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# **A STUDY ON Social Entrepreneurship in Nepal Reflecting Voices from the Field**

## About the study

This study is conducted by prepared by Nepal Development Initiative (NEDI) in support of Heifer International Nepal. The study explored the understanding around social entrepreneurship based on national and international context and captures some cases studies from Nepal. The study is based on available secondary data, field study, interaction with stakeholders and interview of social entrepreneurs'. The case studies captured in the study bring voices from the field, situation of ground, identifying root causes on the problems being faced by entrepreneurs and some tangible solution for tackling the problem. The study tries to assess the problem on social entrepreneurship, and some hands on to continually adapt and evolve based on local knowledge and expertise about what works and what needs to change in the model. It will help on adding knowledge on social entrepreneurship and helps on exploring gaps and understandings of social entrepreneurship in Nepal.

## About the Study Convener: Nepal Development Initiative (NEDI)

Nepal Development Initiative (NEDI) is registered with District Administration Office (DAO) and affiliated with different government agencies of Nepal as a non-profit and a non-political, as a social development organization in 2003. NEDI aims to uplift Nepali people from vicious poverty and help on creating enabling environment for dignified life and prosperity through informing, empowering and involving youth, women and marginalized people on social entrepreneurship.

Furthermore, visit: [www.nedi.org.np](http://www.nedi.org.np)

## About the Supporting Organization: Heifer International Nepal

Heifer's history in Nepal can be traced back to 1957, when Heifer International sent shipments of cattle, pigs, sheep and parent stock of poultry at the government's request in order to introduce high-yielding livestock into the native animal population. In 1993, the Barua Goat Raising Project for a group of 25 women in the Gitanagar Village Development Committee of Chitwan District was initiated as Heifer's first project in Nepal. Heifer International Nepal began its official operation as a country office in September 1997, by signing the first formal agreement with the Social Welfare Council. During the initial days, Heifer Nepal continuously developed, tested and standardized various tools and approaches while training staff and partners to build their capacity. By the end of 2007 we had worked with 46 project partners benefitting over 15,000 families in 27 of the 75 districts. Heifer Nepal introduced the country program strategy and investment plan in 2007 which focused on livestock, improved technology and technical training and education for knowledge and awareness. Heifer Nepal has been working towards expanding its program impact to reach out to more families through the use of technology and innovation.

Heifer program aims to boost nutrition, create jobs and income for small-scale farmers by creating successful value chains - and responsibly care for the environment. To reach this goal, Heifer Nepal is using social entrepreneurship to make positive changes in the community.

Further visit : [www.heifernepal.org](http://www.heifernepal.org)

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10 June 2021

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## **ACKNOWLEDGEMENTS**

Social entrepreneurship can be defined as a form of entrepreneurship which predominantly focuses on social benefits rather than solely financial ones, and which seeks to address societal, cultural or environmental issues, often in an innovative manner. Social enterprises, with their hybrid goal of being financially effective and socially transformative, are particularly apt at generating locally-driven responses to a wide array of issues hindering collective social progress and economic development, especially for vulnerable groups. Social enterprises therefore bring a unique contribution to achieving sustainable goals and prosperity in Nepal.

For this to become significantly more widespread, and for social enterprises to reach their full potential, ecosystems composed of conducive policies and regulatory frameworks need to be in place. Together, these policies need to foster dynamic skills development, ensure the availability of sufficient financial capital, generate efficient technical support, and develop an enabling infrastructure. Also, an empowering culture and societal norms supportive of social entrepreneurship are also needed to fully reap the benefits of social entrepreneurship.

The concept of a social enterprise was developed in the UK in the late 1970s to counter the traditional commercial enterprise. In Nepal the concept of social enterprise is not much flourished because there is the lack of a clear-cut policy and law in the country to promote social enterprise, albeit some of the CSOs are demonstrating their social enterprise spirit for the social cause. Since there is gap on the availability of literature to take account on social enterprises, Nepal Development Initiative (NEDI) has initiated this study with the support of Heifer Nepal to map-out the contributions of CSOs/social entrepreneurs in Nepal.

For shaping this study into this form, the effort of the team engaged in the process is highly praiseworthy. I would like to extend my sincere thanks to the study team member Raju Sharma and Purusottam Bista for their efforts to make this study at this form. I am indebted to Mr Rabin Koirala from Heifer Nepal office for his professional and organizational inputs. Similarly, I would like to give my sincere thanks to Dr Tirtha Regmi, Director of Programmes of Heifer for encouraging and continued support for enhancing social entrepreneurship in Nepal. Also I would like thank Kaajal Pradhan, Country Director of Restless Development, Shyam Adhikari, Advocacy & Campaign Manager from World Vision International and field coordinators of Heifer, its partners NGOs and entire team those encouraged the team in due process. . Last but not the least, I would like thank to all social entrepreneurs, member of National Social Entrepreneurs' Forum (NSEF) for giving their valuable time and information for research purpose.

NEDI together with partners wish to engage further in this area for making best social enterprises and promoting social entrepreneurship in Nepal.

Arjun Bhattarai  
Executive Director  
NEDI

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# **Social Entrepreneurship in Nepal Reflecting Voices from the Field**

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# 1. Introduction to Social Entrepreneurship

Social entrepreneurship has emerged as one of the most reckoning forces in the discourse of economic development in general and entrepreneurship in specific. Social entrepreneurship means economic activities aimed at addressing social problems while also generating financial gains, where primary goal is the amelioration of social conditions. A core element of Social Entrepreneurship is the application of innovative approaches for solving social problem. Social entrepreneurship emerged out of the contribution of some socially conscious individuals who applied innovative business models to address social problems hitherto, overlooked by Governmental and Non-governmental organizations (NGOs). These entrepreneurs were engaged in ameliorating adverse social conditions, especially in underdeveloped and emerging economies where resource scarcity provided limited attention to social needs. Social enterprises fill the much needed gap in achieving development by addressing not only the economic dimension of development but also social and environmental dimension of development as well. Social entrepreneurs are known to design innovative solutions, often using business models, to address social or environmental problems. The work of social entrepreneurs has social goals as integral part of the business model. Social enterprise lie in a spectrum of economic activities where on the one extreme there are pure commercial economic activities whose main objective is to earn profit and charity/philanthropy on the other extreme where the focus is on providing services or generate social goods, without so much concerned about the economic value of generating social goods. In the view of many experts social enterprise exists at the intersection of the private and volunteer sectors. Profit-maximisation is not the primary goal of social enterprises. It operates differently than a traditional business company. The concept of a social enterprise was developed in the UK in the late 1970s to counter the traditional commercial enterprise model (Shrestha et. Al., 2020). Social enterprises in Nepal are playing a vital role in implementing various projects and programmes targeting various communities, sectors and campaigns.

Social entrepreneurship “encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner” (Shaker et. Al., 2009). Social enterprises uses market as a tool for meeting social needs, serving the general interest and common good for the benefit of the community. We believe any definition, measurement or evaluation of social entrepreneurship should reflect both social and economic considerations. The nature of social enterprises can be both for-profit-motive and non-profit making depending upon on the country’s legal framework. Social enterprises are found to be open in different forms such as cooperatives, micro-finance, civil society charity, social business or community interest company. The social enterprises have both business goals and social goals. The social goals are embedded in their principles and work procedures, which differentiate them from other commercial organizations and corporations. The main purpose of the social enterprise is to promote, encourage, and make social change. It is generally seen that huge number of non-profit ventures are involved in social enterprise as compared to minority of for-profit social enterprise. In the developed parts of the worlds, for profit social enterprises are limited to foundations, charities, mission organizations and

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a large number of start-ups. In the developing worlds, most social enterprise are led by organizations in the civil space who are non-profit making in nature. However, there is an increasing trend of for-profit making social enterprises even in the developing world. Social entrepreneurs have also become highly visible agents of change in developed economies, where they have applied innovative and cost-effective methods to address social problems which were not addressed by traditional solutions (Healey 1998). The concept of social enterprise is found emerged in the provision of community services (education, cultural promotion and enabling environment).

## **2. Defining Social Entrepreneurship**

There is a growing interest in the field of social entrepreneurship. Despite the growing interests, there is no clear definition of its domain. Social enterprise resembles works of philanthropic institutions, commercial enterprises, civil society organizations. This has complicated the tasks of delimiting its scope to many people. This complication is reflected in the numerous manifestations of social entrepreneurship and the varieties of people studying the subject. Scholars like (Marti 2004) feel that combining two words i.e. social and enterprise is itself ambiguous as meaning of these two words is different to different people. Defining a precise definition and delimiting the social entrepreneurship is somewhat problematic, even within national contexts. This complexity increases at the international level because of inter-national differences in legal structures, political contexts, business cultures, welfare provision arrangements, community norms, discourses, and other factors. Social entrepreneurship receives wider interests because it provides space to align diverse sets of motives (moral and financial) of individuals. The alignment of motives inspires individuals to conceive, build and operate organizations that address personally important issues. Whatever differences in the definition of social entrepreneurship, people agree that entrepreneurs, like anyone else, have a host of personal motives to attain financial and nonfinancial goals. This line of reasoning provides a basis for differentiation of commercial enterprise activities with that of social enterprise activities. Organizations with profits as the sole objective often fall outside the domain of social entrepreneurship. Similarly, for-profit firms engaged in philanthropic endeavors or socially responsible activities would generally lie outside the boundaries of social entrepreneurship. Likewise, organizations working without considering the economic implications of their operations are also not considered as social entrepreneurship. Social entrepreneurship are identified as such primarily because of their principles and modes of operation, or by their legal form rather than by activity per se. Some economic activities can be performed by a social enterprise and commercial enterprise, the difference lies in the principle involved which are generally manifested in quality of inputs used, production process, marketing arrangements or even pricing strategy. The core factor differentiating social enterprises from the commercial ones is the goal to build solutions for social problems through the creation of business ventures, thereby marrying managerial efficiency and innovation with a passion for driving social change. The agenda of these social enterprises is to accelerate human welfare through relevant products or services, at the same time, being market oriented to produce them for the welfare objective.

This report adopts a more encompassing definition of social entrepreneurship. Since the report intends to account for the contributions of social entrepreneurship in Nepal, it adopts

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a spectrum view of the social entrepreneurship to delimit its scope. This report considers social entrepreneurship as organizations playing a role in up-lifting living conditions of the poor and under-privileged in the community, and facilitating community development at the one end of the spectrum. At the other end of the spectrum lie for-profit organizations who apply business models to address social problems and aim for sustainability of the organizations.

### **3. Emergence of Social Entrepreneurship**

Social entrepreneurship differs from traditional philanthropy as well as pure profit making commercial activities. It, more often than not, uses business models to address social problems. Social enterprises are defined as “a new innovative business model that meets both social and economic objectives contributing to labour market integration, social inclusion and economic development” (Nogales 2009). The repeated governmental failures in solving social problems, such as in the emerging economies and the nature of capitalism to be pro-profit maximization led to the emergence of the social entrepreneurship movement (Sahay 2018). There are three distinct threads which shaped the development of the social entrepreneurship. The first is related with the continuous work of non-profit sectors in service delivery for the marginalized community as well as heightened concerns for community. The concern for community and environment is a public good which are not addressed properly by government and non-government organizations alike. There was a need for a model which addresses the community concern as well as uses the business model to become efficient and self-reliant atleast in the financial sources. The result of this has been popularisation of a way of doing business that differs from both the public sector and for-profit market sectors. The second thread emphasizes revenue generation aspect for non-government sectors. Social enterprises emerged when non-profit organisations' funding is cut, requiring them to generate income through commercial activity, which may or may not be related to their social mission<sup>1</sup>. A third thread which is at a nascent stage, emphasizes for-profit companies performing pure commercial functions but addressing social problems while they generate profit. These organizations' functions have 'concern for community' built as integral part of their operation. These three threads have shaped the scope, definition, and characters of social entrepreneurship in both the developed and developing parts of the worlds. The importance of social entrepreneurship can be spelled out in following terms:

- Social entrepreneurship contributes to the generation of social wealth. While profit drives the performances in for-profit making organizations, it is the 'concern for the community' or 'social wealth' which drives performances of social entrepreneurship. The social wealth is a cumulative of economic wealth and 'concern for community and environment'. The concept of social wealth includes financial and non-financial gains (environment preservation, promoting culture, development of marginalized community etc) through enterprise.
- Promoting development of social enterprises produces short-term and long-term gains for public budgets as they substitute/support government in meeting the social needs of the target population using the forces of the markets. They also benefit

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<sup>1</sup> job creation through the social economy and social entrepreneurship, OECD 2013



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government through reduced public expenditures and increased tax revenues compared with other methods of addressing social needs.

- Social entrepreneurs build, launch and operate ventures which tackle those social needs that are inadequately addressed by existing institutions, businesses, NGOs and government agencies.
- As part of their social missions, many social enterprises have contribution to employment and improved the quality of workers and working conditions ultimately fostering social inclusion. Job creation is one means by which this can be achieved.
- Some of the social enterprises have reduced the market prices of products/services which have enabled lower income groups to benefit from the product and services. Social enterprises bring changes in the quality/quantity or production system which changes the costs of a product or services. They could offset market distortion. There are documented cases of social enterprises making markets more inclusive by reducing the prices of products especially in health sector. Market costs are reduced by new innovative solutions- new product, changing the production system, reducing the production costs, inventing new marketing channels and securing funding sources etc.
- Social enterprises give due consideration to the relationship with stakeholders as well while determining its success. The success of a social enterprises is not just related to how innovative or how balanced it is in its market and social orientation, but significantly on the relationship it bears with the stakeholders and the contextual factors they are associated with. In developing worlds, there are host of such contextual factors like livelihood generation, poverty eradication, rural entrepreneurship, improved education. Thus the impact of social enterprises are felt in strengthening stakeholders' relationship and improvement in these contextual factors also along with changing market orientations.

## **4. Global Practices of Social Entrepreneurship**

The Global Entrepreneurship Monitor (GEM) defined social entrepreneurship in their special report in 2016 as “any activity, organization or initiative that has a particularly social, environmental or community objective”. The definition is inclusive of the core mission, which is strongly linked to community mobilization and environment protection. However, research is in a continuous debate on whether social enterprises are for-profit or not-for-profit. Differing perceptions views social enterprises as for-profits for the poor or not-for-profits using for-profit techniques to raise money to meet their goals. Others perceive social innovation as the key to social entrepreneurship, irrespective of whether commercial activities are adopted or not. (Sahay 2018) suggest, after observing a convergence of concepts in a systematic literature review, that a social enterprise is a hybrid organization that tries to achieve both market orientation and social value creation for a double bottom-line. Policy makers have given different identities to social enterprises, thereby acknowledging their contribution and creating an ecosystem supportive for the evolution of the enterprises.

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As per the European definition of social enterprises, quoted in EMES<sup>2</sup> (Emergence of Social Enterprise in Europe), social enterprises are not-for-profit private organizations commenced by communities, involved in production of goods and services specifically for the benefit of communities, bearing high autonomy and full responsibility of their economic situation. In the UK, Social enterprises are defined as businesses with social objectives as primary mission. They use their assets for public good, and surpluses are to be reinvested in the business and community, rather than redistributing among owners and shareholders.<sup>3</sup> Some examples of social enterprises in the UK are Community Interest Companies (CICs), Limited Companies, and Industrial and Provident Society. Social entrepreneurs in the USA believe that social innovation is primary to social entrepreneurship and hence any innovation aiming to achieve social goals is social entrepreneurship. However, there are those who postulate that the fulfillment of the social objectives with the aid of commercial strategies should be considered as social enterprises. Thus, innovations for addressing social ills and commercial operations aiding attainment of social objectives are filters for social entrepreneurship in the USA. South Korea also has a strong tradition of social entrepreneurship as a result of strong social tradition. As per the “Social Enterprise Promotion Act” of the South Korean government, those organizations are certified as social enterprises, which carry out business activities through production and sales of goods and services for social purposes, such as generating livelihood for residents in vulnerable social groups.<sup>4</sup> Pursuit of social purposes by reinvesting profit in the business or community is the priority of such enterprises. In India, the central and state governments have not given legal identity to social enterprises. Companies with social missions can be established under the provision of registering companies under Section 8 of the Companies Act, 1956. According to the Act, companies can promote ‘commerce, art, science, religion, charity or any other useful object under the condition that all income and profit are re-invested for the objectives of the company. These profits cannot be paid as dividend to board members.

Social enterprises are structured both as profit making and non-profit making which may depend on the country’s legal framework. Social enterprises are found to be open in different forms such as cooperatives, micro-finance, civil society charity, social business or community interest company.<sup>5</sup> The enterprises have both business goals and social goals. The social goals are embedded in their objective, which differentiate them from other organisations and corporations (Mathew 2018). The main purpose of the social enterprise is to promote, encourage, and make social change (Lane 2011). A number of researchers emphasize the role of innovation in a social entrepreneurial organization identify the three

<sup>2</sup> Source: [http://www.emes.net/site/wp-content/uploads/EMES-WP-12-03\\_Defourny-Nyssens.pdf](http://www.emes.net/site/wp-content/uploads/EMES-WP-12-03_Defourny-Nyssens.pdf)

<sup>3</sup> Source: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31677/11-1400-guide-legal-forms-for-social-enterprise.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31677/11-1400-guide-legal-forms-for-social-enterprise.pdf)

<sup>4</sup> Source: <http://www.fomin.org/Home/FOMINblog/Blogs/DetailsBlog/ArtMID/13858/ArticleID/7098/Eco-system-for-supporting-social-business-in-South-Korea.aspx>

<sup>5</sup> See further “What is a Disregarded Entity – Disregarded Entity Definition”. [Biztaxlaw.about.com](http://Biztaxlaw.about.com).

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factors of innovativeness, proactiveness and risk taking as central to social entrepreneurship (Mort 2006).

Above review reaches to the conclusion that while there is a substantial body of literature on social entrepreneurship emerging from a number of domains, the literature is fragmented and has not led to the development of a specific framework.

## 5. Social Entrepreneurship in Nepal

The concept of social entrepreneurship is fairly new, but is gaining momentum lately. There are lot of these social entrepreneurs in Nepal, who are changing lives and contributing to development and nation building. Various programs need to be conducted at national and local level to bring those hidden entrepreneurs into limelight. There is huge potential and implication of formulating business model of social enterprise and social entrepreneurship that fits in Nepalese context. Most organizations which are considered as social enterprises in Nepal, have some social objectives deeply rooted in the mission. They expose a drive for sustainability and are highly influenced and shaped by the environmental dynamics. In community organizations, social entrepreneurship has been identified as playing a role in up-lifting living conditions of the poor and under-privileged and facilitating community development. Social entrepreneurship has been seen in terms of the catalytic leadership provided in areas of social concern with the purpose of change.

Most social enterprise in Nepal are driven by organizations working in the civil space, however minority of social enterprises are led by profit-not-distributing-private-companies. These organizations have played a vital role in implementing various projects and programmes targeting communities, sectoral groups and running campaigns. These organizations and their enterprises aim to create a conducive environment and opportunities, eliminating poverty for the poor and marginalized people to claim their rights and tackling the growing national inequalities.<sup>6</sup> A significant driving force of social enterprise activity in Nepal seems to come from the returned diaspora community, including Nepalese who studied abroad.

There is a wide variation in the social enterprises in Nepal. Some social enterprises earn profit to reinvest in the business, while others earn profit and direct the profit to certain marginalized groups which are involved in the business. Some social enterprises take grants and invest in social programs which aim to benefit certain marginalized section of the society. Earning profit is just a means to keep company running, pay for expenses, and in some cases reinvest to the benefits of marginalized section of society who partake in running the enterprise. This marginalized section could be purchaser of the product/services or the suppliers of the product/services. A social enterprise is different from a traditional charity in terms of its sustainable revenue base. While charity relies on outside funding to fulfil its social mission social enterprise integrates its social missions into its core operation such that the achievement of profit or sustainability of the enterprise highly correlates with achievement of social mission. Social enterprise prioritize channeling profits into their social mission, rather than distributing among shareholders. As such the social enterprises in Nepal encompass a broad range of organizations as given below:

- NGOs who have revenue sources from its allied activities but cannot fund all of its operations
- Social or environmental purpose businesses that seeks sustainability and reinvests parts of its profit

<sup>6</sup> Access to Justice Through Social Enterprise, BBC and ASD 2020

- For profit businesses equal focus on commercial and social objectives

## 5.1 Legal Standing

Nepal does not have a policy or act governing the establishment and operation of social enterprise. According to the Organization Registration Act, 2034, Non-government organizations cannot make profit. Hence most NGOs run a separate entity as business by registering the business entity either with the Cottage and Small Industry Office and the Company Registrar Office as per the Company Act. Additionally, these organizations get registered at the Inland Revenue Department also to seek certificate of VAT exemption. There is not much difference in the governance of private enterprise and social enterprise in Nepal and they face several bureaucratic hassles regarding registration, tax clearance, audit, renewal and supervision of the government. All social enterprises comply with the same legal requirements with respect to VAT provisions as private companies. Social enterprises can be for-profit as well as not-for-profit. There is requirement of paid up capital and equity financing in case of for-profit social enterprises. In the absence of likely commercial capital or equity financing opportunities, the non-profit model allows the social enterprise access to a range of funding opportunities not available to for-profits and also has positive taxation implications. However, registering a social enterprise as a for-profit company provides opportunities to be explicit about the commercial intention of the company, and to enable them to access debt and equity capital. There are issues such as funder perceptions and government department understanding of taxation laws for non-profit registered social enterprises in Nepal which makes operation of social enterprise a difficult one.

## 5.2 Justification of Social Enterprise Model in Nepal

In developing countries like Nepal, the model of social enterprise has great potential. Some of the important observations regarding operation of social enterprise in Nepal are spelled in following words.

- There are two elements that have aided the emergence of social enterprise in Nepal – increased focus on the role of the private sector and continuing gaps in social service and infrastructure provision by the state.
  - The private-sector development agenda primarily addresses economic growth. There are numerous social and environmental issues that cannot be addressed by mainstream private-sector development alone. Hence, there is a need or space for social enterprises in Nepal
  - The existing social protection programs of the government of Nepal are severely limited both in its scope and efficiency. A large part of Nepal's economic activities are conducted in the informal economy. Efforts of Government will not be able to cover all of the workforces in the informal economy. Hence social enterprise model is desirable as it integrates social objectives along with economic objectives.
  - Emergence of social enterprise model will reduce dependency on aid for development and focus more for trade for development. Many of the main donor agencies operating in Nepal have increased their focus on youth employment, job creation and skills development, with attention given to private-sector development. Donor agendas are typically driven by a core focus on poverty reduction (with economic growth as a means to this end), and as such include a range of programmes addressing social-service provision, governance and
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empowerment. Social enterprise has a role across all of these areas.

- Recognition that the private sector can and should do more to promote inclusive and sustainable development has been an important driver of inclusive business practices. Additionally, there is widespread recognition within businesses that socially and environmentally friendly supply chains and business approaches are also beneficial to their commercial bottom lines. These two recognitions provide a fertile ground for the emergence of social enterprises.

## **6. Heifer Promoting Best Social Entrepreneurship through Women Cooperative**

The role of cooperative in increasing access to finance for, hitherto marginalized group, is undisputed. From the success of Mohammed Yunus led Grameen bank in Bangladesh to the recent entrepreneurial journey of Bhagbati Chaudary led Micro finance in Nepal, women have been the beneficiary as well as the success factor for these initiatives. Organizing women into cooperatives to increase their access to finance is the foundation upon which economic empowerment of women result. Women's entrepreneurship is seen as a key strategy to achieve the goal of both poverty reduction and empowerment. Women's entrepreneurship is recognized as a crucial way to fight against poverty and gender inequity in society, and acts as a vehicle in the promotion of empowerment and leadership for women (UNIFEM 2000). It must be stated it is more difficult for women to participate in social or economic activities transgressing the bounds of domesticity and household chores. As such women face multiple challenges at individual, family and community level. Their economic emancipation is achieved after they have transgressed these boundaries. Thus, success of women entrepreneurs must not be seen as economic success but it should be recognized of the various layers of challenges that a women passes before being an economic success. Although women entrepreneurs have always been common in some ethnic groups, especially in Newar, Sherpa, and Gurung communities, the idea of women in business has only recently become more common across the country (Tuladhar 1996). Cultural and social barriers severely limit access to economic resources and decision on economic resource mobilization for women. For instance, Land is the major collateral to obtain a loan from a bank and other lending institutions but land ownership is disproportionately a man's arena. Emancipating women requires a solid economic base.

Heifer International is one of the few organizations which have been working to support women take a journey from poverty and vulnerabilities to a state of sustainability and resilience. Heifer adopts a strategy of increasing economic capital of women entrepreneurs with the expectation that this will lead to the development of social capital. In this sense, all of the interventions of heifer are based on the social enterprise model. The interventions aim to create a conducive environment and opportunities, eliminating poverty for the poor and marginalized people to claim their rights and tackling the growing national inequalities. The gender equality is taken as specific objective of the social enterprises for encouraging and enhancing more women leaders and entrepreneurs for the transformative change of the society and country as a whole. Heifer Nepal works through women-only self-help groups (SHGs) to provide a safe space for women to learn, share and grow in the male-dominated society. Every family in a community is included in an SHG of 15-25 women, regardless of socioeconomic status, religion or caste (Matchett 2020). Organization of women into cooperatives not only provides them access to finance but development opportunities in other areas of gender empowerment, financial literacy and participation in public life. The institutional structure owned and operated by women becomes the entry point for support from Heifer and

other donor organizations. Major focus is on the economic empowerment through access to finance, promotion of savings and capacity development for entrepreneurship in selected sector. This Social enterprise model is based on a framework for sustainable development focusing equally on economic development, development of social capital, and concern for community and environment. The cooperative members build savings and lending funds and provide support to each other as they become successful entrepreneurs and community leaders. While agriculture driven enterprises provide women groups with economic opportunities, concern for environment and values-based approach improves the environment, facilitates access to credit and encourages living peacefully with neighbors. The women cooperative members share assets and knowledge with other members and form additional groups, thus increasing the social capital of the community.

The women led cooperative encompasses areas of economic empowerment, environment concern and development of social capital in the programs. This holistic approach adopted in framing activities results into wider success and replicability of model of social entrepreneur women cooperative. Superficial observation shows that women are engaged in saving and credit activities only. Deeper analysis shows additional layers of results. The saving and credit activities lead to the mobilization of financial resources however limited in amount. The development of enterprise by increasing access to finance is supported by capacity development measures in areas of business development and mutual support in marketing arrangements. As will be shown in the case studies in the next section, the social enterprise model led by women cooperative integrates concern for community and concern for environments in their enterprise model. The concern for the community is exemplified by including all members of the community and concern for environment is exemplified by good agricultural practices.

One of the important results of women led cooperative has been recognition of these cooperatives by Local Governments. Local governments are known to give priority to women cooperatives established by women cooperatives as these cooperatives aim for economic and social empowerment of women alongside promoting goals of environment preservation. The women led self-help groups which later graduates into a cooperative, help women in realizing their enterprising potential and also provide space for social emancipation as these women discover their role in environment preservation, local governance and community development. As such the women entrepreneur social enterprise model started by heifer has potential of widespread replicability and scalability. While the women members of cooperative gain some financial access and capacity development, it is essentially mobilization of local resources (individual and collective) which has made this social enterprise model a success. The outside support in the initial phases starts to decrease for good creating an urgency for women members to mobilize savings, remain accountable for credit schemes to the members, establish enterprises with the credit, support each other in the entrepreneurial journey and collectively contribute to the generation of economic and social capital of the community.

## **7. Social Enterprises and Community Development**

Social entrepreneurship is still at a nascent stage in Nepal. Lack of conceptual clarity on what a social enterprise is and what it is not, as well as the lack of legal framework (no separate legal provision for social enterprises), has impeded their progress in Nepal. Additionally, when the overall business environment is so unfavorable, social enterprises are bound to face numerous hurdles. Despite this, the social entrepreneurship scenario is abuzz with lots of startups in different sectors and many of them are performing exceptionally well. In Nepal, mostly, social entrepreneurship space is occupied by not-for-profit organizations in majority while there are small for-profit firms occupying

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social entrepreneurship space. Some of the social enterprises which have used adopted social objectives as integral part of their business operations are Anthropose, Bihani services, Khalisi, Doko Recyclers, Inclusive Empowerment Centers, and Krishak ra Prawidhi, and Nepal Connection Café to name a few. Further, there are lots of cooperatives and community organizations which are working as social enterprises. The contribution of these social enterprises can be assessed by their roles in following areas:

**a. Contribution to employment generation**

All of the case study studied contributed to the employment generation of community people. The largest impact of these social enterprises is seen in the area of employment generation. As the case study on seed highlights, a humble initiation of an individual women entrepreneur has resulted into involvement of more than 100 women and male members of the community in Rukum and Dhading district. Likewise, a community has started raising Boer breed for breeding purposes in Gulmi. It started with a person taking initiation to convince others to invest in boer breed which was considered a heavy investment by community standard. The business has extended from an individual to the community itself. The community is known as breeder hub in Nepal for high quality boer breed. Most houses in the community have atleast one high quality boer goat. This has provided employment to atleast one members in the households. The committee which manages the community breeding program is formed from local people who are all farmers. Hence they teach each other's in keeping track of bloodline to keep track of the purity level. Further, the community has invested in grass cultivation jointly enough for the entire goat in the community. It is learnt that when one women member takes loan, she automatically employs another women or male members in the enterprise. Social enterprises which are producing goods for sales in market are also providing employment to people by integrating them within their supply chain.

**b. Promotion of social values (Inclusion, Capacity Development, poverty reduction, access to finance) as part of their mission**

Most of the social enterprises studied have built-in social values as one of the core objectives of the enterprises. To some social enterprises capacity development of farmers and producers are the social objectives while other focus in reducing the wastes or reusing the wastes as their social objectives. Providing financial literacy training to women members, investing in forage development in the community, ensuring that waste pickers donot face discrimination, training program for seeds productions etc are some of the examples in which the social enterprises listed below have contributed to the promotion of social values. In all of these enterprises the social wealth of the community has increased. If the purchase and sales of the product/services are seen as an ecosystem, social enterprise is keeping guard of the social objectives. These enterprises is someway have helped ameliorate poverty condition of women, provided women with more opportunity, reduced work related risks of employees, consumers, or actors along the supply chain.

**c. Changes in the market prices of products or increased availability of products**

The social enterprises have brought some changes in the market price of products so that it can be used by large community of consumers. The prospect of joint investment from all members of the community in community goat breeding center enabled farmers to procure high quality goat breeds. Some of the social enterprises have reduced the costs of production so that more and more entrepreneurs can invest in the enterprise or made the supply chain more efficient so that at the consumer ends' products are economically priced. Some of the social enterprises

have enabled supply of products which were previously not available in the market. In case of social enterprises, the prices have not been reduced but the existing ways of doing business have been dramatically changed. The increased availability of milk in rural market centers, strengthening supply chain, ensuring fixed income to labourers etc are some of the ways in which existing ways of doing business has been changed. The social enterprises have reduced the production costs of the inputs by liaising with various government and non-government stakeholders and distributing the inputs in subsidy prices.

**d. Use of efficient production and marketing system**

In the cases of social enterprise that we have studied, there is a drive to use efficient production system and marketing arrangements so that the business grows. The social enterprises have invested in infrastructure needed to strengthen the supply chain or make the supply chain more integrated. Developing partnership with other institutions to partly or wholly subsidize the costs of transportation or storage is one of the many alternatives adopted by these social enterprises to design efficient production systems. Application of technology is another way to develop efficient production system. While it is easy to conceptualize the use of technology or production systems in for-profit enterprise in urban settings, it is difficult to conceptualize same in the case of social enterprise operating in the rural settings. However, social enterprises have invested jointly in grass cultivation, adopted integrated farming techniques, developed categories to ensure that finance allocation are proportionate etc are some of the ways to reduce the production system. The benefits from the application of efficient production and marketing arrangements are shared with all members of the community which is one of the main benefits of social enterprises.

**e. Designing Innovative solutions to old problems**

Social enterprises are innovation led. Their modus operandi are different than the existing business. The business operation of a commercial enterprise and social enterprise may be same, social enterprise have increased drive to become innovative. A cooperative which is building a cold storage facility to enable its members to reduce post harvest wastages is an example of innovation solutions. Likewise ensuring good quality breeds, although at a higher price, is another example of innovation. Performing purchase contract with companies so that farmers are provided with more monetary incentive to supply quality milk is another example of innovation. Some social enterprises re-use the waste parts of products to design new products which again show innovation. Aligning the supply chain so that work efficiency is achieved and workers' safety is enhanced is also an example of innovation. These innovations are seen in the case studies that we have collected.

The report has included 12 cases study highlighting contribution of social enterprises at the community level. The contribution of these social enterprises is seen in the above mentioned areas. Such cases have been included in this report which either contribute to the achievement of either some or all of the above objectives.

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## 8. Voices from the Field: Some Best Practices of Social Entrepreneurship

*Good Income is Possible by Raising High Breed Goats and also by Selling the Grasses.*

The members of Baladevi Swabalambi Women Group situated in Diko village of ward no 1 of Siddhalek rural municipality which is 7 KM far away from Dhading Besi are earning good income by raising high breed goats and cultivating grasses. Doing so, they have been able to save a lot for the group and have received boundless happiness. To be able to share and directly show the prolific works done by the group to the representatives from different organization in a regular basis gives immense pleasure to them.

Aashmila Ghale who serves as the secretary of the group shares that, when she gets to learn somebody visiting them to observe, she finds it very hard to manage her time for the meeting out of her household chores and taking care of the animals. They do not express any irritation in exhibiting to all the people who come to them as they feel they have been there to witness their hard effort. However, they normally get very concerned to learn if any new projects are going to be implemented in the village when they find someone from any department pay visit to them.

Siddhalek Farmer project is jointly carried out by Heifer Project International Nepal, Siddhalekh Rural Municipality and Prayash Nepal with an aim to fascinate the villagers who had been into traditional farming, earning low income and are living below the poverty line towards social entrepreneurship to enhance their life sustenance. They said that this project have been extremely beneficial to them.



“At first they did not believe that high breed goats could give them good profit but, later they realized it did give them good return.” Shared the president Sabita Rijal. Each 25 members of Baladevi Swabalambi women group were given 3 doelings from the project in the beginning. Now the number has reached to 10 goats per person. “Along with goats, you can even make sufficient earning by growing grasses, crops and vegetables.” Shares the treasurer Shova Shrestha. Desh Kumar Shrestha who is the member of the group said that he had never had imagine even by selling grasses he could earn money. They sell a highbred baby goat per NRs. 12,000. Annually in the group they earn 1,000,000 and family tend to save 300,000 per year. “Raising high breed goats does not require many grasses and can make a lot of profit with little effort.” Said the group. “Traditional farming could hardly sustain their family for more over 6 months but, raising high breed goats and selling grasses has helped them to bear household expenses, their children’s education and also manage to save some amount too” said one of the group members Padam Kumari Shrestha.

Damodar Aryal the Executive Director of Prayas Nepal Dhading said “There are numerous projects

but, Siddhalek Farmer project has given very good result.” In the meeting the group demanded to have continuation in supports like: building shed, animal health service, skill development training and distribution of seeds. “Not only women, even the men and the youth have been attracted to high breed goat and grass farming” said the project coordinator Ishori Koirala.

### ***Alike the Name, the Work Reflects - Prativa Social Entrepreneur Women's Cooperative***

Goma Adhikari, president of Pratibha Social Entrepreneur Women's Cooperative Limited situated at Machhapuchhre rural municipality, Ward 4, Lahachok, Kaski, is stunned by the progress of the cooperative. Not only Adhikari, but also about 2,500 people from 414 households have benefited from the cooperative, and income has increased more than before. Although animal husbandry is the main occupation of the village, the farmers were not able to earn income as per their investment and labor as they were doing it in the traditional way. When selling milk to local traders, the farmers did not get the price they demanded nor would receive payment on time. Not only that, it was very hard to manage the surplus milk and activities like Milk Holiday were causing a lot of loss to the farmers.

Where there are problems, there are solutions as the proverb implies, Heifer Project International Nepal, BYC Baglung and Machhapuchche Village Municipality, the talent cooperative has increased the source of income at the local level through dairy industry, goat rearing, grass farming and manufacturing of household goods.

Good investment has also been made in the establishment of cooperatives. The cooperative, which was established with the help of cooperative members, associations and municipalities, has a monthly income of Rs. 120,000 and now has an annual income of Rs. 2.4 million. The cooperative trades up to Rs 4.8 million worth of milk, Rs 1 million worth of grain and Rs 150,000 worth of curd and cheese. The cooperative has not only given fair prices to the agricultural produce of the local farmers but has also been conducting awareness and capacity-building programs. If the support from Heifer International, local organization and rural municipality sustains, they demands the government and stakeholders to provide sales-based assistance, discounts on electricity, water, and other tariffs, assist in keeping one worker in cooperatives as a technical regular employee, and carry out capacity building and other trainings.

### ***Model Cooperative; Pashupatinagar Social Cooperative, Rautahat***

The local women of Pashupatinagar village found significant differences after the establishment of cooperative in their village. According to Dipesh Pokhrel, Coordinator of Heifer International Province 2, after building capacity of members and other institutional improvement, the cooperative has significant improvement. Heifer has been providing support on financial and other technical aspects for milk, goat, and hatchery of local chicken for the growth of their business.





For seeking market and developing proper business of milk, Heifer International has been providing important support to Pashupatinagar Social Cooperative. Currently, 330 liters of milk is being collected by 130 farmers. Some liters of milk is being sold in DDC and remaining is being used for ghee and paneer. That has been creating employment for the community people.



The members have been motivating as the cooperative is running life insurance programme, supporting on seeds and producing grass and also providing cattle feed. The members also get the goods in loan and lower price which has reduced the costing and increase income of farmers.

Even if the cooperative is small in size, but it is being established as a model and contributing on improving lifestyle of its member and community people.

### *Ample income made by the farmers by keeping buffalos*

Economic status of Meena of Haripur Municipality – 8 Jagatpu, Bara is quite weak before starting keeping buffalo. Her husband was also unable to earn well even he was in the foreign land for three years. Initially, they started goat keeping and vegetable farming but not able to earn as per their investment. The market of vegetable was quite low during the time she harvested vegetables and her investment was in loss. She heard a news of 5% interest loan from the cooperative for the farmers to keep buffalo, cow, goat and vegetable farming. She come to the conclusion to keep buffalo after attending the meeting at local level and know about the procedure of investment, loan return and also know about the milk from buffalo would be bought by cooperative.



After keeping buffalo, she would be able to sell milk as well as can generate compost for her farm and that is an inspiring part to keep buffalo according to Meena Shrestha.

Meena's life has been changed after taking loan amounting NPR. 4,00,000 from the Haripur Social Entrepreneurship Women Cooperative after the facilitation from local organization Jana Jagaran youth club Bara supported by Heifer Project International. She bought four buffaloes from the money and running her life. She has been receiving different capacity building training conducted by Haripur Social Entrepreneurship Women Cooperative.

She received different raining from cooperative. The members of cooperative mentioned about the support from Haripur municipality to improvise buffalo shed i.e. NPR. 100000 and seed for corn grass.

Cooperative has been providing technical support for cattle insurance and treatment of cattle. She has been able to manage the premium of the loan taken by selling milk. The compost produced

in her farm has been increasing the production and she is able to save NPR. 1000 per month and able to send her son in boarding and running well her family. She is able to purchase a land and the profession she is running is a milestone for that.

### *Paving the way for Successful Entrepreneurs in the Ratanmaare*

One of the most prominent problems faced by women is the lack of financing abilities. For various reasons women members are considered not worthy in dealing regarding financial decisions. This problem had pushed back women in the Ratanmaare rural municipality in Arghakhanchi district. Women members were not represented in forum where financial decisions were discussed. Lack of access to finance was enough reason for women members to remain within the bounds of domesticity without exploring the world outside. The area is essentially poverty ridden. There are lack of basic infrastructure for agriculture and other business. This scenario changed with the initiation of Lalu Rana, a women entrepreneur in the area. She convinced other women to form a group to initiate a savings and credit groups- simple idea for securing minimum finances to meet daily needs. While participating in the groups, she always felt the need for more savings but this opportunity was limited as women did not have much money to savings.

The regular savings was aided by local government officials who devised a plan for a form a Small Farmers Agriculture Cooperative in the area. The members were selected and Fulbari Small Farmers Agriculture Cooperative Ltd was formed in 2074 BS. The cooperative has reached 1416 members within a span of 3 years. These 1416 members are organized into 190 groups spread across ward 6, 8, and 9 of the municipality. The cooperative provides services



related to saving and credit as its brand. However, it provides other services which makes it a social enterprise women cooperative. The cooperative has liasoned with government and non government stakeholder to provide agriculture equipments such a power tillers, mini- tillers, milk cans, maize machine etc. One of its regular work is the organization of Business literacy training to its prospective client bases which is invariably women. The cooperative have devised own committees to study the prospect of certain businesses in their catchment areas. The cooperative officials try to align their investments according to their business plans so that women members who take loan from the cooperative knows about the prospects of business she is starting. Animal husbandry has been proposed in ward 8 and 9 while a mix of vegetable production, animal husbandry, cattle farming, goat keeping has been proposed in certain areas of ward 6. Grocery and cosmetics are seen having potential in certain places in ward 6. 8 and 9. Further, inorder to ensure that all quarters of women get access to finance from the cooperative, they have segregated the loan portfolio into different wealth related groups. This ensures that women members from all quarters have access to finance of the cooperatives. The investments in designing loan portfolio and business potential study are covered from their annual profits. This model has truly helped all women to benefit from the access to finance services of the cooperative. The president of the cooperative says "when one women member takes loan, she automatically employs another women or male members in her enterprise. This the access to finance has enabled women to become owners of their enterprise and provide employment to other members of the community as well. Additionally, the cooperative has made



arrangements for supporting their members with marketing services. They are currently building a cold storage facility with the support from local governments. They have also developed linkage with district cooperative organization to facilitate sales of vegetables produced by the members. The cooperative has received additional funding from Improved Seeds for Farmer Program also.

The cooperative is in profitable status. With a core fund of 1.11 crore, it has shares equal to 60 lakhs. Its income in the last quarters is 300000. The cooperative is run by 4 staff members and 21 elected members. The access to finance, business feasibility study and categorization of members has ensured that the cooperative has paved the way for women to start their entrepreneurial journey.

***Prakriti Mainali, the operator of Shakti Milan, is becoming an International Entrepreneur by Making Bags from Waste Sacks***

The success story of Prakriti Mainali, a resident of Dhapasi-4, Kathmandu, who managed to get both name and price by making bags from wasted sacks and other food packets, is very interesting. She has been active in the campaign since 2016 to make a serviceable bag reusing the sacks which has been used once. She has never had to look back since she started her campaign business through a non-profit organization. In present, she is busy with various activities of her business, along with developing skills of other women, and also informs about the social enterprises she has done in the events organized by various organizations. She is also a member of the Social Entrepreneurship Fund under the Social Welfare Council. She has been highly encouraged by awards and Compliments that she had received nationally and internationally. Her product is currently in the international market through Amazon as well.



Her company makes a variety of bags, toys and home decor items from sacks and other food packets. She not only makes bags to buy daily necessities but also produces small purses, laptop bags and other fashionable bags. She says that her social entrepreneurship is not only for the economic empowerment of women but also for girls' education as she is investing through the profit she gained. Along with her, 25 other families are making a living by relying on the business. Mainali reports that she had invested only Rs. 25,000 while setting up the business, which many people do not believe.

***Khali Shisi (Empty bottles) : Converting Garbage into Monetary Value***

Family and friends were surprised by her act of collecting bottles and garbage from homes, shops, hotels and restaurants leaving the lucrative job of USAID's international in Kathmandu. In the early days, no one could believe her work. After returning to Nepal from the United States, she studied the legal and practical aspects of the city's waste management, as well as hold discussions with waste pickers who use to collect empty bottles. Although they did not believe her, she did not lose hope. Along with her father and family, including some of the waste pickers, she started picking up the garbage. Her main goals were to raise the economic stander of workers who used to collect bottles, give them regular work, pay attention to their health and other safety, properly collect and manage empty bottles from the store. She even succeeded at the end. She had received awards from

national and international level and her friends and relatives who did not believe her have started praising her work. At present, she has provided direct employment to 150 workers. Her goal is to employ all workers collecting the bottles and garbage's in Kathmandu in a systematic way so that they get paid according to their labor and their income surges higher. She is confident that soon she will be able to get rid of the problem faced by the workers of having to return empty-handed bottles, having to deal with discrimination, getting injured and suffering from other diseases. At present, there



are about 13,000 such workers/collectors in the city. Ayusha K.C says, "Each collector can earn at least Rs. 20,000 (twenty thousand) by paying Rs. 15 percent service fee to the company".

### *Farmers of Musikot are having good income through seed production*

25 households are engaged in the 'Khadhyanna and Beu Utpadan Mahila Krishak Samuha' (Food and Seed Production Women Farmers' group) established on 2071 BS in the ward no. The cooperative established through the support of the then District Agriculture Development Office, Improved Seed Support Programme for Farmers Programme and Musikot municipality. The cooperative currently has been producing seeds of different plants.



Prior to the project, the members don't have knowledge about seed, market and monetary aspect of that. But after having project, we are able to grow the seed by ourselves and there is no scarcity of seed in the community and we are able to generate good income according to Chitra Sharam, president of the group. Due to the gap on knowledge and skills we were engaged on conventional farming but now, we are doing more improvised and technical farming, though there is good scope of food and vegetable production in Solabang area. Community people used to migrate to other countries for their daily household chores, women are limited inside

house and there is no option for income and difficulty was there to run the house. Now, people are shifted to professional agriculture and engaged on producing food like rice, maize and barley through the improvised seed.

All the expenses of members of those family is being covered through the production of seed and they are now becoming economically able through that. Through seed production, they are able to continue their children's education and running the daily cost of their family. Those women who were unable to speak in front of the mass are becoming vocal and participate actively in different community functions. They are doing coordination with different organizations and have been able to improve knowledge on agriculture. Their belief of business i.e. only fancy and grocery has been changed as they now think, seed production is also an avenue of business. The members have the conclusion that, through seed production, they can improve their livelihood and economy.



All the profit is being shared among members. Members are meeting regularly on monthly basis and they come in the prescribed same dress on time. The discussed on seed production, marketing and organizational development of their group. Their current saving is 3 lakh 15 thousand and they have been using that saving with minimum interest rate among the members to address their difficult occasions.

Group has been getting seed in subsidy through municipality and municipality has been buying their seeds also. Through the programme, Improved Seed for Farmers, the members are getting training, workshops and exposures visits. They also received training on business plan development, gender equality and social inclusion training, cost analysis, agriculture entrepreneurship training, participation in district level stakeholders meeting, seed production, marketing, good governance et.al and those training and capacity building is helping to boost up their capacity.

### ***A Best Model Social Enterprise: Integrated Model Farming***

An integrated and collective agriculture farm established in 2015 after tremendous efforts put together by small holding farming community and backstopping support of Maharanijhoda Agriculture Cooperative Ltd for land pooling. Through these efforts, we have set up an integrated 50 hector agriculture farm having agriculture, livestock, fisheries, horticulture and residential training facilities as integral elements. However, we focus more on hybrid seeds production of maize and rice.

They are situated in the south-western part of Jhapa district in Gauradaha Municipality-5 in Province-1. They have major internal strengths are our 50 hector integrated farm of the community, physical infrastructures, machineries and over five years of experience on commercial farming.

Externally, government statistics indicate that there is great need for maize and rice hybrid seeds in the country. And, this is high priority agenda to the government as well.



There exists a 9 member board. The board is represented by elected members from amongst the farm members. In order to make overall management light, They believe on continuous decentralization of authority to the members as far as practicable. As such, They plan to manage live stocks, horticulture, fermented pickle making industry, fishery, corn flakes factory, milk products making and other small scale industries as private entities owned by respective small groups of members of the farm, but broadly guided by fundamental principles of the farm only. The members

of these entities will be sharing profit and loss of made by their entity, not the farm. Thus, this is a kind of loosely coordinated conglomerate of cottage industries within the broad framework of the farm.

## ***Manushi- A Fair Trade Social Enterprises in Nepal***

Manushi is a non-profit non-governmental, Fair Trade organization aiming to support poor, disadvantaged and marginalized people through training, facilitating, and placing them in diverse activities including handicrafts and microenterprise development through micro-credit for the poor. Manushi employs some 35 fulltime salaried producers and 10 full-time staff and works with 1,500 producers from 8 districts around Nepal of which 90% are female. The major products of Manushi are tie-dye which is an art that had almost become extinct in Nepal, cotton textile products, household textile products, knitted products, allo/hemp products, lokta paper, silver and metal ornaments and jewelries, beaded products, silk products, felt products, bamboo products, and banana fiber products. Manushi focuses on natural dyes, which are conducive to a healthy, chemical-free environment.



## ***Good income is being Generated by the Farmers of West Rukum through Vegetable Seed Production.***

Samasitoshna Vegetable Seed Production cooperative established on 2068 BS in West Rukum has organized 258 household and producing vegetable seed. They have been selling that inside and outside of district according to Gopa B.M. Chairperson of cooperative.

They are encouraged because of the support they have been getting from the then District Agriculture Development Office, Improvised Seed Support Programme for Farmers Programme and Chaurjahari municipality of Rukum west. The programme and interventions of cooperative is milestone in an yardstick of misuse or unused of productive land, no professional and collective seed production, not being able to get seed on time, negligence of market on produced seed, gap on modern agriculture technology and gap on proper knowledge among the community members.



The chairperson is motivated from her father as he was producing the seed and selling in different places by visiting himself. She was inspired by her father and also seen good scope on seed production and she never realized, there is that good scope and cooperatives' should get support. Now she is very happy to see her cooperative as lead cooperative for seed production and marketing.

She gets opportunity to visit different places at national and international level through the enterprise they are sunning. She is able to establish relationship with different institutions and people and make and exemplary work through women led cooperative. She is doing business with different



cooperatives, private seed producing companies, and businessmen/women. Those businessmen/women also come to their place to seek the seed. Most of the members are producing seed and getting income through the production.

She is mentioning about the challenges as no guarantee of market, gap on technical knowledge, no accessibility of modern technology, not able to get seed and fertilizer on time, affect from insects and urging stakeholders to support to address those challenges.

Apart from producing vegetable seed, they are planning to produce food seed, planning to run lab, make a formal agreement with companies for producing seed, capacity development of members of cooperative, proper planning for seed production.

They are depositing 10% of their profit into the cooperative and distributing remaining profit among the members. Through the profit, they are buying seed, borrowing technical support. In all these success, their business is environment friendly, their enterprise is socially suited and innovative, productive, proper and timely supply of raw materials et.al. The enterprise is giving benefits economically and also supporting community in the long run.

***Bihani: (noun) Morning, Beginning of a New Day***



Established in 2013, Bihani Social Venture is Nepal's well-known social enterprise relentlessly working to foster age and disability inclusive communities focusing on older adults. To promote a society inclusive of elders, Bihani offers innovative and diverse services and activities. Our primary focus is on individuals above the age of 50 (however not limited to it) while our secondary focus is on families, institutions and organisations who directly or indirectly work or interact with elders.

Bihani emphasises that Social Prescription (as promoted by England's National Health System-NHS and some countries globally) improves health and well-being as proven by the experiences we have gathered. To promote a society inclusive of elders, Bihani offers innovative and diverse services and activities related to health, social engagement and participation, and organisational development promote the formation of new bonds and exchange of knowledge/ capacities across generations.

Our main focus is on individuals who want to re-engage, re-explore and re-live or simply continue living a rewarding second half of their lives. Our secondary focus is on institutions, organisations and individuals, to raise awareness and sensitize regarding the context of shifting demography/ changing population trend and the diverse issues that may be associated with ageing; disability, social isolation, among others.

***Social Enterprise is Connected to Rights of Single Women***

After working for the rights of single women for more than two decades, at Women for Human Rights, single women group (WHR) realized, lack of livelihood opportunities was one of the biggest challenge of single women. To fulfill the gaps, the Chhahari Women Entrepreneur House (CWEH)

was established in 2073 BS at Hattigauda, Budhanilkantha with the objective to support the livelihood of single women and to provide them employment opportunities.

CWEH will provided Training Halls, Accommodation, Handicrafts, Catering services, Market Outlet to women according Ms Chandrika Bhattarai one the co-owner of CWEH for creating employment opportunities to marginalized and disadvantaged women and also bridging provide market for the local women entrepreneurs by promoting their productions.



The WHR and Budhanilkantha Municipality is supporting to run the business however they are facing some problems such as lack of skilled human resource, high competition in the market, difficulty in maintaining consistency on quality of the product/services, natural disasters (Earthquake), ongoing global pandemic, investments and marketing.

The annual profit of company almost 6 lakh however they claimed that till today profit has not been distributed. According to Upasana Rana the profit is mostly utilized for expansion of business, scholarship programs and conducting various trainings for marginalized and disadvantaged women. This is one of there direct way to give back to the community. Apart from this, if a woman has faced some kind of violence and is in need of a shelter than they provide their accommodation facilities to such women.



WHR as a founder organization is the main support system of CWEH. All the technical support, physical space for office, human resource and mentoring is provided by WHR. Along with that it also helps in marketing amongst its network.

The business was highly affected in the first lockdown. However, we managed to take the momentum afterwards. Again in the current lockdown there is no work and we had to use the savings to give the salary of the staff as Upasana explained.

Financial is top necessity to do any expansion. Technical need is also there but it can be hired if we have enough financial resources.

We do waste management and segregate the waste to recycle it at the source. All the kitchen waste are decomposed to make compost that is later used at kitchen garden to grow vegetables.

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## 9. Recommendations

1. One of the ways to enable creation of social enterprise to attract young talent into the social sector, is through inserting social entrepreneurship within entrepreneurship education activities in schools, vocational education and training colleges and universities.
  2. Social enterprises are not being able to fund social activities fully yet. As such the government should make subsidize tax policy such that social enterprise can reduce donor dependency. Government should incentivize social enterprise to work in certain sectors where the private enterprises are not willing to invest. Supporting social enterprises with capital subsidy can be one of the many options. Going a step further, profit earned through a business entity owned by a social enterprise must be free from income tax. Additionally the government must devise a plan to ensure that the profits of social enterprise are reinvested in the priority sector of the government.
  3. Government should stimulate the emergence of a strong financial marketplace for social enterprises. One of the tasks to achieve this is to increase understanding of social enterprise within the traditional finance sector. For example, the public sector may provide loan guarantees to banks for their lending to social enterprises in order to offset the perceived risk and increase the familiarity of banks with the opportunities and demands of the social enterprise sector. Seed funding is also critical in the early phases of a social enterprise start-up. Ensuring that such funding is made available is crucial to supporting social entrepreneurs and could be provided through small loans or grants.
  4. The government should let social enterprises earn profit but ensure that the profits are not distributed among shareholders as dividends. To encourage the growth of for-profit social enterprises, government should let these social enterprises allow 50% profit to be distributed among shareholders and 50% profit as reinvestment in the company in the initial years. The share of profit as dividend for shareholders can be decreases proportionately so that in five years of operation, the share of profit to be distributed among shareholder becomes null. This should incentivize people to invest in social enterprise.
  5. Social enterprises which are established jointly at the community level and whose benefit are re-invested either in scale up activities or community benefits must be promoted and given some market access by the government.
  6. Local Government should also reduce the registration and yearly renew fees for the social enterprises. Social enterprises should be given due consideration in areas of house tax and property tax. These facilities can be aligning with provision that social enterprises who invest in the priority areas of local government will enjoy these facilities.
  7. A large number of social enterprises operate in the form of NGOs. So the NGOs should make themselves financial sustainable by reducing their overhead expenses. The national federation of NGOs in Nepal should come up with a figure beyond which NGOs cannot make overhead expenses. Every NGOs must be facilitated to open a social enterprise either individually or jointly with other NGOs. Such NGOs should make partnership with for-profit social enterprises which increases shared learning.
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