

## Social Entrepreneurship: Promoting Sustainable Development of Micro Enterprises in Nepal

Dev Raj Rai<sup>1</sup>,  Pramod Raj Upadhyay<sup>1</sup>, Resham Raj Pathak<sup>2</sup>

<sup>1</sup>Department of Management, Madan Bhandari Memorial College

<sup>2</sup>Nepal Commerce Campus, Tribhuvan University

| Article Info.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Abstract                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p><b>Corresponding Author</b><br/>Dev Raj Rai</p> <p><b>Article History</b><br/>Received: February 11, 2025<br/>Accepted: April 18, 2025</p> <p><b>Email</b><br/><a href="mailto:devraj.career@gmail.com">devraj.career@gmail.com</a></p> <p><b>Cite</b><br/>Rai, D. R., Upadhyay, P. R., &amp; Pathak, R. R. (2025). Social entrepreneurship: Promoting sustainable development of micro enterprises in Nepal. <i>Journal of Productive Discourse</i>, 3(1), 113–123 <a href="https://doi.org/10.3126/prod.v3i1.78473">https://doi.org/10.3126/prod.v3i1.78473</a></p> | <p>This study examines the role of social entrepreneurship in advancing sustainable development in Nepal by focusing on the contributions of micro-enterprises to economic growth, environmental sustainability, and social inclusion. Employing a mixed-methods research design, the study integrates qualitative insights from semi-structured interviews with quantitative analysis of secondary data collected from 140 participants across the Kathmandu, Lalitpur, and Bhaktapur districts. Statistical tools—including chi-square tests, descriptive statistics, and correlation analyses—were utilized to assess the relationships among the variables. Findings reveal that micro-enterprises play a pivotal role in stimulating economic development by fostering job creation, skill development, and the empowerment of marginalized communities. Environmental sustainability initiatives, such as waste reduction and resource management, were found to have a significant positive impact on sustainable development. However, the relationship between social inclusion and social development was not statistically significant, indicating limited engagement with certain vulnerable groups. Additionally, while social entrepreneurship is positively associated with sustainable development, the strength of this relationship is weak, and a negative association was observed between economic growth and the role of social entrepreneurship in Nepal. These results highlight the need for more structured social inclusion programs and enhanced policy interventions to maximize the impact of social entrepreneurship in resource-limited environments. The study provides valuable insights for policymakers, practitioners, and researchers aiming to bolster sustainable development through targeted social entrepreneurship strategies in Nepal.</p> <p><b>Keywords:</b> social entrepreneurship, sustainable development, micro enterprises, impact</p> |

### Introduction

As the world grapples with unprecedented social, environmental, and economic challenges—disproportionately burdening low-income communities through limited access to essentials, entrenched poverty, and systemic inequality—

social entrepreneurship has emerged as a transformative force, harnessing innovation, stakeholder collaboration, and market-driven strategies to foster sustainable development and equitable social impact (Yar & Stanikzai, 2024). Sustainable development—a global imperative

seeking equilibrium among economic growth, environmental stewardship, and social equity—demands innovative approaches to navigate its interconnected challenges. According to [Porter & Kramer \(2020\)](#), businesses and communities are interdependent: businesses rely on thriving communities for demand, public assets, and support, while communities depend on successful businesses for jobs and economic growth. Thus, policies that hinder business competitiveness are ultimately self-defeating, particularly in a global economy where jobs and facilities can easily relocate.

[Aryal \(2021\)](#) identified several obstacles limiting growth, including insufficient financing, ineffective government policies, limited market access, lack of government support, inadequate managerial skills, corruption and bureaucratic red tape, high import tariffs on machinery, weak monetary and fiscal policies, insufficient training programs, and inadequate technology. Moreover, entrepreneurs have struggled to secure funding due to geographical constraints ([Green, 2020](#)) as well as social and cultural barriers ([Bhatta & Bajjal, 2024](#)). Against this backdrop, this research aims to scrutinize gaps and issues related to the social activities of micro-enterprises in fostering a strategic innovative culture.

While social entrepreneurship has garnered increasing attention for its capacity to advance sustainable development in Nepal, there remains a notable lack of comprehensive research examining its impact, driving factors for success, and the obstacles faced by such initiatives ([Khatri et al., 2023](#)). This study seeks to address this gap by analyzing how social entrepreneurship contributes to sustainable development in Nepal, specifically focusing on the relationship between social entrepreneurship and sustainable development across social, environmental, and economic outcomes, as well as the challenges faced and the roles played by social entrepreneurs and the government.

By pursuing this objective, the study aims to deepen insights into how social entrepreneurship advances sustainable development in Nepal. The findings may also offer practical guidance for policymakers, practitioners, and researchers striving to enhance the impact of social entrepreneurship programs in resource-limited environments.

## The Review of Literature

Social entrepreneurship involves doing business to solve social problems ([Bikas Udhya, 2019](#)). It refers to entrepreneurial activities driven primarily by a focus on addressing social challenges ([Abeysekera, 2019](#)). Social entrepreneurs drive change in the social sector by prioritizing social value creation, relentlessly pursuing opportunities, continuously innovating, acting resourcefully, and maintaining high accountability ([Dees, 2001](#)). They pioneer innovative solutions to address critical social issues ([Mair & Martí, 2006](#)) and are particularly vital in developing countries, where widespread scarcity, corruption, poverty, economic stagnation, and violence contribute to the oppression of the population ([Sauermann, 2023](#)). While emerging research fields often lack clear theoretical boundaries and require interdisciplinary thinking, social entrepreneurship particularly benefits from diverse theoretical lenses and mixed research methods. As it is multifaceted and context-dependent, understanding the dynamic interplay between social entrepreneurs and their environment requires insights from sociology, political science, and organizational theory ([Mair & Martí, 2006](#)).

Sustainable development focuses on fulfilling economic, environmental, and social objectives across sectors, territories, and generations to ensure long-term success ([Emas, 2015](#)). Its goal is to create economic growth that benefits everyone fairly, while also improving social welfare by advancing social justice, education, and healthcare ([Sauermann, 2023](#)). Sustainable development has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs ([UN, 2015](#)). Achieving sustainable development requires

a balanced integration of three fundamental, interdependent components: economic growth, social inclusion, and environmental protection, all aimed at enhancing the well-being of individuals and communities.

Dey & Steyaert (2010) express that social entrepreneurship fosters sustainable development by developing innovative business models that are socially responsible and environmentally sustainable, creating value for society while addressing pressing challenges and promoting economic growth in low-income communities through job creation and local opportunities. Moreover, beyond driving sustainable development through innovation, social entrepreneurs strengthen social capital and community development by fostering trust, collaboration, and local empowerment, ultimately enhancing resilience and long-term sustainability (Sauermann, 2023).

In Nepal, social entrepreneurship faces several challenges, including limited access to funding, regulatory barriers, inadequate infrastructure, a shortage of skilled professionals, and political instability (Dangol et al., 2022). Many enterprises also struggle to take advantage of available support due to their informal status, lack of awareness about government-provided facilities, complex administrative procedures, and the challenging process of accessing concessional loans and benefits (Ojha, 2021). Given that the majority of social enterprises in Nepal are SMEs, analyzing key SME policies is crucial to understanding the challenges hindering social entrepreneurship development. This is especially significant considering that, despite SMEs comprising over 60% of Nepal's economy and government efforts to support them, investment in the sector remains low

(Bhatta, 2022). The Nepalese government lacks a dedicated SME development policy capable of effectively stimulating growth within the sector.

Social businesses face several key challenges, including difficulty securing funding, limited access to training opportunities, inadequate policy and structural support, restricted access to information, and problems penetrating markets. Under these circumstances, entrepreneurs struggle to meet global sustainable development standards. Nepalese social entrepreneurs face hurdles related to funding and financial stability, regulatory and institutional barriers, scaling operations, building trust and community engagement, balancing social and financial goals, measuring and communicating their impact, and ensuring inclusivity and diversity.

According to the UN (2015), entrepreneurs can create novel solutions to critical challenges, promote community growth, and support sustainable development through innovation, creativity, and entrepreneurial expertise. Successful social entrepreneurship models include cooperatives, social enterprises, social franchising, community-based organizations, cross-sector partnerships, microfinance institutions, social impact bonds, social innovation incubators, and bottom-of-the-pyramid strategies (Sauermann, 2023).

### Research Framework

Based on the literature, the Independent Variables (IVs) were economic empowerment, environmental sustainability support, and social inclusion. Sustainable development was determined as a dependent variable (DV). Based on these variables the hypotheses developed were as follows.

**Table 1**

#### *Research Variables*

| Hypothesis | Independent Variables (IV)                                          | Dependent Variables (DV) |
|------------|---------------------------------------------------------------------|--------------------------|
| H1         | Economic Growth, Environmental Sustainability, and Social Inclusion | Sustainable Development  |
| H1.1       | Economic Growth                                                     | Sustainable Development  |
| H1.2       | Environmental Sustainability                                        | Sustainable Development  |
| H1.3       | Social Inclusion                                                    | Sustainable Development  |

*Note.* Framed by authors

### Main Hypothesis

H1 Economic growth, environmental sustainability, and social inclusion together significantly influence sustainable development.

### Sub-Hypotheses

H1.1 Economic growth significantly influences sustainable development.

H1.2 Environmental sustainability significantly influences sustainable development.

H1.3 Social inclusion significantly influences sustainable development.

### Methodology

This study utilized a mixed-methods research design to examine the contribution of social entrepreneurship to sustainable development in Nepal. This approach was selected because it provides a more holistic understanding of the intricate dynamics of social entrepreneurship and its

effects on sustainability. The qualitative component included semi-structured interviews with micro-level entrepreneurs, employees, bureaucrats, customers, and other key stakeholders, offering a detailed examination of their experiences and perspectives. The quantitative component aimed to measure the impact of social entrepreneurship initiatives on communities, gathering data from secondary sources.

According to the [Department of Industry \(2022\)](#), out of a total of 552,712 MCSEs in Nepal, 92,061 are located in the Kathmandu, Lalitpur, and Bhaktapur districts. A sample size of 140 was determined using a 95% confidence level, assuming a population proportion of 90%. The population proportion was assumed to be 90%, as [Kothari \(2004\)](#) explains that it represents the fraction or percentage of individuals in a population with a specific characteristic, indicating how prevalent or uncommon that characteristic is across the entire population.

**Table 2**

*Research Participants Involved in This Research*

| Age Group | %   | Occupation        |     | Education           | %   |
|-----------|-----|-------------------|-----|---------------------|-----|
| 18-25     | 7%  | Self-employed     | 52% | No Formal Education | 4%  |
| 26-35     | 6%  | Salaried Employee | 34% | Primary             | 10% |
| 36-45     | 34% | Unemployed        | 6%  | Secondary           | 19% |
| 46-55     | 42% | Student           | 5%  | Bachelor            | 28% |
| 56+       | 11% | Other             | 3%  | Master and above    | 40% |
| Gender    |     | Business Sector   |     | Experience          |     |
| Male      | 82% | Trade             | 16% | Less than 1 year    | 5%  |
| Female    | 18% | Manufacturing     | 8%  | 1-5 Years           | 9%  |
| Other     | 0%  | Service           | 56% | 6-10 Years          | 28% |
|           |     | Other             | 20% | More than 10 Years  | 59% |

*Note.* Interview, 2025

Structured and semi-structured questionnaires with categorical variables were used for data collection. The chi-square test was used as the statistical tool to test the association and relationship between the variables ([Field, 2013](#);

[McHugh, 2013](#)). This tool was applied in this study to examine the relationships. Descriptive statistics and correlation analysis, as per [Gravetter & Wallnau \(2017\)](#), were used to determine the mean values and the relationships among variables.

## Results and Discussion

### Economic Growth

H1.1 Economic growth significantly influences sustainable development

The questions relating to the economic growth/empowerment of the community were

1. Does your enterprise support marginalized communities in Nepal?

2. How would you rate the contribution of your enterprise to economic growth in Nepal? and
3. To what extent do you believe social entrepreneurship drives economic development in Nepal?

The result was as follows in Table 3.

**Table 3**

*Enterprise Contribution to Economic Growth and Social Entrepreneurship Support*

| Chi-Square Tests             |         |    |                                   |
|------------------------------|---------|----|-----------------------------------|
|                              | Value   | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square           | 83.497a | 9  | .001                              |
| Likelihood Ratio             | 78.658  | 9  | .001                              |
| Linear-by-Linear Association | 31.699  | 1  | .001                              |
| N of Valid Cases             | 140     |    |                                   |

Note. a. 7 cells (43.8%) have an expected count of less than 5. The minimum expected count is .61. (Source: Interview, 2025)

The Pearson Chi-Square test resulted in a value of 83.497 with 9 degrees of freedom and a p-value of 0.001, indicating a statistically significant association between the two categorical variables i.e. contribution of enterprises for economic growth and economic development, since the p-value (0.001) < 0.05. Similarly, the Likelihood Ratio test produced a value of 78.658 with 9 degrees of freedom and a p-value of 0.001, reinforcing the findings of the Pearson Chi-Square test and confirming the significant association. Additionally, the Linear-by-Linear Association test yielded a value of 31.699 with 1 degree of freedom and a p-value of 0.001, suggesting a strong linear relationship between the two variables. The analysis was conducted on a total of 140 valid

cases, representing the sample size used in the study.

### Environmental Sustainability

H1.2 Environmental sustainability significantly influences sustainable development

Questions regarding environmental sustainability sustainable development were

1. Does your enterprise incorporate environmentally sustainable practices in its operations?
2. How important is environmental sustainability to your enterprise? and
3. How would you assess the impact of social entrepreneurship on environmental sustainability in Nepal?

**Table 4**

*Environmental Sustainability and the Role of Social Entrepreneurship*

| Chi-Square Tests             |         |    |                                   |
|------------------------------|---------|----|-----------------------------------|
|                              | Value   | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square           | 70.117a | 4  | .001                              |
| Likelihood Ratio             | 64.142  | 4  | .001                              |
| Linear-by-Linear Association | 34.994  | 1  | .001                              |
| N of Valid Cases             | 140     |    |                                   |

Note. a. 1 cells (11.1%) have an expected count of less than 5. The minimum expected count is 2.23. (Source: Interview, 2025)

The Chi-Square test results indicated a statistically significant association between two categorical variables: (1) the importance of environmental sustainability in the enterprise, and (2) the impact of social entrepreneurship on environmental sustainability. The Pearson Chi-Square test yielded a value of 70.117 with 4 degrees of freedom and a p-value of 0.001, suggesting that the distribution of responses is not random and that a meaningful relationship exists between the variables. This finding is further supported by the Likelihood Ratio test, which produced a value of 64.142 with 4 degrees of freedom and the same p-value, reinforcing the significant association. Additionally, the Linear-by-Linear Association test resulted in a value of 34.994 with 1 degree of freedom and a p-value of 0.001, indicating a strong linear trend in the data, where changes in one

variable correspond to consistent changes in the other. The analysis was conducted using 140 valid cases, representing the total number of responses included in the study.

### Social Inclusion

H1.3 Social Inclusion significantly influences sustainable development.

Whether social inclusion supports enterprise growth and sustainable development was tested through two questions:

1. Does your enterprise aim to promote social inclusion through its activities?
2. To what extent do you believe that social entrepreneurship contributes to addressing social exclusion in Nepal?

The responses revealed the following results.

**Table 5**

*Contribution of Social Entrepreneurship to Addressing Social Exclusion*

| Chi-Square Tests                   |       |    |                                   |                      |                      |
|------------------------------------|-------|----|-----------------------------------|----------------------|----------------------|
|                                    | Value | df | Asymptotic Significance (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
| Pearson Chi-Square                 | .205a | 1  | .651                              |                      |                      |
| Continuity Correction <sup>b</sup> | .048  | 1  | .826                              |                      |                      |
| Likelihood Ratio                   | .209  | 1  | .648                              |                      |                      |
| Fisher's Exact Test                |       |    |                                   | .817                 | .421                 |

Note. Interview, 2025

a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 7.97.,

b. Computed only for a 2×2.

The Chi-Square test results indicated no statistically significant association between the two categorical variables, i.e., social inclusion and social development. The Pearson Chi-Square test produced a value of 0.205 with 1 degree of freedom and a p-value of 0.651, which is greater than 0.05, suggesting no meaningful relationship. The Continuity Correction for 2×2 tables further supports this finding, yielding a value of 0.048 with a p-value of 0.826, confirming the lack of significance. Similarly, the Likelihood Ratio test resulted in a value of 0.209 with a p-value of 0.648, reinforcing the conclusion that no significant association exists. Fisher's Exact Test, which is

more accurate for small sample sizes, produced a 2-sided p-value of 0.817 and a 1-sided p-value of 0.421, both exceeding the 0.05 threshold and indicating no significant relationship. Additionally, the Linear-by-Linear Association test produced a value of 0.203 with a p-value of 0.652, suggesting no significant linear trend between the variables. The analysis included 140 valid cases, ensuring that all responses were accounted for in the results.

### Sustainable Development

While testing the role of social entrepreneurship in Nepal's sustainable development, participants were asked two questions:



1. “How would you rate the role of social entrepreneurship in promoting sustainable development in Nepal?”
  2. “In your opinion, what is the overall impact of social entrepreneurship on Nepal's sustainable development?”
- The Chi-Square test revealed the following results.

**Table 6***Role and Impact of Social Entrepreneurship in Promoting Sustainable Development*

| Chi-Square Tests             |        |    |                                   |
|------------------------------|--------|----|-----------------------------------|
|                              | Value  | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square           | 7.717a | 2  | .021                              |
| Likelihood Ratio             | 11.907 | 2  | .003                              |
| Linear-by-Linear Association | 6.473  | 1  | .011                              |
| N of Valid Cases             | 140    |    |                                   |

Note. Interview, 2025; a. 2 cells (33.3%) have an expected count of less than 5. The minimum expected count is 1.11.

The Pearson Chi-Square test yielded a value of 7.717 with 2 degrees of freedom and a p-value of 0.021, which is less than 0.05, suggesting that the distribution of responses is not random and that a meaningful relationship exists between social entrepreneurship and sustainable development. This finding is further supported by the Likelihood Ratio test, which produced a value of 11.907 with 2 degrees of freedom and a p-value of 0.003, reinforcing the presence of a significant association. Additionally, the Linear-by-Linear Association

test resulted in a value of 6.473 with 1 degree of freedom and a p-value of 0.011, indicating a significant linear trend, suggesting that as one variable changes, the other follows a directional pattern. The analysis was conducted using 140 valid cases, representing the total number of responses included in the study.

However, further analysis was conducted to validate the relationship between social entrepreneurship and sustainable development.

**Table 7***Correlation Between the Role and Impact of Social Entrepreneurship for Nepal's Sustainable Development*

| Correlations                      |                     |                                 |                                   |
|-----------------------------------|---------------------|---------------------------------|-----------------------------------|
|                                   |                     | Role of Social Entrepreneurship | Impact of Social Entrepreneurship |
| Role of Social Entrepreneurship   | Pearson Correlation | 1                               | .216*                             |
|                                   | Sig. (2-tailed)     |                                 | .010                              |
|                                   | N                   | 140                             | 140                               |
| Impact of Social Entrepreneurship | Pearson Correlation | .216*                           | 1                                 |
|                                   | Sig. (2-tailed)     | .010                            |                                   |
|                                   | N                   | 140                             | 140                               |

Note. Interview, 2025

The correlation analysis revealed a weak but statistically significant positive relationship between the role of social entrepreneurship in sustainable development and its perceived impact in Nepal. The Pearson correlation coefficient (r) was 0.216, indicating that as the perceived role

of social entrepreneurship increases, its perceived impact on sustainable development also tends to rise, although the relationship is not strong. The significance level (p-value) of 0.010 confirms that this correlation is statistically significant at the 5%

level, suggesting that the observed association is unlikely to have occurred by chance. The analysis was conducted using a sample size of 140 valid cases, enhancing the reliability of the findings. In conclusion, while a meaningful association exists ( $r=0.216$ ,  $p=0.010$ ), the weak correlation suggests that other factors may also play significant roles in

influencing the impact of social entrepreneurship on sustainable development.

### Relationship

In fostering sustainable economic development, the role of social entrepreneurship is important. In the case of Nepal, the following results were observed:

**Table 8**

*Relationship Between Social Development and Social Entrepreneurship*

| Correlations                    |                     |                                |                                 |
|---------------------------------|---------------------|--------------------------------|---------------------------------|
|                                 |                     | Driver of Economic Development | Role of Social Entrepreneurship |
| Driver of Economic Development  | Pearson Correlation | 1                              | -.056                           |
|                                 | Sig. (2-tailed)     |                                | .512                            |
|                                 | N                   | 140                            | 140                             |
| Role of Social Entrepreneurship | Pearson Correlation | -.056                          | 1                               |
|                                 | Sig. (2-tailed)     | .512                           |                                 |
|                                 | N                   | 140                            | 140                             |

*Note.* Interview, 2025

The Pearson correlation analysis revealed a very weak negative relationship between Economic Growth driving Economic Development and the Role of Social Entrepreneurship in Sustainable Development. The correlation coefficient ( $r$ ) is  $-0.056$ , indicating that as one variable increases, the other tends to decrease; however, the relationship is extremely weak and nearly negligible. The significance level ( $p$ -value) of  $0.512$  is greater than  $0.05$ , indicating that the correlation is not statistically significant. This suggests that there is no meaningful association between the two variables and that any observed relationship is

likely due to chance. The analysis was conducted using a sample size of 140 valid cases, ensuring sufficient data for interpretation.

In conclusion, there is no significant correlation ( $r = -0.056$ ,  $p = 0.512$ ) between Economic Growth driving Economic Development and the Role of Social Entrepreneurship in Sustainable Development. The weak negative correlation implies that changes in one variable do not predict changes in the other, and given the high  $p$ -value, the relationship lacks statistical importance, making further analysis unnecessary.

**Table 9**

*Relationship Between Social Development and Social Entrepreneurship*

| Correlations                    |                         |                                |                                 |
|---------------------------------|-------------------------|--------------------------------|---------------------------------|
|                                 |                         | Driver of Economic Development | Role of Social Entrepreneurship |
| Driver of Economic Development  | Correlation Coefficient | 1                              | -0.041                          |
|                                 | Sig. (2-tailed)         | .                              | 0.63                            |
|                                 | N                       | 140                            | 140                             |
| Role of Social Entrepreneurship | Correlation Coefficient | -0.041                         | 1                               |
|                                 | Sig. (2-tailed)         | 0.63                           | .                               |
|                                 | N                       | 140                            | 140                             |

*Note.* Interview, 2025



Spearman's rho correlation analysis indicated a very weak negative relationship between Economic Growth driving Economic Development and the Role of Social Entrepreneurship in Sustainable Development. The correlation coefficient ( $\rho$ ) is -0.041, suggesting that as one variable increases, the other tends to decrease; however, the relationship is extremely weak and practically negligible. The significance level (p-value) of 0.630 is greater than 0.05, meaning the correlation is not statistically significant. This implies that there is no meaningful association between the two variables, and any observed correlation is likely due to chance. The analysis was conducted using a sample size of 140 valid cases, ensuring sufficient data for interpretation.

When compared to Pearson's correlation results ( $r = -0.056$ ,  $p = 0.512$ ), Spearman's rho ( $-0.041$ ,  $p = 0.630$ ) also indicates a very weak and non-significant relationship. Since both tests consistently show no meaningful correlation, this confirms that even when considering ordinal data, there is no substantial association between these variables. In conclusion, the lack of statistical significance ( $\rho = -0.041$ ,  $p = 0.630$ ) suggests no meaningful trend, and given the high p-value, further analysis is unnecessary.

## Discussion

Micro-enterprises have actively contributed to economic growth through various initiatives, including job creation, training, and skill development—where 54% of employees acquired essential skills. They also focus on empowering marginalized groups to ensure inclusivity. Additionally, while they support local businesses and suppliers, only 46% of their initiatives are dedicated to local sourcing. These combined efforts aim to promote sustainable economic growth and community development. Statistical analysis confirms a significant association between enterprise contributions and economic development.

Micro-enterprises have implemented several environmental sustainability practices, playing a crucial role in waste reduction, sustainable

resource management, the provision of eco-friendly products or services, and, to some extent, carbon reduction initiatives. The study indicates that environmental sustainability has a significant impact on sustainable development.

Micro-enterprises have prioritized social inclusion by engaging with different societal groups. A strong emphasis has been placed on youth inclusion, accounting for 91% of efforts, while 66% of rural individuals and 41% of women are employed in these enterprises. However, engagement with ethnic or indigenous communities remains low at 13%, and there are currently no initiatives targeting people with disabilities. Despite these efforts, micro-enterprises have not implemented specific programs to enhance social inclusion. Consequently, test results show no significant correlation between social inclusion and social development in Nepal.

The findings indicate that social entrepreneurship has a meaningful relationship with sustainable development. However, its role in sustainable development and its perceived impact show a weak but statistically significant positive relationship in Nepal. Conversely, while economic growth contributes to economic development, it exhibits a very weak negative relationship with the role of social entrepreneurship in sustainable development.

## Conclusion

The findings of this study highlight the critical role of micro-enterprises in fostering economic growth, environmental sustainability, and social inclusion, and their overall contribution to sustainable development in Nepal.

The statistical analysis confirmed a significant association between economic growth and economic development, reinforcing the importance of job creation, skill development, and support for marginalized communities. Micro-enterprises have played a crucial role in employment generation and local business support, contributing to economic empowerment. The chi-square test results validated that enterprises significantly influence

economic growth, which in turn drives economic development.

Similarly, the study found that environmental sustainability has a significant influence on sustainable development. Micro-enterprises have actively engaged in eco-friendly initiatives such as waste reduction, resource management, and carbon footprint reduction. The statistical results further support that enterprises incorporating environmental sustainability practices positively impact Nepal's sustainable development.

However, the relationship between social inclusion and social development was found to be statistically insignificant. While micro-enterprises prioritize youth (91%) and rural populations (66%), their engagement with ethnic or indigenous communities (13%) and people with disabilities (0%) remains limited. Furthermore, these enterprises do not have structured initiatives specifically aimed at promoting social inclusion, which is reflected in the statistical test results.

Additionally, the relationship between social entrepreneurship and sustainable development was found to be weak but statistically significant in Nepal. This suggests that while social entrepreneurship contributes to sustainable development, other external factors may also play a significant role. Conversely, the relationship between economic growth and social entrepreneurship in sustainable development was found to be weak and negative, indicating that economic growth alone does not necessarily translate into effective social entrepreneurship for sustainable development.

In conclusion, micro-enterprises significantly impact economic growth and environmental sustainability, but their role in social inclusion requires further enhancement. Social entrepreneurship contributes to sustainable development, albeit weakly, and would benefit from more structured interventions to maximize its impact. To achieve comprehensive and inclusive sustainable development, micro-enterprises should focus on expanding social inclusion programs,

strengthening their role in economic development, and integrating more environmentally sustainable practices into their operations.

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