

STATE AND PROFILE OF

Social Enterprises and Social Entrepreneurship IN NEPAL

A CASE STUDY FROM KATHMANDU VALLEY



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We are extremely thankful to all those who have helped in facilitating the survey and providing information. Finally, but not the least, we would like to record our deep gratitude to the enumerators and to all those who provided us the possibility to complete this report.

We are confident that this report would go a long way in helping to flourish **social enterprising in Nepal**. The report would also be helpful to academicians and researchers in understanding the features of enterprises, entrepreneurs and enterprising sector in the country and thus create foundation for other specific researches in context of Social Entrepreneurship.

Research Team
KING'S COLLEGE

EXECUTIVE SUMMARY

Social Entrepreneurship is a new market vibe these days where social impacts are valued more than the business side. This research was an attempt to distinguish the socially responsible enterprises and social enterprises. Since, any study of this kind was not done in Kathmandu Valley, this was a unique study of this kind and the output would have seriously added value to the overall enterprising as well as social enterprising sector of the country. Social enterprises not only solve the unemployment and poverty issues of the country but also adds value to the society and country.

The objectives of the study were to identify the demographic and associated features of enterprises and entrepreneurs in Kathmandu Valley; aim to find the position and hair-line demarcation between socially responsible enterprises and social enterprises and to identify the major challenges for the social enterprises especially so that further training curriculum could be prepared. Appointment issues with the entrepreneurs and the time limitation were major constraints. 96 enterprises were selected as sample and they were researched for the above mentioned objectives. Questionnaire surveys, Focused Group Discussions and Key Informants' Interviews were major methodologies adopted for the data collection and analysis. Experts were discussed and SPSS 16.0 along with MS-Excel 2016 were mainly used for the data analysis.

The research shows that many enterprises are receiving funds from NGOs and INGOs to the respective communities, i.e., they run in hybrid models. The social enterprises run on the hybrid model of an enterprise which self sustains by selling their product and services and of which the profit goes out to the communities in need. One of the main differences between a social and socially responsible enterprise is that their profit allocation and focus. Newar communities appear dominant in the enterprising sector. Most of the entrepreneurs have completed their Bachelor's degree and 73% of them have received their education in the country. This finding denies the assumption that abroad education is important for the intent of being an entrepreneur. Agricultural issues, Gender issues, Education issues, Health issues, societal issues, students and youth issues and unemployment and poverty issues addressed with a business plan have a significant relation and they create a significant social impact.

Government should be serious with the identification and promotion of social enterprises. Either tax or subsidy mechanisms could be alternatives to promote the social entrepreneurs. Special training packages need to be developed for the Impact based Lean Canvas business model and business plan preparation for the entrepreneurs for which King's College can be supportive.

CONTENTS

CHAPTER 1 INTRODUCTION	1
1.1 Background of Study	1
1.2 Scope and Rationale	2
1.3 Objectives of the Study	2
1.4 Limitations	3
1.5 Organization of Study	3
CHAPTER 2 THEORETICAL AND CONCEPTUAL FRAMEWORKS	5
2.1 Theoretical Framework	5
2.2 Conceptual Framework	6
CHAPTER 3 METHODOLOGY	9
3.1 Study Area	9
3.2 Research Design	9
3.3 Questionnaire Design	10
3.4 Sources of Primary Data and Data Collection Procedure	10
3.5 Secondary Data Collection	10
3.6 Sampling Procedure	10
3.7 Data Analysis, Tool and Techniques	11
CHAPTER 4 RESULTS AND ANALYSIS	13
4.1 Fundamentals of Social Enterprise and Entrepreneurship: A Genesis	13
4.2 Problem articulation	22
4.3 Innovation and creativity	23
4.4 Economic and social influence	24
4.5 Employment and Products/Services	25
4.6 Government perspective and policy	26
4.7 Supports and Influence Factors	26
4.8 Personality traits of social entrepreneurs	29
4.9 Sustainability of social enterprises	29
4.10 Prospects of social enterprises	30
4.11 Relation between Business Plan and Profit	31
4.12 Relations between Business Plan and Problems Addressed	32
4.13 FGD and KII	34
CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS	35
5.1 Conclusions	35
5.2 Recommendations	36
ANNEXURES	37-46

Introduction

1.1 Background of Study

Social Entrepreneurship is a topic that has been discussed by various researchers and subject experts. Social Entrepreneurship combine commercial progress with social progress in order to sustain themselves in the market as well as develop the community (Mair & Marti, 2004). However, pure funding social enterprise only focuses on fair allocation of resources to the needed and developed community, while they do not provide any services and products.

Both social and socially responsible enterprises should have their main motive on the development of the society whereas pure profit oriented enterprise have their focus and motive tilted towards the profit and benefit of the shareholders. Profit allocation is the main difference which differentiates social and pure enterprise (Defoureny & Nyssens, 2010).

Talking about social enterprise in Nepal; there exist no any legal definition of it. Like many other countries, the topic of social enterprise here is a public debate. May be it is due to the lack of balance between the social and the economic aspect, the topic is still on a debate. As no clear demarcation of social enterprise exist, it is very difficult to estimate the total size of social enterprise in Nepal.

As per the report published by SEFORIS (2014), there are many countries like Belgium, Germany, Hungary, Portugal and Sweden where still the exact definition of Social Enterprise lacks. Though, some countries like Germany have its own consensus on how Social Enterprise should be understood, still it lacks any legal framework. The major problems in defining Social Enterprise among these countries is on the issue, what type of organization should be called as a Social Enterprise. In spite of having some elements to characterize SE, countries are not being able to give it a legal framework. May be it is due to not identifying the elements to characterize SE to the fullest, the debate is always on.

Well if we look at the social enterprise aspect of our neighboring country, China, it is similar with the case as our country. There too, there is no clear definition of social enterprise. Usually it is after 2004, the concept of social entrepreneurship came out to surface through numerous conferences and symposiums in China (SEFORIS, 2014). It is only thereafter; the concept of social entrepreneurship came out openly. But still, the topic of social enterprise like in our country, is on the table of debate. Largely the debate is over the two factors, organizational nature and the income generation nature. In organizational nature, the topic is whether the registration of social enterprise should be as NGOs or an enterprise with the profit making nature, and in income generation; the issue is whether social enterprises should focus on financial sustainability through the sales of its goods and services or should integrate the resources from government. (SEFORIS, 2014).

We can totally relate these two factors to our country's social enterprise case. This is because these are the two factors which normally come over the debate when we talk about social enterprises. Clearly, if we are able to address and make clear these two factors, then it is quite possible to bring a balance between the social and economic aspects of social enterprises in our country.

1.2 Scope and Rationale

The definition and identification is a serious hindrance on the organisations' effort to prosper and grow as a social enterprise. It not only incurs direct costs related to fascinated recruitment, selection and activities of the enterprise, but also reduces the credibility of the organisation to be competitively superior as a social enterprise. In the overall employment sector of Nepal characterised by high level of employee turnover due to job continuous job switching, retention and job satisfaction have been a very serious problem. One of the primary solutions to the issue could be the establishment of enterprises, creating value and impact in the society and then promoting innovations and knowledge sharing so as to promote social enterprises. However, less attention is given to this sector even by the government.

This study will try to access the state of enterprises and then try to analyse the activity of the enterprises and check if there are few particular characteristics of the social enterprises. Since, such research has not been carried out with similar objective earlier, the rationale of the research study is justified owing to the lack of any study of this kind.

1.3 Objectives of the Study

The general objective of the research is to explore the features of enterprises, entrepreneurs and enterprising sector in the country and thus create foundation for other specific researches led from the hypotheses brought about by this research.

To accomplish the above mentioned objective, following specific objectives will be dealt with:

- Identify the demographic and associated features of enterprises and entrepreneurs in Kathmandu valley.
- Aim to find the position and hair-line demarcation between socially responsible enterprises and social enterprises.
- To identify the major challenges for the social enterprises specifically so that further training curriculum could be prepared.

1.4 Limitations

When performing the study, the key limitations which the research team faced were:

- Appointment issues with the entrepreneur for the questionnaire survey
- Difficulties in conducting Focus Group Discussions with business entrepreneur
- Overall data for the inferential study

1.5 Organization of Study

The final outcome of the study, which begins with Executive Summary, is organized as a monograph (report) consisting of following five chapters:

- Chapter 1 outlines a brief introduction of the study including background and objectives.
- Chapter 2 presents a concise overview of conceptual framework including a knowledge gap underlying the topic.
- Chapter 3 presents methodology including types/sources of data/information, data collection methods and analytical framework.
- Chapter 4 presents and discusses the results and findings based on quantitative as well as qualitative data/information obtained from various surveys using semi-structured and unstructured questionnaires.
- Chapter 5 concludes the report with a summary of major findings and recommendations.

CHAPTER 2

Theoretical and Conceptual Frameworks

2.1 Theoretical Framework

The theoretical framework for social entrepreneurship was derived from INSEAD, Singapore which helped us identify Social Entrepreneurs from Socially Responsible Entrepreneurs.

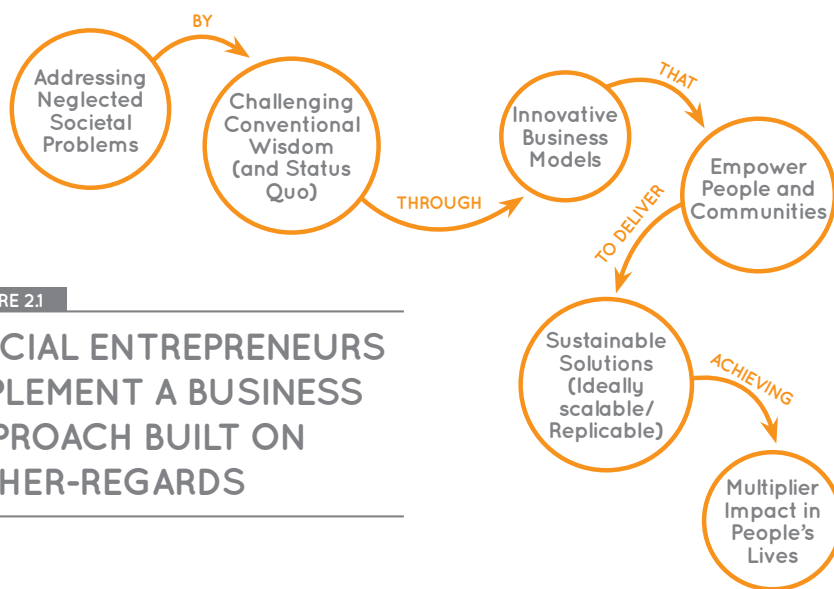


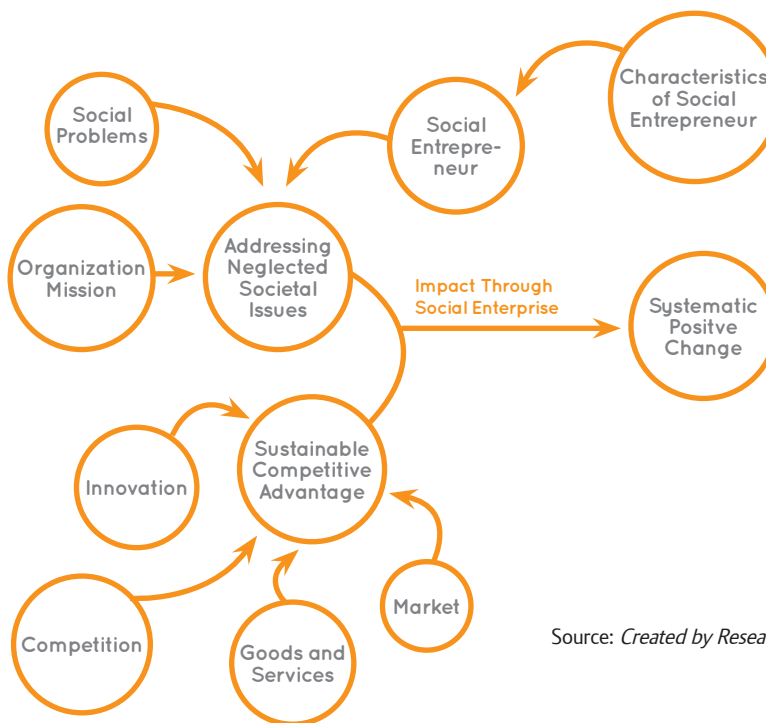
FIGURE 2.1

SOCIAL ENTREPRENEURS
IMPLEMENT A BUSINESS
APPROACH BUILT ON
OTHER-REGARDS

2.2 Conceptual Framework

Based on the above mentioned theoretical framework and relevant literature review, the conceptual framework for our report was derived as follows:

FIGURE 2.2
CONCEPTUAL FRAMEWORK



Source: Created by Research Team, Kings College (2016)

Development in a society comes from Systematic Positive and Progressive change. Systematic positive change drives people to change their behavior, attitude and values to achieve more progressive thinking in the society.

One factor that drives systematic positive change is through the impact created by social entrepreneurs. The social entrepreneurs are a combination of people who wants to address neglected societal issues and bring sustainable competitive advantage for the organization.

Social problems are the evils of the society which comes from the tradition and culture of the society as well as the difference of the people. Social problems such as racism, classism, sexism, child labor, gender inequality are still prevalent in many societies including Nepal.

This has been a big challenge where many organizations are trying to fight against but not all have been able to tackle these problems (Kucuker & Tekinarslan, 2015).

Some organization have mission to tackle social problems which have been neglected by other organization or where other organization are unable to show their social impact in addressing these problems, social enterprises try to tackle these problem in their own way (Dressel, 1987).

In order to tackle the problem of the society, there are social entrepreneurs who like to work for the betterment of the society while making minimal or no profit at all and rather make contributions to the society and help in their well-being. These people become social entrepreneurs because they have characteristics of a giving person and are affected by social regards and appreciation rather than money and profit and they have the ability to look things in a different way rather than repeatedly doing the same thing (Saifan, 2012).

Sustainable competitive advantage is inevitable for any enterprise in order to exist. Sustainability comes through the fair competition, innovation, goods and services and market. These sustainability needs to be financial, technical and social sustainability.

Financial sustainability comes through goods and services and markets. The goods and services are made for a particular target market which results in the enterprise to sell their products at competitive rates to their targeted group. The enterprise needs to bring about goods and services which will be demanded in the market by the consumers and those products needs to be bought by a particular group of people (Rusinko, 2010).

The technical sustainability comes through innovation. Innovation can be in various sectors; product, market, raw material and process. An enterprise needs to innovate with their product and provide additional of what their competition can't give. Market innovation allows for the organization to spread their market share to more consumers. Raw material innovation can allow enterprise to build a better quality product or cheaper product or more durable product which will allow the enterprise to charge premium for the product. Finally, process innovation can help the organization make the overall production process more effective and efficient (Haugh & Talwar, 2010).

Social sustainability comes with the competition. The competitors in an industry needs to cooperate with each other and have fair competition among themselves. Enterprise can thrive and compete in a society when they try to co-exist and not attack each other in any way. So, in order to achieve the systematic positive change through social enterprise the social enterprises address the neglected societal issues and try to achieve sustainable competitive advantage.

Methodology

3.1 Study Area

Kathmandu Valley, located at the latitude 27.67° N and longitude 85.35° E was the study area of our research. It comprises three districts, Kathmandu, Bhaktapur and Lalitpur. The Valley has more than 1.5 million people (Pant & Dongol, 2009). Ethnically and culturally it is very diverse. Newar is the largest ethnic group here, followed by Matwali, Brahmins and Chettris. Hinduism and Buddhism are the two major religions in the valley followed by Islam.

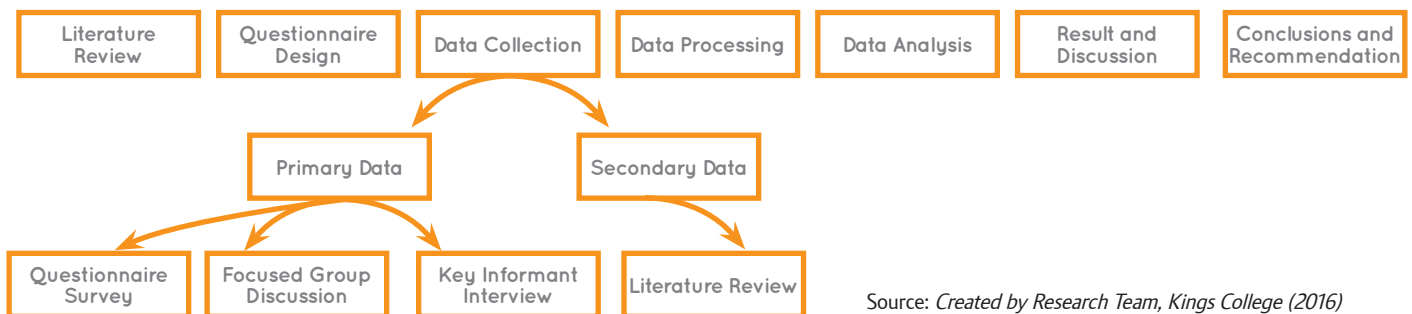
The valley is the hub for businesses in the country. Business running in the country tend to have their corporate office in Kathmandu even if it isn't the working area of the enterprise.

3.2 Research Design

The flowchart below shows the steps and procedure that was followed while working on this study.

FIGURE 3.1

RESEARCH DESIGN



Source: Created by Research Team, Kings College (2016)

3.3 Questionnaire Design

The questionnaire designed contains both open and closed ended questions. The first section of this report has the demographic profile of the respondent. The second section gives the details about the organization and the third section highlights the information regarding innovation and creativity. Finally, the last section includes the personality traits of the entrepreneurs.

3.4 Sources of Primary Data and Data Collection Procedure

The primary data were collected with three tools: questionnaire survey, focused group discussion and key informant interview. The respondents for questionnaire survey were sampled from a total of 350 enterprises among which 96 were selected and contacted for appointment in order to fill the questionnaire survey. Face to face interview as well were taken from the selected samples.

Focused Group Discussion was performed in King's College with young entrepreneurs who were part of a start-up or a social enterprise. These were some of the most active young entrepreneur in Kathmandu. The list of FGD participants is provided in Annexure II.

Key Informant Interviews were taken from prominent business person, subject experts and policy makers who have been continuously following and focusing on the situation of social enterprises in Nepal. The list of the key informants is also mentioned in Annexure II.

3.5 Secondary Data Collection

Articles and journals about social enterprise were searched and reviewed in order to find out what is required to design the questions for questionnaire, focused group discussions and key informant interview.

3.6 Sampling Procedure

$$n = \left(\frac{(Z_{\alpha/2})(\sigma)}{E} \right)^2$$

$$n = \left(\frac{(1.96)(100)}{20} \right)^2 = 96.04$$

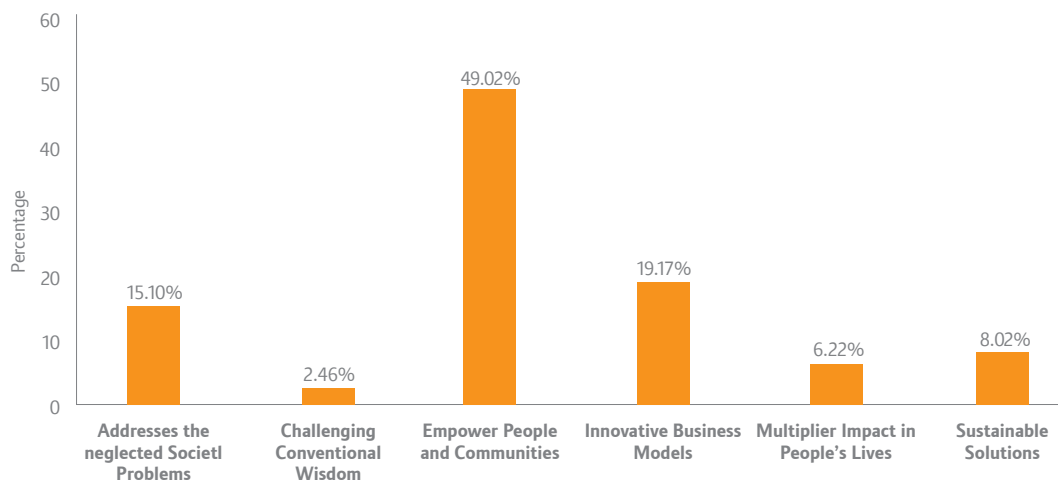
where,
 N = Sample Size
 $Z_{\alpha/2}$ = Z value
 σ = Standard Deviation
 E = degree of freedom

Research Randomizer software was used in order to select the 96 samples out of the 350 entrepreneurs. The 96 random numbers between 1 to 350 were selected and the VLOOKUP feature in Microsoft Excel 2016 was performed in order to select the names, address and contact details of the sample enterprises.

Out of 96 enterprises selected for the sample, 71 were found to be social enterprises due to the following characteristics, as per the INSEAD framework:

FIGURE 3.2

FACTORS AND NUMBERS IDENTIFYING SOCIAL ENTERPRISES



The enterprises we studied in this research deal with social aspects prevailing in the society in one way or the other. To be more specific, 49.02% of the social enterprises were involve in empowerment of people and communities by employing them or procuring raw materials from them. Similarly, 19.17% of the social enterprises helped in making innovative business models for the organization. 15.1% of the social enterprises were addressing the neglected social problems like addiction, elderly people problems, children prisoners etc. While 8.02%, 6.22% and 2.46% respectively were working for sustainable solutions, multiplier impact in people’s lives and challenging conventional wisdom.

3.7 Data Analysis, Tool and Techniques

The collected data were analyzed and the charts, diagrams and tables were produced with the help of Microsoft Excel 2016 and SPSS 20.0. The data will be presented in various forms like bar charts, pie charts, Venn diagrams, correlation matrices, cross tabs etc.

Results and Analysis

4.1 Fundamentals of Social Enterprise and Entrepreneurship: A Genesis

A decade ago the concepts of ‘social enterprise’, ‘social entrepreneurship’ and ‘social entrepreneur’ were rarely discussed, they are now making amazing breakthroughs all over the world (Defpurney & Nyssens, March 2010), even in Nepal where there is a lot of potential for development.

The need to combine commercial progress with social progress gave birth to the industrial groups and pioneers that used economic wealth for the good of the community and society (Mair & Marti, Social Entrepreneurship Research: A Source of Explanation, Prediction and Delight, March 2004). Since then, many entrepreneurs are into the field of social entrepreneurship where difference is being made to the society.

However, many argue the business model of how social should enterprises work. Our research data shows that many enterprises are allocating funds from NGOs and INGOs to the respective communities. Only small amount of social enterprises run on the hybrid model of an enterprise which self sustains by selling their product and services and of which the profit goes out to the communities in need.

During the research, the major differences between a typical and social enterprise were profit allocation and motive of the enterprise, which were stated by the social entrepreneurs. This also brings us to the point where whether or not a social enterprise should include both profit allocation and motive in the business model of the enterprise. If an enterprise does mention the allocation of profit and their vision to develop certain communities over the period of time, it should be called as social enterprise. Also, their success should be measured on what type of impact they did create in the society rather than the profit they made in a year.

FIGURE 4.1

SOCIAL ENTERPRISE AND ENTERPRISE LINKAGES



Source: Created by Research Team, Kings College (2016)

One of the main differences between a social and a pure enterprise is that their profit allocation and focus, which was answered by more than 50% of our respondents. The focus with social entrepreneurs is mainly on societal development whereas focus on enterprise is mainly on the benefit of their shareholders. However, the only similarity is the social responsibility both social and pure enterprise have towards their society.

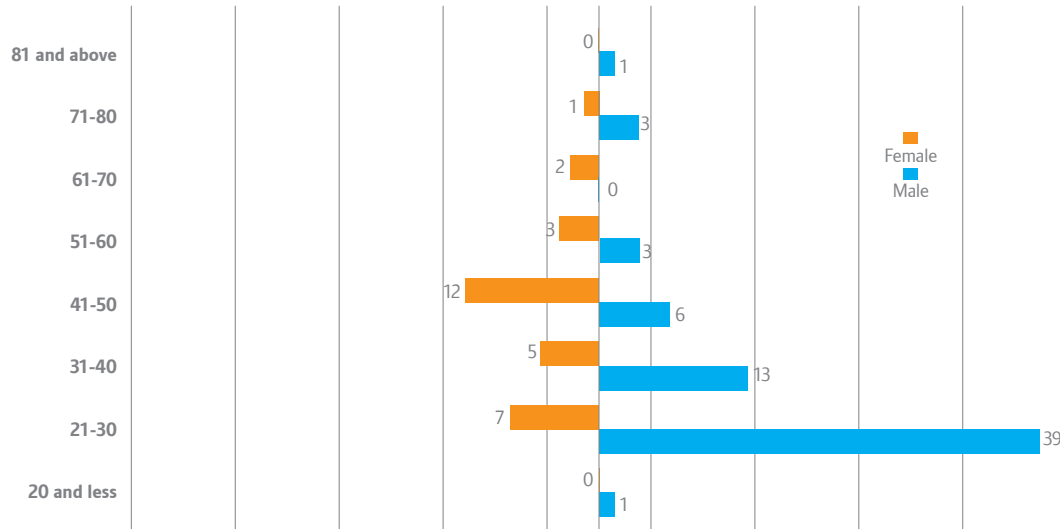
4.1.1. Characteristics of social entrepreneurs

4.1.1.1 Gender and Age

Our finding shows, people from 21 to 30 age are more involved in social entrepreneur. Age from 41 to 50 are the second in the rank. This shows young people are more encourage toward the social entrepreneur. In this field our finding shows 68.75% are male and 31.25% are female. Likewise, Women involved in this field are mostly from 41 to 50 years, whereas the data shows male involved in this field are from 21-30 years.

FIGURE 4.2

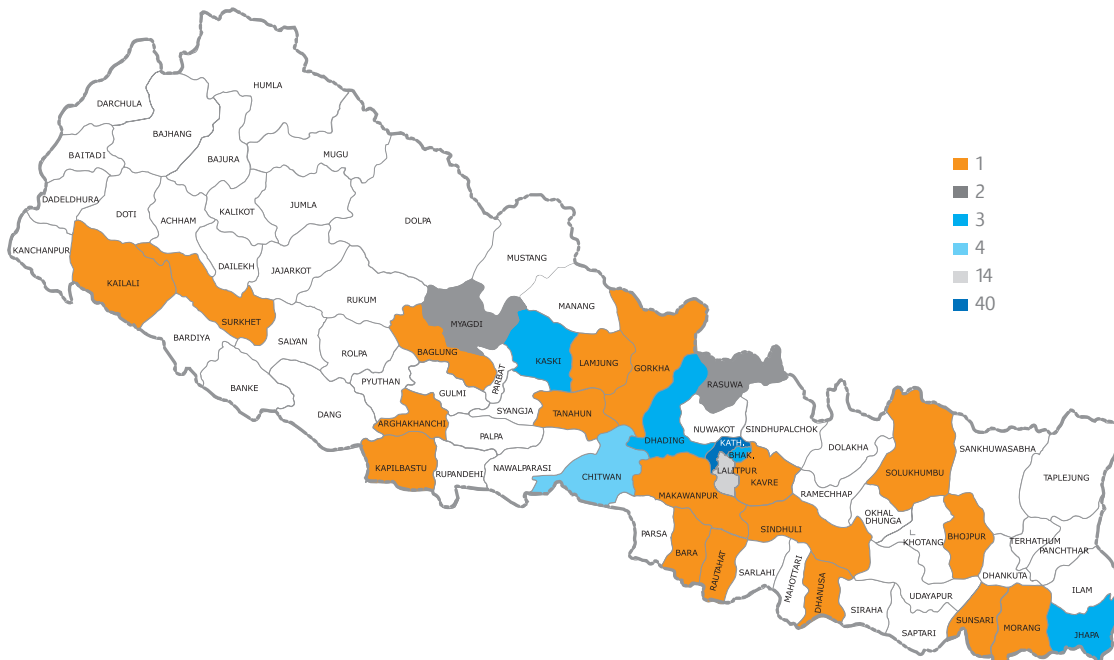
GENDER AND AGE OF RESPONDENTS



4.1.1.2 District of Origin and Residence

FIGURE 4.3

DISTRICTS OF ORIGIN



Though origin-wise, the entrepreneurs seem scattered throughout the country, 41 out of 96 people belongs to Kathmandu district and 14 out of 96 are from Lalitpur district. 18 districts had just one entrepreneur coming from the districts like Arghakhanchi, Baglung, Bara, Kapilvastu. Two districts had two entrepreneurs coming from the districts Myagdi and Rasuwa. Three districts Kaski, Dhading and Bhaktapur had three entrepreneurs from the region while Chitwan were the origin of four entrepreneurs. 65 % of total percentage are living in Kathmandu. 26% are living in Lalitpur and rest of the percentage are living at Bhaktapur.

4.1.1.3 Ethnicity and Marital Status

TABLE 4.1 ETHNICITY AND MARITAL STATUS OF RESPONDENTS

Ethnicity	Married	Single	Grand Total
Brahmin	14.58%	16.67%	31.25%
Chhetri	10.42%	12.50%	22.92%
Marwadi	0.00%	3.13%	3.13%
Newar	20.83%	13.54%	34.38%
Others	5.21%	3.13%	8.33%
Grand Total	51.04%	48.96%	100.00%

Among the respondents, 31.25% came from Brahmin and 34.38% came from Newar. Of the Brahmin, 14.58% were married and 16.67% were unmarried. Of the Newar, 20.83% were married and 13.54% were single. 22.92% were Chhetri among which 10.42% were married while 12.5% were single. All the 3.13% of Marwadi were single. 8.33% of others included Janajati, Madhesi, Dalit and more from which 5.21% were married and 3.13% single.

4.1.1.4 Education and Academic Discipline

34.38% of males and 10.42% of the females were highest among the entrepreneurs. 22.92% of male and 14.58% of female entrepreneurs had done Masters. So, we can see that most of the business entrepreneurs started after Bachelors and Master while few of them had performed it before Intermediate studies.

FIGURE 4.4
EDUCATION OF RESPONDENTS

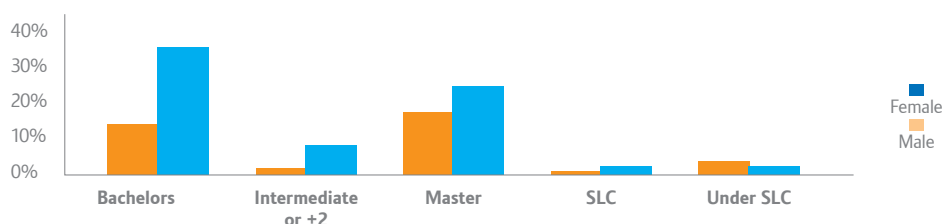


FIGURE 4.5

ACADEMIC DISCIPLINE

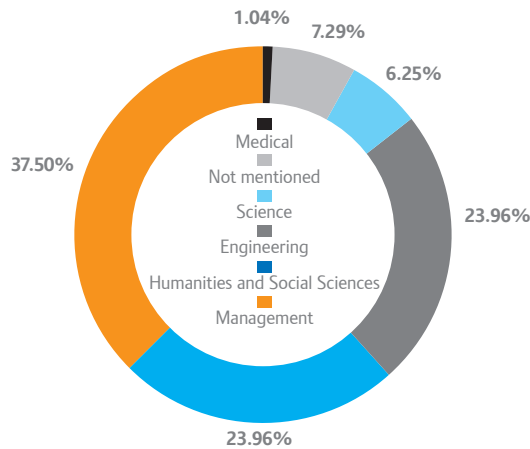
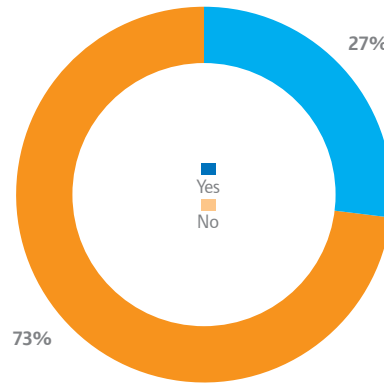


FIGURE 4.6

RESPONDENTS STUDIED ABROAD



People involved in social entrepreneur are from different background. Most of them are from management with 37.50%. 23.96% are from Humanities and social sciences. We can see people from medical background are the least.

27% of people involved in social entrepreneurship have got their degree from abroad, where as 73% of people have national education. This actually means that it is not necessary to study abroad to become a social entrepreneur.

TABLE 4.2 FAMILY BACKGROUND

Father's Occupation		Mother's Occupation	
Agriculture	23.96%	Agriculture	8.33%
Business	31.25%	Business	5.21%
Not Mentioned	5.21%	Home Maker	69.79%
Politician	2.08%	Not Mentioned	9.38%
Service	37.50%	Service	7.29%
Grand Total	100.00%		100.00%

27% of people involved in social entrepreneurship have got their degree from abroad, where as 73% of people have national education. This actually means that it is not necessary to study abroad to become a social entrepreneur.

4.1.1.5 Family Background

Mostly, the father of the entrepreneur are from agricultural and business background. 38% of social entrepreneur's father occupation is agriculture and 31% is from business. 70% of their mother were home maker. 8% of mother does service, where as 7% and 5% were engaged in agriculture and business respectively.

4.1.2 Characteristics/Attributes of social enterprises

4.1.2.1 Overall Mission

On the basis of the research conducted on various social enterprises, the main missions of their organization were also asked. Among those 96 enterprises, the missions were categorized on the basis of their nature. The majority of missions were focused on empowering people, mainly women, unemployed people and also the elderly and disabled people. Through their initiatives, they have been operating different works to empower those people without any basic profit motive by creating opportunities for them in different sectors.

Similarly, another mission most enterprises are running with is to develop the health and environment sector including the encouragement of organic products and healthy hygiene. The missions also include creating job opportunities and skill development trainings for different types of people. They basically provide various skills and trainings and create employment opportunities for them so that they can be economically independent. In most places, the people from rural areas, primitive woman and the under rated skilled people are focused on, so that they are empowered and self-reliant. Another majority of mission includes developing educational sector and creating education facilities for all.

Those organizations try to focus on different group of people, especially primitive children and rural people and focus in educating them in different ways. Those activities are usually done through initiating educational institutions, providing learning materials and conducting educational programs in different places. The development of technology and its overall sector is also one of the main missions of many organizations. In a few researched organizations, the socially benefiting activities in the educational, medical and other service providing fields were carried out via internet and other technological methods with their main aim being benefitting the society through technology and taking the technological progress to a new level. It also includes promoting online business sectors. Similarly, as poverty is one of the main problems in our country, many social enterprises also work in order to eradicate it from the society through different works and initiatives.

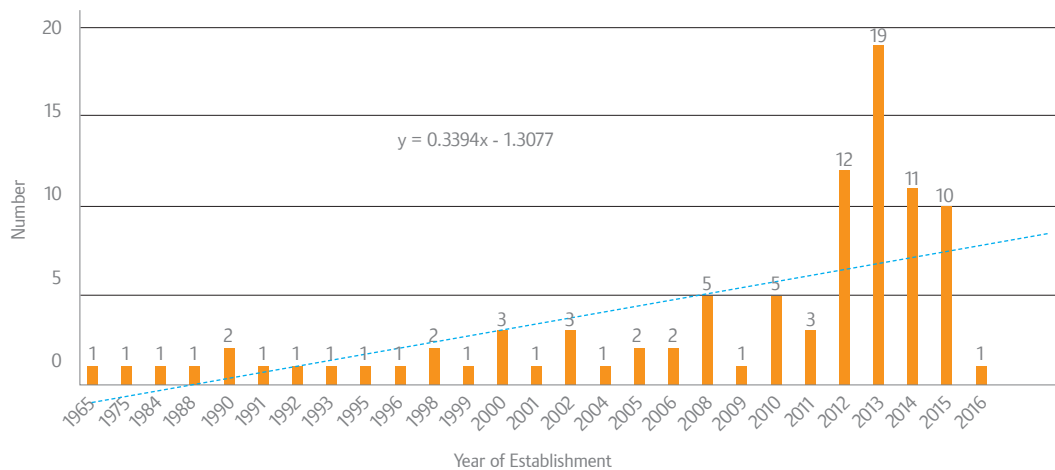
Through all the social activities like conducting trainings and empowering programs, they are basically working to reduce the poverty level of the country. Nepal being an agricultural country, many organizations also work in the agricultural sector and benefit people and society from it. In this sector, the organizations create awareness programs for the local people involved in agriculture and farmers, provide them loans, give them agricultural knowledge and trainings, connecting farmers to markets and flourishing various agricultural products culture and local products in the higher market. Eliminating different kinds of social problems like drug addiction, woman harassment, child abuse, etc. is also one of the prior missions of some organizations. Such organizations work by helping those kinds of people by establishing community centers, rehabs, training centers and other helpful sources for their betterments and society's development. Apart from these major missions of most of

the organizations, some other missions of organizations also include promoting trade in the country, developing medical sectors, creating better platforms for different kind of artists and overall, conducting different kinds of activities that directly or indirectly benefits the society and helps the world to be a better place through their initiatives.

4.1.2.2 History/Year of Establishment

FIGURE 4.7

SOCIAL ENTERPRISES ESTABLISHED IN DIFFERENT YEARS



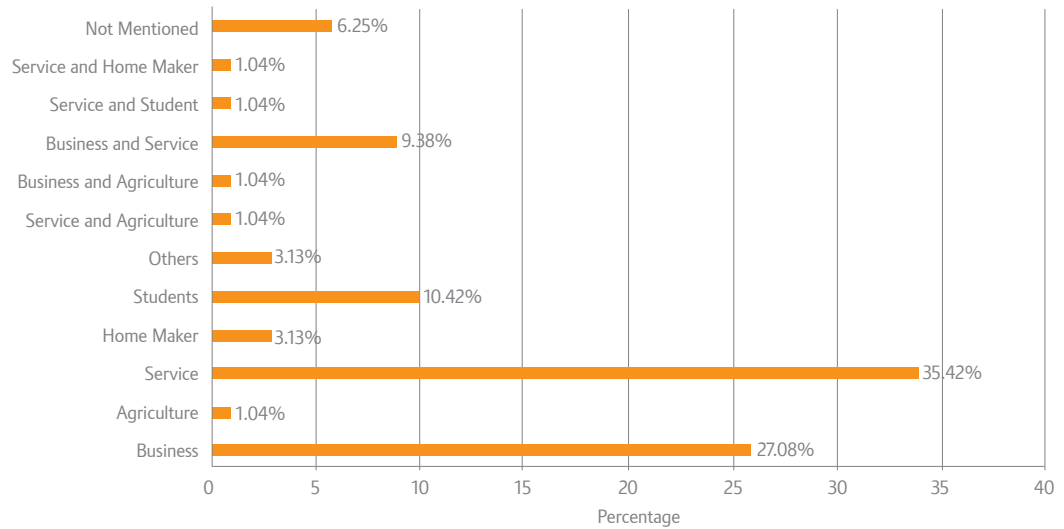
From the 96 samples, the data shows that the highest number of social enterprises were established in the year 2013 with 19 enterprises established that year. While the next highest came in the year 2012 with 12 enterprise established that year. 2014 and 2015 also had 11 enterprises and 10 enterprises respectively. This shows that post 2010s, the highest numbers of social enterprises were established. From the trend line, we can see that in 2016 can expect at least 8 social enterprises being established.

4.1.2.3 Background of Founders

Most of the social entrepreneurs had been involved in services with 35.42%. 27.08% other social entrepreneurs were involved in business from before, 10.42% were involved in students and 9.38% in both service as well as business. 6.25% of the founders haven't mentioned what they were involved in. While other entrepreneurs were involved in agriculture, homemaking, business as well as agriculture, service as well as agriculture, students, homemakers and others.

FIGURE 4.8

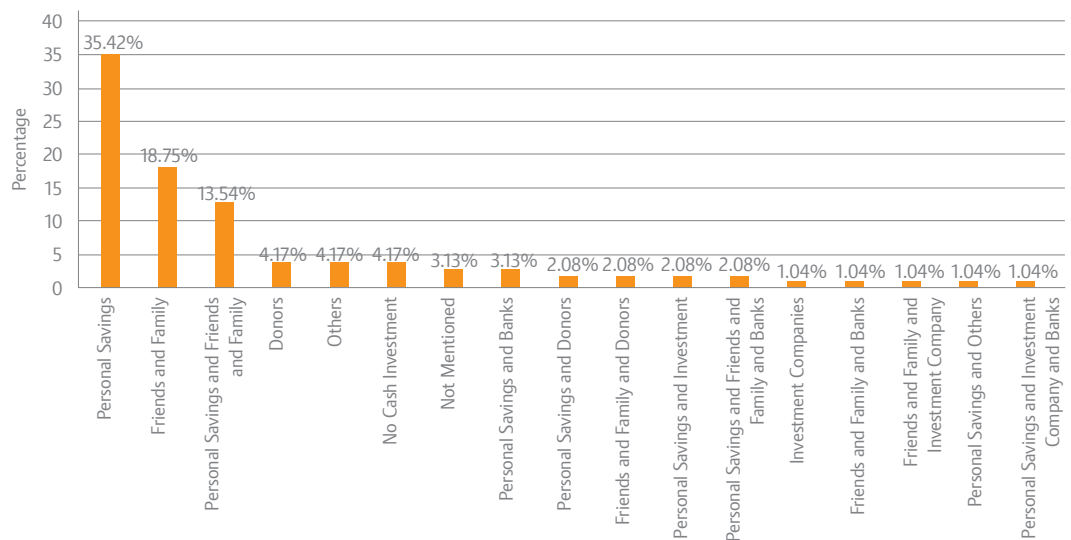
BACKGROUND OF FOUNDERS



4.1.2.4 Investments, Loans and Employment

FIGURE 4.9

SOURCE OF INITIAL INVESTMENTS



From this survey, the highest 35.42% respondents have invested from their personal savings for their enterprise. Also, another highest initial investment is from friends and family and personal savings with 18.75% coming from Friends and Family only while 13.54% coming from both family and friends. Donors were part of 4.17% while 4.17% started without any cash investment. Very few enterprises had external supports from banks and investment companies.

Companies are always in need of capital for their day to day operations. While 5 percent of the companies have outstanding loan but they didn't mention the amount and 14 percent had outstanding loan and they mentioned the amount. Also 72 percent of the companies have no outstanding loan and 7 percent did not mention anything about the outstanding loan.

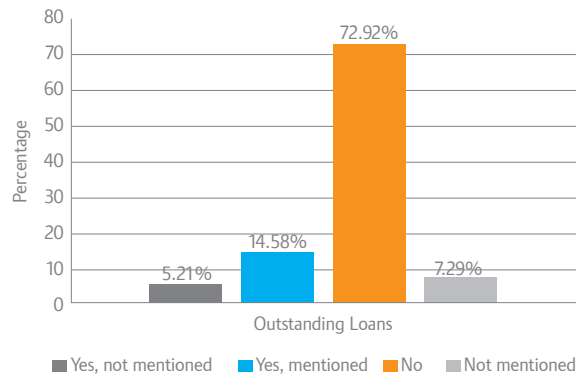


FIGURE 4.10
OUTSTANDING LOAN

Among the 96 respondent, in 2014 the average number of paid employees was 33.5. In 2015, it decreased to 27.8 and later in 2016, it rises to 36.9.

Among 96 respondents, in 2014, the enterprise had total employees of 2 and in 2015\16, the enterprise had decreased its employees to 1. In 2014, the employees had employees of 560 and in 2015, it decreased to 375. In 2016, the enterprise again increased to 500. In 2014, the difference between highest and smallest paid employees is 558 which is maximum among 2015 and 2016.

In 2014, the standard deviation was 89.5 which had highest turnover in the year, 2015 was more stable with 71.9 standard deviation however, in 2016 the turnover has increased as the standard deviation was 88.7.

In the current year, the mean of the 96 organizations is 13 while overall, the mean 123.413 and the median is 5 in the current year while overall, it is 14. The highest number of volunteers in the current year is 138 while the minimum is 1. Also, the highest number of volunteers hired overall is 1300 and the minimum is 1. The range for the current year is 137 while and 1,299 overall. The standard deviation for the current year is 24.95 and 290.15 overall.

TABLE 4.3 VOLUNTEER EMPLOYED CENTRAL TENDENCY

Measures of Central Tendency	Present	Overall
Mean	13	123.413
Median	5	14
Minimum	1	1
Maximum	138	1300
Range	137	1,299
Standard Deviation	24.94805	290.1577

Under what legal provisions is your enterprise registered?

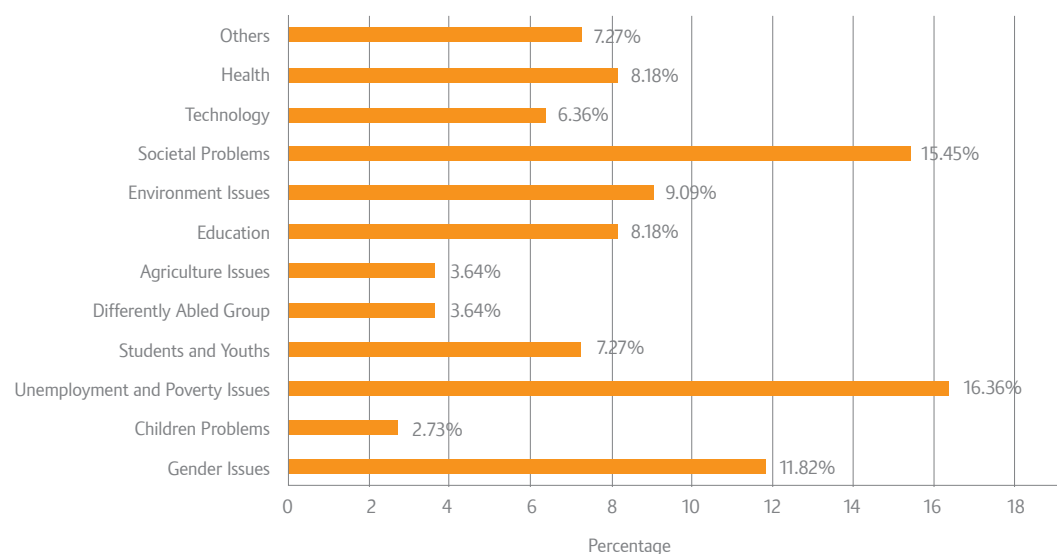
TABLE 4.4 LEGAL PROVISION

Legal Provision of Enterprise	Profitable or Not			Grand Total
	No	Not Mentioned	Yes	
BAFIA Act, NRB	0%	0%	1%	1%
Companies Act	3%	0%	45%	48%
Department of Cooperatives	1%	0%	2%	3%
Nepal Government	3%	0%	4%	7%
Not Mentioned	2%	1%	7%	10%
Not Registered and in Process	4%	0%	1%	5%
Small and Cottage Industries	0%	0%	9%	9%
Social Welfare Council Registration	6%	0%	9%	16%
Grand Total	20%	1%	79%	100%

Since there is specific legal provision where social enterprises can register themselves. Most of the enterprises are registered in company act with 48% while 16% are registered with Social Welfare Council, 9% are registered with small and cottage industries, 2% with Nepal Government and 1% under the BAFIA Act under Nepal Rastra Bank. 5% of the enterprises weren't registered or were under registration process. So, in order to make it easier to identify social enterprises, it would be better to have a separate legal provision for social enterprise.

4.2 Problem articulation

FIGURE 4.11
PROBLEM
ARTICULATION



16.36% of the entrepreneur deal with unemployment and poverty issues which is the highest among the entrepreneur. 15.45% among the entrepreneurs are trying to address societal problems like addiction, marginalized people and lower level community. 11.82% are trying to address gender issue deal with women harassment and unemployed women. Rest of them are trying to address agricultural issues like inorganic food, children problem like orphans and excluded child, education deals with expensive books and lack of organization, environmental issues deal with earthquake and water shortage, health problem like aging, local market development with creating livelihood and promoting handicraft, students and youth etc.

4.3 Innovation and creativity

Among 96 respondents, 42.71% are involved in research and development and 57.29% didn't mentioned about the research and development activities. So, among those respondents who are involved in research and development has focused in different sectors which is shown in the table given below:

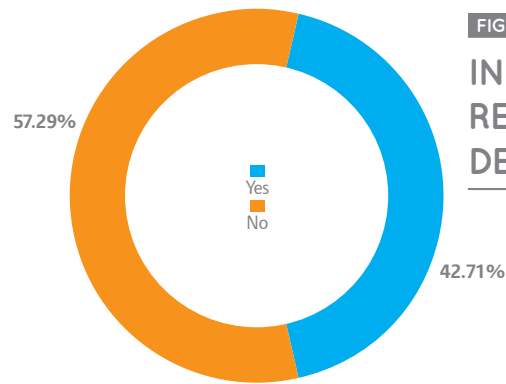


FIGURE 4.12
INVOLVEMENT IN RESEARCH AND DEVELOPMENT

TABLE 4.5 TYPES OF INNOVATION TYPES OF INNOVATION

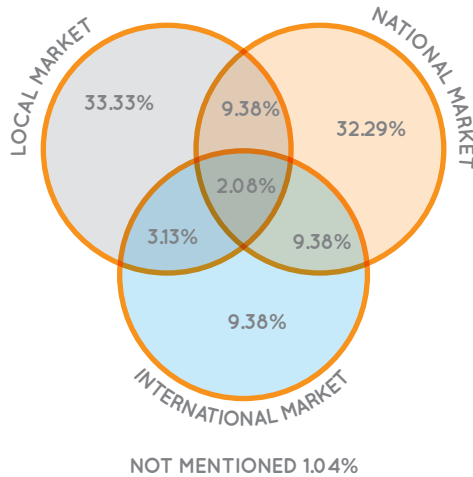
Research and Development (In %)				
Response	Type of Innovation			
	Product	Market	Process	Input
Yes	80.21%	77.08%	77.08%	57.29%
No	18.75%	21.88%	21.88%	40.63%
Not Mentioned	1.04%	1.04%	1.04%	2.08%

From the above table, in product research and development, 80.21% respondent have mentioned about the development of new product whereas 18.75% are not involved in this activities and 1.04% did not mentioned about product research. Similarly, in market research and development, 77.08% respondent have mentioned about their research on market sector. And, 21.88% respondent are not involved in market research and development. Also, 1.04% haven't talked about market research.

Also, in process research and development, 77.08% respondent have mentioned about the method of producing the product whereas 21.88% respondent are not involved in this activities and 1.04% did not mentioned about process research.

In input research and development, 57.29% respondent have mentioned about the use of new materials to produce their goods and services. The respondent of 40.63% are not involved in this research and development and 2.08% haven't talked about use of new raw materials in the research.

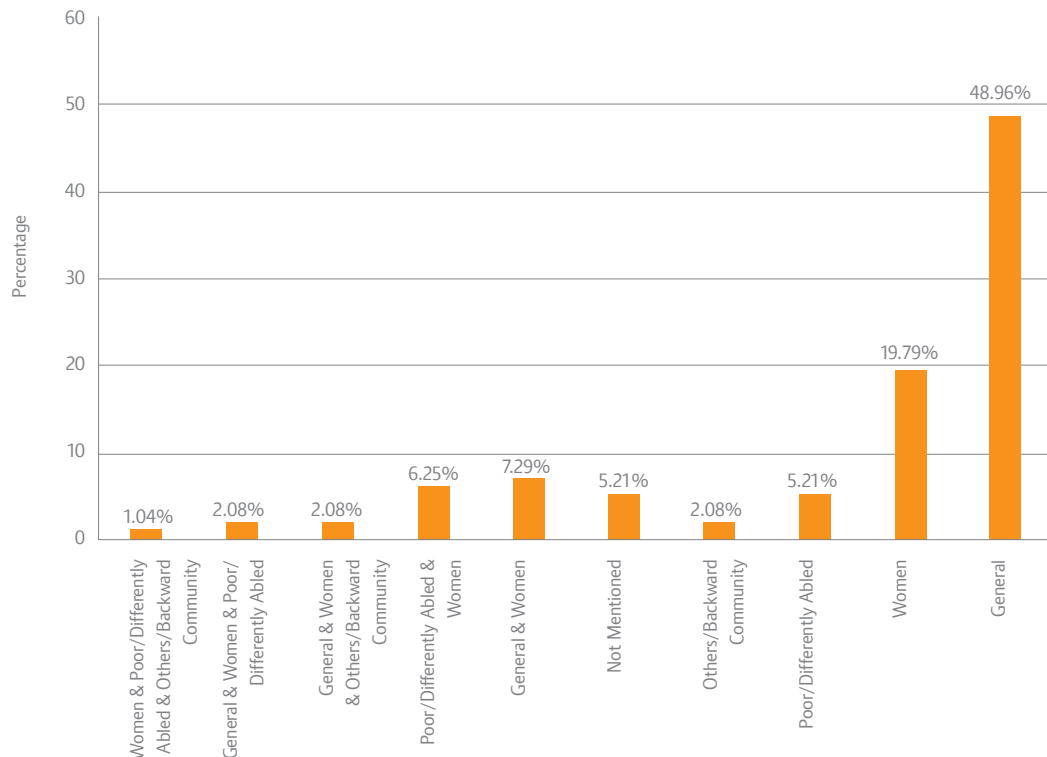
FIGURE 4.13
MARKET OF THE ENTERPRISES



4.4 Economic and social influence

33.33% entrepreneurs, sell goods in local market. 32.29% sells in national market. 9.38% in international market. There are 9.38% entrepreneurs who sell goods both in local and national market. There are 3.13% entrepreneurs who sell their goods in local and international market. There are 9.38% entrepreneurs who sell their goods in both national and international market. Similarly, there is 2.08% entrepreneur who sell his goods in all 3 markets, local, national and international.

FIGURE 4.14
EMPLOYABILITY



4.5 Employment and Products/Services

4.5.1 Employ Most

Most of the organizations employ general people based on merit with 48.96%. Organization employing women by 19.79%. There are many organizations which employ women with almost 38% organization in totally employing women. 14% of organization in total employ poor/differently abled people. Around 5% of enterprise employ people from backward community. This shows that more than 50% of the enterprise are adding value by employing women, poor, differently abled or people from backward community.

4.5.2 Types of Goods and Service

Most of the enterprise with 23 organization provide services such as Health services, internship to pass outs, career counselling, repair, trekking, etc. IT and Electronics services are provided by 15 organizations by product and services such as App making, cheap light bulbs, etc. Environment and agricultural services talk about providing organic food, rainwater harvesting, etc. which is provided by 18 organizations. All the other services such as education and training, art and handicrafts, apparels and accessories and the common organization are make up for the rest of the services.

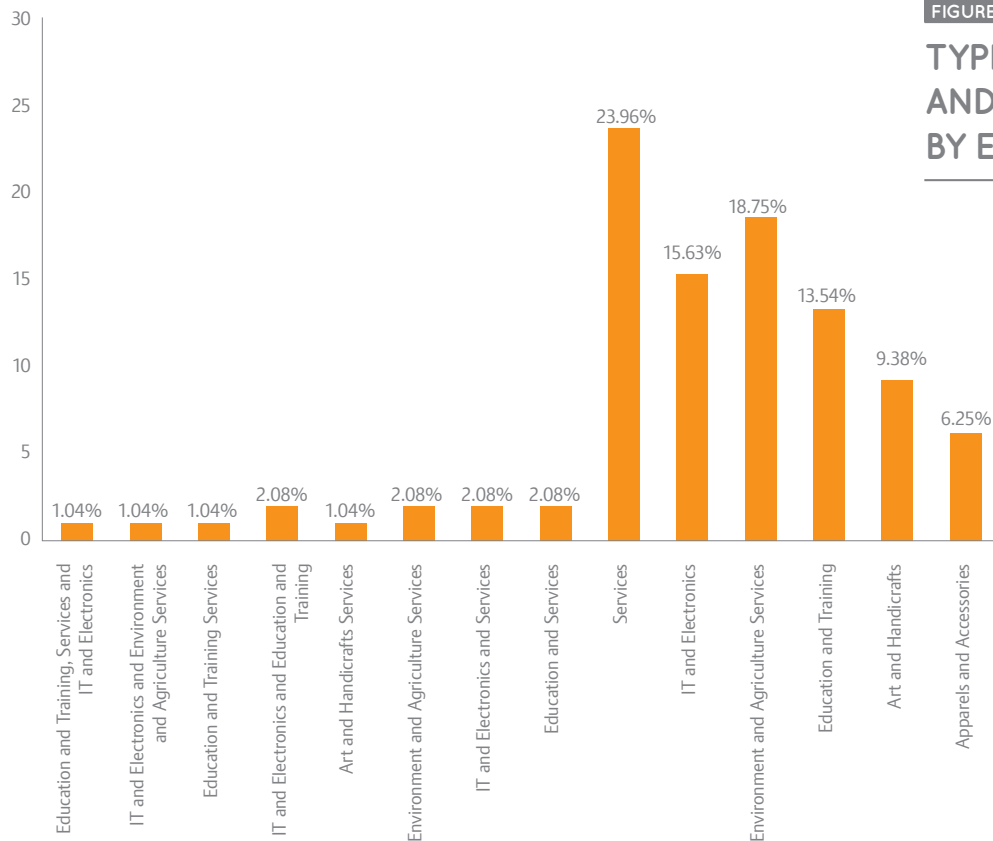
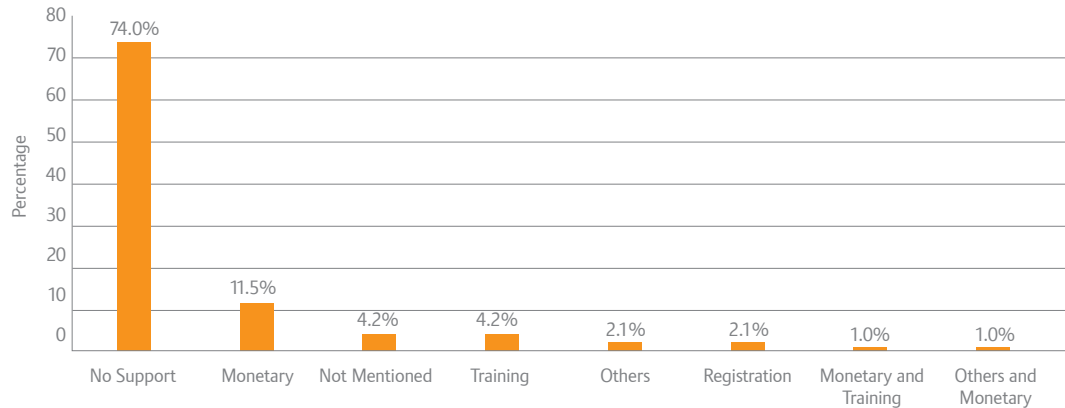


FIGURE 4.15
TYPE OF GOODS AND SERVICES SOLD BY ENTERPRISE

4.6 Government perspective and policy

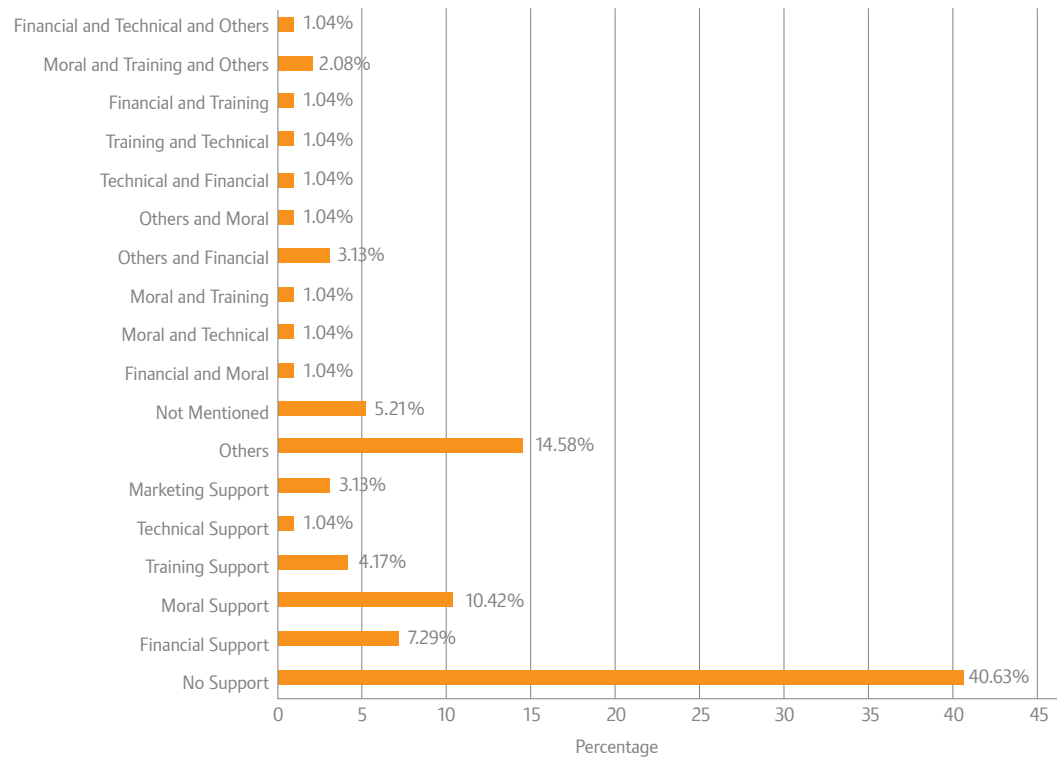
FIGURE 4.16
GOVERNMENT SUPPORTS



In this report, 74.0% respondent didn't get any government supports, 11.5% got support monetarily like subsidies, TAX and VAT support, cash incentives, award from government and other remaining got supported in different fields especially training while 2.1% got support during the registration process.

4.7 Supports and Influence Factors

FIGURE 4.17
ADDITIONAL SUPPORTS RECEIVED



Many of the enterprise did not receive any support. The respondent was mostly supported morally by their family, mentors. Also, other highest number of respondents got support financially and training from different sectors.

In this report, 63.54% respondent are influenced by external factors like poverty and domination for workers, the present condition and life style of Nepalese people, social enterprise seminar, college project, family, friends, seniors and teachers. 34.38% respondent is self-motivated and 2.08% did not mention about it.

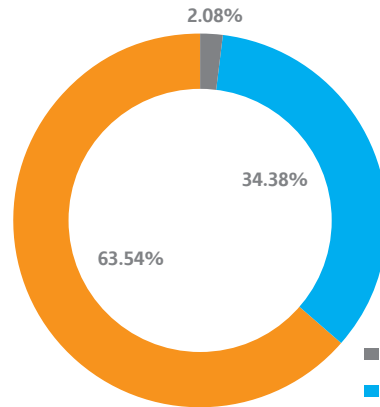
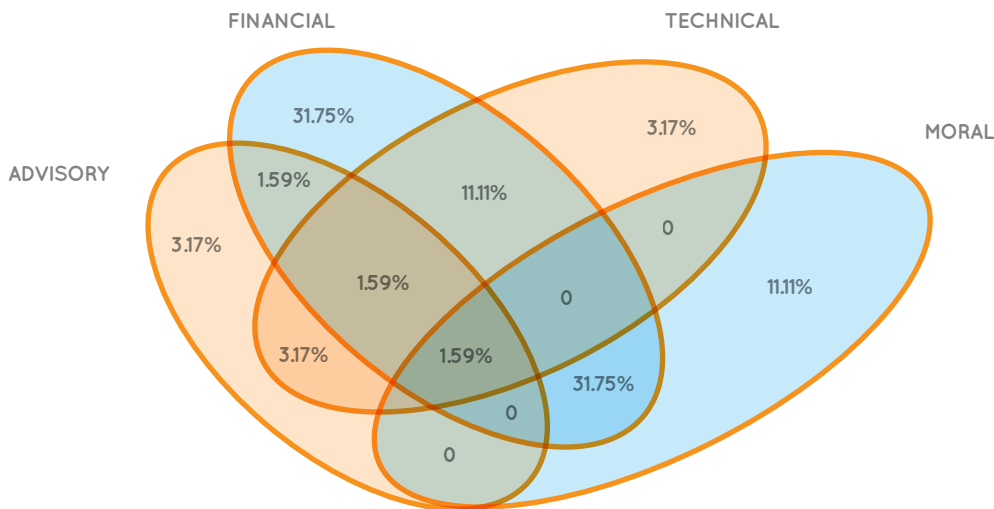


FIGURE 4.18
INFLUENTIAL FACTORS

- Not Mentioned
- Self-Motivated
- Influenced by External Factor
 1. Poverty and domination for workers
 2. Present life style of nepalese people
 3. Social Enterprise seminar
 4. College Project
 5. Family, Friends, Seniors and Teachers
 6. On travelling to different places
 7. New Technology

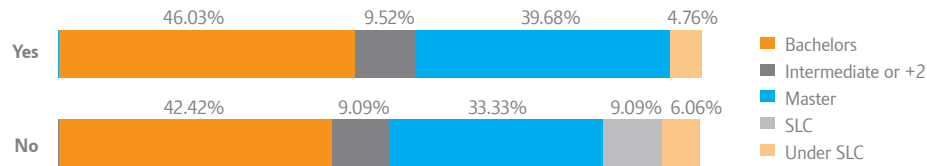
FIGURE 4.19
TYPES OF SUPPORT RECEIVED



To illustrate the supports received by the entrepreneurs, Venn diagram was drawn. First of all, all the supports mentioned by our 96 respondents were categorized and put into four categories, Financial, Advisory, Technical and Moral. From our study we found out 63 (65.625%) received supports while 33(34.375%) did not. Also, we came to know that among our sample respondents only 1.59% respondents got all the mentioned support. To be more specific, most entrepreneurs i.e. 31.75% received financial support only, 11.11% moral support only and 31.75% received financial and moral support.

4.7.1 Support and Education

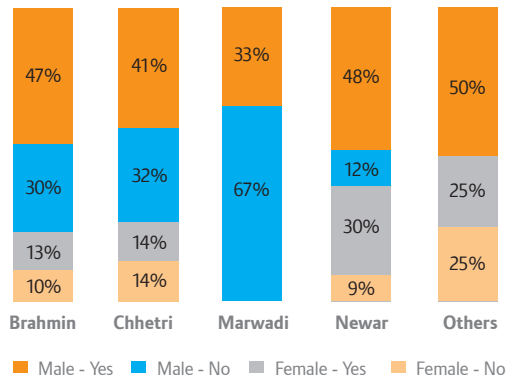
FIGURE 4.20
SUPPORT AND EDUCATION



Among the total respondent, 29 studied bachelors and got support for their enterprise and 14 studied bachelors but did not get any support. 6 studied intermediate or +2 and got support for their enterprise and 3 studied intermediate or+2 but did not get any support. 25 studied master and got support for their enterprise and 11 studied master and did not get any support. 3 passes SLC and also did not get any support for their enterprise. 3 people who were under SLC also got support and 2 people did not have any support for their enterprise.

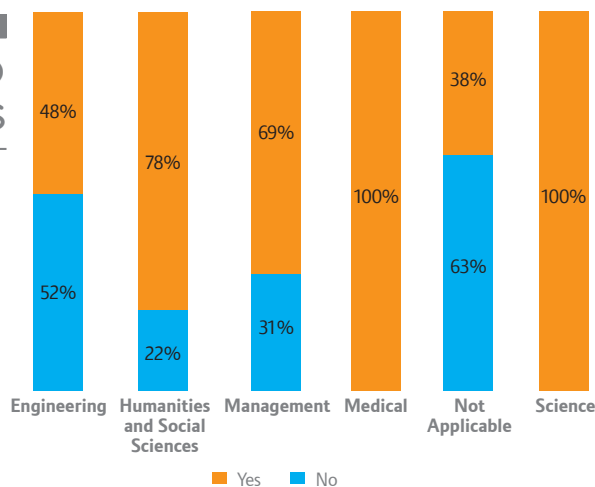
4.7.2 Support, Ethnicity and Gender

FIGURE 4.21
SUPPORT, ETHNICITY AND GENDER



Among the Newar, 48% are male and 30% are female and has got support for their enterprise while rest of the Newar didn't get support. Also from Brahmins, 47% male and 13% female got support while the remaining didn't. 41% and 14% of males and females respectively from Chhetri background got support and just 33% of Male Marwadis got support. 50% males and 25% females from other community got support.

FIGURE 4.22
SUPPORT AND ACADEMICS



4.7.3 Support and Academics

In this report, 100% of medical and science students has got support for their organization. In the field of humanities and social science, 78% have got supported for their organization but 22% haven't. Among other field, 48% of engineering students have got the support while 69% management students got support.

4.8 Personality traits of social entrepreneurs

Emotional Stability (self-conscious, self-confident and contentment) with the score 4.50, showed to be the most dominant trait among the respondents, while the least number of respondents were extraversion with the score of 3.78. Traits like gregariousness, excitement seeking and assertiveness fall under extraversion. Also, the characteristic test showed the presence of traits like Conscientiousness, Openness and Agreeableness among the respondents with the score of 4.18, 4.31 and 4.36 respectively.

4.9 Sustainability of social enterprises

In this report, 73.96% respondent has made business plan before establishing the enterprise whereas 2.08% has made their business plan but is unwritten. And, 23.96% respondent hasn't made any business plan.

Revenue

In the research conducted among 96 social enterprises, we also found out the amount of revenues they generated since last 3 years. According to the average mean data, 2 years before in 2014, the revenue generated in average by those enterprises was 37,098,527.78. Following that year in 2015, the average revenue increased to 37,814,928.57 in the previous year. Similarly, the generated revenue in the present year 2016 has risen up to 42,493,658.84. The data represents that the revenue has been increasing by the preceding year and eve more in the present year.

According to the average median data, before 2 years in 2014, the generated revenue was 725,000.00. Following that year, the revenue increased to 1,100,000.00 which was quite higher than the year before. The data shows increment with each preceding year making the revenue generation to much higher amount i.e. 2,000,000.0. The amount increased by double to the present year which shows that it increased in a very high range.

FIGURE 4.23

CHARACTERISTIC TEST

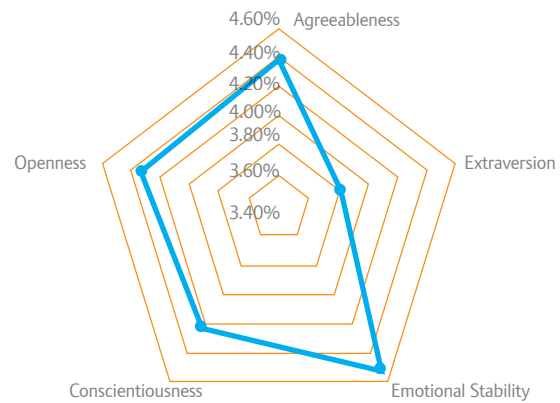
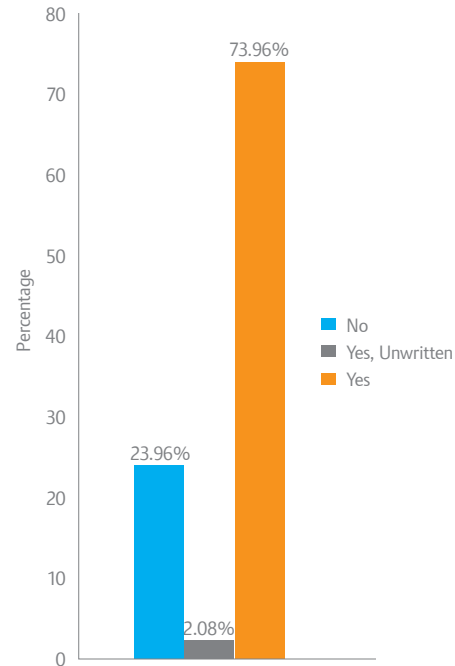


FIGURE 4.24

PREPARED BUSINESS PLAN



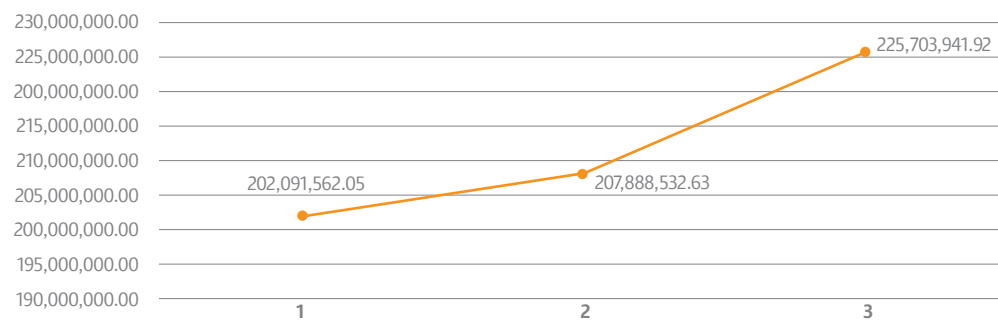
Among the 96 enterprises, the minimum revenue ranges from 2,000 to 17,500. In the year 2014, the minimum average revenue was 2000. Following the year 2014, in 2015, the average revenue increased to 7000. To the present year, the minimum average revenue increased to 17,500 which is very higher than the last two years.

Among the total enterprises, the maximum revenue generation ranged from 1,215,000,000.00 to 1,500,000,000.00. Before 2 years, in 2014, the average revenue was 1,215,000,000.00. Following that year, in the year 2015, the average revenue amounted 1,135,000,000.00. To the present year, the average revenue has increased in huge amount i.e. 1,150,000,000.00.

From the research, the range of revenue generated in the year 2014 has amounted to be 1,214,998,000.00. Increasing the revenue amount, in the year 2015, the revenue generated was 1,349,993,000.00. To the present the range of the average revenue generated by the enterprises amounts to 1,499,982,500,00 which shows the increment of revenue in these 3 years.

FIGURE 4.25

STANDARD DEVIATION OF REVENUE



The average standard deviation of the revenue generated by the social enterprises ranges from 202,091,562.05 to 225,703,941.92. Before 2 years, in 2014, the average revenue amounted to 202,091,562.05. Following the year, the revenue amounted to 207,888,532.63 in the year 2015. Similarly, the revenue amounted 225,703,941.92 in average by the present year 2016.

4.10 Prospects of social enterprises

Profitability

79.17% entrepreneur have agreed that their business is profitable where as 19.79% are not satisfied with their business performance. Making a business plan has a significant

relation to the profitability of an enterprise, therefore making a business plan is very important for an enterprise to be profitable. Where dominant number of respondents in the research mentioned that current themes they are using for their enterprises are profitable, most of them also emphasized the role of business plan for the profitability of their enterprise. From the above table, we can clearly see that the chi-square coefficient of the relation between business plan and profit is 1.409 and is significant. It also implies that there is significant relation between the business plan and the profit that the enterprise makes.

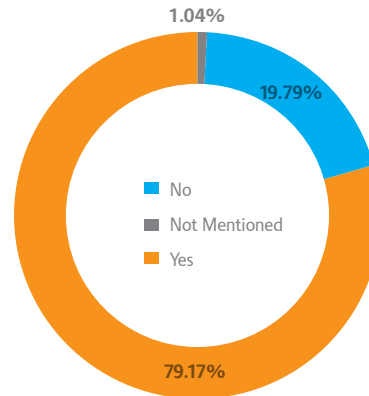


FIGURE 4.26
PROFITABILITY
OF VENTURE

TABLE 4.6 RELATION BETWEEN BUSINESS PLAN AND PROFIT

Factors	Chi-square Coefficient	Sig Value
Business Plan and Profit	1.409	0.012

4.11 Relations between Business Plan and Problems Addressed

TABLE 4.7 RELATIONS BETWEEN BUSINESS PLAN AND PROBLEMS ADDRESSED

Factors	Chi-square coefficients	Significance
Make Business Plan * Agricultural Issues Addressed	0.089	0.047
Make Business Plan * Children Problems Addressed	1.090	0.580
Make Business Plan * Differently Abled Group Addressed	0.089	0.956
Make Business Plan * Education Addressed	2.401	0.031
Make Business Plan * Environment Issues Addressed	0.426	0.808
Make Business Plan * Gender Issues Addressed	1.947	0.037
Make Business Plan * Health Problem Addressed	3.822	0.014
Make Business Plan * Societal Problem Addressed	0.450	0.009
Make Business Plan * Students and Youths Addressed	3.073	0.025
Make Business Plan * Unemployment and Poverty Issues Addressed	4.358	0.013

Agricultural issues, Gender issues, Education issues, Health issues, societal issues, students and youth issues and unemployment and poverty issues addressed with a business plan have a significant relation and they create a significant social impact. In our surveyed organizations, the major themes they worked with were agricultural issues, children problems, differently abled group, environment issues, etc. As in any kind of business, there is no way that each type of business is an equal hero. Indifferently, the organizations that have worked on agricultural issues, education issues, gender issues, health issues, societal problems, student

and youth issues and unemployment and poverty issues have created significant impact in the enterprising sector. Earlier we mentioned how important business plan is for the profit making of the enterprise. But, now, we can see, even if there are business plans prepared, the themes on children problems, differently abled group, etc. have not been able to empathize the enterprising sector relatively.

4.12 FGD and KII

As per the KII on social entrepreneurship, it is defined as the process of operating an organization taking various initiatives not for the profit motive but to eliminate the different social problems in the society. However according to Saifan (2012), the definition is kind of vague and limitless term. The ultimate goal of SE would be to create social value. The literature review insists more about entrepreneurs creating needs while businessmen satisfy the needs.

Social entrepreneurship is different from a typical business organization in different. According to the KII, they work for the social cause and use the profits for the welfare of the society. However, according to the literature, Ashoka Innovators for The Public (2006) they should also look for the new ideas, entrepreneurial qualities, social impact and ethical fiber. It also insists that referring philanthropists, social activists, environmentalists and socially-oriented practitioners are all referred as social entrepreneurs which is creating confusion. They have both commercial as well as social values in order to have no outside donors or have social values and earn for self-sufficiency through commercial work or donors, while commercial enterprise work for profit (Saifan, 2012).

As per the KII, there is no major legal framework or provision for the registration of social enterprises how there can be certain company acts. However, the literature review insists that just like in Belgium, China and many other countries, Nepal also has special legal framework for social enterprise.

As for the motivational factor to get involved in social enterprises, the result of KII majorly had the factors like the people wanting to provide social services sustainably and creating impact on society along with entrepreneurship. They try to address various problems of the society and work for them. As it is a reasonable factor to get involved in social enterprise, literature review also insists the same factors along with the motivation to bring overall change in the society.

Targeted markets

The targeted markets of social enterprise according to the KII are various Community people from different Age-group, Public Citizens as well as Global market, remote areas and economically backward people. However, the literature review of (Ashoka Innovators for The Public (2006), also insists more of the target on the products and services that brings change throughout a region.

According to KII, there are many innovative social entrepreneurs through various related examples like generating unique ideas, their Passion for work, through Research, outsourcing, Perseverant action and better use of Internet. Although, according to the literature review of Ashoka Innovators for The Public (2006), we can also say that Innovation and new ideas which brings overall change is the major aspect behind social enterprise so Innovation is a major aspect in the social enterprise field.

Social Enterprise is the enterprise where core and existing problem of community are solved without harming others. It is the enterprise which wanted to create impact on others. Not only this those enterprises which are registered as profit oriented and work to make some social impact are also social enterprise. Also most of the entrepreneurs spend their money because they are passionate and want to create some impact to the society and also they are doing in this current situation.

Social Enterprise objective is to create social impact whereas enterprise objective is to create profit and have an individual development i.e. Profit= Enterprise, Social Impact= Social Enterprise. Social Enterprise needs to sustain in market by solving problems and creating social impact in the society. Though profit is not the main focus of social enterprise but to sustain for long run, social enterprise needs to gain profit along with solving the problems of the society. Social Enterprise needs to be financial self-sustainable rather than having donor throughout its life span.

Enterprise are those which brings difference by changing inputs to outputs for serving customers and their satisfaction by creating profits. Whereas, social enterprise is the one who faces the problems and try to solve it so that the society can be problem free. The social entrepreneurs create ideas, involve in innovation so that they can help and solve the problems in new ways which no one has ever done. Also, social enterprise is run by the society, the society's problems, and sustainably serve the society. Also, its duty of social enterprise is too aware the society about the bad and good cause that harm or protect the society.

Social Enterprise differ from traditional non-profit organizations primarily because of their businesslike approach to social issues (Chu & Luke, 2013).

Social Enterprise involves business as an instrument for social development (Dart, 2004).

Social Entrepreneurship “A process involving the innovative use and combination of resources to pursue opportunities to catalyze social change and/or address social needs (Mair & Marti, 2004).

Prospects

According to the respondents, they got into the social entrepreneurship sector by starting as an individual working on their passion. They realized the need of social entrepreneur in Nepal which is very high. Mainly they focused on education system targeting rural areas. They also feel that both aspects of enterprise and social enterprise are good to work. In order to find new markets, the enterprises need to run in a successful model.

Problems

As a part of the conducted research, the problems of the SE sectors were also addressed. Basically, the problems included calculating the social impact monetarily, social entrepreneurial entity, subsidies or relaxation, reinvest and not individual spending. There is also usually a major confusion between SE and Private limited. They insist that the Enterprises are cheaper in money whereas social enterprise more expensive.

Type of people

According to the research, the types of people involved in this sector are facing different problems and living them. Most people are the ones who return to society who make differences. With the Passion in making impact and not money. There is also a problem of spending money when there is no any place to spend despite the feeling of providing impact to others. However, they are aware of future focusing on the problems of community with good visions.

4.13 Characteristics and Definition of Social Enterprise in Nepal

FIGURE 4.27

CHARACTERISTICS OF SOCIAL ENTERPRISE



Source: Created by Research Team, Kings College (2016)

After the research, the customized definition of social entrepreneurship: -

“Social entrepreneurship is the process of providing ethical and innovative market solutions for neglected social problems.”

-Research Team, King’s College (2016)

Conclusions and Recommendations

5.1 Conclusions

Usually people from age 21 to 40 are primarily involved in the entrepreneurship, abroad study is not necessary to be an entrepreneur, newars are dominant with the entrepreneurship, male are dominant in entrepreneurship in Kathmandu valley, etc. The enterprises have a long history since 1965 in Nepal. The major difference that has separated the socially responsible enterprises and social enterprises are the creation of social impact, either at the backward linkage, during the operational phase or at the forward linkage.

The flowchart in the report clearly depicts that. Government supports are very minimal and people are very demotivated by the same. Whereas there is lot of potential for the social enterprises established to solve agricultural issues, education issues, health issues, youth issues, unemployment and poverty issues. Business plan is very important for a successful enterprise, therefore, many entrepreneurs need a proper business plan for them.

Where the experts from several organizations had different idea about the social entrepreneurship, Luna Shrestha Thakur from Change Fusion Nepal said “4I is essential for social entrepreneurship – the first I being Intention, second I being Innovation, third I stands for Impact and fourth I for Income”. During the research, these were exactly what were emphasized by the respondents and experts along with the need to address the neglected societal problems and putting the profit back to business expansion than distributing as dividends.

5.2 Recommendations

The government should be clear to identify social enterprise as a separate entity like public or private enterprises. Banks and financial institutions should be motivated for the promotion of social enterprises and social entrepreneurs. Special training packages need to be developed for the Impact based Lean Canvas business model and business plan preparation. Resources from the capital are segregated, therefore, such researches should be carried out outside the valley too.

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Annexure I

LIST OF SOCIAL ENTERPRISES

S.N.	ENTERPRISE NAME	S.N.	ENTERPRISE NAME
1	Kanchanjunga Tea Estate and Research Center	37	Nepal Society of Disable Multipurpose Cooperative
2	Leap Frog Technology	38	WEAN Multipurpose Ltd.
3	Parewa Lab	39	Hamri Bahini
4	Hope Foundation	40	AC Energy Pvt. Ltd
5	Bihani Social Venture	41	Woman's Dream
6	Nyanopan	42	Mr Help
7	Backstreet Academy	43	Coffee Pasal
8	Women's Nepal	44	Kaanla Agro Fram
9	Centre for Disabled Children Assistance	45	Army's wife Association
10	Dhukuti	46	Craft Vision
11	Books For All	47	Miteri Recycle Centre
12	Sajilo Shopping	48	Juju Wears
13	Bikalpa Art Café	49	Creative Hands Of Deaf Women
14	Nature Food	50	The Beekeeping Shop
15	Dhaulagiri Agro Product	51	Ankhi Jhyal
16	Diyalo technologies Pvt. Ltd	52	Kalpabrikshya Khadya Udhyog
17	Ask Foundation	53	Jamarko
18	Versatile Boutique	54	Women Development Advocacy Center
19	Bhoto Indira Social Welfare Organization	55	Edushala Pvt. Ltd.
20	Sunaulo Bihani	56	Farmers Mart
21	Hamro Home	57	Karkhana Pvt. Ltd.
22	Prisoners Assistance Nepal	58	Spicy Home Spices Pvt. Ltd.
23	Katha Haru	59	Pabitra Samaj Nepal
24	JIVA Urban Agricultural Pvt.Ltd	60	Shine Cleaning
25	Lishn	61	SAATH
26	Krishi Ghar	62	Foundation of sustainable technologies
27	Phunka Technologies	63	Nepal Traditional Handicraft Training
28	Mantra Ideas	64	Urban girls
29	Seeing Hands Nepal	65	The Himalayan Rabbit Farm
30	WEPCO	66	Home net Nepal
31	Gham Power Nepal	67	Tranquility spa
32	Sreejani Fashion Designing	68	Tukee Nepal society
33	Hilltop Junar Coperative Ltd	69	Mountain delight trek
34	Smart Paani Pvt Ltd	70	Deproc Nepal
35	Kumbeshwor Technical School	71	NADEP Lagubittiya santha
36	Women In Floriculture		

LIST OF ENTERPRISES

S.N. ENTERPRISE NAME

- 1 Access World Tech Pvt. Ltd.
- 2 Bent Ray Technologies
- 3 BMP Infology Pvt. Ltd
- 4 Luniva Tech Pvt. Ltd.
- 5 Honey Guide Apps
- 6 Intern Apply
- 7 Cloud Factories
- 8 Log Point
- 9 Career Disha Nepal
- 10 Mero Hostel.com
- 11 Nep Flights
- 12 Saboguard Nepal, Beverage &
Dairy Pvt Ltd
- 13 Secondhand.com

S.N. ENTERPRISE NAME

- 14 Godawari Alumni Association
- 15 Grepsr
- 16 RedMud Café
- 17 Close One Technology Pvt. Ltd
- 18 Electro Medical Solutions
- 19 The Explicit Records Pvt. Ltd.
- 20 Thoplo
- 21 The Pizza Cutter
- 22 The Sustainable Energy and
Technology Management
- 23 Yorbit Technology
- 24 The Home Repair Apps
- 25 Value Innovation Pvt. Ltd

Annexure II

LIST OF PARTICIPANTS IN FOCUSED GROUP DISCUSSIONS AND KEY INFORMANT INTERVIEWS

S.N. NAME OF PARTICIPANTS

1. Anish Shrestha
2. Anish Shrestha
3. Nikita Acharya
4. Ruchin Shrestha
5. Kumar Paudel
6. Shawarni Khanal
7. Sagar Thapa
8. Narottam Aryal
9. Som Prasad Pudasaini
10. Bhuvan Dahal
11. Phaindra Raj Pandey
12. Purasottam Ojha
13. Pradeep Maharjan

S.N. NAME OF PARTICIPANTS

14. Shaan Shrestha
15. Rajesh Tulsiyan
16. Vidhan Rana
17. Bir Bahadur Ghale
18. Rafael Poudel
19. Madhav Kumar Ghimire
20. Niraj Khanal
21. Ujjwal Chapagain
22. Suman Rai
23. Subash Thapa
24. Anuj Shrestha
25. Sandip Poudel
26. Luna Shrestha Thakur

Annexure III

QUESTIONNAIRE SURVEY

Enumerator's Name:

King's College is carrying out this research to create profile of current social entrepreneurs and about social entrepreneurship in Nepal. The information provided will be strictly confidential and will be used only for research purpose.

Respondent's Personal Profile			
1	Age:		
2	Gender	Male	1
		Female	2
		Others	999
3	District of Origin		
4	District of Residence	Kathmandu	1
		Lalitpur	2
		Bhaktapur	3
5	Ethnicity	Brahmin	1
		Chhetri	2
		Newar	3
		Marwadi	4
		Others (.....)	999
6	Marital Status	Married	1
		Unmarried	2
		Divorced	3
		Widowed	4
7	Education (Pls include name of Final Degree also, e.g. BE or MBBS or IA or so on)	Under SLC	
		SLC	
		Intermediate or +2	
		Bachelors	
		Masters	
8	Academic Discipline	Above masters	
		Science	1
		Medical	2
		Engineering	3
		Management	4
	Humanities and Social Sciences	5	

9	Have you studied abroad?	Yes	1
		No	2
10	Father's Occupation		
11	Mother's Occupation		
12	Do you know anyone who is/are involved in social enterprise?	Yes	1
		No	2
13	If yes, who? (multiple answers possible)	Family	1
		Relatives	2
		Friends	3
		Others	4
14	Did you get any support to establish your enterprise?	Yes	1
		No	2
14a	If yes, who supported? (multiple answers possible)		
14b	What kind of support? (multiple answers possible)		

About the Organization

15	Name and Address		
16	Year of Establishment		
17	Major problems you faced in starting your enterprise (multiple answers possible)		
18	Number of founders		
19	Background of the founders	Social Activist	1
		Business and Entrepreneurship	2
		Politics	3
		Others (Please specify) 999	
20	Mission of the organization		
21	Which particular problems of society are you trying to address? (multiple answers possible)		
22	What are your motivation factors for getting into the enterprise? (multiple answers possible)		

23	Initial Investment – Amount and Sources (multiple answers possible about the sources of initial investment)	Amount		
		Sources	Personal Savings	1
			Family	2
			Friends	3
			Investment Companies	4
			Banks	5
			Cooperatives/MFIs/FINGOs	6
			Others	7
24	If you have any outstanding loan, how much is the loan?			
25	Did you make a business plan before establishing your enterprise?	Yes	1	
		No	2	
26	Did you do SWOT Analysis before the establishment?	Yes	1	
		No	2	
27	In addition to this enterprise, are you involved in any other enterprise?	Yes	1	
		No	2	
28	What are the type of goods or service that your enterprise sells/makes/does?			
29	In which markets do your enterprise sell goods/services?			
30	Can you please provide us with the details of following of last three years			
SN	Particulars	Year 2	Year 3	
1	Revenue			
2	Paid Employees			
31	Whom do you employ mostly?	Normal	1	
		Women	2	
		Disabled	3	
		Poor	4	
		Handicapped	5	
		Street Children/People	6	
		Others	7	
32	Do you employ volunteers?	Yes	1	
		No	2	
33	At present, how many volunteers do you have?			
34	How many volunteers have been employed till date?			
35	Is this venture “profitable”?	Yes	1	
		No	2	

36	Major problems you are facing to run your enterprise <i>(multiple answers possible)</i>		
37	What are the government supports you received to run your enterprise? <i>(multiple answers possible)</i>		
38	Any other supports you received for your enterprise <i>(multiple answers possible)</i>		
39	What are the basic differences between an Enterprise and a Social Enterprise?		
40	Under what legal provisions is your enterprise registered?		
41	How satisfied are you as an entrepreneur?	Highly Dissatisfied	1
		Dissatisfied	2
		Neutral	3
		Satisfied	4
		Highly Satisfied	5
42	There is bright future for SEs in Nepal?	Strongly Disagree	1
		Disagree	2
		Neutral	3
		Agree	4
		Strongly Agree	5

Regarding Innovation and Creativity

43	Have you introduced/identified/thought of any new product or service?		1
			2
44	Have you introduced/identified/ thought of any new market for your product or service?		1
			2
45	Have you identified or thought of any new method of producing your product or service?		1
			2
46	Have you identified/thought of any new raw materials to produce your good or service?		1
			2
47	Have your enterprise co-operated with other enterprises or institutions on identifying new markets, new products, new raw materials, new methods of production and such innovative activities?		1
			2
48	How much amount of resources in monetary terms do you spend a year in research and development including product development, training yourself and/or your employees, attending workshops and related activities?		
49	Do you get any support for R&D activities stated above?		1
			2

PERSONALITY TRAITS

S. No.	Characters	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I view collaboration and cooperation as one of the keys to success					
2	I am a social person and have an enterprise mind					
3	I understand the risks and know how to mitigate them					
4	I want to be a renowned person through social entrepreneurship					
5	I combine ideas and resources from different disciplines and sources to achieve my intended goal					
6	I question traditional way of thinking and doing for creating social impact (e.g. government, religious institutions)					
7	I am highly willing to correct myself					
8	I am willing to share my innovations and insights for others to replicate					
9	I try to ignore the constraints of ideology or discipline					
10	I identify and apply practical solutions to social problems, combining innovation, resourcefulness, and opportunity					
11	I innovate by finding a new product, new service, or new approach to a social problem					
12	I can start enterprising before ensuring they are fully resourced					
13	I have a firm belief in everyone's innate capacity to contribute meaningfully to society					
14	I have a strong determination that pushes me to take risks that others wouldn't dare					
15	I am happy when I make a difference					

Please write here related other information (if any) and enumerator's comments/observation:

Annexure IV

CHECKLIST FOR FOCUS GROUP DISCUSSION AND KEY INFORMANT INTERVIEW

A checklist of some questions or issues to be raised/asked in FGDs

What is a social enterprise (SE)? How is it different from a typical business enterprise? About the legal framework for the SE establishment, e.g. registration of SEs, reporting and others.....

Why do entrepreneurs start a SE? Background of entrepreneurs who involve in SE sector. Major problems in starting social enterprises. About initial Investment – Amount and Sources

Which particular societal problems would the SEs in Nepal like to address?

What are the major type of products (and sectors or industries) that SEs in Nepal produce or focus? And the targeted markets?

How do SEs transfer knowledge and skills to other entrepreneurs?

Major problems SE and social entrepreneurs facing to run their social enterprise? What are government and other supports in SEs and SE sector in Nepal?

Innovation aspects of the SE sector in Nepal: How innovative are the social entrepreneurs and type of innovation, R&D, cooperation with other enterprises with respect to innovation?

How are social returns measured (e.g. indicators of social change brought about by SE sector)? Growth of SEs and SE sector? Whether the investment in the SE sector sustainable or “profitable”?

Do social entrepreneurs prepare a business plan and undertake a SWOT analysis to establish a SE?

Recruitment policy of social entrepreneurs and preference

Prospects and future of SE sector in Nepal.

Final Remarks (if any)

Checklist/Questionnaire for key informant's (KI) survey

INTERVIEWER'S NAME:

King's College is carrying out this research to create state and profile of social entrepreneurs and about social entrepreneurship in Nepal. We would like to request you to help us by answering the following questions. We highly acknowledge your response in this regard. Please feel free to response in Nepali if you want.

How would you define a social enterprise (SE)?

How is it different from a typical business enterprise?

Could you please describe the legal framework such as registration of SEs, reporting and others of SEs?

What are the motivation factors to involve in the SE sector?

Major problems in starting social enterprises.

What are the sources of investment to start a SE?

Which particular societal problems would the SEs in Nepal like to address?

What are the major type of products (and sectors or industries) that SEs in Nepal produce or focus on?

And the targeted markets?

How do SEs transfer knowledge and skills to other entrepreneurs?

