

**CHALLENGES AND PROSPECTS OF SOCIAL ENTREPRENEURSHIP IN NEPAL****Ghanshyam Bhatta<sup>1</sup> and Sanjay Baijal<sup>2</sup>**<sup>1</sup>Assistant Professor, Far Western University, Kailali Multiple Campus, Nepal<sup>1</sup>Research Scholar, Department of Business Administration, DDU Gorakhpur University, Gorakhpur, India<sup>2</sup>Professor, Department of Commerce, DDU Gorakhpur University Gorakhpur, IndiaEmail: <sup>1</sup>bhattagbkmc@gmail.com, <sup>2</sup>sanbaijal@gmail.com**ABSTRACT**

*Social entrepreneurship is a concept of looking a creative answer to issues facing by society. An entrepreneur can change company's image and work as a social agent through social entrepreneurship. The main purpose of this study is to presents challenges and prospects of social entrepreneurship (SE) in Nepal. This research fills the gap in the literature by examining the opportunities and challenges of SE. This study employed the results of 15 in-depth semi-structured interviews with prominent social entrepreneurs; academia and practitioners in the field to better comprehend the phenomena at hand, keeping in mind the sector's growing relevance. Its theoretical contribution consists of important insights derived from the study's findings. In addition, the results of this study can assist national, province and local government in raising awareness of the fourth sector of the economy and increasing the social capital that is accessible.*

**Keywords:** Opportunities, Challenges, Social Entrepreneurship, Nepal.**INTRODUCTION**

Social entrepreneurship is a new venture that seeks to create producer surplus by fusing the fundamental ideas of entrepreneurial and social entrepreneurship, either by creating positive externalities (Newbert & Hill, 2014). Numerous scholars have provided a wide range of definitions for social entrepreneurship (Kannampuzha & Hockerts, 2019; Short et al. 2009; Peredo & McLean 2006). However, Wallace (1999) said that social enterprises are for-profit businesses run by nonprofits. It also refers to individuals and business entities engaged in entrepreneurial activities specifically for a social purpose (Certo & Miller, 2008). Moreover, Mair and Marti (2006) explained a social enterprise as an organization that is engaged in entrepreneurial activities to achieve social goals.

The term 'social entrepreneurship' was first used in reference to the Corporate Social Responsibility (CSR) of large corporations, which gave money to nonprofits so they could operate small-scale philanthropies (Yaduvanshi & Narendran, 2017). Without their own business plan, these institutions relied heavily on donations from donors or government funding to run their operations. The word 'social entrepreneur' and 'social entrepreneurship' were firstly used by Bill Drayton, the founder of Ashoka-Innovators for the Community, popularized the terms during the

1980s and 1990s (Austin et al., 2006).

In the line of Yunus and Weber (2009), social entrepreneurship uses free-market principles to address critical social issues like poverty, inequality, or the needs of impoverished children because profits are reinvested in the company rather than going back to investors, the social entrepreneurship is successful and sustainable. Further, the social entrepreneurship can be understood as an opportunity-driven process that looks for novel ways to address environmental and social issues (Brooks et al., 2014). According to Gregory Dees, the "Father" of the idea of social entrepreneurship, social entrepreneurs are the change-agents in society. It is a non-profit organization with the goal of generating social benefit (Boschee, 1998, Austin et al., 2003). Additionally, Weerawardena and Mort (2006), said that the non-profit aspect of social entrepreneurship, while Yunus and Weber (2009) highlighted the significance of profit-making and self-sustainability. The concept of SE is hard to comprehend due to problems with theory, methodology, and definition (Saebi et al., 2019). This study attempts to strengthen the argument for social entrepreneurs by looking at the turning points in their journey toward becoming such.

This research strives to strengthen the sway of social entrepreneurs by exploring their stepping stones in their journey of SE (Qumar, 2020). After examining the existing research, Nicholls (2010)

claimed that "there is no ultimate agreement about what the word really means," suggesting that explaining SE may be difficult. Since the definition of SE varies depending on the field, empirical research is required to provide a single, widely accepted definition of concepts like the nature of SE (Saebi et al., 2019). As previously noted, a great deal of work went into identifying, operationalizing, and developing the features of diverse social entrepreneurship projects (Nicholls, 2008; Saebi et al., 2019). There are not much researches looking into the potential and difficulties of SE, particularly in underdeveloped nations. Research is required to determine the most effective way to examine the opportunities and constraints of social entrepreneurship that policymakers and social entrepreneurs can formally address to ensure their success (Kumar et al., 2020).

In a growing nation such as Nepal, its significance is valuable in terms of boosting social and economic prosperity. While these inputs are essential for incorporating the concept, the next phase ought to concentrate on the constraints, obstacles, and opportunities that social entrepreneurs confront from Nepalese's viewpoint. A growing amount of governments are focusing on entrepreneurship policy and putting plans into place to raise the amount of entrepreneurship in their countries (Minniti, 2008).

This paper focuses on the idea of social enterprises (SE), which blends ideas of social responsibility with business savvy to manage the cause profitably in order to fund ongoing operations (Nyssens, 2009). Researchers outside of the field of SE conducted study and development until recently (Steyaert & Hjorth, 2006). The area of social entrepreneurship needs the precise attention of practitioners and researchers for the enrichment of social entrepreneurship. This is the lack of knowledge about SE, which is not only local but also international in and itself (Qamar et al., 2020). This study covers the challenges and possibilities of SE, which can benefit professionals, business organizations, entrepreneurs etc. In turn, the entire endeavor will contribute to improving comprehension of the idea as well as the associated problems and opportunities meant to fulfill the goals of benefiting society. In an effort to gain a deeper comprehension of the topic, this paper attempts to answer the following two questions:

1. What are the challenges of social entrepreneurship in the context of Nepal?

2. What are the prospects of social entrepreneurship in the study area?

## LITERATURE REVIEW

### Concept of Social Entrepreneurship

The term "social entrepreneurship" was first used in 1953 and gained popularity as a word for the process that produces profit for the benefit of society in the 1980s. Researchers from the first group (Sagawa & Segal, 2000; Waddock, 1988) interpret it to be the socially conscious actions of for-profit companies engaged in cross-sector collaborations. Social enterprises are non-profit organizations that seek numerous methods to make money with the goal of providing social benefit (Boschee, 1998; Austin et al., 2012). The model of SE has gained recognition recently as a way out to global social issues (Yaduvanshi & Narendran, 2017). Social entrepreneurs tackle social issues through the use of business methods and leadership abilities. They create mission-driven businesses that solve social issues and use professional expertise to aid the underprivileged to launch and manage non-profit businesses that employ cutting-edge commercial strategies (Yaduvanshi & Narendran, 2017). The majority of studies have looked at the characteristics and function of the individual social entrepreneur as well as the effects of using traditional business disciplines to analyze social entrepreneurship as a new unit of study.

According to Letts et al. (1997), numerous writers have studied SE as an impact investment and charitable endeavor. Scholars from various fields have expressed interest in sustainable development. In this regard, by providing a variety of alternatives to socio-economic issues, social entrepreneurship as a means of development can have a good effect on society, particularly on the groups that are socially and economically underprivileged. The SE has entered markets where the commercial sector and the government have failed to address social issues (Mair et al., 2020) and social entrepreneurs have also shown to pose a challenge to democratic and governmental authority (Ganz et al., 2018). Nonetheless, social companies operate in conjunction with external factors that have an impact on society, politics, and the economy (Mair et al., 2020). Thus, it can be said social entrepreneurship, as a phenomenon, has evolved due to several crucial changes at the global level (Bornstein, 2010).

The conceptualization of social entrepreneurship

(Zahra et al., 2009) and the search for a solitary theory that is able to capture the essence of SE (Dacin et al., 2011) were the primary topics of dialogue in these discussions. Still, scholars can advance our understanding of SE not only by creating a big theory but also by creating a mid-level theory that can enhance and modify the ideas that already exist (Mair et al., 2020). Numerous writers have developed a methodical strategy in which social entrepreneurs alter the institutional frameworks within which they operate (Lawrence & Dover, 2015; Mair et al. 2016).

The theoretical foundations of SE have been modeled to incorporate a variety of ideas, including the institutional theory and system theory (Arend, 2020). According to Baumol, the setting in which an entrepreneurial activity is undertaken matters a great deal. After that, entrepreneurs directed their efforts appropriately (Welter, 2011). Every social entrepreneur operates under the limitations of the situation (Arend, 2020). But institutional theory sets the parameters for entrepreneurs, whether they are formal laws or informal culture (Boudreaux et al., 2019). Entrepreneurial activity is shaped by context (Uhlener & Stride, 2015), and context can help social-eco ventures (Gordon et al., 2017). Hence, the theoretical foundations of SE specify that social entrepreneurs acquire legitimacy and identity from their setting (Arend, 2020).

Nepal is a developing nation that has a difficult time making the best use of its people resources. In comparison to other countries Nepal is falling behind in the drive towards prosperity. In the end, strengthening the economy is the best course of action, which can be achieved by having more young people start new businesses or by raising the employment rate (Khalid & Asad, 2019). Poverty, unemployment, migration, insufficient business policies and environmental degradation are all associated with slow economic growth. Social companies should be given opportunities in order to bring about both economic development and social transformation. Because of this, SE is highly valued everywhere in the world (Acs et al., 2013). Even though social entrepreneurship receives a small amount of attention, researchers have lost focus, and it is now imperative that they investigate the challenges and opportunities that social entrepreneurs may encounter (Mair et al., 2020). Further, policymakers have found that SE is an effective strategy for reducing poverty and unemployment (Qamar et al., 2020). In Nepal, the

idea of SE is still not well understood. There is no distinct separation between it and the idea of entrepreneurship since they are intertwined. Over the past 20 years, Nepal's economy has struggled and the country has been a victim of political conflict. These obstacles have demonstrated to opportunities for entrepreneurs to lead as mediators and business partners (Irfan, 2019).

This paper seeks to comprehensive answers to the following queries: what does the term 'social entrepreneurship' mean? What are the associated opportunities and challenges? How should social entrepreneurs see these issues? The goal is to develop a thorough understanding of the idea and its associated facets business strategies, idea incubation and launch, and persuasion to serve society. It covered the beneficiaries as well as academics who were teaching in this field. A particular attempt was made to define the unique potential and problems of SE in light of Nepal's cultural setting, since its characteristics could differ between nations and civilizations.

Over the past few decades, Nepal's socio-economic growth has advanced greatly, yet there are still numerous obstacles to overcome. But opportunities also exist in places where there are challenges. A fresh approach to attempting to find creative answers for Nepal's urgent development issues of today is social entrepreneurship. Though it is still a relatively new idea in Nepal, social entrepreneurship is becoming more and more popular. Doing business for a social cause can be summed up as social entrepreneurship. In the words of Ashoka founder and social entrepreneurship pioneer Bill Drayton, "Social entrepreneurs are the essential corrective force." They are change agents in the social sectors and creating social value. Similarly, the social entrepreneurs are seeing and seizing new opportunities and participating in an ongoing process of innovation and learning activities (Dees, 1998).

### **Challenges of Social Entrepreneurship**

Throughout the organization's entire existence, social entrepreneurs have encountered numerous difficulties (Bhatt et al., 2019; Goyal et al., 2015). The researchers outlined a number of significant obstacles, including a lack of finance, problems of leadership, resource mobility, shifting of socio-cultural conditions, and regulatory frameworks (Biddulph, 2018, Sulphey & Alkahtani 2017; Jung et al., 2016). Other difficulties include the dearth of

funding, the dynamic nature of the environment, the capacity issue, hybridization, and the nature of contributions (Wry & Zhao, 2018). One of the main challenges facing SE is the managing of capital and financing assistance for social initiatives (Shaw & Carter, 2007). Social entrepreneurs are essentially resourceful individuals and must acknowledge the necessity of continuous education if they are to realize their social mission. The biggest problem they have is staying relevant in their field of study, which requires constant updating. In order to generate finance, advance social well-being, and reestablish equity and justice in society, social entrepreneurs employ novel strategies for a variety of societal evils. In addition, Tracey (2010) has presented the difficulties of social entrepreneurs while starting their companies, including funding, recruiting human resources, and quality assurance. From the perspective of human capital, it is widely held that social entrepreneurs need to possess better networking abilities than their business counterparts. Social businesses are driven by social missions and subject to strict guidelines like non-loss, and non-dividend policies (Sheela & Rao, 2019).

### **Prospects of Social Entrepreneurship**

The field of social enterprise has been growing in this global age. Currently, developing nations offer a plethora of options when it comes to social services like child welfare, health care, placement, mentoring, counseling, and development (Singh & Sharma, 2019). For this reason, government organizations, INGOs, NGOs, social workers and social entrepreneur are engaged in social entrepreneurship. Nevertheless, their differences in financial and educational standing are greater. By implementing innovative ideas and one-of-a-kind goods that address social problems and foster both social and economic value among the populace, they can fortify society. These days, there are lots of options in the fields of child welfare, community policing, healthcare, counseling, and other related fields in not just NGOs but also national and international organizations. Furthermore, there is a lots of opportunity for social entrepreneurship and launching your own charitable endeavors.

### **Methods and Procedures**

This study employed the interpretive research design within the social constructionist framework. The constructionist theory is the subjective meaning that people create for

themselves as a result of their interactions with one another in a particular social situation (Denzin & Lincoln, 2011). Social constructionist defines ontological belief by giving experience alternative interpretations and realities (Creswell & Poth, 2016). Because everyone interprets events differently, epistemological belief is therefore subjective (Scotland, 2012).

This study tries to investigate the challenges and opportunities of social entrepreneurship that they work to finally build social capital. Constructionist was chosen as the central component of Basic Qualitative Research for this investigation. The study employed semi-structured interviews with 15 prominent social entrepreneurs; academia and practitioners were used to gather data. Major themes from the literature were identified in order to build an interview guide. Subsequently, the interviews were transcribed, and the Gioia methodology was employed for data analysis. First-order, second order, and aggregate codes and categories were extracted during data analysis based on the similarities and contrasts found in the interviewees' responses (Gioia et al., 2013). In qualitative research, the number of informants, theoretical saturation, overall restrictions, and other considerations all play a role in selecting sample size, which is not determined by a predetermined formula (Smith, 2003).

### **Results and Discussion**

Data was coded, then examined and interpreted using the specified categories as a guide. With NVivo 14 Plus, coding was completed. As the collected information is being examined, quotes from the interview segments that reinforce the groups are additionally utilized. The themes above were recognized and investigated in light of the gathered data.

### **DESCRIPTIVE ANALYSIS**

#### **Challenges of Social Entrepreneurship**

This study was interviewed with prominent social entrepreneurs and presented the following challenges of social entrepreneurship in Nepal.

#### **Lack of knowledge regarding the notion of social entrepreneurship**

Social entrepreneurs have lack of knowledge about the concept of business what they are running. They are completely ignorant of the model of entrepreneurship which operates in. They simply

follow the crowd and make money without considering the damage they are having. One of the respondents said,

***"What is the entity's mission and you need to know what issue?"***

When asked about the difficulties encountered, an additional respondent stated

***"The problem is that social entrepreneurs encounter every obstacle that a typical business encounters, and they encounter even more due to a lack of awareness about the concept."***

Social entrepreneurs encounter nearly all of the same difficulties that regular business owners encounter when it comes to marketing, human resource, finance, long-term viability of goods and services, production, income generation, etc. On the other hand, social business owners encounter greater conceptual ambiguity. Many social entrepreneurs are unaware of the legal, administrative, and financial requirements that their organization must meet, or if it is classified as belonging to the fourth sector of the economy.

### **Maintaining the Entity**

When an organization cannot pay its employees because to a lack of funding, donations and yet expects them to work for it, it can be very difficult to keep that team in the beginning. A respondent said that,

***"Members of my staff are undergrads and graduates and they work very hard as freelancers for this organization but their spirits is low. How am I supposed to expect them to perform quality work for a company that doesn't even pay them when I can't even support my own business?"***

Turnover occurs as a result of the squad being demotivated. One of the biggest challenges for every new organization is keeping the individuals you hire on board. A social entrepreneur from one of the early-stage firms claimed that,

***"They require team sustainability and experience when applying for grants and funding. How can we initially maintain ourselves on our own without assistance from the government, when we have to do everything by ourselves?"***

### **Financial Problem**

Another significant issue a business has raising capital, either from its own resources or from others. The financial constraint is a greater problem for it in its early stages than in its more evolved level. At the time of interviewed a respondent said that,

***"The biggest challenge for every social entrepreneur is funding. To begin with, you require a solid investment. Building your profile and portfolio makes it simpler to secure funds and grants, which facilitates the organization's growth."***

People find it difficult to trust new organizations, especially those that are still in the early stages of development, due to their novelty and lack of experience in portfolio creation. People are therefore unwilling to finance it.

### **The Crowd-sourcing**

One of the biggest obstacles facing every social entrepreneur is fundraising. There are occasions when people refuse to sponsor fresh ideas because they don't trust them. A respondent said that,

***"One of the important challenges you have when starting employment is the trust element. They don't think your notion is credible. The investing scene then ends at this point. Individuals don't believe in or invest in a child's concept. Thus, it can seem impossible to make gifts at the first stage."***

New ideas are difficult to get people to trust. The hardest part of being a social entrepreneur in the beginning is getting investment. Initially, donations and money appear unattainable because friends and relatives are reluctant to crowd-fund the idea. This is a problem that young business owners and those who are completely new to the industry encounter more than those who run well-established companies. The reason for this is that budding business owners lack the capital to fully invest in their social concept.

### **Problems of acceptance by Funders and Donors**

Previous experience and a portfolio are expected from the organizations when applying for grants and funding. Because they have lack of suitable team and portfolio, newly established organizations

or those in the early stages of their development suffer more in this situation than other organizations. One of the interviewees said,

*"They need group endurance as well as expertise while applying for grants and funding." If we don't originally have any financial investments, how can we sustain ourselves?"*

Getting subsidies and running funds gets more difficult. All these problems make it extremely difficult for them to get accepted by sponsors, funders, and networking groups.

#### **Problem of team building for business network**

Being observant enough to comprehend the goals and intentions of everyone on the team is essential for both forming and maintaining a business network team. A social entrepreneur offered an answer and stated,

*"You need to assemble a group of people who can work without a salary and who are stable financially."*

To pursue any project and not view money as the only goal or result, entrepreneurs require people who have the ability to look beyond the short-term financial rewards.

#### **Lack of expertise and skilled employees**

The next biggest challenge of company is managing its workforces. It's a difficult challenge for every business organization to manage the right people for the right jobs. When assembling the workforce and hiring staff, a business must make sure that the correct people have the necessary intent and talents. At the time of interview a social entrepreneur said,

*"You have to be prepared for whatever it is that you wish to do. A few resources are required. Firstly, you need skilled workforces in marketing, finance and management."*

The company must ensure that its human resource team is properly trained and possesses all the necessary knowledge and abilities to work as a cohesive unit, even after it has assembled this group. It also defines the organization's perspective, the influence it is making, and whether or not it is capable of showing interest in it outside of a financial context.

#### **Lack of entrepreneurial advocacy**

It is imperative that organizations that assist, motivate, and involve entrepreneurs by advocating for them at the federal level get started. Our system is deficient in this point and we must recognize its significance. We have to engage young entrepreneurs at the state and federal levels of politics in order to provide them with possibilities and to trust their ideas. This reality said by a respondent,

*"While there is unemployment, there is also talent and opportunity. There are a plethora of business ventures that can be started that allow youth to work or participate in the company. Social issues and the problem of unemployment can both be resolved in this way. It is imperative that our lawmakers and decision-makers comprehend this story. Thus, we require ardent advocacy."*

Strong advocacy can significantly aid in opening doors for entrepreneurs by lowering obstacles to the establishment of new ventures. Impact or change can only be generated when entrepreneurs' ideas are acknowledged and supported in platforms for public policy.

#### **Stretched registration and operation procedures of government**

The organization's registration process is a disorganized mess. Even with all the necessary paperwork and a full file, registering an entity takes months, and most people have to pay bribes to expedite the registration process. A respondent said that,

*"The registration and operation process is overly rigorous. It's all just a game of "bribe," in my opinion. The job you do becomes easy with additional incentives you can pay. Not easier, in actuality. It takes approximately four months to get registered, even if all of your paperwork is clear and comprehensive."*

Maybe this is why the majority of organizations and social entrepreneurs choose to skip the organization in order to elude these tumultuous and time-consuming procedures.

#### **Lack of governmental Support**

As was previously mentioned, influence or change can only occur when entrepreneurs' ideas are acknowledged and supported in platforms for public policy. Advocates and societal think tanks provide advice to the Nepal government. They receive no response whether they express their views in forums or in front of government representatives. Laws do not change for the sake of becoming better. Regarding the absence of official assistance and backing, one of the respondents stated,

***"The significance of government support cannot be understated, even though social enterprises are self-sustaining and independent of government funding."***

In fact, aside from red tape, activities and procedures are carried out so slowly that it might take months or even years to implement a policy or find a solution to a problem. Strong policy advocacy is required. It is imperative that public forums give voice to entrepreneurs, and that policy advocates provide guidance, mentorship, and support to social entrepreneurs in order to generate a tangible societal influence regarding prevalent social challenges.

### **Prospects of Social Entrepreneurship**

The responders have elucidated several potential applications of SE. The following list of ways that SE can show to be advantageous for Nepal in the near future is based on the several areas that our interviewees emphasized during the interview.

#### **Social Entrepreneurship as a part of employment**

The concerning state of the economy and scarcity of employment on the job market are caused by Nepalese economy's slow growth and volatility as well as the security situation, leading to few foreign investors ready to invest in the nation. There won't be employment opportunities in the marketplace if there is no investment. As said by an expert,

***"We are informed that there are millions of graduates compared to the number of positions generated and vacated. The lack of jobs means that every year, at least a few million graduates are unable to find employment. They must turn elsewhere while keeping that in mind. Our aim is to encourage these individuals to pursue various***

#### ***types of self-employment."***

This indicates that SE gives young people and recent graduates opportunities and jobs. In the meanwhile, rather than depending completely on donations and funds, it also helps social entrepreneurs and practitioners with their creative and new ideas for having a positive social impact on society.

#### **Opportunity of Social Incubation Centers (SIC)**

The opportunity of social entrepreneurship is growing as time goes on and developing company practices and requirements are taken into consideration. Many of the private sector organizations and institutes that today assist small-scale enterprises and startups in growing and thriving by ensuring they are viable enough to have an impact have built incubator centers. All these institutions require is regulation by the public sector and the governmental institutions. It might be prudent for them to openly announce the establishment of further social incubation centers and labs within universities, in order to facilitate connections between these incubators and social entrepreneurs. A respondent reply that,

***"Social entrepreneurship is already taking place, but according to governmental rules and regulations, all of these social enterprises need to be connected to these incubators."***

Regarding the presence of social incubators that are currently up and running, one respondent stated that,

***"In order to support emerging social entrepreneurs, incubators and innovation laboratories are also beginning to appear more frequently. In this context, it is important to mention Social Innovation like The I<sup>3</sup> Program, FasterCapital, Idea Studio, Skill of Nepal, NYEF, Agro Business Nepal, King's Incubator, NABIC, KUBIC and numerous others. We believe that more incubation centers will open up in Pakistan to only support social ideas, even though many of them are not as focused on "social" concepts, which presents a hurdle for SE."***

By giving social entrepreneurs and individuals the much-needed enabling and fostering atmosphere,

social incubation centers are having a long-lasting effect and supporting the development of Nepalese ecosystem. Despite the fact that there aren't as many social incubation centers and laboratories as there are business incubation labs, social entrepreneurship is growing as a result of shifting dynamics over time.

### **Entrepreneurial Advocacy and Facilitation**

Entrepreneurial facilitation as well as advocacy is needed to make social entrepreneurship prosper further in future generations. While they do exist, more entrepreneurial activity is required to encourage more people to get involved by establishing more social incubation labs, social startup competitions, and facilitations. As said by a respondent,

*"We require facilitation and advocacy for social entrepreneurship. Ecosystem development must occur for activity, while laws and identity development are necessary for advocacy."*

Advocacy is crucial and has a significant impact. More people and supportive institutions that are able to identify, assist, and motivate social entrepreneurs are needed. It is necessary to update and change laws. The legal procedures ought to be more efficient.

### **Enterprises Network Development**

With the right assistance, SE networks may help social entrepreneurs grow and have a lasting effect. Resource laboratories are available to help social entrepreneurs and entrepreneurs by helping them find donors and funders, as well as by supporting them with marketing, financial, and legal needs so as for them to become sufficiently sustainable and profitable. Regarding the significance of the social enterprise network, one of the respondents stated,

*"It is necessary to build an entrepreneurial network. One example of such an ecosystem is the 'Information Technology Park' in Banepa, Nepal. In Nepal, we need additional parks and social ecosystems like this one where young people may put their social model and concepts into practice and improve society."*

If the social enterprise ecosystem is designed well, it will yield greater prospects. An environment that

is favorable for social enterprises to make an effect is created by a multitude of interdependent social actors, institutions, donors, customers, and enabling organizations. Our ecosystem is not very favorable right now, but the development of technology parks and incubation centers, along with improvements to government, suggests that this will change over time and help to foster the kind of supportive environment that social entrepreneurs require to succeed in this industry.

### **Social entrepreneurship as a part of Donors' Preference investment**

Many financing institutions and donors favor investing in social companies that exhibit sufficient sustainability, in sustainable concepts for social entrepreneurs. They have no plans to provide gifts, with the intention of making an investment in the long run. United Nations goals for sustainable development offer a chance for such to be worked by social entrepreneurs and enterprises requesting grants and donations, which in and of itself is evidence that SE is occurring and offering opportunities. As mentioned by a respondent,

*"It is emerging day by day. A lot of donor funding is looking for enterprise development. They prefer that there should be a sustainability element in the project. They say, we are not giving you a grant, we are investing in you. So, it's happening."*

This indicates that international donor organizations are interested in and choose Nepali social entrepreneurship, and individuals are coming up with social impact projects. This is what Nepal will need for SE to grow and thrive.

### **Social Entrepreneurship as a part of School/University Curriculum and Research**

It should be covered in the school's curriculum to raise awareness and provide chances for study on SE. It is important to promote not just business entrepreneurship but also other forms of entrepreneurship. Although it has previously been established in several universities, it hasn't taken off like many other newly launched and instructed courses have. An academic expressed his opinion on the significance of including SE as a subject and a component of coursework in the following words:

*"It hasn't happened as frequently as it should to teach SE as a course. When CSR was taught in addition*



*to many languages, such as Tharu, Maithali, Nepali, Newari etc., then CSR began to occur, and today, there are a lot of individuals who are experts in CSR. The situation with SE ought to be the same.”*

Therefore, when additional courses are taught, more people study them, become experts in them, and put them into practice.

### **The government and supporting agencies are shattering the dependency on social entrepreneurship**

The transition from non-governmental and civil society organizations to social entrepreneurs (SEs) has commenced. In light of the current political climate and economic conditions, SE has already begun and is thriving. People are no longer dependent on NGOs and the government. The significance of SE and the long-lasting effects it ought to be recognized by the government. As mentioned by a respondent

*“The government of Nepal must acknowledge social entrepreneurship as a means of carrying out its developmental mandate by giving individuals chances and a conducive atmosphere in which they can put their social ideals into practice, have an impact on society, and maintain themselves.”*

Several donor groups cannot depend upon Nepalese NGOs due of the country’s safety problems and dangers. Therefore, since NGOs and government agencies are not self-sustaining enough to support us, we cannot constantly rely on them for help. People are now realizing that SE is a means for them to carry out their developmental obligations.

### **CONCLUSION**

In Nepal, social entrepreneurship is a relatively new phenomenon. The social entrepreneurs have a unique set of issues and opportunities regarding SE. Thematic analysis revealed that given social entrepreneurship remains an emerging trend with few established guidelines on characterization and use, the conceptual understanding is narrow and inconsistent. Furthermore, universities and social organizations are making little attempt to raise

awareness of the topic and include it in the curriculum.

This study presented numerous challenges for social entrepreneurship including the lack of awareness and mentoring, tough governmental rules and regulations, barriers to entry in the field, and unwieldy paper work for registration. As nascent enterprises, there exist severe financial limitations that have been made more challenging by corruption and the pursuit of rent. For this reason, the majority of social entrepreneurship in Nepal is done so informally. Even though SE has an array of limitations in the Nepalese context, the study's findings point towards the technology's positive future because it gives job seekers an opportunity to start their own businesses and create jobs for others in addition to helping society's problems by creating a sustainable business model for SE that works in the nation's particular context.

The development of social entrepreneurship has made it possible for NGOs, who previously relied on donations from charities and funds, to transform their dependency on funding into a profitable business strategy with a social welfare focus. Donor organizations might also want to offer greater amounts if effective commercial strategies develop in the field of social entrepreneurship. These possibilities increase the probability that the SE ecosystem will flourish and foster the conditions necessary for new social entrepreneurs who are adept at solving problems to enter the market and assume leadership roles in the effort to eradicate Nepalese social ills.

The study's main drawback includes the application of qualitative research methods and the small sample size. In the future, a larger sample size and a combination of qualitative and quantitative methods can be used to validate the results. In order to comprehend the patterns that explain how SE can address nation-specific social challenges while also turning a profit to maintain itself through business strategies, a case study of successful social enterprises can also be conducted while gathering data from various sources. However, there is a glimmer of optimism in this sector because more people are becoming aware of it thanks to studies and other media. Additionally, this study makes a tiny contribution to our awareness of this phenomenon with regard to Nepal.

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