international economy. Although the history of international trade is very long, the trade has accelerated greatly in recent decades eased by transportation and production technologies and led by transnational corporations.

d) Capital investment:

Individual and corporate investors had put capital into foreign schemes for centuries, the growing rate and range of foreign investment is a key feature of economic globalization. Tonkiss (2006) says, “the stock of foreign direct investment (FDI) in the world economy trebled in the 25 years after 1980”.

e) Finance markets:

Highly mobile money is central to the contemporary global economy. The globalization of money markets has been facilitated both by technical innovations – the rapid development of information and communications technologies referred to earlier – and by the political deregulation of key finance markets during the 1970s and 1980s.

f) Interconnectedness:

Technical innovations and the transnational operations of firms both promote the dispersal of production across space. Entrepreneurs can easily share their products and services with other parts of the globe and can capture the world market by sitting own home. It has been possible by the advancement in communication and transportation technology. The component parts for a single product can be sourced widely and moved fairly rapidly, while firms are able to use subcontracting networks and dispersed integration to locate their research, design, manufacture, assembly and distribution functions in different regional and national sites.

g) The international division of labor:

The spatial dispersal of economic processes has shaped a new international division of labor, as manufacturing goods and services shifts to developing economies. While capital remains highly concentrated in the advanced capitalist core, labor increasingly is located in peripheral regions in the global economy. Along with this division of labor across international space, globalization is also marked by the increased spatial mobility of labor. By 2004, around 200 million people worked outside their own country, at very high and (mainly) very low levels in the international economy (Tonkiss, F. 2006).

1.5.2 Types of globalization:

These basic types of a globalization is observed in quite distinct ways because the globalization process has certain structural trends those we call the patterns of globalization. The distinctive patterns of globalization are mentioned below.

a) Political globalization:

Political globalization refers to the increasing interconnectedness and integration of political systems and institutions across the world. It includes the standardizations of the global rules around trade, criminality, and rule of law. International bodies including the United Nations, European Union, and World Trade Organization which are designed to facilitate increasing political globalization in which the common rules are being developed to systematize relationships between the countries of the globe. In some context, international bodies act for the development of the same regulative rules in different countries through their respective legislative so that common assumptions in trade, internal and external security, freedom, human rights, high economic prosperity are supposed to take place. That is how political globalization is being appeared.

b) Economic globalization:

The concept of economic globalization is a contentious one, but in simple terms it refers to the idea that economic relations and activities operate on an increasingly transnational scale. It refers to the increasing interdependence of world economics as a result of the growing scale of cross-border trade of commodities and services, flow of international capital, and wide and rapid spread of technologies. Economic globalization describes the processes through which distant and diverse spaces are integrated through economic exchanges, production systems, communication flows and commodity chains.

In common usage the way that current markets in goods, information, labor, money and images tend to operate on an expanding international scale, such that the contemporary economy integrates much, although certainly not all, of the globe. In economic globalization, the growth in cross-border economic activities appears in five different principal forms which are as follows: i) international trade, ii) foreign direct investment, iii) capital market flows, iv) migration (movement of labor), and v) diffusion of technology.

c) Cultural globalization:

Diffusion of ideas, knowledge, practices, principles of social ties, and habits across the world refers to the cultural globalization. The simplest example of the cultural globalization may be the culture of food consumption, i.e. most societies around the globe have unique diets practices. However, the cultural globalization of food consumption has been promoted by fast food providing companies which has propelled the common culture of having diets. In cultural globalization people are following common behavior and principles in order to be a civilized people that will eventually make all human experience and customs the same. Cultural globalization attempts to promote the common life style of people across the world at large.

d) Social globalization:

Social globalization refers to the integration to the societies in which people feel that they live in one society instead of different societies because people can move elsewhere at the very shortest time and do their job as they wish. Entire world has been turned into global village so that when something happens in one corner of the world that will affect the livelihood of the other parts of the world. Ethnic, personal, and collective identities is becoming weak and no territorial relation and differences exist. Which means relationships between the people has been broader, interdependency is growing rapidly, social identities and status are defined by common principles and values.

Let's understand the modern globalized capitalistic world with reference to International migration and remittance:

International migration means the change the residence of people from one country to another, either temporarily or permanently. Migration has been in search of better economic opportunities since the beginning of human civilization. Modern capitalistic world has fostered to the people's mobility, and high mobility of remittance across the world.

Table 4 : Facts and Figures of International Migration

S. N.	Description	International Migration/Migrants		Remarks
		In 2020	In 2019	
1.	International migrants	-281 million -3.6 % of the world's population.	-272 million - 3.5% of the world's population.	
2.	Female migrants	-135 million -3.5 % of the world's female population.	-130 million -3.4 % of the world's female population.	

S. N.	Description	International Migration/Migrants		Remarks
		In 2020	In 2019	
3.	Male migrants	- 146 million - 3.7 % of the world's male population	-141 million -3.6% of the world's male population	
4.	Missing migrants	- Around 3,900 dead and missing globally.	- Almost 5,400 dead and missing globally.	
5.	International remittances	-USD702 billion.	- USD 719 billion	Although international remittances declined due to COVID-19.
6.	Low-and middle-income countries	USD 540 billion in international remittances were received.	USD 548 billion in international remittances was received.	
7.	Displaced persons	- 89.4 million people were living globally.	84.8 million people were living globally.	includes refugees, asylum seekers, displaced Venezuelans and IDPs).

Source: IOM (2022). World Migration report 2022.

Table 5: *Top 10 Places of Destination and Origin of International Migration*

Top 10 places of destination of international migration	Top 10 places of origin of international migration
1. United States of America	1. India
2. Germany	2. Mexico
3. Saudi Arabia	3. Russian Federation
4. Russian Federation	4. China
5. United Kingdom	5. Syrian Arab Republic
6. United Arab Emirates	6. Bangladesh
7. France	7. Pakistan
8. Canada	8. Ukraine

Top 10 places of destination of international migration	Top 10 places of origin of international migration
9. Australia	9. Philippines
10. Spain	10. Afghanistan

Source: IOM (2022). World Migration report 2022.

1.6 Need of sociological knowledge in solving problems in society and business:

Meaning of society:

“A society is group of individuals united by a system of common ideas, values, customs, and laws, who, by means of these, are able to co-operate and work together for mutual benefit”

- Emile Durkheim.

“The totality of social relationship among humans, including economic, political, and cultural relationships. It involves pattern of behavior and organization that shapes our lives as well as the institutions and structure that facilitate or hinder these pattern”.

- Anthony Giddens

Meaning of Business:

“The engine of economic growth and progress, driven by entrepreneurial innovation and creative destruction”.

- Joseph Schumpeter

Meaning of Sociological knowledge:

“The study of life, social change, and the social causes and consequences of human behavior. It involves understanding the social structure, institutions, and processes that shapes human behavior and interaction”.

- Anthony Giddens

Sociological knowledge in solving problems in society and business:

- i) Understanding people.
- ii) Analyzing social trends.
- iii) Recognizing social inequality.
- iv) Assessing social impacts.
- v) Understanding business prospectus and market competition.

1.7 William F. Ogburn's concept of cultural lag and its application to business:

William Fielding Ogburn (1886-1959) was an American sociologist. He was also statistician and an educator. He received PhD degree from Columbia University, USA.

His major works are:

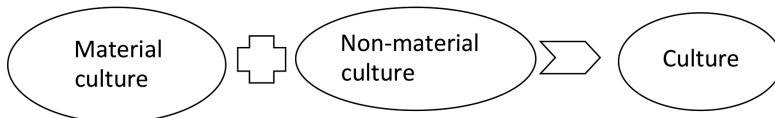
- i) Analysis of the standard of living (1919)
- ii) Social change with respect to culture (1922)
- iii) Social characteristics of cities (1936)
- iv) Technology and the changing families (1955)

Cultural lag theory of William F. Ogburn:

“Culture is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society”.

-E. B. Tylor

culture is composed of two distinct its characteristics: material culture and non-material culture.



a) Material culture:

Material culture refers to the physical objects (like food, cloths, utensils, machines, weapons etc.), artifacts, architecture etc. created by the society and followed as an inevitable way of life. Material culture is more dynamic in nature. By satisfying the objects that people have created and used, historians, archaeologists, and anthropologists can learn social structure of the particular period.

b) Non-material culture:

Non-material culture refers to the intangible aspects of culture which embraces the knowledge, language, beliefs, customs, traditions etc. Non-material culture transmitted through the process of socialization.

The term “cultural lag” was first coined by W. F. Ogburn in his book social change with respect to culture in 1922. The term cultural lag refers to the notion that non-material cultural always falls behind the material culture. The cultural lag is the period of adjustment when non-material culture is struggling to adopt the changes in material culture.

MCQs from Unit One

1. Which one of the followings is a characteristic of a developed country?
 - a) High poverty rates
 - b) Limited access to education
 - c) Advanced infrastructure
 - d) High infant mortality rates
2. Which one indicator is commonly used to measure human development?
 - a) Gross Domestic Product (GDP)
 - b) Life expectancy at birth
 - c) Total population
 - d) Natural resource availability
3. What is the primary goal of development assistance provided by developed countries?
 - a) Poverty reduction
 - b) Military intervention
 - c) Cultural exchange programs
 - d) Political influence
4. Which one of the followings is a consequence of underdevelopment?
 - a) High income inequality
 - b) Advanced infrastructure
 - c) Environmental sustainability
 - d) Access to quality education
5. Which one of the followings is a common challenge faced by underdeveloped countries?
 - a) Low population growth
 - b) Advanced technological infrastructure

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- c) Lack of access to healthcare
 - d) Strong social safety nets
6. What is the current status of Nepal in terms of its development?
- a) Developed country
 - b) Developing country
 - c) Underdeveloped country
 - d) Least developed country
7. Which one of the followings is a major challenge faced by Nepal in its development process?
- a) High literacy rates
 - b) Well-developed healthcare system
 - c) Political stability
 - d) Widespread poverty
8. What is the primary sector that drives Nepal's economy?
- a) Agriculture
 - b) Manufacturing
 - c) Services
 - d) Tourism
9. What is the key principle of capitalism?
- a) Collective ownership of means of production
 - b) Government control of the economy
 - c) Profit-driven private ownership of resources and production
 - d) Equal distribution of wealth
10. Which one country is often associated with the birth of industrial capitalism?
- a) United States
 - b) France
 - c) Germany
 - d) England
11. What role does the price mechanism play in a capitalist economy?
- a) It is controlled by the government.
 - b) It determines the allocation of goods and services based on supply and demand.
 - c) It is irrelevant in a capitalist system.
 - d) It ensures equal distribution of resources.
12. Which one economic phenomenon refers to the concentration of wealth and power in the hands of a few in a capitalist society?
- a) Laissez-faire
 - b) Economic inequality
 - c) Socialism
 - d) Planned economy

13. What is the primary economic system that dominates the modern world?
 - a) Socialism
 - b) Capitalism
 - c) Communism
 - d) Mercantilism
14. Which one of the followings is a key characteristic of capitalism in the modern world?
 - a) Government control of the means of production
 - b) Equal distribution of wealth
 - c) Private ownership of resources and production
 - d) Collective decision-making
15. What is globalization in the context of the modern world economy?
 - a) The process of decentralizing economic power
 - b) The reduction of international trade and interconnectedness
 - c) The integration of economies and societies through increased cross-border interactions
 - d) The focus on protectionism and self-sufficiency
16. Which one organization promotes global trade liberalization and economic cooperation among nations?
 - a) United Nations (UN)
 - b) International Monetary Fund (IMF)
 - c) World Bank
 - d) World Trade Organization (WTO)
17. What is the role of multinational corporations (MNCs) in the modern world economy?
 - a) They facilitate economic self-sufficiency of nations.
 - b) They promote isolationism and protectionist policies.
 - c) They foster competition and innovation.
 - d) They hinder economic growth and development.
18. How has globalization impacted labor markets in the modern world?
 - a) Increased job security and stability
 - b) Decreased income inequality
 - c) Enhanced mobility and outsourcing of jobs
 - d) Limited competition and protectionism
19. What is the main criticism of globalization from an anti-capitalist perspective?
 - a) Increased economic growth and development
 - b) Exploitation of labor and resources

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- c) Strengthened social safety nets
 - d) Promotion of income equality
20. What is the main driver of economic interdependence in the modern world?
- a) Technological advancements
 - b) Political alliances
 - c) Cultural exchange programs
 - d) Military intervention
21. How can sociological knowledge be beneficial in business settings?
- a) It helps improve customer service skills.
 - b) It assists in understanding consumer behavior.
 - c) It promotes workplace diversity and inclusion.
 - d) It is irrelevant to business operations.
22. Which one sociological concept helps explain the unequal distribution of resources and opportunities in society?
- a) Socialization
 - b) Social mobility
 - c) Social stratification
 - d) Social cohesion
23. What role does sociological knowledge play in addressing workplace inequality?
- a) It emphasizes individual responsibility for success or failure.
 - b) It identifies systemic barriers and discrimination.
 - c) It prioritizes corporate profitability over social justice.
 - d) It overlooks the influence of organizational structures.
24. How can sociological knowledge contribute to the development of sustainable business practices?
- a) It encourages short-term profit maximization.
 - b) It emphasizes exploitation of natural resources.
 - c) It advocates for corporate social responsibility.
 - d) It disregards environmental concerns.
25. Why is sociological knowledge important for understanding social change?
- a) It disregards the influence of social structures.
 - b) It recognizes the role of social movements and collective action.
 - c) It perpetuates a static view of society.
 - d) It focuses solely on individual agency.

26. According to William F. Ogburn, what is “Cultural Lag”?
 - a) The rapid adaptation of culture to technological advancements.
 - b) The alignment of cultural and technological change.
 - c) The delayed adjustment of culture to new social and technological conditions.
 - d) The stagnant state of cultural development.
27. How does “Cultural Lag” relate to technological advancements in the business context?
 - a) It refers to the simultaneous development of culture and technology in business.
 - b) It highlights the harmonious relationship between culture and technology.
 - c) It signifies the time gap between the adoption of new technologies and the adjustments in cultural norms and practices.
 - d) It suggests that cultural factors have no influence on business technology adoption.
28. How can “Cultural Lag” impact businesses?
 - a) It accelerates business growth and innovation.
 - b) It fosters integration of new technologies into business operations.
 - c) It can create resistance or friction when adopting new technologies due to cultural norms and values.
 - d) It has no significant effect on business operations.
29. How can businesses address the challenges posed by “Cultural Lag”?
 - a) Ignore cultural factors and focus solely on technological advancements.
 - b) Encourage employees to abandon their cultural beliefs and practices.
 - c) Engage in cultural sensitivity training and change management strategies.
 - d) Wait for culture to catch up with technological advancements naturally.
30. Which one of the followings is an example of “Cultural Lag” in a business context?
 - a) A company implementing advanced automation technology while employees struggle to adapt to the changes.

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- b) A company perfectly adopting new technologies with no disruptions.
 - c) A company disregarding cultural factors entirely when making technological decisions.
 - d) A company's cultural values aligning perfectly with the demands of technological advancements.
31. Material culture refers to:
- a) Intangible aspects of a society's beliefs and practices.
 - b) Objects and artifacts created and used by a society.
 - c) Social norms and values shared by a community.
 - d) Non-physical aspects of human existence.
32. Which one of the followings is an example of material culture?
- a) Language
 - b) Customs and traditions
 - c) Clothing and fashion
 - d) Social institutions
33. Non-material culture includes:
- a) Tools and technology.
 - b) Artifacts and monuments.
 - c) Beliefs and values.
 - d) Architectural structures.
34. The transmission of non-material culture occurs through:
- a) Direct observation and imitation.
 - b) Manufacturing and production processes.
 - c) Mass media and communication.
 - d) Trade and commerce.
35. Which one of the followings best describes the relationship between material culture and non-material culture?
- a) Material culture influences non-material culture, but not vice versa.
 - b) Non-material culture is independent of material culture.
 - c) Material culture and non-material culture are interdependent and influence each other.
 - d) Material culture and non-material culture are unrelated concepts.

Note: See answer key at the last for the verification of your selection.

Practices of development

2.1 State led development practice:

State-led development refers to an approach to economic development in which the government plays a significant role in guiding and directing the economy. This approach is characterized by government intervention in the economy through policies such as subsidies, protectionism, and state ownership of key industries. The goal of state-led development is to promote economic growth and development, reduce poverty, and create jobs.

In state led development, state is in driver's seat and private sector is considered as the engine of the growth. Instead of free play of private sector (market forces), the governments create contest-based competition between private sectors. Such contest-based competition has three crucial characteristics i.e. transparent rules, a strong referee, and reward (3 r's). Here, the rule of 3r's refers to government makes transparent rules on providing subsidies, protection, and other kind of supports to the private sectors; acts as a strong referee; and provides rewards to excellent players. The examples of such contest-based competition are the involvement of the private sector in export-push strategy followed by the states, production of goods and services according to government priority, establishing enterprises in the areas as stated by the government.

In state led development, state develops long-term development (planned development) strategy along with development vision in order to provide guidance to the macroeconomic and sectoral development in the nation.

2.1.1 Basic features of state led development practice:

- i) *State plays a significant role in guiding and directing the economy:*

The state, in this case, takes an active role in the economy and may use a variety of policies and programs to stimulate economic growth, promote employment, and

improve social welfare. To guide and direct the economy towards these goals, the state may implement policies and programs that encourage investment, innovation, and entrepreneurship. This can include providing tax incentives, subsidies, and other forms of financial support to businesses and entrepreneurs. The state may also invest in infrastructure, education, and healthcare to support the growth of these industries and improve the overall economic environment.

ii) *Planned development strategy is the key of development:*

In state-led development strategy, the government sets targets for economic growth, job creation, infrastructure development, and other indicators of development. It also prioritizes certain sectors or industries for investment and support, such as agriculture, manufacturing, or technology.

iii) *Social welfare becomes the main priority of the economy:*

State-led development creates employment opportunities, improve access to education and healthcare, and reduce poverty and inequality. By prioritizing social welfare in its development strategy, the government can help ensure that the benefits of economic growth are distributed more equitably and that vulnerable populations are not left behind. For example, the government can invest in social safety nets such as social security programs, health insurance, and food assistance programs. It can also implement policies that promote gender equality and protect the rights of marginalized communities.

iv) *Coordinated development policies:*

The state coordinates the efforts of different agencies (private sectors, NGOs/INGOs, international community etc.) and stakeholders towards achieving own national development goals, through policies and programs that promote investment, innovation, and entrepreneurship.

v) *Investment in infrastructure:*

State-led development often involves significant

investment in infrastructure, such as roads, airports, ports, and telecommunications, etc. which is essential for economic growth and competitiveness.

vi) Promotion of innovation:

State-led development often involves policies that promote innovation, such as research and development grants, and intellectual property protections, to encourage the development of new products and services.

2.1.2 Rational of state led development practice:

As we know that state led development approach, where the government takes the lead in promoting economic growth and development within a country, there are the rationales behind such development strategy which are as following:

i) *Market imperfections:*

The market does not function properly because of market imperfections. Market imperfections can be in the form of lack of information flow, high transaction costs, monopolistic production, oligopolistic (a few large firms dominate the industry and have the power to influence market prices and conditions) production etc. In many cases, the private sector may not be able to provide certain essential goods and services such as healthcare, education, and infrastructure, particularly in rural or economically disadvantaged areas. In state led development practices, state produces and distributes the essential goods and services to its people regardless of its production costs and profit. The state can step in and provide these services to ensure that citizens have access to them.

ii) *lack of reflection of social values on the services:*

Many goods and services called “merit wants” have high social value. For example, education and health services. In market-led development, social value is not reflected in the price of the goods and services. Services and products are often driven by market demand and profit motives, which can lead to a lack of reflection of

social values in terms of the production of the goods and services or price. Such social values can be addressed only through a national planning or public investment projects of the government.

iii) *Negative externalities are not reflected in private investment:*

Externalities are the unintended costs or benefits that arise from the production or consumption of goods and services, which are not reflected in the market price. Externalities can be positive or negative and can affect individuals, organizations, or society as a whole. Negative externalities occur when the production or consumption of a good or service imposes costs on others that are not reflected in the market price. For example, pollution from a factory may impose costs on the surrounding community in the form of health problems and environmental damage.

Positive externalities occur when the production or consumption of a good or service benefits others without any compensation. For example, the use of renewable energy sources can benefit society by reducing carbon emissions and mitigating climate change. Negative externalities such as environmental costs and benefits are not reflected in market price or private investment decision. Such external costs and benefits can be addressed only through a national planning and/or public investment projects using social cost-benefit analysis.

iv) *No market exists:*

The state requires to play a critical role in ensuring national security by investing in defense and security infrastructure. Similarly, in the case of defense, law and order, justice, and basic social services no market exists. In these are, no demand and supply forces are at work for such activities. So, private involvement in these sectors is not thought. Hence, these areas are addressed directly by the state.

v) *Resource mobilization and allocation argument:*

Private investment decision may lead to non-optimum allocation of resources. This is because private investors are primarily motivated by profit and may not take into account externalities or the broader social welfare implications of their investment decisions. The state has the ability to mobilize and allocate resources more effectively than the private sector in some cases.

Private sector tends to generate investment in low-priority areas like luxurious consumption, quick profit yielding industries rather than high value added employment generating rural industries.

vi) *Availability of data base:*

The state has access to a wide range of information sources, such as statistical data, administrative records, and public consultations. This enables the state to develop more comprehensive and evidence-based policies and strategies.

vii) *Coordination between different sectors and collecting foreign aid:*

The state has the ability to coordinate development activities across different sectors and stakeholders. This can involve working with private sector actors, civil society organizations, and international partners to develop a shared vision for development and to coordinate efforts towards achieving development objectives.

Foreign aid can be an important source of support for state-led development, particularly in low-income countries that may not have sufficient domestic resources. Foreign aid can help to finance priority projects and programs, build institutional capacity, and support policy and institutional reforms. The state has right to receive the foreign aid and mobilize it according to own priorities. International donor agencies beliefs on public institutions rather than private one.

2.1.2 Practice of state led development in Nepal:

Table 6 : *Growth of Public Enterprise in Nepal during Various Plan Periods*

Periodic plan	Total number	Change
Prior to 1956	1	-
First Plan (1956-61)	8	7
No Plan Period(1961-62)	11	3
Second Plan (1962-65)	22	11
Third Plan (1965-70)	34	12
Fourth Plan (1970-75)	61	27
Fifth Plan (1975-80)	59	-2
Sixth Plan (1980-85)	54	-5
Seventh Plan (1985-90)	63	9
Plan Holyday /No Plan (1990-92)	62	-1
Eighth Plan (1992-97)	46	-16
Night Plan (1997-2002)	43	-3

Source: HMG/N 1991

In total, there were 62 public enterprises in Nepal in 1991 (the time when the privatization policy was being prepared), which were listed under different sectors as follows:

- i) Manufacturing sector - 28
- ii) Trade sector - 9
- iii) Service sector - 8
- iv) Social sector - 6
- v) Public utilities - 3
- vi) Finance sector - 8

(HMG/N 1991).

2.1.4 Critique of state led development practice:

People spent long period of time in support of state led development practice where planned development is assumed as the best way of making society developed. The result of planned development had been sadly disappointing for those who believed that planning was the only way. In this development practice, state could not address the need of

people according to the time. Neither the issues of social welfare are addressed properly. Hence, State-led development practices have faced criticism from various perspectives. Here are some common critiques of state-led development practice.

i) *Deficiencies in plans:*

Plan models have been often improperly specified and have failed to capture the true state of underlying social needs and problems. Common deficiencies pervasive in plans are authorities' inefficiencies in gathering the relevant information, lack of implementation, unrealistic targets etc.

ii) *Inadequate stakeholder engagement:*

Plans may not sufficiently engage key stakeholders, including local communities, civil society organizations, and marginalized groups. Failure to incorporate diverse perspectives and ensure meaningful participation can result in plans that do not address the needs and aspirations of the people they aim to benefit.

iii) *Lack of flexibility and adaptability:*

Plans often lack flexibility to respond to changing circumstances or emerging challenges. In dynamic and complex environments, rigid plans may become outdated or ineffective, requiring continuous monitoring and adjustment to ensure relevance and effectiveness.

iv) *Insufficient financial and technical capacity:*

State needs huge amount of capital to address diverse area of state affairs such as; education, agriculture, peace and security, social justice, research and innovation, infrastructural development etc. In this regard, we can easily understand the problem of insufficient fund. Similarly, state requires the human resource having expertise in diverse area. Limited human resources, and inadequate technical expertise can weaken the feasibility and quality of plan execution. Plans may not adequately consider the financial and technical capacity required for successful implementation.

State-led development often requires substantial investments, which can lead to high levels of external debt and fiscal burden. If not managed carefully, this can result in unsustainable debt levels and economic instability.

v) *Reconciliation of conflict of interests:*

The planning process is not strictly an impartial process which only considers economic efficiency or maximization of a well-defined social objective. Instead planning is a social compromise process in which human beings take part as big enterprises, ministerial planners, ministers, regional or national leaders, trade unions, environmentalists, etc. All of them try to emphasize in the planning the interests of their area. It is no wonder to say that such a planning process fails to achieve the substantial outcome.

vi) *Lack of national ownerships of plans:*

Developing countries have adopted development planning as a means to secure foreign aid under the inducement, advice and technical assistance of donors. Plans and projects become donor-driven in which plans are away from national interests and priority. So, plans lack national ownership.

vii) *Weak monitoring and evaluation:*

Inadequate monitoring and evaluation mechanisms can hinder the assessment of plan progress and outcomes. Without robust monitoring and evaluation systems, it becomes difficult to identify and address shortcomings, make informed decisions, and learn from past experiences.

viii) *Corruption and rent-seeking:*

State-led development can be prone to corruption, rent-seeking behavior, and favoritism, nepotism, where powerful interest groups capture economic benefits through political connections. This undermines the efficiency and fairness of resource allocation.

Rent-seeking refers to the pursuit of economic gain or profit through non-productive means, such as seeking privileges, subsidies, or favorable treatment from the government or other entities, rather than through productive activities or creating value. Rent-seeking behavior typically involves using political influence, lobbying, or corruption to gain advantages. In state led development practice there is a high possibility of corruption and rent-seeking behaviors.

2.2 Market led development practice:

Market-led development practice refers to an approach to economic development that emphasizes the central role of markets in driving economic growth and improving living standards. In this development practice, the focus is on creating an enabling environment for private sector that supports entrepreneurship, investment, and market competition.

Governments and development agencies work to remove barriers to entry, promote business friendly policies, and provide necessary infrastructure and services to facilitate market transactions. It beliefs that markets are powerful drivers of innovation, productivity, and resource allocation and seeks to harness their potential to promote inclusive and sustainable development. The concept of market-led development emerged as a response to the limitations of traditional development approaches, which often relied heavily on government intervention and centralized planning. Market-led development argues that while governments play a crucial role in creating an enabling environment, the private sector, including businesses, entrepreneurs, and investors, are key drivers of economic growth and job creation.

2.2.1 Basic features of market led development practice:

- i) *Focus on private sector's active involvement in economic activities:*

The private sector, including businesses, entrepreneurs, and investors, is considered as a key driver of economic growth. By focusing on the private sector, market-led development practice seeks to reveal the entrepreneurial

potential, creativity, and efficiency of businesses. It argues that sustainable and inclusive economic growth can be achieved through vibrant and competitive private sector activities, job creation, and investment opportunities. Market-led approaches prioritize creating an enabling environment for private sector investment and entrepreneurship through policies that promote business-friendly regulations, access to finance, and infrastructure development.

ii) *Emphasis on free play of market forces:*

Market forces refer to the economic factors that influence supply and demand within a market, determining the prices, quantities, and allocation of goods and services. Supply forces (production costs, technological advancements, resource availability, number of suppliers etc.) and demand forces (consumer preferences and tastes, income levels, price of substitutes, price of complements, population size and demographics etc.) are free to interplay to each other which ultimately lead to determining ideal price of goods and services.

Market forces play a critical role in shaping market outcomes, resource allocation, and economic efficiency. They influence pricing decisions, production levels, investment choices, and resource allocation among different goods and services.

iii) *Innovation and competitiveness:*

Market-led approaches recognize the importance of innovation and competitiveness in driving sustained economic growth. They promote policies that encourage entrepreneurship, research and development, technology transfer, and the adoption of new technologies. This includes fostering a culture of innovation, supporting the growth of small and medium-sized enterprises, and promoting linkages between businesses and research institutions.

iv) *Inclusive growth:*

Market-led development aims to ensure that the benefits

of economic growth are widely shared. It emphasizes creating opportunities for marginalized groups, such as women, youth, and rural populations, to participate in and benefit from market activities. Market-led development practices can lead to job creation and employment opportunities, which can directly benefit vulnerable sections of the population.

By promoting private sector growth and entrepreneurship, vulnerable individuals can find sustainable employment, breaking the cycle of poverty and improving their overall wellbeing. Profit-making activities contribute to wealth creation and overall economic prosperity. As businesses generate profits, they accumulate capital, which can be reinvested in productive activities or distributed to shareholders and investors. This wealth accumulation leads to increased savings and investment, stimulating further economic growth and improving living standards for the population.

v) *High economic growth rate:*

In a market-led approach, profit-making motives play a central role. The pursuit of profit is seen as a key incentive for innovation, investment, and risk-taking, which are essential for economic growth and development. Profit motives encourage businesses to invest in productive activities and capital formation. When businesses anticipate earning profits, they are more likely to invest in expanding their operations, developing new products, improving production processes, and adopting new technologies. These investments contribute to increased productivity, job creation, and economic growth.

vi) *High level of efficiency and productivity:*

Profit motives drive competition among firms, which is considered a key driver of efficiency and productivity growth. In a market-led approach, businesses strive to maximize profits by offering better products, services, or prices compared to their competitors. This competitive pressure incentivizes firms to innovate, improve

their operations, and seek cost-effective ways to meet consumer demands. As a result, overall economic efficiency increases, leading to higher economic growth rates.

vii) *Rise the size of tax revenues and public investments:*

Profitable businesses generate tax revenues for governments which enables government to invest in infrastructure, public services, and social welfare programs. High levels of economic growth driven by profit-making activities of private sector result in increased tax revenues, which can be used to finance public investments that further stimulate economic development of the country.

viii) *Attract foreign capital and modern technology:*

Market-led economy attracts not only the domestic entrepreneurs but also foreign investments. Investors seek opportunities to generate profits by allocating their capital to businesses and sectors with high growth potential. Such inflow of investments stimulates economic growth, facilitates modern technology transfer, enhances productivity, and creates employment opportunities.

Market-led development creates an enabling environment that appeals to foreign investors and encourages the inflow of foreign capital and modern technology. By implementing investor-friendly policies, promoting trade openness, providing incentives, and facilitating technology transfer, countries can attract foreign investments and leverage external expertise to accelerate their economic development. Market-led development practices typically involve liberalizing trade and reducing barriers to international trade. By opening up markets and reducing trade restrictions, countries can attract foreign capital and technology through increased export opportunities and foreign direct investment (FDI). Trade liberalization encourages competition, fosters innovation, and facilitates the transfer of knowledge and technology across borders.

2.2.2 Rational of Market led development:

The rationale behind market-led development practice is based on the belief in the power of free markets to drive economic growth, allocate resources efficiently, and foster innovation. Market-led development emphasizes the role of market forces, competition, and private sector participation in driving economic activities.

i) *Efficiency and resource allocation:*

Markets are believed to be efficient in allocating resources. The price mechanism allows for the efficient allocation of goods, services, and factors of production based on supply and demand. Market-led development practices promote the removal of barriers, regulations, and distortions that hinder the functioning of markets, thereby allowing resources to flow to their most productive uses.

ii) *Innovation and entrepreneurship:*

Market-led development recognizes the role of innovation and entrepreneurship in driving economic progress. By allowing individuals and businesses to pursue their own interests and take risks, market-led approaches encourage innovation, technological advancements, and the development of new products and services. Market competition incentivizes firms to constantly improve their efficiency and quality to attract customers.

iii) *Consumer choice and welfare:*

Market-led development focuses on empowering consumers through increased choice and competition. When markets are open and competitive, consumers have access to a wider range of goods and services at competitive prices. This leads to improved consumer welfare as individuals can make choices based on their preferences, needs, and purchasing power.

iv) *Private sector investment and job creation:*

Market-led development recognizes the crucial role of private sector investment in driving economic

growth and job creation. By creating a favorable business environment, reducing regulatory burdens, and protecting property rights, market-led approaches encourage private sector participation, both domestic and foreign. Private investment stimulates economic activities, creates employment opportunities, and generates tax revenue for the government.

v) *Economic liberalization and integration:*

Market-led development practice often involves economic liberalization and integration into the global economy. By reducing trade barriers, promoting exports, and attracting foreign investment, countries can benefit from international trade, access new markets.

Economic liberalization and integration to the global value chain (GVC). GVC refers to the series of activities and processes involved in the production of goods and services on a global scale. It encompasses the entire lifecycle of a product, from the sourcing of raw materials and components to the final delivery of the finished product to consumers. GVCs have become a prominent feature of the global economy, driven by advances in technology, transportation, and communication. This can lead to increased productivity, technology transfer, and overall economic growth.

vi) *Fiscal discipline and efficiency:*

Market-led development practice promotes fiscal discipline and efficiency in government spending. It encourages governments to focus on core functions such as infrastructure development, education, and healthcare, while minimizing waste and inefficiencies. This approach emphasizes the importance of sound fiscal management, transparent budgeting, and effective public financial management systems.

vii) *Empowerment and individual freedom:*

Market-led development is rooted in the principles of individual freedom and economic empowerment. By

enabling individuals to engage in economic activities, accumulate wealth, and pursue their own aspirations, market-led approaches aim to improve living standards and enhance individual well-being. It emphasizes personal choices and economic freedom as drivers of development.

viii) Inefficiency of public institutions:

State-led approaches often involve centralized planning, bureaucracy, and political considerations that can hinder flexibility and adaptability. government control and intervention can lead to favoritism, nepotism, and the misuse of public resources. State-led approaches may give rise to bureaucratic hurdles, excessive regulations, and rent-seeking opportunities, which can hinder entrepreneurship and private sector development. state-led development practices can lead to the concentration of power in the hands of the state, reducing accountability and transparency, development practices can be influenced by political and ideological considerations, leading to poor economic outcomes. State's intervention in the economy can be driven by political motivations rather than economic efficiency.

2.2.3 Critique of market led development practice:

There are some constraints in market led development practice in making market oriented policy strong and sustainable. Market-led development is an approach that places a heavy emphasis on market forces and private sector-led growth as the primary drivers of development. While this approach has been gaining popularity in recent years, it is not without its critics which are as follows:

i) Lack of long-term vision and sustainability:

Market-led development tends to prioritize short-term gains and immediate returns on investment. This narrow focus may undermine long-term sustainability and neglect important considerations such as social equity, and intergenerational well-being. A more holistic and sustainable approach is needed to address the complex

challenges of development. Private actors, driven by the profit motive, may focus on immediate gains rather than investing in sustainable practices or considering the long-term development. This can lead to the depletion of natural resources, environmental degradation, and social costs.

ii) *Insufficient attention to externalities:*

Market-led development often fails to address adequately negative externalities, such as environmental degradation and social costs. Unregulated markets can result in overexploitation of natural resources, pollution, and social injustices. These externalities can have long-term detrimental effects on communities and the environment, which are not accounted for in purely market-driven approaches.

iii) *Widens the gap between rich and poor:*

Market-led development has often been associated with widening the gap between the rich and the poor because it tends to concentrate wealth in the hands of a few. The emphasis on market forces and profit maximization can lead to the accumulation of wealth by the already wealthy, while the poor struggle to access economic opportunities and resources. In market-led development models, essential services such as healthcare, education, and infrastructure often become privatized or market-driven. This can result in limited access for the poor, who may not have the means to pay for these services, leading to further disparities and social exclusion.

iv) *Helplessness in Informal sector:*

The informal sector includes a wide range of economic activities, such as street vending, home-based work, small-scale agriculture, and informal services. Many of these enterprises are small in scale, operate outside formal regulations, and may not be officially registered or recognized. Market-led development can neglect the informal sector, which often employs a significant portion of the poor population. Lack of access to formal

markets, limited legal protections, and inadequate social safety nets can worsen the situation of informal sector workers, perpetuating poverty and widening the wealth gap.

v) *Limited focus on human development index:*

Market-led development often places a strong emphasis on economic indicators such as GDP growth, foreign direct investment, and trade volumes. While economic growth is important, focusing solely on these indicators can overshadow other critical aspects of human development, such as education, healthcare, social welfare, and environmental sustainability.

vi) *Lack of public participation:*

Market-led development can sideline local communities and exclude them from decisionmaking processes. When development is driven solely by market forces, communities may not have a say in shaping their own development trajectory, leading to a lack of ownership and sustainability. Inclusive and participatory approaches, which involve local stakeholders in decision-making, are crucial for ensuring the relevance and effectiveness of development interventions.

vii) *Dominance of multinational companies:*

Market-led development often leads to the concentration of economic power and wealth in the hands of a few external capitalists or multinational corporations. This concentration can result in the exploitation of local resources and labor, unequal distribution of benefits, and limited opportunities for local businesses and entrepreneurs. It can exacerbate existing inequalities within societies and between countries.

Market-led development practice may create the dominance of external capitalists or multinational corporations. The dominance of external capitalists can hinder the development of local industries and economies.

External capitalists may adopt an extractive approach to resources, exploiting natural resources without sufficient consideration for sustainability or local communities' well-being.

viii) *Limited technology transfer and innovation:*

Intellectual Property Rights (IPR), such as patents and copyrights, can restrict the transfer of technology and limit access to knowledge and innovation. While IPR protection is important for incentivizing innovation, it can also create barriers to technology transfer, particularly for developing countries with limited resources to invest in expensive licenses or technologies. The strict enforcement of IPR can hinder the diffusion of technology and hinder local innovation as well.

Technology transfer involves not only the transfer of physical technology but also the transfer of knowledge and skills. Multinational corporations may keep proprietary knowledge within their organizations, hindering the development of local capabilities. This lack of knowledge transfer can impede innovation and limit the ability of local industries to upgrade and compete.

ix) *Risk of growing trade imbalance:*

There is a potential risk of growing trade imbalances in market led development practice. Market-led development often perpetuates existing global power imbalances, favoring the interests of developed countries and multinational corporations. Developing countries may find themselves locked into exploitative trade relationships, facing barriers to their own industrialization and technological advancement. Local industries in developing countries often face challenges in competing with multinational companies, which can contribute to trade imbalances. In some cases, local enterprises compel to disappear from the market because of lack of its competency which may the countries drive toward trade imbalance.

2.2.4 Practice of market led development in Nepal:

- a) Pre-liberalization era (1950-1990):
 - Nepal's economy was largely closed and centrally planned during this period.
 - Private sector participation and foreign investment were limited.
 - The government played a dominant role in economic activities, with extensive state ownership and control over industries and trade.
- b) Liberal economy and market oriented reforms (1990 onwards):
 - In 1990, Nepal experienced a shift towards market-led development with the adoption of a multi-party democracy and economic reforms.
 - The government introduced policies to liberalize the economy, promote private sector participation, and encourage foreign investment.
- c) International trade and investment liberalization:
 - April 23, 2004: Nepal became a member of the World Trade Organization (WTO). signifies its commitment to international trade.
 - January 6, 2004: Nepal signed the South Asian Free Trade Area (SAFTA) agreement, promoting regional trade integration among SAARC member countries.
 - Bilateral trade and transit agreement with India facilitating trade and transit between the two countries.
 - 2014: Nepal signed a bilateral trade agreement with China, aiming to enhance economic cooperation and trade relations.

2.2.5 Growth of public enterprise in Nepal during various plan periods:

Table 7: Growth of Public Enterprise in Nepal During Various Plan Periods

Periodic plan	Number	Change
Prior to 1956	1	-
First Plan (1956-61)	8	7
No Plan Period(1961-62)	11	3
Second Plan (1962-65)	22	11
Third Plan (1965-70)	34	12
Fourth Plan (1970-75)	61	27
Fifth Plan (1975-80)	59	-2
Sixth Plan (1980-85)	54	-5
Seventh Plan (1985-90)	63	9
Plan Holyday /No Plan (1990-92)	62	-1
Eighth Plan (1992-97)	46	-16
Night Plan (1997-2002)	43	-3

Source: National planning commission’s various plan documents

2.3 NGOs/ INGOs led development practice:

NGOs (Non-Governmental Organizations) and INGOs (International Non-Governmental Organizations) play a significant role in the field of development practice. They are independent organizations that operate on a non-profit basis and are driven by a mission to promote social, economic, and holistic development of mankind. In NGOs/INGOs led development practice, it is supposed that NGOs and INGOs often work in partnership with governments, local communities, and other stakeholders to address the various development challenges. Their activities encompass a wide range of sectors, including poverty alleviation, healthcare, education, human rights, gender equality, environmental conservation, disaster relief, and more.

It’s important to note that NGOs/INGOs operate in diverse contexts and have varying approaches, structures, and methodologies. Their work is guided by the principles of inclusivity, equity, sustainability, and respect for human rights.

Overall, NGOs/INGOs contribute significantly to development practice by complementing the efforts of governments and other stakeholders in pursuing a more just and equitable world.

2.3.1 Basic features and Rational of NGOs/ INGOs led development practice:

NGOs/INGOs led development practice play a crucial role in addressing various social, economic, and environmental issues where the eye of state led development practice or market led development practice has not reached. It contributes significantly to the overall development of societies.

i) Bottom-up approach of development:

NGOs and INGOs often have a strong presence at the grassroots level and are well-connected with local communities. This proximity allows them to understand the context, culture, and specific challenges faced by communities. Their close engagement with beneficiaries ensures that development initiatives are designed, implemented, and evaluated with the direct input and involvement of the people they aim to serve. The people from grass root level contribute to development process as an expert of the development which is considered as a prerequisite of sustainable development.

ii) Supplementary role on development activities:

NGOs and INGOs often pay their attention in where governments are unable to provide adequate support or resources due to the various constraints. They fill the gaps in service delivery, particularly in marginalized and underserved communities, responding to pressing needs promptly. NGOs/INGOs often work in areas where government or market interventions are limited or insufficient. They identify gaps in service delivery, advocate for marginalized communities, and implement projects to address specific needs. They may focus on sectors such as education, healthcare, human rights, environmental conservation, or community development, among others.

iii) *Flexibility:*

NGOs and INGOs can adjust their approaches based on the needs, preferences, and priorities of the communities they serve, making them more adaptable and responsive to local realities. Same INGO working different part of the world may have different approaches and modalities to executing the activities which happen because of the flexibility nature of the INGO. Similarly, the budgetary process is not so rigid as the state led development approach while expending because NGOs/INGOs are more result oriented rather than process.

iv) *Experimentation and innovation:*

NGOs/INGOs have the freedom to explore innovative solutions and test new approaches to address the social need. They can have pilot projects to assess their effectiveness in order to identify the remedy of public problems and make adjustments based on the outcomes and lessons learned. This flexibility allows them to take risks, learn from failures, and iterate their strategies to achieve better results.

v) *Quick response to emerging needs:*

NGOs/INGOs often have the ability to respond crisis instantly because they have relatively small and decentralized organizational structures, as well as their networks and partnerships, enable them to mobilize resources and implement projects in a timely manner. This characteristic allows them to address urgent issues and provide assistance where traditional development actors may face bureaucratic challenges.

vi) *Collaboration and partnerships:*

NGOs/INGOs are expert at forming partnerships and collaborating with other organizations, governments, and communities. These collaborations allow them to leverage complementary strengths, share resources, and tap into diverse expertise. The flexibility to collaborate enables them to address complex development issues by drawing on a wide range of perspectives and resources.

NGO/INGOs gain strength from the collaboration and partnership and collect financial, technical, managerial and other kind of supports in need and pour it for the betterment of the given locality/community.

vii) *International reach and coordination:*

INGOs, as the name suggests, operate at an international level and work across borders to address global development issues. They provide assistance to countries facing humanitarian crises, support disaster relief efforts, and engage in long-term development projects worldwide. Their global perspective and networks facilitate knowledge exchange, best practice sharing, and coordination among different actors involved in development.

2.3.2 NGOs/INGOs led develop Practice in Nepal:

The evolutionary process of NGOs in Nepal from historical prospective is very slow compared to the rest of the world. It has not been long time of the development of NGOs in Nepal. Before 1990, in Nepal, all the activities related to social welfare were under the government's control. Development activities beyond the government policies were strictly banned. Along with the political change in 1990 several civic rights and political freedoms were appearing in Nepal. The constitution of Nepal 1990 provides the right to freedom in its article no. 12 which gave the people rights to open and operate the organization. This rights open the avenue to establish NGOs/INGOs and work for social welfare. The growth of NGOs / INGOS in Nepal is as follows:

Table 8: *Annual Growth of NGOs in Nepal (2034/1978 – 2076/2019)*

Fiscal Year	No. of NGOs Rgd.	Total NO. of NGOs	Fiscal Year	No. of NGOs Rgd.	Total NO. of NGOs	Fiscal Year	No. of NGOs Rgd.	Total NO. of NGOs
2034/2035	17	17	2049/2050	602	1211	2064/2065	2508	25434
2035/2036	0	17	2050/2051	556	1767	2065/2066	2361	27795
2036/2037	1	18	2051/2052	1261	3028	2066/2067	2487	30282
2037/2038	7	25	2052/2053	1327	4355	2067/2068	2553	32835

Fiscal Year	No. of NGOs Rgd.	Total NO. of NGOs	Fiscal Year	No. of NGOs Rgd.	Total NO. of NGOs	Fiscal Year	No. of NGOs Rgd.	Total NO. of NGOs
2038/2039	2	27	2053/2054	1622	5977	2068/2069	2514	35349
2039/2040	16	43	2054/2055	1409	7386	2069/2070	2178	37527
2040/2041	37	80	2055/2056	1495	8881	2070/2071	2214	39741
2041/2042	26	106	2056/2057	2149	11030	2071/2072	1997	41738
2042/2043	27	133	2057/2058	1352	12382	2072/2073	2046	43784
2043/2044	17	150	2058/2059	1297	13679	2073/2074	2327	46111
2044/2045	21	171	2059/2060	1357	15036	2074/2075	2134	48245
2045/2046	22	193	2060/2061	1382	16418	2075/2076	2113	50358
2046/2047	56	249	2061/2062	1700	18118			
2047/2048	144	393	2062/2063	1824	19942			
2048/2049	216	609	2063/2064	2984	22926			

Source: SWC 2021.

Table 9: NGOs Working in Nepal Under the Agreement with Social Welfare Council (2002 to 2019)

S.N.	Country	No. of INGOs		S.N.	Country	No. of INGOs	
		2002	2019			2002	2019
1.	USA	30	75	18.	Norway	0	3
2.	UK	15	37	19.	Czech Republic	0	2
3.	Germany	8	17	20.	Finland	1	2
4.	Japan	13	13	21.	Spain	0	2
5.	Italy	3	12	22.	Sweden	0	2
6.	France	3	11	23.	Brazil	0	1
7.	Switzerland	4	10	24.	Korea	0	1
8.	Netherland	4	8	25.	Luxemberg	0	1
9.	Australia	2	7	26.	New Zealand	0	1
10.	India	0	7	27.	Quatar	0	1
11.	Denmark	1	6	28.	South Arabia	0	1
12.	Canada	1	5	29.	Thailand	0	1
13.	South Korea	3	5	30.	Hongkong	1	0
14.	Belgium	1	4	31.	Indonesia	1	0
15.	Ireland	0	4	Total No. of INGOs in 2002 = 91 Total No. of INGOs in 2019 = 245			
16.	China	0	3				
17.	Israel	0	3				

Source: Bhattachan, 2061; SWC, 2021.

2.3.3 Critique of NGOs/ INGOs led development practice:

Although, NGOs / INGOs play a crucial role in development practice, there are certain criticisms and challenges associated with their approach. It is important to acknowledge these critiques to foster ongoing improvement in the field. Here are some common critiques of NGOs/INGOs led development:

i) *Lack of accountability:*

NGOs/INGOs may lack adequate accountability mechanisms. As independent entities, they are not subject to the same level of oversight and scrutiny as government agencies. This can lead to issues such as mismanagement of funds, lack of transparency in decision-making, and limited mechanisms for beneficiary feedback and participation.

ii) *Growth of dependency in developing countries:*

Some critics argue that NGOs and INGOs continue power dynamics and dependency in developing countries. By providing aid and resources, these organizations can indirectly disempower local communities and governments, as they become reliant on external assistance rather than developing their own capacities and self-sustainability. This can hinder long-term development efforts and perpetuate a cycle of dependency.

iii) *Western bias and cultural insensitivity:*

NGOs and INGOs are predominantly based in Western countries and often operate with a Western worldview. This can lead to a cultural bias and a lack of understanding of local customs, traditions, and socio-political contexts. As a result, programs and interventions may be implemented without proper consideration of local culture, potentially leading to ineffective or inappropriate solutions.

iv) *Inefficiency and high overhead costs:*

Critics argue that some NGOs and INGOs have high administrative and overhead costs, which can

limit the amount of funding actually reaching the intended beneficiaries. This inefficiency can lead to the misallocation of resources and a lack of transparency in financial management. It is important for these organizations to maintain effective systems for monitoring and evaluating their projects to ensure efficient use of resources.

v) *Limited local ownership:*

In some cases, NGOs and INGOs may not effectively engage with local communities and governments, leading to limited local ownership and sustainability of development initiatives. For projects to have long-term impact, it is crucial to involve local stakeholders in decision-making, planning, and implementation processes. Without their active participation, initiatives may fail to address local needs or be sustained beyond the tenure of the organization.

MCQs from Unit Two

Please select the correct option for each question.

1. State-led development refers to a development approach where:
 - a) Private sector dominates economic activities.
 - b) The state plays a central role in guiding and directing economic activities.
 - c) Economic activities are driven by market forces without government intervention.
 - d) The state and private sector work together in equal partnership.
2. In state-led development, the government typically:
 - a) Reduces its involvement in economic planning.
 - b) Leaves the economy to be governed by market forces.
 - c) Takes an active role in economic planning and intervention.
 - d) Encourages private sector monopolies in key industries.
3. Which one of the followings is a potential advantage of state-led development?
 - a) Higher level of economic efficiency and competitiveness.
 - b) Rapid economic growth driven by private sector innovation.

- c) Greater focus on consumer choice and market competition.
 - d) Ability to prioritize long-term strategic goals and national priorities.
4. State-led development often involves:
- a) Privatizing state-owned enterprises.
 - b) Deregulating the economy and reducing government oversight.
 - c) Expanding foreign investment without government interference.
 - d) Direct government control or ownership of key industries.
5. Which one of the followings best describes the role of the state in state-led development?
- a) Limited role as a facilitator and enforcer of regulations.
 - b) Centralized planning and decision-making in all economic sectors.
 - c) Hands-off approach with no interference in the economy.
 - d) Active participation in economic planning and implementation.
6. State-led development policies are often associated with:
- a) Neoliberal economic principles.
 - b) Laissez-faire capitalism.
 - c) Socialist or interventionist ideologies.
 - d) Free trade and globalization.
7. A key goal of state-led development is to:
- a) Encourage private sector dominance in the economy.
 - b) Achieve equitable distribution of wealth and resources.
 - c) Eliminate all government regulations and barriers to entry.
 - d) Minimize the role of the state in economic affairs.
8. Which one of the followings is a potential disadvantage of state-led development?
- a) Limited government control over the direction of the economy.
 - b) Inefficiencies and corruption associated with state bureaucracy.
 - c) Reduced focus on social welfare and public services.
 - d) Weakening of national sovereignty in economic matters.
9. State-led development often involves the establishment of:
- a) Free trade zones and deregulated markets.
 - b) Privately-owned industries with limited state intervention.
 - c) State-owned enterprises and public sector investment.

- d) Import and export quotas to protect domestic industries.
- 10. Market-led development refers to a development approach where:
 - a) The state plays a central role in guiding and directing economic activities.
 - b) The market forces of supply and demand drive economic activities.
 - c) Economic activities are regulated and controlled by international organizations.
 - d) Private sector participation is limited, and the state dominates the economy.
- 11. In market-led development, the government typically:
 - a) Controls and regulates all aspects of the economy.
 - b) Directly owns and manages key industries.
 - c) Creates a favorable business environment for private sector growth.
 - d) Focuses on central planning and allocation of resources.
- 12. Which one of the followings is a potential advantage of market-led development?
 - a) Greater ability to address social welfare needs.
 - b) Enhanced government control over economic activities.
 - c) Promotion of domestic monopolies for economic stability.
 - d) Stimulated innovation and competition in the private sector.
- 13. Market-led development often involves:
 - a) Direct state intervention in economic affairs.
 - b) State ownership of key industries and resources.
 - c) Privatization of state-owned enterprises.
 - d) Limited private sector participation in the economy.
- 14. Which one of the followings best describes the role of the market in market-led development?
 - a) Limited role with minimal impact on economic activities.
 - b) Active participant in economic planning and decision-making.
 - c) Centralized control over resource allocation and pricing.
 - d) Dominant force driving economic activities and investment decisions.
- 15. Market-led development policies are often associated with:
 - a) Command economies and central planning.

- b) State control over all economic sectors.
 - c) Neoliberal economic principles and free market ideology.
 - d) Socialist ideologies and redistribution of wealth.
16. A key goal of market-led development is to:
- a) Prioritize state ownership of key industries.
 - b) Achieve equitable distribution of wealth and resources.
 - c) Eliminate all market forces and establish price controls.
 - d) Facilitate private sector growth and investment.
17. Which one of the followings is a potential disadvantage of market-led development?
- a) Limited economic growth and innovation.
 - b) Inequitable distribution of wealth and resources.
 - c) Excessive state intervention in the economy.
 - d) Strengthening of monopolies and oligopolies.
18. Market-led development often involves the establishment of:
- a) State-led industrial zones and public sector enterprises.
 - b) Import and export barriers to protect domestic industries.
 - c) Government subsidies and price controls.
 - d) Deregulated markets and free trade agreements.
19. NGOs/INGOs led development refers to a development approach where:
- a) The government takes the lead in guiding and directing development activities.
 - b) Non-governmental organizations (NGOs) play a central role in development initiatives.
 - c) Development activities are solely driven by international organizations.
 - d) Private sector companies lead development efforts in collaboration with the government.
20. In NGOs/INGOs led development, the primary actors involved are:
- a) Government agencies and ministries.
 - b) Private sector corporations and businesses.
 - c) Non-profit organizations and international agencies.
 - d) Local communities and grassroots movements.
21. Which one of the followings is a potential advantage of NGOs/INGOs led development?

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- a) Strong government oversight and control over development projects.
 - b) Efficient allocation of resources through market mechanisms.
 - c) Increased community participation and empowerment.
 - d) Rapid economic growth driven by private sector investment.
22. NGOs/INGOs led development often involves:
- a) Limited involvement of local communities in decision-making processes.
 - b) State ownership and the control of key development initiatives.
 - c) Collaboration between different stakeholders in development projects.
 - d) Exclusion of private sector participation in development activities.
23. Which one of the followings best describes the role of NGOs/INGOs in development practice?
- a) Secondary actors providing support to government-led initiatives.
 - b) Primary drivers of development initiatives and projects.
 - c) Observers and advisors with limited decision-making power.
 - d) Critics of government policies without active engagement.
24. NGOs/INGOs led development practices are often associated with:
- a) Market-driven economic principles.
 - b) Centralized government control and planning.
 - c) Grassroots movements and community development.
 - d) Privatization and deregulation of industries.
25. A key focus of NGOs/INGOs led development is to:
- a) Prioritize economic growth and market expansion.
 - b) Promote private sector monopolies for stability.
 - c) Enhance government control over development activities.
 - d) Address social and environmental issues at the community level.
26. Which one of the followings is a potential disadvantage of NGOs/INGOs led development?
- a) Limited access to funding and resources.
 - b) Lack of government oversight and accountability.
 - c) Excessive bureaucracy and red tape in project implementation.
 - d) Inequitable distribution of benefits and resources.

27. NGOs/INGOs led development often involves the establishment of:
 - a) State-owned enterprises and public sector projects.
 - b) Government-led initiatives with minimal NGO involvement.
 - c) Collaborative partnerships and networks among stakeholders.
 - d) Trade barr
28. Which one development approach involves strong government intervention and control over economic activities, with an emphasis on long-term strategic goals and national priorities?
 - a) State-led development
 - b) Market-led development
 - c) NGOs/INGOs led development
 - d) All of above
29. In this development approach, economic activities are primarily guided by market forces, with minimal government intervention or regulation.
 - a) State-led development
 - b) Market-led development
 - c) NGOs/INGOs led development
 - d) All of above
30. This development approach emphasizes the role of non-governmental organizations and international agencies in driving development initiatives and addressing social and environmental issues.
 - a) State-led development
 - b) Market-led development
 - c) NGOs/INGOs led development
 - d) a & c
31. A key advantage of this development approach is the potential for rapid economic growth and innovation through private sector investment and entrepreneurship.
 - a) State-led development
 - b) Market-led development
 - c) NGOs/INGOs led development
 - d) All of above
32. This development approach often involves direct government control or ownership of key industries, with a focus on equitable distribution of resources and social welfare.

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- a) State-led development
 - b) Market-led development
 - c) NGOs/INGOs led development
 - d) b & c
33. One of the potential disadvantages of this development approach is the risk of corruption and inefficiencies associated with government bureaucracy and centralized decision-making.
- a) State-led development
 - b) Market-led development
 - c) NGOs/INGOs led development
 - d) All of above
34. This development approach promotes collaboration among different stakeholders, including government, private sector, and civil society organizations, to address development challenges.
- a) State-led development
 - b) Market-led development
 - c) NGOs/INGOs led development
 - d) a & b

Note: See answer key at the last for the verification of your selection.

Social structure and employment in Nepal

3.1 An overview on administrative structure of Nepal.

Nepal, having 77 districts, is a federal democratic republic located in South Asia. The administrative structure of Nepal consists of three tiers of government: the federal government, provincial governments, and local governments. This structure was established after the promulgation of the new Constitution of Nepal in 2015, which aimed to devolve power and ensure greater representation and participation at various levels of governance.

Nepal is divided into seven provinces. Here is an overview of the provinces of Nepal along with their compositions.

i) Koshi province:

Capital: Biratnagar

Districts: Bhojpur, Dhankuta, Ilam, Jhapa, Khotang, Morang, Okhaldhunga, Panchthar, Sankhuwasabha, Solukhumbu, Sunsari, Taplejung, Terhathum, Udayapur.

Number of districts: 14

ii) Madhesh province:

Capital: Janakpur

Districts: Bara, Dhanusha, Mahottari, Parsa, Rautahat, Saptari, Sarlahi, Siraha.

Number of districts: 8

iii) Bagmati province:

Capital: Hetauda

Districts: Bhaktapur, Dhading, Kathmandu, Kavrepalanchok, Lalitpur, Makwanpur, Nuwakot, Rasuwa, Sindhuli, Sindhupalchok, Dolakha, Ramechhap, Chitawan.

Number districts: 13

iv) Gandaki province:

Capital: Pokhara

Districts: Gorkha, Kaski, Lamjung, Manang, Mustang, Myagdi, Nawalparasi East, Parbat, Syangja, Tanahun, Baglung.

Number districts: 11

v) Lumbini province:

Capital:Ghorahi

Districts: Arghakhanchi, Banke, Bardiya, Dang, Eastern Rukum, Gulmi, Kapilvastu, Palpa, Pyuthan, Rolpa, Rupandehi, Nawalparasi west.

Number of districts: 12

vi) Karnali province:

Capital:Birendranagar

Districts: Dolpa, Humla, Jumla, Dailekh, Jajarkot, Kalikot, Mugu, Salyan, Surkhet, Rukum west.

Number of districts: 10

vii) Sudurpashchim province:

Capital:Godawari

Districts: Achham, Baitadi, Dadeldhura, Darchula, Doti, Kailali, Kanchanpur, Bajhang, Bajura.

Number of districts: 9



3.2 Nepalese social structure in terms of population distribution and development of urban centers.

The urban population as a percentage of the total population of the country was 2.9 in since 1950s to 1961 and then after reached 4.1% by 1971, 6.3% by 1981, 9.2% by 1991, 13.9% by 2001, 17.07% by 2011, 27.2% by 2014 and 66.17% by 2021. From 2011 to 2017 the number of municipalities are declared so rapidly by the political decision and due to this, the population residing in the rural area is decreasing remarkably.

A progress report (FY 2076/077) of the Ministry of Urban Development, Nepal government says after the census of 2068 when the total number of municipalities has reached 293 the urban population is 62.2%.

The table no. 10 reveals that Nepal's urbanization tendency has increased dramatically, especially after 2015. Data until, 2011 only 58 urban areas were designated but after the promulgation of the Constitution of Nepal in 2015, the size of municipalities voluminously increased and reached 293.

Table 10: *Urban Population by Census*

Census year	Number of urban areas	Urban population in million	Urban population (%)
1952/54	10	0.238	2.9
1961	16	0.336	2.9
1971	16	0.462	4.1
1981	23	0.957	6.3
1991	33	1.696	9.2
2001	58	3.28	13.9
2011	58	4.23	17.07
2021	293	19.29	66.17

Source: CBS 2012, MoUD 2077, NSO 2022

3.3 Statistical Features of Metropolitan Cities and Sub-Metropolitan Cities of Nepal:

As the Nepal restructured in 2015, it has in total 753 local level units which is categorized as the 6 Metropolitan Cities, 11 Sub-

Metropolitan Cities, 276 municipalities and 460 *gaunpalika* also known as rural municipality.

Table 11: *Metropolitan Cities.*

S. N.	Name	District	Province	Population (2021 census)	Area (sq. km.)	Density (/sq. km.)
1.	Kathmandu	Kathmandu	Bagmati	862400	49.45	17440
2.	Pokhara	Pokhara	Gandaki	513504	464.28	1106
3.	Bharatpur	Chitawan	Bagmati	369268	432.95	853
4.	Lalitpur	Lalitpur	Bagmati	294098	36.12	8142
5.	Birung	Parsa	Madesh	272382	132.07	2062
6.	Biratnagar	Morang	Koshi	243927	77.00	3168

Source: NSO, 2022

Table 12: *Sub-metropolitan Cities*

S. N.	Name	District	Province	Population (2021 Census)	Area (sq. km.)	Density (/sq. km.)
1.	Dhangadhi	Kailali	Sudurpaschim	198792	261.75	759
2.	Ghorahi	Dang	Lumbini	200530	522.21	384
3.	Itahari	Sunsari	Koshi	197241	93.78	2103
4.	Hetauda	Makawanpur	Gandaki	193576	261.6	740
5.	Janakpurdham	Dhanusha	Madhesh	194556	91.97	2115
6.	Butwal	Rupandehi	Lumbini	194335	101.6	1913
7.	Tulsipur	Dang	Lumbini	179755	384.63	467
8.	Dharan	Sunsari	Koshi	166531	192.32	866
9.	Nepalgunj	Banke	Lumbini	164444	85.94	1913
10.	Kalaiya	Bara	Madhesh	136222	108.94	1250
11.	Jitpur simara	Bara	Madhesh	127307	312.18	408
			Total	1953289		

Source: NSO 2022; Profiles of respective local bodies.

According to the administrative division of Nepal, there are 7 provinces and 753 local level governing bodies. Out of 753, local level bodies are comprised by 6 metropolitan cites, 11 sub-metropolitan cities, 276 municipalities, and 460 village municipalities. The urban centers and their categories are analyzed with respect to provinces and ecological zones of Nepal below.

Table 13: *Distribution of Metropolitan Cities and Sub-Metropolitan Cities by the Provinces*

Cities	Provinces and number of cities							Total
	Koshi	Madhesh	Bagmati	Lumbini	Gandaki	Karnali	Sudurpaschim	
Metropolitan	1	1	3	-	1	-	-	6
Sub-Metropolitan	2	3	-	4	1	-	1	11
Municipality	46	73	42	32	25	25	33	276
Total	49	77	45	36	27	25	34	293

Three provinces – Lumbini, Karnali, and Sudurpaschim has no metropolitan cities and two provinces – Bagmati and Karnali has no sub-metropolitan cities. In addition to this, Karnali is that province which has neither metropolitan city nor sub-metropolitan city. In Koshi province, there is one metropolitan city named Biratnagar metropolitan city and are two submetropolitan cities called Itahari sub-metropolitan city and Dharan sub-metropolitan city. In Madhesh province there is one metropolitan city named Birgunj metropolitan city and are three sub-metropolitan cities named Janakpur sub-metropolitan city, Kalaiya sub-metropolitan City, and Jitpur-Simara sub-metropolitan city. In Bagmati province there are three metropolitan cities named Kathmandu metropolitan city, Lalitpur metropolitan city, and Bharatpur metropolitan city. In Lumbini Province there are four sub-metropolitan cities named Butwal sub-metropolitan city, Tulsipur sub-metropolitan city, Ghorahi sub-metropolitan city, and Nepalgunj sub-metropolitan city. Similarly, in Sudurpaschim province there is only one submetropolitan city named Dhangadhi sub-metropolitan city.

Table 14: *Distribution of Metropolitan Cities and Sub-Metropolitan Cities by Ecological Zones*

Cities	Ecological zones				Totoal
	Mountain	Hill	Inner Tarai	Terai	
Metopolitan	-	3	1	2	6
Sub-Metropolitan	-	-	3	8	11
Municipality	33	93	25	125	276
Total	33	96	29	135	293

While distributing Nepal into four ecological zones, we found the metropolitan cities and submetropolitan cities as follows: There is no metropolitan and sub-metropolitan city in Mountain zone, three metropolitan cities (Kathmandu metropolitan city, Lalitpur metropolitan city, and Pokhara metropolitan city) are in Hill zone, one metropolitan city (Bharatpur Metropolitan City) and three sub-metropolitan cities (Hetauda sub-metropolitan city, Tulsipur sub-metropolitan city, and Gorahi sub-metropolitan city) are in inner tarai and finally two metropolitan cities (Biratnagar metropolitan city and Birjung metropolitan city) and eight sub-metropolitan cities (Dharan sub-metropolitan city, Itahari sub-metropolitan city, Jitpur-Simara sub-metropolitan city, Kalaiya sub-metropolitan city, Janakpur sub-metropolitan city, Butwal sub-metropolitan city, Nepalgunj sub-metropolitan city, and Dhangadhi sub-metropolitan city) are in tarai zone.

In 1971, there were 16 municipalities in Nepal, and 7 more municipalities were added in 1981 and reached 23 municipalities. In 1991, the number of cities reached to 33 which is increased by 10 than 1981 census report. Municipalities in 2001 were 58. The same number of municipalities (58) has remained up to 2011. Similarly, in 2014, additional 72 municipalities were declared and the total number of urban places reached to 130 (58+72). Likewise, the government of Nepal, again declared 163 additional municipalities by 2017 onwards and now the total number of municipalities reached from 130 to 293 including 6 metropolitan city, 11 sub-metropolitan cities and 276 municipalities.

3.4 Historical background of foreign employment from Nepal:

At present, foreign labor has become an integral part of Nepali society and has touched almost every Nepali family due to the large number of Nepalis being engaged in transnational migration, primarily in search of work. The history of Nepal regarding foreign employment is different. It is assumed that until 13th century people from the countries like Burma, Tibet used to come in Nepal for business purpose and to reside here. At that time Nepali people did not prefer to go out from the country.

In 19th century, after Anglo-Nepal war, the scenario of foreign employment from Nepal has changed. In 1816 *Sugauli Treaty*

had took place between British and Nepal in which one clause of the agreement was, British government shall recruit 4650 Nepali youth in British army annually. This is assumed as a turning point of going abroad from Nepal for the sake of foreign employment.

Similarly, in 1947 tri-party agreement between Britain, India, and Nepal held which stated the Nepali youth shall be recruited in Indian army. This agreement added one more opportunity for Nepali youth to get job in abroad.

In addition to this, Nepal has experienced the political changes in 1950, in 1960, in 1990 and it has adopted open policy for the peoples' movement across the world. And because of the 10 years (1996-2006) armed conflict, political instability, and lack of good employment policy for the youth, Nepali are started to leave own motherland in search of work. Data shows that the rate of going abroad for job is increasing year by year. Even this situation government of Nepal has turned it blind eyes on it. So, the situation has remained same. Besides above mentioned facts external factors played equal role to raise the rate of foreign employments from Nepal. Which are, Labor migration from Nepal increased drastically with the liberalization of migration policies in the 1990s (Sharma et al 2014), which also coincided with the growth and the shortage of labor in the countries of the Gulf Cooperation Council (GCC) (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates).

A major foreign labor destination for Nepalese is the India. A large number of Nepalese migrate to India in search of employment or for business purposes, taking advantage of the open border between the two countries. Although the everyday flow of Nepali workers to and from India is unrecorded, a national survey from 2017/18 estimated that almost a million Nepali migrant workers were employed or seeking employment in India. However, the number of Nepalese involved in this cross-border movement in search of jobs or other economic opportunities is believed to be higher as the national census and surveys do not take into account seasonal migration to India.

3.4.1 An assessment of Nepalese youth in foreign employment:

Between 2008/09 and 2021/22, more than 4.7 million new labor approvals were issued to Nepali migrants wanting to work abroad. These numbers increased consistently, reaching a peak in 2013/14, when more than half a million new approvals were issued (MoLESS, 2022).

Nepalese have been migrating to several countries for employment. The Government of Nepal has approved 111 countries for labor migration through recruitment agencies albeit with temporary restrictions applicable in the case of Afghanistan, Iraq and Libya. Nepalese are also allowed to go to other countries after obtaining individual labor approvals. In 2019/20–2021/22, Nepalese migrated to 150 countries with approval from (MoLESS, 2022). The occupational profile of migrant workers in countries of destination for 2021/22. Although FEIMS does not follow any standard classification system while recording the occupation of migrant workers, since the Nepal Labor Migration Report 2020 had reclassified the occupation data for 2018/19, in order to allow comparability, this successor report also follows the same system and divides the data on occupation into 12 broad categories.

Table 15: *New Labor Approval Issued*

Type of skill	2019/020	2020/021	2021/022
Professional	0.09	0.1	0.06
Highly skilled	0.01	0.02	0.01
Skilled	32.6	36.4	38.3
Semi-skilled	9.5	7.3	7.4
Unskilled	57.8	56.2	54.2
Total %	100	100	100
Total No.	190,393	72,072	348,867

Source: MoLESS, 2022.

Data on the skills profile of Nepali migrant workers shows that the number of unskilled migrant workers is the highest and has remained so throughout the subsequent years.

Table 16: Number of New Labor Approvals by Sex and Key Countries of Destination

Nepal Labor Migration Report 2022			2018/19			2019/20			2020/21			2021/22		
Destination			M	W	T	M	W	T	M	W	T	M	W	T
New labor approvals only			71,322	3,702	75,024	27,453	2,383	29,836	21,076	1,054	22,130	72,475	4,348	76,823
			55,444	7,332	62,776	44,698	7,359	52,057	9,257	2,352	11,609	40,916	12,928	53,844
			44,493	1,587	46,080	39,012	248	39,260	23,234	85	23,319	125,160	208	125,368
			14,417	1,578	15,995	7,764	1,207	8,971	2	.	2	19,054	3,732	22,786
			4,198	435	4,633	2,892	412	3,304	2,972	174	3,146	6,954	638	7,592
			2,401	321	2,722	1,705	291	1,996	1,401	155	1,556	3,004	622	3,626
			9,828	171	9,999	38,759	400	39,159	103	4	107	24,833	1,258	26,091
			981	127	1,108	141	43	184	402	51	453	1,295	207	1,502
			1,484	490	1,974	614	272	886	579	428	1,007	1,833	902	2,735
			194	1,536	1,730	156	1,302	1,458	98	914	1,012	395	2,827	3,222
			870	89	959	808	131	939	468	85	553	1,897	581	2,478
			1,060	657	1,717	1,118	550	1,668	60	4	64	953	315	1,268
			1,084	94	1,178	1,751	179	1,930	1,743	211	1,954	5,580	838	6,418
			42	18	60	25	13	38	207	108	315	2,262	546	2,808
			6	1	7	579	66	645	949	138	1,087	4,114	1,092	5,206
			7,809	2,440	10,249	4,716	3,346	8,062	2,343	1,415	3,758	5,080	2,020	7,100
Total			215,633	20,578	236,211	172,191	18,202	190,393	64,894	7,178	72,072	315,805	33,062	348,867

Source: MoLESS, 2022.

3.5 Industrial infrastructures (industrial village, industrial sectors, special economic zone) in Nepal:

Industrial infrastructure refers to the physical facilities, systems, and networks that are essential for the functioning of industrial operations and processes. It includes a wide range of elements that provide the necessary framework for industries to operate efficiently and effectively. Industrial infrastructure plays a crucial role in supporting economic activities, manufacturing processes, and the production of goods and services. A strong industrial infrastructure is required to create investment friendly environment; develop and expand the industry; maximize the optimum utilization of available resources; increase production and productivity, and create employment opportunities. In addition, industrial infrastructure plays a crucial role in reducing industrial costs.

Key components of industrial infrastructure:

i) Manufacturing facilities:

These are the actual production plants and factories where goods are produced. They can vary significantly depending on the industry, ranging from heavy machinery manufacturing to pharmaceutical production.

ii) Transportation networks:

Efficient transportation systems, including roads, highways, railways, airports, seaports, and inland waterways, are essential for the movement of raw materials, finished goods, and workers.

iii) Energy supply:

A reliable and sufficient energy supply, such as electricity, natural gas, or other fuel sources, is necessary to power industrial processes and machinery.

iv) Water supply and wastewater treatment:

Industries require a steady supply of water for various purposes, including cooling, cleaning, and processing. Proper wastewater treatment is also vital to maintain environmental sustainability.

v) *Telecommunications infrastructure:*

Modern industries heavily rely on effective communication systems for real-time data exchange, supply chain management, and coordination among different units.

vi) *Research and development facilities:*

Research and development centers play a crucial role in fostering innovation, product development, and process improvement.

vii) *Regulatory framework:*

A supportive legal and regulatory environment is necessary to ensure safety standards, environmental regulations, and other industry-specific requirements.

viii) *Skilled workforce:*

A skilled and trained workforce is critical for industrial operations, as employees need to operate sophisticated machinery and perform specialized tasks.

ix) *Financial institutions and funding support:*

Access to financial resources, investment opportunities, and funding support from banks and other financial institutions are vital for the growth and expansion of industrial projects.

Improving industrial infrastructure can lead to increased economic growth, job creation, and enhanced competitiveness in global markets. Governments often invest in developing and upgrading industrial infrastructure to attract investment, promote industrialization, and stimulate economic development in their regions.

3.5.1 Industrial sectors of Nepal:

Out of 691 industries established in 10 industrial areas as of mid-March of 2022, 636 industries are in operation, 32 are under construction and 23 are closed. 19,153 people have got direct employment from the existing industries (MoF, 2022).

Table 17: Industrial sectors

S. N.	Industrial sectors	District	Province	Established year
1.	Balaju Industrial sector	Kathmandu	Bagmati	2016
2.	Patan Industrial sector	Lalitpur	Bagmati	2019
3.	Hetauda Industrial sector	Makawankpur	Bagmati	2020
4.	Dharan Industrial sector	Sunsari	Koshi	2029
5.	Nepalgunj Industrial sector	Banke	Lumbini	2030
6.	Pokhara Industrial sector	Kaski	Gandaki	2031
7.	Butwal Industrial sector	Rupandehi	Lumbini	2032
8.	Bhaktapur Industrial sector	Bhaktapur	Bagmati	2036
9.	Birendranagar Industrial sector	Surkhet	Karnali	2038
10	Rajbiraj Industrial sector	Saptari	Madhesh	2044

3.5.2 Industrial village:

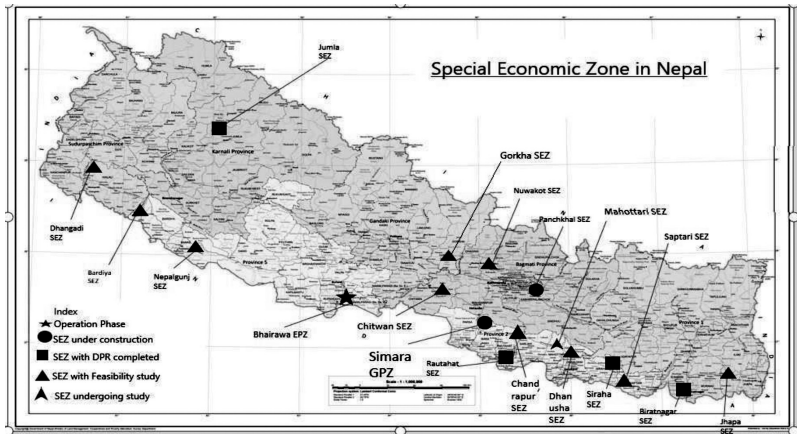
An “industrial village” refers to a specific development model aimed at promoting small scale industries and local entrepreneurship in rural areas. The concept of industrial villages was introduced by the Government of Nepal to foster economic development and create employment opportunities outside major urban centers.

Industrial Villages have been recognized as transformative projects to support enterprise creation in rural areas. As the goal is to establish industrial villages at all local levels, 105 industrial villages have been declared till mid-March of 2022 (MoF, 2022). There is a system of providing subsidy, whichever is less of 40 percent or 30 million of the total construction cost of the industrial village, to the local level which has been declared as an industrial village on behalf of the government of Nepal.

3.5.3 Special Economic Zone (SEZ):

Nepal had established Special Economic Zones (SEZs) as part of its efforts to promote industrialization, attract foreign direct investment, and enhance export-oriented industries. These zones offer various incentives and benefits to both domestic and foreign investors to create a favorable environment for

business and industrial activities. By mid-March 2022, special economic zones have been established in Bhairahwa and Simra, while infrastructure construction has progressed in Panchkhaal. As of mid-March 2022, 7 industries have come into operation in Bhairahawa Special Economic Zone (MoF, 2022).



Source: MoF, 2022

MCQs from Unit Three

- What is the main reason for the large number of Nepalis being engaged in transnational migration?
 - Business opportunities in foreign countries
 - Political instability in Nepal
 - Search for foreign employment
 - Liberalization of migration policies
- When did Nepali people start preferring to go abroad for foreign employment?
 - 13th century
 - 19th century
 - 20th century
 - 21st century
- The Sugauli Treaty in 1816 resulted in recruiting Nepali youth in which country's army annually?
 - India
 - China
 - Britain
 - Tibet
- In 1947, a tri-party agreement was held between Britain, India, and Nepal for recruiting Nepali youth in which country's army?
 - Nepal
 - India
 - Britain
 - Tibet

5. Which country became a major foreign labor destination for Nepalese due to the advantage of an open border?
a) Saudi Arabia b) India
c) Qatar d) UAE
6. According to the data from 2019/20 to 2021/22, which skill category of migrant workers has the highest number?
a) Professional b) Highly Skilled
c) Skilled d) Unskilled
7. Which one country received the highest number of new labor approvals in 2021/22?
a) Qatar b) Saudi Arabia
c) UAE d) Kuwait
8. How many Nepali migrant workers were estimated to be employed or seeking employment in India, according to a national survey from 2017/18?
a) Half a million b) One million
c) Two million d) Five million
9. Which one of the following tiers of government exist in Nepal's administrative structure?
a) Federal government b) Provincial governments
c) Local governments d) All of the above
10. How many provinces are there in Nepal?
a) 5 b) 7 c) 9 d) 12
11. Which one province has the highest number of districts in Nepal?
a) Bagmati Province b) Lumbini Province
c) Koshi Province d) Gandaki Province
12. What is the capital city of Sudurpashchim Province?
a) Kathmandu b) Biratnagar
c) Hetauda d) Godawari
13. Which one province has the highest population in Nepal according to the 2021 census?
a) Koshi Province b) Bagmati Province
c) Madhesh Province d) Lumbini Province
14. Which one district is the capital of Bagmati Province?
a) Pokhara b) Kathmandu
c) Hetauda d) Ghorahi
15. How many districts are there in Sudurpashchim Province?
a) 7 b) 9 c) 11 d) 14

16. What is the total number of municipalities in Nepal as of 2076/077 (fiscal year)?
a) 100 b) 150 c) 276 d) 293
17. What was the percentage of Nepal's urban population in 2021?
a) 17.07% b) 27.2% c) 62.2% d) 66.17%
18. What is the capital city of Madhesh Province?
a) Pokhara b) Kathmandu
c) Janakpur d) Ghorahi
19. What does industrial infrastructure refer to?
a) Physical and organizational structures essential for industries
b) Natural resources available for industrial use
c) Transportation vehicles used by industries
d) Industrial policies implemented by the government
20. Which one of the following is a key component of industrial infrastructure?
a) Agricultural fields
b) Shopping malls
c) Telecommunications infrastructure
d) Residential areas
21. Which one industrial sector is located in Sunsari district?
a) Balaju Industrial Sector
b) Bhaktapur Industrial Sector
c) Dharan Industrial Sector
d) Butwal Industrial Sector
22. What is the primary purpose of industrial villages in Nepal?
a) Attracting foreign direct investment
b) Supporting enterprise creation in rural areas
c) Promoting large-scale industries
d) Reducing industrial costs
23. How many industrial villages were declared in Nepal by mid-March 2022?
a) 10 b) 50 c) 105 d) 691
24. Which one special economic zone is mentioned as being established in Nepal?
a) Kathmandu SEZ b) Bhairahawa SEZ
c) Pokhara SEZ d) Butwal SEZ
25. What are the incentives offered to businesses operating in special economic zones?

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- a) Tax benefits and customs duty exemptions
 - b) Access to free land and housing
 - c) Unlimited access to water and electricity
 - d) Subsidized transportation services
26. How many industries are there in operation out of the 691 industries established in 10 industrial areas in Nepal?
- a) 23 b) 32 c) 636 d) 691
27. What is the purpose of establishing industrial villages in rural areas?
- a) Reduce pollution in urban areas
 - b) Attract foreign investors
 - c) Create employment opportunities
 - d) Promote large-scale industries
28. Which one province in Nepal is home to the Hetauda Industrial Sector?
- a) Bagmati b) Gandaki c) Lumbini d) Karnali
29. Which one of the followings is not a key component of industrial infrastructure?
- a) Water supply and wastewater treatment
 - b) Energy supply
 - c) Telecommunications infrastructure
 - d) Residential areas
30. Which one industrial sector is located in Saptari district?
- a) Rajbiraj Industrial Sector
 - b) Birendranagar Industrial Sector
 - c) Patan Industrial Sector
 - d) Nepalgunj Industrial Sector
31. Which one of the followings is the primary objective of establishing Special Economic Zones in Nepal?
- a) Promote agricultural activities
 - b) Attract foreign direct investment
 - c) Improve transportation infrastructure
 - d) Develop residential areas
32. How many industries have come into operation in Bhairahawa Special Economic Zone by mid-March 2022?
- a) 7 b) 10 c) 5 d) 20

Note: See answer key at the last for the verification of your selection.

Understanding work, business, and people

Understanding work, business, and people is crucial for business and society. All those three things are not only interrelated but also interdependent to each other. Understanding work involves recognizing the importance of productivity, time management, working environment, and developing relevant skills and expertise. Business consists of various areas such as production, marketing, sales, finance, and operations. The aim of business is generating profits or fulfilling organizational objectives. Understanding business requires knowledge of market dynamics, customer behavior, competition, financial management, and strategic decision-making. It also involves recognizing the significance of innovation, adaptability, and ethical practices within the business environment.

People are at the heart of work and business. Understanding people entails recognizing the diversity, motivations, and behaviors of individuals within the context of work or business interactions. Successful individuals and organizations grasp the interplay between work, business, and people. They understand that work is essential for achieving goals, businesses exist to fulfill customer (peoples') needs, and people are the driving force behind both work and business.

4.1 Work and society:

4.1.1 Work:

Work refers to the physical or mental effort applied by individuals to accomplish tasks or achieve specific objectives. It involves the application of knowledge, skills, and abilities to perform specific functions or tasks. Work incorporates both paid employment and unpaid activities.

“the supply of physical, mental, and emotional effort to produce goods and services for own consumption, or for consumption by others”.

- Dictionary of Sociology

Productive work falls into three main categories: “economic

activities or employment”, “unpaid domestic and leisure activities”, and “voluntary community service”.

Through work, individuals can earn a living style, develop skills, contribute to society, and find satisfaction in their life. Work also fosters social interactions, collaboration, and the exchange of ideas, ultimately driving progress and advancement in various fields.

4.1.2 Society:

Society refers to a group of individuals who share a common geographic territory, culture, and social structure. It is a complex network of relationships, interactions, and institutions that collectively shape the way people live, interact, and organize themselves.

“The term society refers not to the group of people, but to the complex pattern of the norms of interaction, that arise among and between them”
- *Lapierre*

Societies can vary widely in terms of their size, complexity, cultural practices, and social hierarchies. Overall, society is a fundamental concept that embraces the complex web of human relationships, social structures, and cultural systems that influence and shape our lives.

4.1.3 Work and society:

Work and society emphasize the importance of decent work for all individuals and it revolves around promoting social justice, decent working conditions, and inclusive economic growth. It focuses on equality, fairness, and non-discrimination in the workplace, ensuring that individuals have access to opportunities, resources, and benefits based on their abilities and merits, rather than factors such as gender, race, or socioeconomic background. Being a student of business studies one need to pay their attention on following the issues while looking over work and society.

4.2 Decent work deficit:

Before discussing decent work deficit, we must have concept on decent work. Decent work refers to the concept promoted by the International Labor Organization (ILO) that encompasses

various aspects of work to ensure that it is productive, provides fair income, offers social protection, and respects fundamental rights.

Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Decent work encompasses four interrelated dimensions:

i) *Employment opportunities:*

The availability of jobs that provides fair income, security, and stability.

ii) *Rights at work:*

Respect for fundamental labor rights, including freedom of association, collective bargaining, elimination of forced labor, and the abolition of child labor.

iii) *Social protection:*

Access to social security, including healthcare, unemployment benefits, and pensions, to ensure a safety net for workers and their families.

iv) *Social dialogue:*

The involvement of workers and employers in decision-making processes related to work and labor policies.

Decent work has been the integral element of Agenda 2030 of sustainable development. Agenda 2030 has discussed on decent work and economic development in its SDGs no. 8. The concept of a “decent work deficit” refers to the gap between the ideal standards of decent work and the actual working conditions experienced by a significant portion of the global workforce. It highlights the persisting challenges and shortcomings in achieving decent work for all.

Decent work deficits are expressed in the absence of sufficient employment opportunities, inadequate social protection, the denial of rights at work and weak social dialogue. In 1999, the ILO stated that the key reasons for decent work deficits were caused by a gap between the world that we work in and the hopes that people have for a better life (ILO, 2001).

4.2.1 Key aspects of the decent work deficit:

i) *Informal employment:*

A significant portion of the global workforce is engaged in informal employment, characterized by low wages, lack of social protection, limited access to rights and benefits, and often substandard working conditions. Many workers in the informal sector face insecurity, exploitation, and vulnerability.

ii) *Unemployment and underemployment:*

High levels of unemployment and underemployment contribute to the decent work deficit. Insufficient job opportunities, particularly in certain regions or for specific groups, result in individuals being unable to secure decent work that provides fair income, job security, and adequate social protection.

iii) *Insufficient labor rights:*

Violations of labor rights persist in various forms, including restrictions on freedom of association and collective bargaining, poor working conditions, lack of occupational safety and health standards, and inadequate protection against discrimination and harassment. These violations undermine the principles of decent work and contribute to the deficit.

iv) *Wage inequality:*

Wage inequality is a significant factor in the decent work deficit. Many workers, particularly those in low-skilled and informal jobs, earn wages that are insufficient to meet their basic needs and provide a decent standard of living. This intensifies income disparities and social inequality.

v) *Gender disparities:*

Gender inequalities contribute to the decent work deficit, as women often face discrimination in the labor market, including lower wages, limited access to formal employment, and challenges in balancing work and family responsibilities. Closing the gender gap and promoting gender equality are crucial for addressing the decent work deficit.

vi) *Lack of social protection:*

A significant number of workers, especially those in the informal sector, lack access to social protection mechanisms such as healthcare, pensions, and unemployment benefits. This leaves them vulnerable to economic shocks, health risks, and insufficient support during periods of unemployment or old age.

vii) *Unsafe working conditions:*

Many workers face hazardous working conditions, including exposure to physical risks, occupational diseases, and unsafe environments. Lack of occupational safety and health standards contributes to the decent work deficit by worsening workers' well-being and safety.

vii) *Insufficient Investment in Education and Skills:*

Limited investment in education and skills development hampers individuals' ability to access decent work. Inadequate access to quality education and training programs limits opportunities for individuals to acquire the skills needed for secure and well-paid employment.

Addressing the decent work deficit requires collective efforts from governments, employers, workers' organizations, and other stakeholders. It involves promoting policies and practices that prioritize job creation, protect labor rights, ensure fair wages, expand social protection, eliminate discrimination, and invest in education and skills development. By tackling the factors contributing to the decent work deficit, societies

can strive to create a more inclusive and equitable world of work.

4.3 Mechanization/robotisation/computerization

Mechanization, robotization, and computerization are all the terms that refer to the use of technology on various tasks and processes of the business but there is differences which is discussed below:

4.3.1 Mechanization:

Mechanization involves the use of machinery and mechanical devices to perform tasks that were previously done manually. It typically replaces or assists human labor with machines and equipment. Mechanization can improve productivity, increase efficiency, and reduce physical labor requirements.

4.3.2 Robotization:

Robotization refers to the application of robots and automated systems to perform tasks and operations traditionally performed by humans. Robots are programmable machines capable of performing repetitive, precise, and complex tasks with a high degree of accuracy and speed. Robotization can be seen in various industries, such as manufacturing, logistics, healthcare, and agriculture.

4.3.3 Computerization:

Computerization involves the integration of computer technology and software systems into various processes and operations. It involves the use of computers, digital systems, and software applications to automate tasks, process data, store information, and facilitate decision-making. Computerization has revolutionized industries, such as finance, telecommunications, transportation, and information technology.

4.4 Craft production:

Craft production refers to the process of producing goods or products using traditional methods and skilled craftsmanship

rather than mass production techniques. It involves the use of manual skills, specialized tools, and a deep understanding of materials and techniques. It is typically associated with traditional crafts such as pottery, woodworking, metalworking, weaving etc., but can also include contemporary crafts like jewelry making, leatherworking, and paper making etc. Craft production often emphasizes high-quality workmanship, attention to detail, and the production of unique or limited-edition items. While craft production may not be as efficient or cost-effective as mass production methods, it offers certain advantages as follows:

- i) Craft production is often valued for its cultural significance, preservation of traditional techniques, and the uniqueness and individuality of the handmade items.
- ii) It can also support local economies and foster a sense of community by promoting small-scale, independent businesses and artisans.
- iii) Craft production can be more environment friendly, as it often involves the use of sustainable materials and processes, and reduces waste and energy consumption.

Overall, craft production embodies the intersection of creativity, skill, tradition, and artistry, and continues to thrive as a significant aspect of cultural heritage.

4.5 Fordism:

Fordism is a specific stage of economic development in the 20th century which is widely used to describe the system of mass production. It is the post-world war mode of economic growth and is associated with advanced social and political order.

Fordism is named after Henry Ford, founder of the Ford Motor Company of America. The term refers to Ford's development of labor specialization and moving assembly line production to create a large number of standardized goods at decreased prices for consumers. It can be applied to any manufacturer employing these tactics to increase production efficiency. It revolutionized the manufacturing process and had a significant

impact on the global economy and society. It is characterized by the following key features:

i) *Assembly line production:*

The assembly line production is a crucial aspect of Fordism. It involves dividing the production process into sequential tasks, and each worker is responsible for performing a specific, repetitive task. Products move along a conveyor belt, and workers add components or perform tasks at their designated stations. This division of labor and specialization significantly increased production efficiency and reduced costs.

ii) *Standardization:*

Ford implemented strict standardization of parts and processes. This approach ensured that components and products were interchangeable and uniform in quality. Standardization allowed for large-scale production and facilitated the rapid assembly of products.

iii) *Mass production:*

With the assembly line and standardization, Ford was able to achieve mass production on an unprecedented scale. By producing a large quantity of goods, Ford could lower the cost per unit, making the products more affordable to a broader consumer base.

iv) *High wages:*

Ford introduced the concept of paying his workers higher wages than the industry average at the time. The objective was twofold: to attract and retain a skilled workforce and to enable Ford's workers to afford the products they were producing. The combination of mass production and higher wages promoted consumerism. More people could afford to purchase goods they previously could not, which stimulated demand and economic growth.

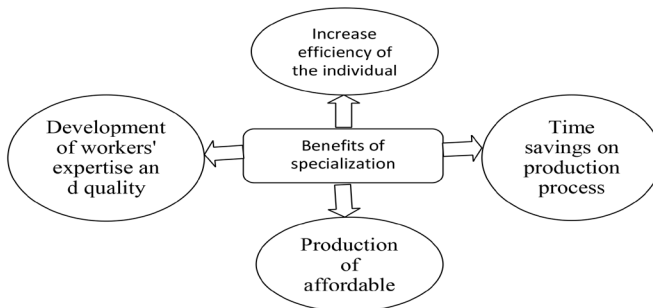
In conclusion, Fordism revolutionized the manufacturing industry and had a profound impact on the global economy and society. It facilitated the growth of industrial economies, urbanization, and the expansion

of the middle class. However, it also faced criticism for its rigid and alienating work conditions, and eventually, more flexible and decentralized production methods began to replace the Fordist model which is called post Fordist model. Nonetheless, Fordism remains a historically significant concept that influenced industrial production and labor practices in the 20th century.

4.6 Specialization:

Specialization refers to the task of focusing on a specific area of expertise or a particular work within a larger system or field. It involves acquiring specialized knowledge, skills, and training in a specific domain, often leading to increased efficiency and expertise in performing that particular work.

In the context of work and production, specialization is closely related to the division of labor. It entails breaking down complex tasks or processes into smaller, more manageable components and assigning them to individuals or groups who have specialized skills or training in those specific areas. Each person or group becomes proficient in their specialized task, resulting in increased productivity and overall efficiency.



4.7 Division of labor:

It is a fundamental concept in economics and sociology and closely associated with business and society. In sociology, division of labor refers to the allocation of tasks and responsibilities within a society or social group based on social, economic, or cultural factors. It is a concept introduced by the sociologist Émile Durkheim, who emphasized its role in shaping social solidarity and the functioning of societies.

In economics, division of labor refers to the specialization of tasks and activities within an economic system, where individuals, firms, or countries focus on specific tasks or stages of production. In division of labor, each person or group then becomes responsible for carrying out their specific task, often in coordination with others.

4.7.1 Why is division of labor essential in business?

Division of labor offers various benefits which are depicted in the following figure.



4.8 Difference between specialization and division of labor:

Table 18 :Difference between Specialization and Division of Labor

Aspect	Division of Labor	Specialization
Definition	Allocation of tasks based on expertise and specialization.	Concentration of efforts in a specific area, skill, or task.

Aspect	Division of Labor	Specialization
Focus	Breakdown of tasks among individuals or groups.	Development of deep knowledge and proficiency in a specific field.
Scope	Can occur at various levels (household, company, economy).	Primarily at the individual level.
Interdependence	Individuals or groups have interdependent roles.	Individuals work independently.
Coordination	Requires coordination and management for smooth workflow.	Coordination is not as necessary, as individuals work within their specialization.
Examples	Assembly line production, specialized departments in a company.	Medical specialization, specialization in a specific field of research.

While there are some differences between division of labor and specialization, they are often interconnected concepts. Division of labor can lead to specialization, and specialization is often a result of the division of labor.

4.9 Fixed term/ permanent contract:

Fixed-term and permanent contracts are two types of employment agreements that differ in terms of their duration and employment rights. A fixed-term contract is an employment agreement between an employer and an employee that has a predetermined end date or duration. Fixed-term contracts are often used for temporary or project-based positions, where the employment need is expected to be temporary or linked to a specific task or period.

The employment which is not limited by fixed duration of job and can continue indefinitely until terminated by either party through appropriate notice and valid reasons. A permanent contract, also known as an open-ended or indefinite contract, is an employment agreement that does not have a specified end date. Employees on permanent contracts typically have greater job security and stability.

Employment laws and regulations may vary across different employment providing entities. The nature of work required can determine the type of contract of employment. Temporary or project-based roles, where the work is limited in duration or tied to specific tasks or projects, are more likely to be offered as fixed-term contracts. Positions that require ongoing and indefinite employment, such as full-time roles, are typically offered as permanent contracts.

4.9.1 A comparison between fixed term contract and permanent contract:

Table 19: Comparison between Fixed Term Contract and Permanent Contract

Aspect	Fixed-Term Contract	Permanent Contract
Employment Duration	Has a specified end date or duration	Does not have a specified end date
Termination	Employment ends automatically on the specified end date, unless renewed or extended.	Requires termination notice or valid reasons for termination
Employment Rights	Generally entitled to basic employment rights, such as minimum wage, leave, and protection against discrimination.	Entitled to comprehensive employment rights and benefits, including job security, and retirement benefits.
Security and Stability	Generally, less job security and stability, Employment ends on the specified end date.	Provides greater job security and stability, with an expectation of ongoing employment.
Benefits and Perks	May receive some benefits and perks based on the terms of the contract	Generally entitled to full employee benefits and perks.
Examples	Seasonal workers, project-based roles, maternity cover etc.	Full-time employees, regular staff in an organization.

4.10 Precarious jobs and poverty:

A precarious job refers to employment that is characterized by insecurity, instability, and inadequate working conditions. It is often associated with low wages, limited benefits, lack of job security, and minimal social protections.

Precarious jobs can take various forms and can be found in different sectors and industries. Poverty refers to a condition in which individuals or communities lack the resources and means necessary to meet their basic needs and achieve a minimum standard of living that is considered socially acceptable. Poverty is a multidimensional concept that encompasses various aspects of deprivation, including income, education, healthcare, shelter, nutrition, and social participation. Precarious jobs and poverty are closely linked, with precarious employment often contributing to poverty.

4.11 Trainees/interns:

Trainees or interns are individuals who participate in a structured program or work to gain practical knowledge, skills, and experience in a particular field or industry. The primary purpose of traineeships or internships is to provide individuals with an opportunity to apply their academic knowledge in a real-world setting, acquire industry specific skills, and develop a deeper understanding of their chosen profession.

Traineeships and internships can take place in various settings, such as corporations, government agencies, non-profit organizations, research institutions, and educational institutions. During their traineeship or internship, participants work under the guidance and supervision of experienced professionals who provide mentorship, instruction, and feedback. They may be assigned specific tasks, projects, or rotations through different departments or areas of an organization to gain exposure to various aspects of the field.

The duration of traineeships or internships can vary, ranging from a few weeks to several months or even a year, depending on the program, organization and the objective of the either parties. Traineeships and internships serve as valuable stepping stones for individuals to bridge the gap between education and employment, gain practical skills, explore career options, and enhance their employability in their chosen field.

4.11.1 Difference between trainees and interns:

“Trainees” and “interns” are sometimes used for same purpose, and the specific responsibilities and roles may vary depending

on the organization and industry. The following comparison provides a general overview of the typical characteristics associated with traineeships and internships.

Table 20: *Difference between trainees and interns*

Categories	Trainees	Interns
Purpose	Emphasize practical training and skill development	Focus on gaining work experience and applying academic knowledge
Structure and Format	Typically involve structured training programs with a combination of classroom instruction and on-the-job training	Involve work experience with opportunities for learning and professional development
Supervision	Work under guidance and supervision from experienced professionals	Work under guidance and supervision, often with a designated mentor or supervisor
Tasks and Responsibilities	Assigned specific tasks or rotations to acquire industry-specific skills	Assigned specific tasks or projects to apply academic knowledge and gain practical experience
Education Status and Employability	Often students or recent graduates, aiming to enhance employability in the chosen field through focused training	Usually students or recent graduates, seeking to enhance employability by gaining industry exposure and practical skills

4.12 Flexibility:

In general, flexibility refers to the ability to adapt, adjust, or change easily in response to different circumstances, requirements, or situations. It involves being open-minded, and versatile in order to effectively navigate and respond to changing needs and challenges.

In the field of business, flexibility refers to an organization’s capacity to respond and adapt to changes in the business environment. Flexibility is crucial for success due to the dynamic nature of the business domain. Flexibility is a fundamental concept within business studies that encompasses

adaptability, strategic planning, innovation, organizational structure, and customer focus. In the field of business studies, flexibility can be applied to various aspects i.e. strategic flexibility, organizational flexibility, product or service flexibility, financial flexibility, human resource flexibility.

4.13 Strikes:

In general, strike refers to a collective action taken by a group of individuals in which they stop regular activities as a form of protest or demonstration to bring attention to a particular issue or to demand changes.

Strikes can occur in various contexts, such as:

i) *Social and political strike:*

Strikes can be organized by groups of individuals or activists to protest against social or political issues. These strikes aim to raise awareness, put pressure on governing bodies or authorities, and draw attention to specific causes or grievances.

ii) *Student strikes:*

Students may organize strikes to advocate for educational reforms, changes in school/university policies, or to address broader social issues. These strikes typically involve a collective refusal to attend classes or engage in other educational activities.

iii) *Environmental strikes:*

Activists concerned about environmental issues may organize strikes to demand action on climate change, conservation efforts, or to protest against environmentally harmful practices. These strikes aim to generate public awareness and urge governments and businesses to take steps to address environmental concerns.

iv) *Consumer strikes:*

Consumer strikes involve individuals or groups collectively refusing to purchase goods or services from a particular company or industry. These strikes are often driven by ethical concerns, such as boycotting products

produced using unethical practices or to support fair trade initiatives.

4.13.1 Business studies and strikes with its implications:

Strikes are typically organized by labor unions or employee associations and are a fundamental tool of labor activism. In the field of business studies, strikes are an important topic as they have significant implications for both employers and employees. The study of strikes helps us understand the dynamics of labor relations, the impact of collective bargaining, and the strategies employed by both management and labor during labor disputes. Strikes are considered as relevant in the context of business studies because of following objectives:

i) *Labor relations:*

Studying strikes provides insights into the power dynamics, negotiation processes, and conflicts that can arise within the employment relationship. It helps us understand the factors that lead to labor disputes and the strategies used by both parties to advance their interests.

ii) *Collective bargaining:*

Strikes often occur as a result of failed negotiations between labor unions or employee representatives and employers during collective bargaining processes. Business studies explores the principles, techniques, and legal frameworks surrounding collective bargaining, which is the process of reaching agreements on terms and conditions of employment.

iii) *Economic impacts:*

Strikes can have significant economic consequences for businesses, industries, and economies. Business studies examines the financial impact of strikes, including the costs associated with lost productivity, disruptions to supply chains, reputational damage, and potential long-term effects on business performance. Understanding these economic impacts helps businesses develop strategies to manage labor relations and mitigate the risks associated with strikes.

iv) *Legal frameworks:*

Business studies explores the legal frameworks surrounding strikes, including the rights and responsibilities of both employers and employees during labor disputes. This knowledge is crucial for businesses to ensure compliance with labor laws, understand the limitations on strikes, and engage in fair labor practices.

v) *Conflict resolution:*

Business studies examines different approaches to conflict resolution, including negotiation techniques, and mediation. Understanding these methods helps businesses and policymakers explore alternative dispute resolution mechanisms and work towards finding mutually beneficial solutions during labor disputes.

4.14 Trade Unions:

Trade unions are organizations formed by workers in various industries or sectors to collectively represent their interests and negotiate with employers on issues related to their employment.

Trade unions typically engage in collective bargaining with employers to negotiate employment contracts, including wages, benefits, working hours, and other terms and conditions of employment. The primary goal of trade unions is to protect and advance the rights, welfare, and working conditions of their members.

4.14.1 Features and functions of trade unions:

i) *Representation:*

Trade unions represent the interests of their members by acting as their collective voice. They advocate for better working conditions, fair wages, job security, and other rights and benefits.

ii) *Collective Bargaining:*

Unions negotiate with employers on behalf of their members to establish collective agreements that outline terms and conditions of employment. These agreements

are legally binding and cover areas such as wages, benefits, working hours, leave policies, and dispute resolution procedures.

iii) *Advocacy and Lobbying:*

Trade unions often engage in advocacy and lobbying activities to influence labor laws, workplace regulations, and public policies that impact workers' rights.

iv) *Grievance Handling:*

Unions provide support to their members in resolving workplace conflicts and grievances. They may offer advice, assistance, and legal representation in disputes with employers, including disciplinary actions, unfair treatment, or contract violations.

v) *Solidarity and Support:*

Trade unions foster solidarity among workers and provide a sense of community and support. They may offer social and financial assistance to members in the times of hardship.

4.15 Full time job/ Part time job:

Full time job:

A full-time job refers to employment where an individual works for the standard number of hours established by the employer or the industry. The specific definition of full-time can vary depending on the country, company, or industry. In many countries, full-time employment typically involves working 35 to 40 hours per week, although it can be more or less depending on factors such as labor laws, company policies, or collective bargaining agreements. Full-time employees typically receive the benefits and entitlements offered by the employer, such as health insurance, retirement plans, paid vacation and sick leave, and other perks. They may also have opportunities for career advancement and stability within the organization.

Part time job:

A part-time job refers to employment where an individual works for fewer hours. Part-time jobs typically involve working less than the standard number of hours established for fulltime employment.

The number of hours can vary widely, ranging from a few hours per week to up to 30 or 35 hours per week. In some cases, part-time positions may have a set schedule, while in others, the hours may be more flexible. Part-time employees may be eligible for certain benefits offered by the employer, such as vacation or sick leave, and in some cases, access to certain types of insurance or retirement plans. However, the benefits package for part-time workers is often less comprehensive compared to full-time employees.

4.16 Offshoring/outsourcing:

Offshoring and outsourcing are two related business practices that involve the delegation of certain tasks, operations, or processes to external entities. While they are often used interchangeably, they have distinct meanings:

Offshoring:

Offshoring refers to the practice of relocating business operations or processes to another country, typically with the intention of taking advantage of lower labor costs, specialized skills, or other competitive advantages. Companies may choose to offshore activities such as manufacturing, software development, customer service, or back-office functions.

Outsourcing:

Outsourcing is the practice of contracting out specific business functions or processes to external third-party providers. This can involve domestic or international companies. By outsourcing, a company can focus on its core competencies while relying on specialized external providers to handle non-core functions. Commonly outsourced functions include IT services, human resources, accounting, marketing, call centers, and logistics.

4.16.1 Difference between offshoring and outsourcing:

Table 21: *Difference between offshoring and outsourcing*

Category	Offshoring	Outsourcing
Definition	Relocating operations to another country	Contracting out specific functions or processes
Focus	Geographical relocation of operations	Delegating specific tasks, processes, or functions
Motivation	Lower labor costs, specialized skills, competitive advantages	Cost savings, access to specialized skills, flexibility, focusing on core competencies
Transfer of Assets	Can involve the transfer of physical assets and operations	No physical asset transfer required
Partnership	Often requires establishing or partnering with companies in the offshore location	Involves entering into contracts with external service providers

4.17 Working time/ Holidays:

“Working time” refers to the period during which individuals are engaged in their employment or occupation, actively performing tasks, and fulfilling their work-related responsibilities. It encompasses the hours and days that employees dedicate to their jobs, including any additional time spent on work-related activities outside of regular working hours.

In Sociology:

Working time is a concept often examined in the context of labor studies and sociology to understand how work shapes individuals’ lives, influences social structures, and impacts well-being. Sociologists study working time patterns, work-life balance, and the effects of different work schedules on various aspects of society, such as family dynamics, leisure activities, and health.

In Business:

For businesses and organizations, working time is a critical consideration for managing human resources and ensuring

productivity. It involves determining regular working hours, overtime policies, and employee shift schedules. In some countries, there are legal regulations regarding maximum working hours, minimum rest periods, and overtime compensation to protect workers' rights and well-being.

“Holidays” refer to the specific days or periods designated by governments, cultures, or religious traditions for commemoration, celebration, rest, or observance of significant events.

During holidays, businesses, schools, and government offices often close their regular operations, and individuals may have time off from work or other responsibilities. The purpose of holidays can vary depending on the country and its cultural, historical, or religious background. Some common types of holidays include:

National holidays: These holidays are observed by an entire nation and typically commemorate significant historical or cultural events, independence days, or the founding of a country.

Religious holidays: Celebrated by followers of specific religions, these holidays mark important religious events or festivals. Examples include Christmas (Christianity), Eid al-Fitr (Islam), Diwali (Hinduism, Sikhism, Jainism) etc.

Cultural holidays: These holidays are specific to certain cultures or ethnic groups and celebrate traditions, customs, or historical figures important to that group.

International Holidays: Some holidays are observed globally, such as New Year's Day (January 1st) and International Workers' Day (May 1st).

Regional Holidays: In some cases, certain holidays are only observed in specific regions or states within a country.

The number of holidays and their specific dates can vary significantly from one country to another. Some countries have a large number of public holidays scattered throughout the year, while others have fewer or none at all.

4.18 Cultural capital, economic capital, and social capital:

a) *Cultural capital:*

It refers to the non-financial social assets that individuals possess, which are gained through their cultural experiences, knowledge, education, and exposure to various cultural practices and values. Cultural capital plays a significant role in shaping social mobility and determining an individual's status and opportunities within society. Cultural capital comprises the social assets of a person (education, intellect, style of speech, style of dress, ..etc.) that promote social mobility in stratified society. It is cultural inheritances, upbringing, education, academic qualification, certifiable credentials, legitimated knowledge etc. According to Pierre Bourdieu, there are three types of cultural capital which are:

i) *Embodied cultural capital:*

A kind of cultural capital which is found inside individual such as like and dislike on taste, like and dislike on any other things, way of speaking, way of dialect etc.

ii) *Objectified cultural capital:*

A kind of cultural capital which is based on objects/ things such as cultural of collecting particular cars/ motorbikes, culture of using specific types of utensils, culture of having different or certain type of objects/ things.

iii) *Institutionalized cultural capital:*

A kind of cultural capital that is gained from the given institutions.

b) *Economic capital:*

Economic capital refers to that kind of assets which is used to make more money or property. It is the money, credits, inheritances, properties, or other means for acquiring and controlling people, goods, and services.

c) *Social capital:*

Social capital refers to the networks of relationships

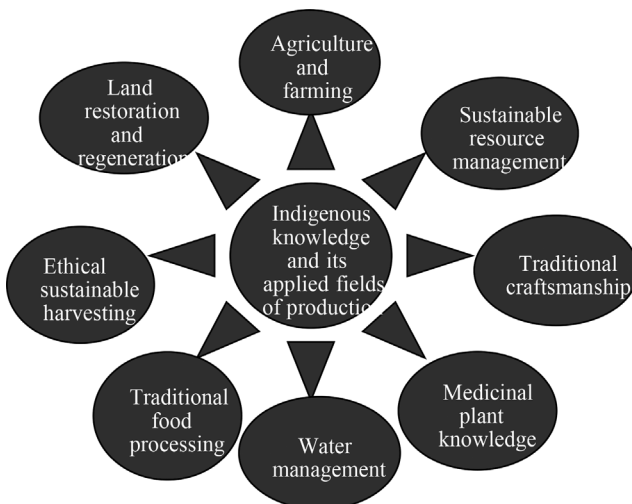
among people who live and work in particular society, enabling that society to function effectively.

It is friends, social class of family, social connections to people and is associated or linked with economic power.

4.19 Indigenous knowledge in production and business:

Indigenous knowledge is the collective wisdom accumulated by indigenous peoples over centuries of living in close relationship with their environments, ecosystems, and cultures. This knowledge is unique to each indigenous community and is deeply rooted in their traditions, languages, and ways of life. Indigenous knowledge in production refers to the application of traditional knowledge, skills, and practices developed and passed down through generations within indigenous communities to enhance various aspects of production processes.

This knowledge is deeply rooted in the specific local context and is often closely tied to the sustainable use of natural resources, community well-being, and cultural preservation. Integrating indigenous knowledge into production can lead to more sustainable, efficient, and culturally respectful methods. Here are some areas in which indigenous knowledge can be applied in production and business:



1. *Agriculture and Farming:*

Indigenous communities have developed agricultural practices that are well-suited to their local environments. These practices often involve crop diversification, intercropping, and traditional seed saving techniques, which promote biodiversity, soil fertility, and resilience to climate fluctuations.

2. *Sustainable Resource Management:*

Indigenous people have an intricate understanding of their surrounding ecosystems and have developed sustainable resource management practices over generations. This knowledge can be applied in various industries, such as forestry, fishing, and hunting, to ensure the responsible use of natural resources without depleting them.

3. *Traditional Craftsmanship:*

Indigenous cultures often have rich traditions of craftsmanship, including weaving, pottery, carving, and other artisanal skills. Integrating these traditional methods into modern production processes can result in unique and culturally significant products.

4. *Medicinal Plant Knowledge:*

Indigenous communities have a deep knowledge of medicinal plants and their uses. This knowledge can be utilized in the production of natural remedies, herbal supplements, and skincare products, among others.

5. *Water Management:*

Indigenous knowledge often includes water management practices that ensure the sustainable use of water resources. Applying these practices can be beneficial for various industries, including agriculture and manufacturing, in water-stressed regions.

6. *Traditional Food Processing:*

Indigenous food processing techniques, such as fermentation and drying, can contribute to food

preservation, reducing food waste, and promoting the consumption of locally sourced and nutritious foods.

7. *Ethical and Sustainable Harvesting:*

Indigenous communities have a deep respect for nature and a sense of responsibility towards the resources they use. Integrating their ethical and sustainable harvesting practices into supply chains can contribute to environmental conservation and fair trade.

8. *Land Restoration and Regeneration:*

Indigenous land management practices often include techniques for land restoration and regeneration. These practices can be employed to rehabilitate degraded lands and promote ecological balance.

To integrate indigenous knowledge effectively into production, it is essential to engage with indigenous communities in a respectful and collaborative manner. This includes recognizing and respecting their rights, culture, and intellectual property. Building partnerships based on mutual understanding and trust can lead to meaningful and sustainable practices that benefit both indigenous communities and the broader society at large.

4.20 The relationships between job satisfaction, organizational trust, and work alienation:

The relationships between job satisfaction, organizational trust, and work alienation are complex and interconnected. Each of these factors can influence and be influenced by the others, creating a dynamic interplay within the work environment. Let's explore these relationships in more detail:

Job Satisfaction:

Job satisfaction refers to the level of happiness and positive feelings an individual experiences regarding their job and work-related experiences. It is influenced by various factors such as the work itself, opportunities for growth, recognition, work-life balance, and relationships with colleagues and superiors.

Organizational Trust:

Organizational trust is the confidence and belief that employees have in the reliability, integrity, and fairness of their organization and its leaders. When employees trust their organization, they feel more secure, believe in the organization's values, and have confidence that their interests and well-being are taken into consideration.

Work Alienation:

Work alienation is a sense of disconnection, powerlessness, and estrangement from one's work. Employees experiencing work alienation may feel like their work lacks meaning, they have no control over their job, and their efforts are not valued or recognized.

4.20.1 How are job satisfaction, organizational trust, and work alienation related to each other?

Job Satisfaction and Organizational Trust:

There is a positive relationship between job satisfaction and organizational trust. When employees trust their organization and its leaders, they are more likely to feel valued, supported, and respected. This positive perception of the organization can contribute to increased job satisfaction. On the other hand, if employees perceive a lack of trust within the organization, it can lead to lower job satisfaction and feelings of insecurity and dissatisfaction with the work environment.

Job Satisfaction and Work Alienation:

Job satisfaction and work alienation have an opposite relationship. When employees are satisfied with their job, they are more likely to find fulfillment in their work, which can reduce feelings of work alienation. On the contrary, employees who are dissatisfied with their job may experience higher levels of work alienation, leading to disengagement and decreased motivation.

Organizational Trust and Work Alienation:

Organizational trust and work alienation are negatively related. When employees have a high level of trust in their organization,

they are less likely to experience work alienation. Trust fosters a positive work environment where employees feel connected and engaged with their work. Conversely, a lack of trust in the organization can contribute to feelings of alienation and disengagement from work.

Overall, these three factors are closely intertwined and can influence each other in a cyclical manner. For instance, high job satisfaction can lead to increased trust in the organization, which, in turn, can further enhance job satisfaction. On the other hand, work alienation can erode trust and decrease job satisfaction, creating a negative cycle that impacts employee well-being and organizational performance. Organizations that aim to promote a positive work environment and improve employee well-being should focus on building trust among employees, ensuring job satisfaction through meaningful work and supportive practices, and addressing factors that contribute to work alienation. By nurturing a culture of trust, recognition, and employee well-being, organizations can foster a more engaged and motivated workforce.

MCQs from Unit Four

1. Which one of the followings is an example of mechanical work?
 - a) A musician playing a guitar
 - b) A chef preparing a meal
 - c) A student studying for an exam
 - d) A construction worker lifting heavy bricks
2. Which one of the followings is an example of a professional skill?
 - a) Time management
 - b) Playing a musical instrument
 - c) Cooking a delicious meal
 - d) Painting a landscape
3. What is the definition of society?
 - a) A group of people who share the same occupation
 - b) A geographical region with a common language
 - c) An organized group of individuals who live together and share a culture
 - d) A political system governed by elected officials

4. Which one of the followings is not considered a basic element of society?
 - a) Culture
 - b) Government
 - c) Economy
 - d) Religion
5. What is the primary function of social institutions in society?
 - a) To maintain social order and control
 - b) To promote individualism and personal freedom
 - c) To generate economic prosperity
 - d) To advance scientific knowledge and innovation
6. What is social stratification?
 - a) The process of dividing society into distinct geographic regions
 - b) The formation of social groups based on common interests
 - c) The hierarchical arrangement of individuals or groups based on social status and power
 - d) The establishment of laws and regulations in society
7. What is the definition of decent work?
 - a) Work that pays well and offers high social status.
 - b) Work that is physically demanding and requires long hours.
 - c) Work that is productive, provides fair income, and ensures rights and social protection.
 - d) Work that is only available to highly skilled individuals.
8. Decent work is a concept promoted by which international organization.
 - a) World Health Organization (WHO)
 - b) International Monetary Fund (IMF)
 - c) United Nations Educational, Scientific and Cultural Organization (UNESCO)
 - d) International Labour Organization (ILO)
9. Which one of the following aspects is not part of the decent work agenda?
 - a) Job security and stability
 - b) Equal pay for equal work
 - c) Safe and healthy working conditions
 - d) Exclusive focus on high-skilled occupations
10. Which one of the following groups is not specifically targeted for protection under the concept of decent work?

- a) Women
 - b) Migrant workers
 - c) Youth
 - d) Managers and executives
11. What is the primary goal of promoting decent work?
- a) To eliminate unemployment entirely
 - b) To ensure all jobs are high-paying and prestigious
 - c) To promote inclusive economic growth and social justice
 - d) To encourage individuals to work longer hours
12. What does the term “decent work deficit” refer to?
- a) Insufficient access to the training and skills development.
 - b) Inadequate wages and income for workers.
 - c) The lack of social protection and workers’ rights in the workplace.
 - d) All of above
13. Which one of the following factors contributes to the decent work deficit?
- a) High levels of unemployment and underemployment.
 - b) Discrimination and inequality in the workplace.
 - c) Unsafe and unhealthy working conditions.
 - d) All of the above.
14. Who is most affected by the decent work deficit?
- a) Skilled workers with advanced degrees.
 - b) Workers in developed countries with strong labor laws.
 - c) Vulnerable and marginalized groups, such as informal workers and migrants.
 - d) Workers in high-paying industries, such as finance and technology.
15. What are the consequences of the decent work deficit?
- a) Diminished economic growth and productivity.
 - b) Increased social inequality and poverty.
 - c) Deteriorating physical and mental health of workers.
 - d) All of the above.
16. What can be done to address the decent work deficit?
- a) Strengthening labor laws and regulations.
 - b) Promoting social dialogue and collective bargaining.
 - c) Investing in education and skills development.
 - d) All of the above.

17. What is robotization?
 - a) The process of replacing humans with robots in various tasks and processes.
 - b) The process of incorporating robotic features into human bodies.
 - c) The process of using robots to create new technologies.
 - d) The process of automating computer systems.
18. What is mechanization?
 - a) The process of integrating machinery into manufacturing processes.
 - b) The process of replacing manual labor with machines.
 - c) The process of computerizing machines for increased efficiency.
 - d) The process of designing and building new machines.
19. What is computerization?
 - a) The process of using computers to control and automate tasks.
 - b) The process of converting physical objects into digital formats.
 - c) The process of developing computer hardware.
 - d) The process of creating computer software.
20. Which one of the followings best describes craft production?
 - a) Mass production with automated machinery
 - b) Production of goods using traditional methods and skilled craftsmanship
 - c) Production of goods using computer-aided design (CAD) software
 - d) Production of goods using industrial robots
21. Craft production emphasizes:
 - a) Quantity over quality
 - b) Efficiency and speed
 - c) Unique and high-quality production
 - d) Standardization and uniformity
22. What is a key advantage of craft production?
 - a) Lower production costs
 - b) High-speed production
 - c) Mass availability of goods
 - d) Attention to detail and uniqueness

23. Which one of the followings is an example of a craft production technique?
 - a) 3D printing
 - b) Assembly line production
 - c) Woodworking
 - d) Mass customization
24. Craft production supports:
 - a) Centralized and large-scale manufacturing
 - b) Homogeneity in product design
 - c) Local economies and small businesses
 - d) Standardized production techniques
25. Fordism refers to:
 - a) A system of mass production and industrial management
 - b) A style of architecture popularized by Henry Ford
 - c) A form of government implemented by Henry Ford
 - d) A philosophy of personal development advocated by Henry Ford
26. Which one of the followings is a key characteristic of Fordism?
 - a) Customized production for individual consumers
 - b) Emphasis on artistic production
 - c) Standardization and mass production techniques
 - d) Decentralized decision-making and small-scale operations
27. Henry Ford's introduction of the assembly line resulted in:
 - a) Decreased production efficiency
 - b) Lower wages for workers
 - c) Higher consumer prices for goods
 - d) Increased production speed and efficiency
28. What was the impact of Fordism on consumerism?
 - a) It reduced consumer choices and limited product variety
 - b) It increased consumer purchasing power and stimulated demand
 - c) It led to a decline in consumer spending and economic growth
 - d) It promoted luxury goods over mass-market products
29. The term "Fordism" is often associated with which industry.
 - a) Textile manufacturing
 - b) Automobile production
 - c) Aerospace engineering
 - d) Food processing

30. The decline of Fordism can be attributed to:
 - a) increasing demand for artisanal and handmade products
 - b) technological advancements and automation in production
 - c) labor strikes and worker protests against assembly line work
 - d) government regulations and restrictions on mass production
31. What is specialization?
 - a) Focusing on a specific area of expertise or task
 - b) Working on multiple tasks simultaneously
 - c) Avoiding specialization and engaging in diverse tasks
 - d) Allowing individuals to choose their work assignments
32. The main advantage of specialization is:
 - a) increased efficiency and productivity
 - b) greater job satisfaction
 - c) decreased need for coordination and communication
 - d) enhanced adaptability to changing tasks
33. Specialization is closely related to:
 - a) standardization
 - b) decentralization
 - c) diversification
 - d) division of labor
34. Specialization is commonly observed in which one field?
 - a) Art and creative industries
 - b) Healthcare and medical professions
 - c) Entrepreneurship and business management
 - d) General and administrative roles
35. Specialization promotes:
 - a) generalization of skills across various domains
 - b) identical outputs and products
 - c) efficient use of resources and expertise
 - d) resistance to change and adaptability
36. Specialization can lead to interdependence and collaboration because:
 - a) specialized workers need assistance from others to complete their tasks
 - b) specialized workers prefer working alone to increase efficiency
 - c) specialization eliminates the need for collaboration and teamwork
 - d) specialization creates a competitive environment among workers

37. Division of labor refers to:
 - a) the separation of tasks and roles within a society or organization
 - b) the equal distribution of resources among individuals
 - c) the concentration of power in the hands of a few individuals
 - d) the elimination of specialization in the workforce
38. Which one of the followings is a benefit of division of labor?
 - a) Decreased productivity
 - b) Increased job monotony
 - c) Improved efficiency and productivity
 - d) Reduced interdependence among workers
39. Division of labor can be observed at various levels, including:
 - a) individual level only
 - b) national level only
 - c) company level only
 - d) individual, company, industry, and international levels
40. The division of labor in an economy allows countries to:
 - a) limit trade and self-sufficiency
 - b) focus on producing a wide range of goods and services
 - c) specialize in the production of goods or services in which they have a comparative advantage
 - d) avoid competition and economic growth
41. Which one of the followings is a limitation of division of labor?
 - a) Increased productivity and efficiency
 - b) dependency on others for specialized tasks
 - c) Enhanced job satisfaction and motivation
 - d) Simplified coordination and management
42. Specialization is a result of:
 - a) division of labor
 - b) Job rotation
 - c) multi-skilling
 - d) random assignment of tasks
43. The division of labor can be seen as a form of:
 - a) economic inequality
 - b) social stratification
 - c) economic interdependence
 - d) cultural diversity

44. Division of labor is an essential concept in which one field(s)?
 - a) Economics
 - b) Sociology
 - c) Business management
 - d) All of the above
45. A fixed-term contract is characterized by:
 - a) no specified end date
 - b) an indefinite duration
 - c) a predetermined end date or duration
 - d) flexibility in working hours
46. Permanent contracts offer:
 - a) temporary employment
 - b) limited job security
 - c) ongoing and indefinite employment
 - d) part-time work only
47. Permanent contracts provide employees with:
 - a) limited benefits and social protections
 - b) greater job security
 - c) temporary employment rights
 - d) variable work hours
48. Fixed-term contracts are commonly used for:
 - a) seasonal work
 - b) full-time employment
 - c) career advancement opportunities
 - d) long-term projects
49. The primary difference between fixed-term and permanent contracts is:
 - a) the level of job satisfaction
 - b) the presence of benefits and social protections
 - c) the type of work performed
 - d) the duration of employment
50. Fixed-term contracts are more commonly used in industries that require:
 - a) Skilled professionals
 - b) Full-time employees
 - c) Temporary or project-based workers
 - d) Long-term commitment

51. Precarious jobs are characterized by:
 - a) high wages and stable employment
 - b) low job satisfaction and monotony
 - c) job security and long-term contracts
 - d) extensive benefits and social protections
52. The relationship between precarious jobs and poverty is that precarious employment:
 - a) eliminates poverty entirely
 - b) reduces income inequality significantly
 - c) can contribute to or worsen poverty
 - d) ensures social mobility and economic prosperity
53. What is the primary purpose of a traineeship or internship?
 - a) To provide practical work experience
 - b) To earn a full-time salary
 - c) To complete academic coursework
 - d) To engage in networking events
54. Which one of the followings is true about traineeships or internships?
 - a) They are only available to students in specific fields of study
 - b) They are always paid positions
 - c) They are exclusively offered by large corporations
 - d) They are temporary and have a defined duration
55. What is a common benefit of a traineeship or internship for the participant?
 - a) Opportunity for long-term employment
 - b) Immediate promotion to managerial positions
 - c) Exposure to different job roles and responsibilities
 - d) Guarantee of high salary and benefits
56. What does flexibility refer to in the context of business studies?
 - a) The ability to adhere strictly to established plans and strategies
 - b) The resistance to change or adaptation in the face of challenges
 - c) The capability to adapt and respond to the changing business environment
 - d) The focus on rigid structures and processes to ensure stability

57. Strategic flexibility in business studies refers to:
- a) the capacity to adjust long-term goals and plans in response to changes
 - b) the ability to quickly react to short-term market fluctuations
 - c) sticking to a predetermined long-term plan without any modifications
 - d) a rigid and inflexible approach to managing organizational operations
58. Product or service flexibility involves:
- a) limiting options for customization to maintain consistency
 - b) adapting products or services to meet changing customer preferences
 - c) avoiding any modifications to existing offerings
 - d) eliminating product variety to streamline operations
59. Financial flexibility in business refers to the ability to:
- a) maintain a consistent cash flow without any fluctuations
 - b) strictly adhere to predetermined budgets without any adjustments
 - c) effectively manage financial resources and adapt strategies to support growth
 - d) eliminate any financial risks by avoiding investments or innovations
60. How do traineeships and internships contribute to a participant's professional development?
- a) By offering limited opportunities for skill development
 - b) By exposing them to real-world work environments and tasks
 - c) By providing academic instruction through online courses
 - d) By limiting their exposure to networking and collaboration
61. How can traineeships and internships benefit employers?
- a) By reducing labor costs through unpaid positions
 - b) By increasing employee turnover and instability
 - c) By bringing in fresh perspectives and talent
 - d) By avoiding legal obligations towards employees
62. What is the primary purpose of a strike?
- a) To disrupt business operations
 - b) To advocate for workers' rights
 - c) To generate media attention
 - d) To initiate negotiations with management

63. Who typically organizes and leads strikes?
 - a) Employers
 - b) Government agencies
 - c) Labor unions or employee associations
 - d) Customers or consumers
64. What is a wildcat strike?
 - a) A strike organized by wild animals
 - b) A strike without prior approval from the union leadership
 - c) A strike held in a remote or inaccessible location
 - d) A strike involving workers from different industries
65. What is the primary goal of a trade union?
 - a) Lobbying for government policies
 - b) Maximizing profits for workers
 - c) Protecting and promoting workers' rights and interests
 - d) Facilitating international trade agreements
66. Which one of the followings is a common method used by trade unions to negotiate with employers?
 - a) Strikes and boycotts
 - b) Political campaigns
 - c) Public awareness campaigns
 - d) Market competition
67. What is collective bargaining?
 - a) The process of individual negotiation between employees and employers
 - b) Negotiating wages and benefits for individual workers
 - c) Negotiating terms and conditions of employment through a representative of employees
 - d) Negotiating international trade agreements
68. What is the significance of a collective bargaining agreement (CBA)?
 - a) It establishes a legal framework for labor disputes
 - b) It ensures job security for employers
 - c) It provides tax benefits to employees
 - d) It sets out the terms and conditions of employment negotiated between employers and employees

69. Which one of the followings best describes a full-time job?
- a) Employment where an individual works for fewer hours than a part-time position.
 - b) Employment where an individual works for the standard number of hours established by the employer or industry.
 - c) Employment where an individual works irregular hours based on their availability.
 - d) Employment where an individual works only during weekends.
70. What is the typical range of working hours for a full-time job?
- a) 5-10 hours per week b) 15-20 hours per week
 - c) 25-30 hours per week d) 35-40 hours per week
71. What is the primary motivation for individuals seeking part-time jobs?
- a) Greater job security b) Higher salary potential
 - c) Flexibility in work schedule d) Access to employee benefits
72. Which one of the followings is a common characteristic of part-time employment?
- a) Provision of employee benefits such as health insurance and retirement plans
 - b) Fixed and consistent working hours throughout the week
 - c) Higher hourly wages compared to full-time positions
 - d) Limited working hours and variable schedules
73. What are the typical benefits provided to full-time employees?
- a) Paid vacation and sick leave
 - b) Flexible work hours
 - c) Higher hourly wages
 - d) Shorter working hours per week
74. What is offshoring?
- a) Contracting out specific functions or processes to external providers.
 - b) Relocating business operations to another country.
 - c) Hiring employees from different countries to work remotely.
 - d) Selling products or services to international markets.
75. What is outsourcing?
- a) Hiring employees from different countries to work remotely.
 - b) Relocating business operations to another country.

- c) Contracting out specific functions or processes to external providers.
 - d) Selling products or services to international markets.
76. Which one of the followings is an example of offshoring?
- a) Contracting an IT support company for technical assistance.
 - b) Setting up a manufacturing plant in a foreign country.
 - c) Hiring a local marketing agency for promotional activities.
 - d) Exporting products to international markets.
77. Which one of the followings is an example of outsourcing?
- a) Relocating a customer service call center to a different country.
 - b) Establishing a subsidiary in a foreign market.
 - c) Employing freelance designers for a one-time project.
 - d) Expanding production capacity in the domestic market.
78. Which one practice involves the transfer of physical assets and operations?
- a) Offshoring
 - b) Outsourcing
 - c) Both offshoring and outsourcing
 - d) Neither offshoring nor outsourcing
79. Which one of the followings best defines cultural capital?
- a) The tangible assets such as money and property
 - b) The social connections and networks a person possesses
 - c) The knowledge, skills, and education an individual acquires
 - d) The influence and power a person has in society
80. Which one sociologist introduced the concept of cultural capital?
- a) Karl Marx
 - b) Max Weber
 - c) Pierre Bourdieu
 - d) Emile Durkheim
81. Cultural capital can contribute to social mobility by:
- a) reinforcing existing social hierarchies
 - b) limiting access to certain opportunities
 - c) empowering individuals to navigate social situations and achieve success
 - d) eliminating disparities in wealth distribution
82. Which one of the followings is an example of embodied cultural capital?
- a) A university degree
 - b) A luxury car
 - c) Fluency in multiple languages
 - d) A valuable piece of art

83. How can cultural capital be transmitted between generations?
- a) Through inheritance of wealth and property
 - b) Through formal education and informal socialization
 - c) Through political connections and affiliations
 - d) Through financial investments and business venture
84. Social capital refers to:
- a) the financial assets an individual possesses
 - b) the bonds, networks, and relationships a person has in a community
 - c) the cultural knowledge and skills passed down through generations
 - d) the social status and reputation of an individual
85. How can social capital be beneficial for individuals and communities?
- a) By increasing economic wealth directly
 - b) By providing access to resources, information, and opportunities
 - c) By replacing the need for cultural and economic capital
 - d) By promoting individualism and isolation
86. Social capital can be measured by:
- a) the number of degrees a person holds
 - b) the size of a person's social media following
 - c) the level of trust and reciprocity within a community
 - d) the amount of money an individual donates to charity
87. In a professional context, social capital can be exemplified by:
- a) attending a networking event to meet potential clients and partners
 - b) accumulating personal savings and investments
 - c) improving one's skills and expertise through continuous learning
 - d) acquiring valuable cultural artifacts and art pieces
88. Economic capital refers to:
- a) the financial resources, wealth, and assets a person possesses
 - b) the educational qualifications and knowledge an individual acquires
 - c) the social connections and networks a person has
 - d) the cultural experiences and exposure a person gains

89. Which one of the followings is an example of liquid economic capital?
 - a) A house or real estate property
 - b) Shares of a publicly traded company
 - c) Expensive jewelry and luxury items
 - d) Knowledge and skills gained through formal education
90. How does economic capital contribute to social inequality?
 - a) By promoting equal opportunities for all individuals
 - b) By reducing the gap between the rich and the poor
 - c) By providing access to better healthcare and education
 - d) By concentrating wealth and resources in the hands of a few
91. What distinguishes economic capital from other forms of capital?
 - a) It is primarily acquired through social networks
 - b) It can only be gained through formal education
 - c) It can be converted into other forms of capital
 - d) It is evenly distributed among all members of society
92. How can individuals increase their economic capital?
 - a) By building strong social connections and relationships
 - b) By acquiring new skills and knowledge
 - c) By engaging in cultural activities and events
 - d) By participating in community organizations
93. Indigenous knowledge refers to:
 - a) knowledge developed by modern societies
 - b) knowledge unique to indigenous communities
 - c) scientific knowledge taught in universities
 - d) religious knowledge passed down through generations
94. What is a key characteristic of indigenous knowledge?
 - a) Universality across cultures
 - b) Reliance on written texts
 - c) Adaptability and resilience
 - d) Focus on individual achievement
95. How is indigenous knowledge primarily transmitted between generations?
 - a) Through formal education in schools
 - b) Via written documents and textbooks
 - c) Orally through storytelling and cultural practices
 - d) Through online platforms and digital media

96. What does indigenous knowledge often emphasize on relation to the environment?
 - a) Exploitation of natural resources for economic gain
 - b) Preservation and sustainability of ecosystems
 - c) Exclusive ownership of land and territories
 - d) Technological advancements for industrial growth
97. Which one of the followings is a key element of indigenous knowledge systems?
 - a) Individual ownership and intellectual property rights
 - b) Hierarchical structures and centralized decision-making
 - c) Holistic perspectives and interconnectedness
 - d) Reliance on foreign technologies and innovations
98. How can indigenous knowledge contribute to sustainable agriculture?
 - a) By promoting monoculture and intensive farming methods
 - b) By encouraging the use of chemical fertilizers and pesticides
 - c) By adopting traditional farming practices that promote biodiversity
 - d) By focusing on genetically modified crops for higher yields
99. What aspect of indigenous knowledge is relevant to sustainable resource management?
 - a) Overexploitation of natural resources for economic gain
 - b) Preservation and conservation of ecosystems
 - c) Reliance on foreign technologies for resource extraction
 - d) Focus on short-term profits over long-term sustainability
100. How does indigenous knowledge in production contribute to cultural preservation?
 - a) By adopting mass production techniques from other cultures
 - b) By incorporating traditional craftsmanship and artistic practices
 - c) By discouraging the use of local languages and dialects
 - d) By promoting Western cultural norms and values
101. How can businesses benefit from integrating indigenous knowledge in production?
 - a) By exploiting natural resources without consequences
 - b) By alienating local communities and disregarding their customs
 - c) By promoting cultural diversity and sustainable practices
 - d) By prioritizing profit maximization at the expense of the environment

102. What does job satisfaction refer to?
 - a) The level of confidence employees have in their organization
 - b) The belief that one's work has meaning and purpose
 - c) The feeling of disconnection and estrangement from one's work
 - d) The positive feelings and pleasure about one's job
103. Organizational trust is characterized by:
 - a) a lack of confidence in colleagues
 - b) a belief in the reliability and fairness of the organization and its leaders
 - c) a feeling of disengagement from work
 - d) a strong attachment to the work itself
104. Work alienation is best described as:
 - a) a sense of fulfillment and meaningfulness in one's work
 - b) a lack of trust in the organization's leaders
 - c) a feeling of disconnection and powerlessness from one's work
 - d) a high level of job satisfaction
105. Which one factor has a positive relationship with job satisfaction?
 - a) Organizational trust
 - b) Work alienation
 - c) Job dissatisfaction
 - d) Work engagement
106. What is the effect of high job satisfaction on work alienation?
 - a) It increases work alienation
 - b) It has no effect on work alienation
 - c) It decreases work alienation
 - d) It depends on the organizational culture
107. What does organizational trust foster in the workplace?
 - a) Work alienation
 - b) Job dissatisfaction
 - c) Employee engagement
 - d) Work disconnection
108. Which one of the followings is a component of job satisfaction?
 - a) Disengagement
 - b) Lack of recognition
 - c) Lack of trust in the organization
 - d) Positive feelings about one's job
109. How does work alienation impact job satisfaction?
 - a) It increases job satisfaction
 - b) It has no effect on job satisfaction
 - c) It decreases job satisfaction
 - d) It depends on the level of trust in the organization

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110. What is the relationship between organizational trust and work alienation?
- a) Positive relationship b) Negative relationship
 - c) No relationship d) Linear relationship
111. When employees trust their organization, they are more likely to:
- a) feel disengaged from their work
 - b) experience job dissatisfaction
 - c) have confidence in the organization's leaders
 - d) exhibit work alienation
112. Work alienation is characterized by:
- a) a positive perception of the work environment
 - b) a sense of connection and engagement with work
 - c) a feeling of disconnection and powerlessness from work
 - d) high levels of job satisfaction
113. How can organizational trust impact job satisfaction?
- a) It can increase job dissatisfaction
 - b) It can decrease work alienation
 - c) It has no effect on job satisfaction
 - d) It can increase job satisfaction
114. What does work alienation lead to in the workplace?
- a) Higher levels of organizational trust
 - b) Increased job satisfaction
 - c) Reduced employee engagement
 - d) Positive work experiences
115. Which one factor can contribute to a positive work environment?
- a) Lack of trust among employees
 - b) High levels of work alienation
 - c) Job dissatisfaction
 - d) Organizational trust and job satisfaction
116. What does job satisfaction contribute to in the workplace?
- a) Increased work alienation
 - b) Lower employee turnover
 - c) A lack of trust in the organization
 - d) Reduced organizational performance

Note: See answer key at the last for the verification of your selection.

Collective Behavior and Social Movements

5.1 Meaning of collective behavior:

It is a term used in sociology, social psychology, and other domains of the discipline to understand how individuals behave differently when they are part of a group compared to how they might act as individual.

Collective behavior is apart from individual behavior or organized group behavior. Collective behavior refers to the spontaneous and often unpredictable actions, thoughts, or emotions exhibited by a group of individuals who come together for a common purpose or experience a shared situation. This behavior typically emerges when people interact in a group setting and can lead to actions or outcomes that differ significantly from what individuals might do when acting alone.

Collective behavior occurs when large numbers of people act together in extraordinary situation, where usual norms do not apply. It can take place either in crowds or masses: in both cases, the temporary norms of the collectivity permit or encourage behavior that would not normally occur (Regmi, 2001).

According to Smelser (1963), Collective behavior refers to the spontaneous and unstructured actions, emotions, or thoughts exhibited by a group of people in response to a particular event, situation, or stimulus.

Characteristics of collective behavior:

Collective behavior is characterized by several key features which are as follows:

1. **Spontaneity:** Collective behavior often arises spontaneously, without prior planning or formal organization. It emerges rapidly in response to specific events, stimuli, or situations that trigger a shared emotional response among individuals in the group.

2. **Transitory Nature:** Collective behavior is typically temporary and may dissolve once the triggering event subsides or when the group disperses. It is not a stable or long-lasting form of social interaction.
3. **Lack of Formal Structure:** Unlike organized groups, collective behavior lacks formal roles, rules, and hierarchies. Participants often act without a designated leader or specific guidelines, leading to an unstructured and fluid dynamic.
4. **Imitation:** Participants in collective behavior can be influenced by the emotions, actions, or ideas of others, leading to a rapid spread of behaviors or sentiments within the group. The diffusion of the collective behavior happens on account of imitation.
5. **Common Goals or Interests:** Collective behavior often arises when individuals come together due to shared interests, concerns, or grievances. The participants may have a common purpose or a sense of solidarity, which encourages unified action.
6. **Emotional Intensity:** Collective behavior is often characterized by intensive emotional states, which can lead to intense reactions and actions that individuals might not exhibit in isolation. Emotions spread quickly within the group, intensifying the overall atmosphere.
7. **Lack of Social Norms:** In collective behavior situations, individuals may deviate from established social norms and engage in behaviors that are typically considered unusual or unacceptable in regular circumstances.
8. **High Suggestibility:** Participants in collective behavior may become highly suggestible, meaning they are more prone to accepting and acting upon suggestions from others, even if those suggestions are irrational or unconventional.
9. **Rapid Change:** Collective behavior can shift and change quickly in response to new information, the actions of

others, or changing circumstances. The dynamic nature of the group can lead to swift alterations in behavior and mood.

10. **Group Identity:** Individuals often identify themselves as part of the collective, creating a sense of belonging and unity. This group identity can strengthen the bond among participants and motivate them to act in unison.

Collective behavior is a fascinating area of study in sociology and social psychology, as it offers insights into how group dynamics and social factors can shape human behavior in unique and sometimes unpredictable ways.

5.1.1 Implication of understanding collective behavior in the field of business:

Collective behavior concepts and theories have some applications in the field of business, particularly in understanding consumer behavior, organizational dynamics, and decision making processes. Which are discussed below:

1. **Consumer Behavior:** Understanding collective behavior is essential for businesses to comprehend how groups of consumers behave, make decisions, and influence each other's choices. Social influence, group norms, and word-of-mouth recommendations play significant roles in shaping consumer preferences and brand perceptions. Businesses can influence this knowledge to design marketing strategies that target influential groups, create positive brand associations, and generate buzz through viral marketing campaigns.
2. **Crowd Psychology and Online Communities:** The study of collective behavior can help businesses understand online communities and the behavior of crowds in digital spaces. Social media platforms and online forums are places where collective behavior can manifest. Companies can monitor and engage with these communities to gather insights, respond to feedback, and manage brand reputation.

3. **Decision-Making in Organizations:** Within organizations, collective behavior can influence decision-making processes. Groupthink, a phenomenon where individuals conform to the group's decisions to maintain harmony, can lead to worse choices because individual do not pay their attention in critical evaluation upon the issue. Understanding the dynamics of collective decision-making can help businesses foster a culture of open dialogue, diverse perspectives, and effective decision-making.
4. **Employee Behavior:** Collective behavior within a workplace can affect employee morale, productivity, and organizational culture. Group dynamics, team cohesion, and shared values can influence employee motivation and job satisfaction. Businesses can implement strategies to foster positive collective behavior among employees, encourage teamwork, and strengthen the sense of belonging within the organization.
5. **Organizational Change:** When organizations undergo significant changes or crises, collective behavior can emerge as employees respond to the situation collectively. Understanding how employees react in these situations can help businesses manage change more effectively, address concerns, and navigate through challenging times.
6. **Social Movements and Corporate Social Responsibility:** Social movements often exhibit collective behavior and can influence businesses to adopt socially responsible practices. Being aware of these movements and their demands can help businesses respond appropriately, align their strategies with social values, and build a positive reputation.

Overall, the application of collective behavior in business allows organizations to gain insights into human behavior within group contexts. By leveraging this understanding, businesses can develop strategies

that favor consumers, create positive work environments, and align their operations with societal values, leading to improved performance and sustainable success.

5.2 Social movement:

A social movement refers to a collective effort by a group of individuals or organizations that aim to bring about social, political, cultural, or environmental change. These movements typically emerge when people come together to address perceived injustices, advocate for specific causes, or challenge existing norms and power structures.

5.3 Difference between collective behavior and social movement:

Collective behavior and social movements are related concepts that involve groups of people coming together for a common purpose, but they differ in their nature, scale, and objectives. Here are the key differences and similarities between collective behavior and social movements:

While talking on similarity, in terms of group dynamics, expression of dissatisfaction, influence on society collective behavior and social movement are similar in nature. Both collective behavior and social movements involve group dynamics. In both cases, individuals come together to form a collective that shares common interests, beliefs, or reactions. Collective behavior and social movements can be expressions of dissatisfaction or unrest within a society. They arise in response to perceived injustices or issues that individuals and groups feel compelled to address.

Collective behavior and social movements can have a significant impact on society. Collective behavior might influence the immediate situation or create disruptions, while social movements aim for more profound and lasting social change. While talking on dissimilarities between them following differences can be seen which are mentioned on tabular form.

Table 22: *Difference Between Collective Behavior and Social Movement*

Basis	Collective behavior	Social Movements
Nature and scale	Collective behavior refers to spontaneous and often short-lived actions or reactions of a group of individuals in response to a specific situation or event. These behaviors may emerge without explicit organization or leadership and are often characterized by a lack of formal structure. Examples of collective behavior include riots, panics, fads, and mobs.	Social movements are more structured, enduring, and organized efforts aimed at achieving social, political, or cultural change. Unlike collective behavior, social movements are typically sustained over a more extended period and often involve strategic planning, leadership, and coordination among participants.
Objective	Collective behavior is often driven by immediate emotional responses to a situation, and the participants' objectives might not be well-defined or cohesive. The behaviors may be spontaneous and lack a clear goal beyond the immediate context.	Social movements are purpose-driven and seek to address specific social issues or advocate for particular causes. Participants in social movements share common goals, values, and ideologies, and their actions are directed towards bringing about lasting societal change.
Organization and leadership	In collective behavior, there is typically a lack of formal organization and leadership. The actions are often spontaneous and driven by the emotions and actions of individuals in the group.	Social movements are characterized by more formal organization and leadership. There are often identifiable leaders or key figures who guide the movement's strategy and activities.

5.4 Perspectives on collective behavior:

Collective behavior is a fascinating and complex topic that has been studied and analyzed from various perspectives by sociologists, psychologists, and other scholars. Different perspectives offer distinct insights into the nature, causes, and consequences of collective behavior. There are many perspectives on collective behavior, conflict perspective, and functional perspective are among them.

5.4.1 Functional perspective on collective behavior

The functional perspective on collective behavior, also known as the functionalist perspective, is a sociological approach that seeks to understand how collective behavior serves certain functions in society. This perspective suggests that even apparently chaotic or disruptive forms of collective behavior can play important roles in maintaining social stability and cohesion. Here are the key aspects of the functional perspective on collective behavior:

1. **Social Equilibrium:** Functionalists argue that societies tend to maintain a state of equilibrium or balance. However, various social changes, conflicts, and challenges may disrupt this equilibrium. Collective behavior, according to this perspective, arises as a response to these disruptions and helps the society adapt to new circumstances.
2. **Adaptive Function:** Collective behavior is seen as a mechanism for society to adapt to changing conditions. For example, social movements may arise in response to perceived injustices or social problems, leading to demands for reform and progress. By addressing these issues, collective behavior can potentially bring about positive changes and improvements in society.
3. **Release of Tension:** The functional perspective suggests that collective behavior can serve as a way to release tensions and frustrations within society. In times of crises or periods of social unrest, collective actions such as protests or demonstrations provide an outlet for individuals to express their grievances and seek resolution.
4. **Identification of Problems:** Collective behavior can draw attention to latent or emerging issues within society. When certain problems are not adequately addressed through regular channels, collective actions can bring them to the forefront of public awareness and lead to discussions and potential solutions.

5. **Solidarity and Social Cohesion:** During times of collective behavior, individuals may experience a sense of unity and solidarity with others who share similar concerns or grievances. This temporary bonding can create a sense of belonging and community, contributing to social cohesion.
6. **Social Change:** While functionalists emphasize the role of collective behavior in maintaining stability, they also acknowledge that it can lead to social change. By drawing attention to pressing issues and mobilizing people for collective action, certain forms of collective behavior can contribute to broader societal transformations.

5.4.2 Conflict perspective on collective behavior

The conflict perspective on collective behavior is a sociological approach that views collective behavior as a manifestation of underlying conflicts and power struggles within society. It emphasizes the role of social inequalities, competing interests, and power differentials as drivers of collective actions. Here are the key aspects of the conflict perspective on collective behavior:

1. **Structural Inequalities:** Conflict theorists argue that collective behavior arises from structural inequalities within society. Groups that experience marginalization, oppression, or disparities in access to resources are more likely to engage in collective actions to address their grievances and demand social change.
2. **Power Imbalances:** Collective behavior is seen as a response to existing power imbalances. Dominant groups and institutions may maintain control over resources and decision-making processes, leading to frustration and resistance from marginalized groups. Collective actions, such as protests or strikes, are mechanisms for challenging these power dynamics.
3. **Class Struggle:** The conflict perspective often focuses on class struggle as a key driver of collective behavior. Social movements and protests frequently emerge as a

result of class based disparities and exploitation, with marginalized classes seeking to challenge the status quo and improve their living conditions.

4. **Ideological Conflicts:** Collective behavior can also be fueled by ideological conflicts. Different groups within society may hold contrasting beliefs, values, and worldviews, leading to clashes and mobilization around competing ideas.
5. **Control and Repression:** Conflict theorists highlight how dominant groups may attempt to control or repress collective behavior that challenges their interests. Governments, authorities, and powerful institutions may employ various strategies, such as surveillance, censorship, or coercion, to suppress dissent and maintain their control.
6. **Counter-Movements:** In response to social movements or collective actions, counter movements may arise from opposing groups seeking to protect their interests and maintain the status quo. These counter-movements can lead to further conflicts and confrontations within society.
7. **Redistribution of Power:** From the conflict perspective, collective behavior is not just about expressing grievances but also about seeking to redistribute power and resources more equitably. Social movements and collective actions aim to challenge the existing power structures and advocate for social and economic justice.

5.5 Collective behavior and disadvantaged group

The term “disadvantaged group” refers to social categories of people who face systematic disadvantages or barriers in society, leading to unequal access to resources, opportunities, and social benefits. These disadvantages are often the result of historical, structural, and institutional discrimination based on characteristics such as race, ethnicity, gender, sexual orientation, socioeconomic status, disability, age, and other factors. It’s important to note that the concept of disadvantaged

groups varies depending on the context and the specific social, political, and cultural circumstances of a given society. Different countries and regions may have their own unique disadvantaged groups based on their history and current social dynamics. Examples of commonly recognized disadvantaged groups are racial and ethnic minorities, LGBTQ+ (Lesbian, Gay, Bisexual, Transgender, Queer, and others) Individuals, persons with disabilities, indigenous peoples, refugees and displaced persons, and other kind of people who have no access to the basic services.

Collective behavior often intersects with disadvantaged groups, as these groups are more likely to experience social inequalities, marginalization, and grievances that lead to collective actions. Disadvantaged groups, such as ethnic minorities, socioeconomically disadvantaged populations, gender or sexual minorities, and other marginalized communities, may be more inclined to engage in collective behavior as a means of addressing their specific issues and advocating for social change.

5.6 Types of social movement:

Social movements are collective efforts made by groups of people who come together to promote or resist social, political, economic, or cultural change. These movements can take various forms and address a wide range of issues. There is a general categorization of social movements based on their goals and objectives, were as no strict universal standard that defines the types of social movements. The classification of social movements can sometimes be subjective and dependent on the context in which they arise. Different scholars and experts may use slightly different criteria to categorize movements.

Additionally, social movements can evolve and change over time, and new types of movements can emerge in response to shifting societal dynamics and issues. Movements can also vary widely based on cultural, historical, and regional factors, which further complicates the establishment of a rigid universal standard.

A simple list of types of social movements:

Civil Rights Movements

Labor Movements

Environmental Movements

Feminist Movements

Anti-War and Peace Movements

Human Rights Movements

Social Justice Movements

Anti-globalization Movements

Indigenous Rights Movements

Animal Rights Movements

Anti-Corruption Movements

Education Movements

Healthcare Movements

Anti-Discrimination Movements

Pro-Democracy Movements

Remember that, these categories are not complete, and movements can often intersect and address multiple issues simultaneously.

MCQs from Unit Five

1. What is collective behavior?
 - a) Organized group behavior
 - b) Spontaneous actions of individuals in response to stimuli
 - c) Individual behavior in social settings
 - d) Psychological phenomenon in social interactions
2. What is the key characteristic of collective behavior?
 - a) Predictability
 - b) Formal structure
 - c) Lack of emotions
 - d) Spontaneity
3. Which one term describes the phenomenon where individuals conform to the group's decisions to maintain harmony?
 - a) Social influence
 - b) Imitation
 - c) Groupthink
 - d) Transitory behavior

4. In collective behavior, individuals may deviate from established social norms. True or False?
 - a) True
 - b) False
5. The rapid spread of behaviors or sentiments within the group is called:
 - a) diffusion
 - b) contagion
 - c) imitation
 - d) social influence
6. Which one of the followings is NOT a characteristic of collective behavior?
 - a) Emotional Intensity
 - b) Rational Decision-Making
 - c) Spontaneity
 - d) High Suggestibility
7. Collective behavior is often temporary and dissolves once the triggering event subsides. True or False?
 - a) True
 - b) False
8. In the field of business, understanding collective behavior helps in:
 - a) understanding individual behavior
 - b) developing marketing strategies
 - c) organizing formal structures
 - d) avoiding social influence
9. Which one term refers to the influence of social norms within a collective behavior setting?
 - a) Groupthink
 - b) Contagion
 - c) Social influence
 - d) Imitation
10. What does collective behavior lack compared to organized groups?
 - a) Emotional intensity
 - b) Spontaneity
 - c) Lack of formal structure
 - d) Sense of belonging
11. What type of decision-making can arise in organizations due to collective behavior, leading to suboptimal choices?
 - a) Collective decision-making
 - b) Rational decision-making
 - c) Emotional decision-making
 - d) Groupthink

12. The diffusion of collective behavior happens through:
 - a) rational analysis
 - b) spontaneity
 - c) social influence
 - d) contagion
13. What is the significance of understanding collective behavior in business?
 - a) To reduce emotional intensity
 - b) To foster social norms
 - c) To develop effective marketing strategies
 - d) To limit spontaneous actions
14. In collective behavior, individuals are more likely to accept suggestions from others, even if they are irrational or unconventional. True or False?
 - a) True
 - b) False
15. In the context of business, why is understanding collective behavior important?
 - a) To reduce employee morale and productivity
 - b) To create formal structures within the organization
 - c) To comprehend how groups of consumers behave and influence each other's choices
 - d) To limit spontaneous actions in the workplace
16. Which one of the followings is NOT an application of collective behavior in business?
 - a) Understanding employee decision-making processes
 - b) Analyzing social media behavior of consumers
 - c) Implementing hierarchical organizational structures
 - d) Studying group dynamics
17. What does collective behavior in consumer behavior refer to?
 - a) The actions of individual consumers in isolation
 - b) Spontaneous actions exhibited by consumers in response to a common issue
 - c) The rigid decision-making process followed by consumers
 - d) The formal rules and norms that govern consumer behavior
18. How can businesses benefit from understanding collective behavior in online communities?
 - a) By ignoring the opinions and feedback of online users
 - b) By managing brand reputation and responding to customer feedback

- c) By limiting interactions with online communities
 - d) By avoiding social media platforms altogether
19. What role may groupthink play in organizational decision-making?
- a) It encourages employees to think critically and challenge the status quo.
 - b) It promotes diversity and open dialogue within the organization.
 - c) It may lead to suboptimal decisions as individuals conform to the group's decisions.
 - d) It fosters a sense of belonging and unity among employees.
20. What is a social movement?
- a) A form of collective behavior without a specific goal
 - b) A spontaneous protest against social norms
 - c) A collective effort aiming for social, political, or cultural change
 - d) An individual's response to an emotional situation
21. Social movements can be categorized based on:
- a) emotional intensity b) organizational structure
 - c) economic status d) age group
22. What differentiates collective behavior from social movements?
- a) Collective behavior has clear, defined goals
 - b) Social movements are spontaneous and unplanned
 - c) Social movements involve organized efforts for change
 - d) Collective behavior aims for individual gain
23. According to the functionalist perspective, what function can collective behavior serve in society?
- a) Causing social disruptions
 - b) Challenging power structures
 - c) Bringing about social change
 - d) Maintaining social stability
24. The conflict perspective views collective behavior as a result of:
- a) shared values and beliefs
 - b) structural inequalities and power struggles
 - c) emotional contagion
 - d) unplanned responses to crises
25. Which one of the followings is a disadvantage faced by marginalized groups that can lead to collective behavior?

- a) Equal access to resources
 - b) Social acceptance and inclusion
 - c) Discrimination and lack of opportunities
 - d) Minimal representation in government
26. Social movements can advocate for changes in:
- a) individual behaviors only
 - b) personal beliefs and values
 - c) government policies and societal norms
 - d) economic systems and international relations
27. What is a common objective of social movements?
- a) Maintaining the status quo
 - b) Addressing perceived injustices or inequalities
 - c) Promoting emotional contagion
 - d) Avoiding confrontational tactics
28. Social movements are characterized by:
- a) lack of leadership and organization
 - b) short-lived and impulsive actions
 - c) sustained efforts and organized actions
 - d) emotional contagion and irrational behavior
29. What can social movements achieve through collective behavior?
- a) continuations of social inequalities
 - b) Suppression of dissenting voices
 - c) Social and political change
 - d) Strengthening of existing power structures

Note: See answer key at the last for the verification of your selection.

Social entrepreneurship and business

Social entrepreneurship is a concept that merges the principles of business entrepreneurship with a focus on addressing social and environmental challenges. While traditional entrepreneurs aim to create profitable ventures, social entrepreneurs also prioritize making a positive impact on society and the planet. They seek innovative solutions to complex problems and often operate within sectors like education, healthcare, poverty alleviation, environmental sustainability, and more.

Business and social entrepreneurship share some common traits, such as the need for strategic planning, effective management, financial sustainability, and market understanding. However, social entrepreneurship places a higher emphasis on achieving a positive social or environmental impact, even if it means prioritizing those goals over financial profits.

6.1 Business goal and social expectation

Business goals and social expectations are two interconnected concepts that shape the way organizations operate and interact with society.

6.1.1 Business Goals:

Business goals refer to the specific objectives and outcomes that an organization aims to achieve to ensure its growth, profitability, and sustainability. These goals often revolve around financial success, market share, customer satisfaction, innovation, and overall business performance. Businesses set goals to guide their strategies, decision-making processes, and resource allocation. Common business goals include:

- i) **Profitability:** Generating revenue and maximizing profits to ensure the financial health of the organization.
- ii) **Growth:** Expanding the business's reach, market share, and customer base.
- iii) **Innovation:** Developing new products, services, or

technologies to stay competitive and meet evolving customer needs.

- iv) **Operational efficiency:** Restructuring processes and reducing costs to improve productivity and resource utilization.
- v) **Customer Satisfaction:** Providing high-quality products or services that meet or exceed customer expectations.
- vi) **Employee Development:** Fostering a positive work environment, investing in employee training, and promoting career growth.

6.1.2 Social Expectations:

Social expectations refer to the broader set of values, norms, and ethical considerations that society places on businesses and organizations. These expectations encompass a wide range of social, environmental, and ethical responsibilities that businesses are increasingly being held accountable for. As awareness of global challenges such as climate change, inequality, and social injustice grows, society expects businesses to contribute positively to addressing these issues. Common social expectations include:

- i) **Corporate social responsibility (CSR):** Engaging in activities that benefit society and the environment, such as philanthropy, community engagement, and sustainable practices.
- ii) **Ethical business practices:** Conducting business with integrity, transparency, and fairness, and avoiding actions that harm individuals, communities, or the environment.
- iii) **Environmental stewardship:** Minimizing negative environmental impacts, adopting sustainable practices, and reducing carbon emissions.
- iv) **Diversity and inclusion:** Promoting diversity among employees, leadership, and business partners, and fostering an inclusive workplace culture.

- v) **Human rights:** Upholding human rights throughout the supply chain and ensuring fair labor practices.
- vi) **Stakeholder Engagement:** Listening to and addressing the concerns of various stakeholders, including customers, employees, investors, and local communities.

The intersection between business goals and social expectations lies in the concept of “shared value.” This concept suggests that businesses can create both economic value and social value simultaneously by aligning their core business activities with social needs and challenges. When businesses incorporate social expectations into their strategies and operations, they not only contribute to societal well-being but also enhance their own long term success and reputation.

In today’s landscape, many businesses are recognizing the importance of balancing their pursuit of profitability with fulfilling social expectations. This alignment can lead to positive outcomes for both the business and society, creating a more sustainable and responsible approach to commerce.

Social entrepreneurships and business entrepreneurships:

Social entrepreneurship and business entrepreneurship are two distinct but related concepts that involve the creation and management of ventures for different purposes and with different outcomes in mind.

6.2 Social entrepreneurship

Social entrepreneurship focuses on addressing social or environmental challenges while creating positive and impactful change in society. Social entrepreneurs develop innovative solutions to pressing issues, with their primary goal being to create social value or impact, rather than purely financial profit. Social enterprises often operate within sectors such as education, healthcare, poverty alleviation, environmental sustainability, and community development. Few examples of social entrepreneurships are mentioned below.

- i) **Grameen Bank:** The Grameen Bank, founded by Muhammad Yunus in Bangladesh in 1983, is one of the pioneering examples of social entrepreneurship. It is recognized for its innovative approach to poverty alleviation and financial inclusion, which has had a profound impact on the lives of millions of people.

Muhammad Yunus, redefined banking by providing microcredit and financial services to underserved communities, particularly women, enabling poverty alleviation, empowerment, and entrepreneurship. Through its innovative solidarity-based lending model, Grameen Bank effectively merges financial sustainability with profound social impact, promoting economic development and social upliftment at the grassroots level.

- ii) **TOMS Shoes:** TOMS Shoes is perhaps one of the most well-known examples of social entrepreneurship. The company was founded by Blake Mycoskie in 2006. TOMS follows a “One for One” model, where for every pair of shoes sold, they donate a pair to a child in need. This approach directly tackles the issue of inadequate footwear and its associated health and social challenges in disadvantaged communities around the world. TOMS’ social mission is integrated into its core business strategy, and its success is measured not only by financial profits but also by the number of shoes donated and the positive impact on the lives of recipients.

6.3 Business entrepreneurship:

Business entrepreneurship focuses on creating profitable ventures that generate financial returns for the entrepreneurs and their stakeholders. Business entrepreneurs identify market opportunities, develop products or services to meet customer needs, and aim to achieve sustainable growth and profitability.

6.4 Difference between social entrepreneurships and business entrepreneurships:

Table 23: Difference between social entrepreneurships and business entrepreneurships

Aspect	Social Entrepreneurship	Business Entrepreneurship
Primary Goal	Addresses social or environmental issues while generating profits.	Focuses on generating profits as the primary goal.
Purpose	Aims to create sustainable solutions to pressing social or environmental challenges.	Aims to create and grow a profitable business.
Impact	Focuses on measurable social or environmental impact alongside financial success.	Emphasizes financial success and growth of the business.
Innovation	Often involves innovative business models to tackle societal problems.	Innovates in products, services, or processes to create competitive advantage.
Revenue Model	May have a unique revenue model that supports the social mission.	Relies on traditional revenue models based on market demand.
Risk and Return	Balances financial returns with social impact; may accept lower financial returns for higher social impact.	Primarily focused on maximizing financial returns for investors.
Stakeholder Engagement	Engages a wide range of stakeholders including communities, NGOs, and beneficiaries.	Primarily engages stakeholders that are directly related to the business operations.
Longevity and Sustainability	Often emphasizes long-term sustainability of both social impact and business operations.	Focuses on ensuring the long-term profitability and growth of the business.
Examples	TOMS Shoes, Grameen Bank	Microsoft, Apple, Amazon

6.5 Corporate Social Responsibility (CSR):

Corporate Social Responsibility (CSR) refers to a company’s commitment and initiatives to contribute positively to societal and environmental well-being beyond its core business activities. CSR goes beyond solely focusing on generating profits and includes considerations for the well-being of society and the planet. For example: to support local neighborhoods

by giving education, health services, and helping people in need; to donate money for poor people, making schools better, or helping after disasters; and to use less energy, reduce waste, and help in protecting the environment.

6.6 Difference between corporate social responsibility (CSR) and social entrepreneurships:

Table 24: Difference between corporate social responsibility (CSR) and social entrepreneurships

Aspect	Corporate Social Responsibility (CSR)	Social Entrepreneurship
Definition and Focus	Initiatives by companies to contribute to societal well-being.	Creation of ventures to address social/environmental issues.
Origin and Motivation	Ethical responsibility, alignment with values.	Deep commitment to create positive social/environmental impact.
Ownership and Structure	Often carried out by existing corporations.	Creation of new organizations or businesses.
Revenue Generation	Often considered expenditures or investments.	Revenue generation to sustain social/environmental mission.
Innovation and Scalability	Limited focus on innovation and scalability.	Emphasis on innovative, scalable solutions.
Approach	Integrating social/environmental concerns into operations.	Designing solutions specifically for social/environmental issues

6.7 Sustainable development and global business

“Sustainable development and global business” refers to the integration of sustainable practices, environmental stewardship, and social responsibility into the operations and strategies of global businesses. It recognizes the interconnectedness of economic, social, and environmental factors and seeks to ensure that business activities contribute to long-term societal well-being while minimizing negative impacts on the planet. Sustainable development is a concept that emphasizes meeting the needs of the present without compromising the ability of future generations to meet their own needs. It involves balancing economic growth, social progress, and environmental protection. In sustainable

development and global business, companies develop new technologies, products, and services that are environmentally friendly and address societal challenges.

Many global businesses engage in CSR, which involves voluntary initiatives to support social and environmental causes beyond profit-making. CSR may include philanthropy, community engagement, ethical sourcing, and environmental conservation efforts.

“Sustainable development and global business” pays its attention on following issues:

- i) **Climate change:** Global businesses must address their contributions to greenhouse gas emissions, adapt to changing climate conditions, and support initiatives to mitigate climate change.
- ii) **Resource depletion:** Businesses need to manage finite resources responsibly, reduce waste, and adopt circular economy practices to ensure sustainable resource use.
- iii) **Biodiversity loss:** Global business activities can impact ecosystems and biodiversity. Companies should take measures to protect and restore biodiversity in their operations and supply chains.
- iv) **Ethical labor practices:** Ensuring fair and ethical treatment of workers throughout global supply chains is crucial for sustainable development, including addressing issues like child labor and unsafe working conditions.
- v) **Human rights:** Businesses must respect human rights in their operations, including addressing issues such as forced labor, discrimination, and indigenous rights.
- vi) **Technology and innovation:** Embracing sustainable technologies and fostering innovation can drive positive change in global business practices, leading to more sustainable products, services, and processes.
- vii) **Inequality and social equity:** Global businesses should work to reduce disparities in income, access to resources, and opportunities to promote social equity and inclusivity.

- viii) **Access to healthcare and education:** Supporting access to quality healthcare and education in the communities where businesses operate can contribute to sustainable development.
- ix) **Water scarcity:** As water scarcity becomes a growing concern in many regions, businesses must manage water resources responsibly and minimize water use in their operations.
- x) **Waste management:** Proper waste management, including reducing plastic waste and promoting recycling, is vital for minimizing environmental impact and promoting a circular.

MCQs from Unit Six

1. Social entrepreneurship is a concept that:
 - a) focuses solely on financial profits.
 - b) merges business principles with addressing social and environmental challenges.
 - c) excludes innovation in problem-solving.
 - d) promotes inequality and social injustice.
2. What is a key difference between traditional entrepreneurs and social entrepreneurs?
 - a) Traditional entrepreneurs prioritize financial profits only.
 - b) Social entrepreneurs focus on environmental sustainability exclusively.
 - c) Traditional entrepreneurs work in sectors like education and healthcare.
 - d) Social entrepreneurs aim to make a positive impact alongside financial gains.
3. Social entrepreneurs operate in sectors such as:
 - a) luxury goods.
 - b) entertainment.
 - c) poverty alleviation.
 - d) luxury travel.
4. Social expectations placed on businesses include:
 - a) maximizing shareholder profits at any cost.
 - b) ignoring ethical considerations.
 - c) disregarding community concerns.
 - d) upholding human rights throughout the supply chain.
5. The concept of “shared value” suggests that businesses can:
 - a) focus solely on economic value creation.

- b) ignore societal needs for long-term success.
 - c) create economic and social value simultaneously.
 - d) rely solely on philanthropy for social impact.
6. Corporate Social Responsibility (CSR) involves:
- a) philanthropic activities and community engagement.
 - b) reducing carbon emissions only.
 - c) fostering an exclusive workplace culture.
 - d) ignoring stakeholders' concerns.
7. Which one term refers to the set of values, norms, and ethical considerations society places on businesses?
- a) Business goals.
 - b) Stakeholder engagement.
 - c) Social expectations.
 - d) Operational efficiency.
8. The primary focus of business entrepreneurship is to:
- a) address social and environmental challenges.
 - b) generate financial returns and profitability.
 - c) achieve a positive social impact.
 - d) exclusively engage in philanthropic activities.
9. How can businesses benefit from aligning with social expectations?
- a) By enhancing their long-term success and reputation.
 - b) By disregarding stakeholders' concerns.
 - c) By ignoring ethical considerations.
 - d) By prioritizing financial profits over societal well-being.
10. What is the primary goal of social entrepreneurship?
- a) Maximizing financial profits
 - b) Generating economic growth
 - c) Addressing social or environmental challenges
 - d) Expanding market share
11. Which one of the followings is a characteristic of business entrepreneurship?
- a) Balancing financial returns with social impact
 - b) Developing innovative solutions to societal problems
 - c) Operating within sectors like healthcare and education
 - d) Emphasizing long-term sustainability of social impact
12. What is the main revenue model for traditional business entrepreneurship?
- a) Market-driven revenue models
 - b) Maximizing social impact
 - c) Unique revenue model supporting social mission
 - d) Engaging a wide range of stakeholders
13. Corporate Social Responsibility (CSR) involves a company's commitment to:

- a) generate maximum profits for shareholders
 - b) address social and environmental challenges
 - c) focus solely on economic growth
 - d) ignoring societal well-being
14. What is a primary motivation for engaging in CSR initiatives?
- a) Maximizing financial profits
 - b) Compliance with legal regulations
 - c) Reducing operational costs
 - d) Creating positive societal impact
15. Which one of the followings is an example of a CSR initiative?
- a) Developing innovative business models
 - b) Maximizing stakeholder engagement
 - c) Integrating sustainability into business operations
 - d) Donating money to support education in local neighborhoods
16. Sustainable development aims to balance:
- a) economic growth and social progress
 - b) profit maximization and resource depletion
 - c) environmental protection and financial returns
 - d) ethical practices and stakeholder engagement
17. How does sustainable development relate to future generations?
- a) It focuses on short-term gains without considering the future.
 - b) It ensures current needs are met at the expense of future generations.
 - c) It seeks to meet current needs without compromising future generations' ability to meet their own needs.
 - d) It ignores the well-being of future generations.
18. What does a circular economy approach emphasize?
- a) Maximizing resource depletion
 - b) Responsible management of finite resources and waste reduction
 - c) Single-use products and waste generation
 - d) Ignoring environmental concerns
19. In the context of global businesses, which issue does sustainable development aim to address?
- a) Increasing income disparities
 - b) Maximizing greenhouse gas emissions
 - c) Ignoring ethical labor practices
 - d) Balancing economic, social, and environmental factors

Note: See answer key at the last for the verification of your selection.

Answer Key

Unit One					
<i>Question</i>	<i>Answer</i>	<i>Question</i>	<i>Answer</i>	<i>Question</i>	<i>Answer</i>
1.	c	13.	b	25.	b
2.	b	14.	c	26.	c
3.	a	15.	c	27.	c
4.	a	16.	d	28.	c
5.	c	17.	c	29.	c
6.	b	18.	c	30.	a
7.	d	19.	b	31.	b
8.	a	20.	a	32.	c
9.	c	21.	b	33.	c
10.	d	22.	c	34.	a
11.	b	23.	b	35.	c
12.	b	24.	c		

Unit Two					
1.	b	13.	c	25.	d
2.	c	14.	d	26.	b
3.	d	15.	c	27.	c
4.	d	16.	d	28.	a
5.	b	17.	b	29.	b
6.	c	18.	d	30.	c
7.	b	19.	b	31.	b
8.	b	20.	c	32.	a
9.	c	21.	c	33.	a
10.	b	22.	c	34.	c
11.	c	23.	a		
12.	d	24.	c		

Unit Three					
1.	c	12.	d	23.	c
2.	a	13.	b	24.	b
3.	c	14.	c	25.	a
4.	b	15.	b	26.	c
5.	b	16.	d	27.	c
6.	d	17.	d	28.	a
7.	d	18.	c	29.	d
8.	b	19.	a	30.	a
9.	d	20.	c	31.	b
10.	b	21.	c	32.	a
11.	c	22.	b		

Unit Four					
<i>Question</i>	<i>Answer</i>	<i>Question</i>	<i>Answer</i>	<i>Question</i>	<i>Answer</i>
1.	d	40.	c	79.	c
2.	a	41.	b	80.	c
3.	c	42.	a	81.	d
4.	b	43.	c	82.	a
5.	a	44.	d	83.	b
6.	c	45.	c	84.	b
7.	c	46.	c	85.	b
8.	d	47.	b	86.	c
9.	d	48.	a	87.	a
10.	d	49.	b	88.	a
11.	c	50.	c	89.	b
12.	d	51.	b	90..	d

13.	d	52.	c	91.	c
14.	c	53.	a	92.	b
15.	d	54.	d	93.	b
16.	d	55.	c	94.	c
17.	a	56.	c	95.	c
18.	a	57.	a	96.	b
19.	a	58.	b	97.	c
20.	b	59.	c	98.	c
21.	c	60.	b	99.	b
22.	d	61.	c	100.	b
23.	c	62.	d	101.	c
24.	c	63.	c	102.	d
25.	a	64.	b	103.	b
26.	c	65.	c	104.	c
27.	d	66.	a	105.	a
28.	b	67.	c	106.	c
29.	b	68.	d	107.	c
30.	b	69.	b	108.	d
31.	a	70.	d	109.	c
32.	a	71.	c	110.	b
33.	d	72.	c	111.	c
34.	b	73.	a	112.	c
35.	c	74.	b	113.	d
36.	a	75.	c	114.	c
37.	a	76.	b	115.	d
38.	c	77.	c	116.	b
39.	d	78.	a		
Unit Five					
1.	b	11.	d	21.	b
2.	d	12.	b	22.	c
3.	c	13.	c	23.	d
4.	a	14.	a	24.	b
5.	b	15.	c	25.	c
6.	b	16.	c	26.	c
7.	a	17.	b	27.	b
8.	b	18.	b	28.	c
9.	c	19.	c	29.	c
10.	c	20.	c		

Unit Six					
<i>Question</i>	<i>Answer</i>	<i>Question</i>	<i>Answer</i>	<i>Question</i>	<i>Answer</i>
1.	b	8.	b	15.	d
2.	d	9.	a	16.	a
3.	c	10.	c	17.	c
4.	d	11.	c	18.	b
5.	c	12.	a	19.	d
6.	a	13.	b		
7.	c	14.	d		

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