



ISSN: 3021-9892 (Print)
3021-9906 (Online)

Vol. 3, December 2025

JANAPRAKASH

Journal of Multidisciplinary Research

Peer-reviewed, Open Access Journal
Indexed in NepJOL



Published by
Janaprakash Multiple Campus
Pokhara

Vol. 3, December 2025

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Published by
Janaprakash Multiple Campus
Pokhara- 29, Bhandardhik
Tel: 061-564378

janaprakash.edu.np
Email: jjmr@janaprakash.edu.np

Janaprakash Journal of Multidisciplinary Research

(Peer-reviewed, Open Access Journal)

—————**VOLUME 3, (2025)**—————

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Editorial: Advancing Knowledge at the Intersections of Disciplines

This issue of Janaprakash Journal of Multidisciplinary Research (JJMR) is the continuation of its periodic annual publication of Janaprakash Campus, Pokhara. The issue in your hand belongs to our third attempt which comprises ten articles of different areas from different institutions.

As we move forward, this journal seeks to expand its global reach by online version and inclusivity. We therefore encourage researchers across different regions and career stages, particularly studies that address local challenges with global implications. The challenges of the twenty-first century like climate change, social inequality, sustainable development etc are not the boundaries of single academic disciplines. So, multidisciplinary (MD) research work serving as a platform where diverse perspectives converge to generate integrative knowledge and encourage scholars to move beyond conventional framework, methods, and data from multiple fields to produce more holistic insights in an interconnected world. When researchers from different disciplines collaborate, they bring distinct epistemologies, analytical tools, and problem-solving strategies. These interactions often lead to novel research designs and unexpected discoveries.

To address such challenges, this journal emphasizes clarity in conceptual framing, transparency in methodology, and coherence in integrating diverse perspectives. This journal is committed to promoting rigorous and ethically grounded research that bridges disciplinary divides. Hence, this journal helps translate academic knowledge into actionable insights. This translation is particularly vital in contexts where research outcomes directly affect public welfare, environmental sustainability, and technological governance. So, authors are encouraged to articulate how their work contributes to multiple fields by fostering collaboration and intellectual exchange across disciplines. Present journal aims to contribute meaningfully to the advancement of knowledge and to the development of sustainable solutions for an interconnected world. To keep this in mind, our peer review process plays a crucial role in ensuring the quality and impact of MD scholarship. Reviewers are selected not only for their disciplinary expertise but also for their openness to cross-disciplinary approaches. Constructive peer review fosters intellectual exchange and helps authors refine their arguments for a broader scholarly audience. In this way, our review process becomes a collective endeavor that strengthens both individual contributions of the author, the reviewer as well as the journal's overall mission. This editorial reflects - the importance of MD inquiry and highlights the embracing collaboration, methodological diversity in shaping impactful and socially relevant science. This editorial reaffirms our commitment to supporting such scholarship and invites researchers to engage in dialogue across disciplines for the collective advancement of knowledge. Thus, this journal can help shape the research work that is both intellectually robust and practically meaningful.

Finally, I would like to extend my sincere thanks to the authors who contributed their articles for this issue and to the reviewers for their contribution on enhancement of the manuscript. I would like to thank members of the editorial board who work hard for this issue. Sincere thanks are due to the authorities of RMC of this campus and to the real design.

Thank you.

Prof S K Lamichhane, Ph D.

Chief Editor

December, 2025.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 1-12

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Have the Issues in Community Forestry Changed Over the Past Decade? A Case Study from Mid-hills of Nepal

¹Sabina Lamichhane*, ²Yub Raj Lamichhane,

¹Anju Upadhyaya and ³Sanjeev Lamichhane

¹Tribhuvan University, Institute of Forestry, Pokhara Campus, Pokhara

²Tribhuvan University, Janaprakash Multiple Campus, Pokhara

³Tribhuvan University, Institute of Engineering, Paschimanchal Campus, Pokhara

*Corresponding Author Email: slamichhane@iofpc.edu.np

Received: September, 2025 Revised: October, 2025 Accepted: November, 2025



Copyright: ©2025 The Publisher

DOI: <https://doi.org/10.3126/jjmr.v3i1.89267>

Abstract

Nepal is widely recognized as a pioneer in community forestry, with its remarkable contributions to improving forest cover, enhancing biodiversity, empowering local communities, and supporting rural livelihoods. Despite these contributions, the community forests (CF) of Nepal have continuously faced issues and challenges since their inception, among which conflict remains a persistent issue. This study examines the issues of conflict in CF over time by comparing the conflict situation in 2013 and 2024 in Saunepani Bareli CF, Kaski district. The study employed a Focused Group Discussion (FGD) and Key Informant Interview (KII) for primary data collection, supplemented by a review of published journal articles and reports, for secondary data collection. The findings revealed that the major issues remain similar to those identified a decade ago, but with different dimensions. There are notable changes in leadership, benefit sharing, and governance. Users show limited interest in the leadership position, have reduced dependency on the forest, and compromised governance practices. Moreover, a decline in interest of users in CF activities has resulted in passive forest management. In this regard, the study recommends initiating forest-based income and employment-generating initiatives to revitalize users towards community forestry activities.

Keywords: Benefit sharing, community forest, conflict, governance, mid-hills

INTRODUCTION

The forest is an integral part of Nepalese livelihood. Subsistence farming practices in Nepal have made Nepalese people more dependent on the forest to meet their daily needs, especially for fodder, timber, forage, and firewood. This dependency has been prevalent for generations on different forest regimes in Nepal.

A community forest (CF) is any part of the national forest with entitlement to develop, conserve, use, and manage the forest and to sell and distribute the forest products by fixing their price independently (Baral, 2018). Community forest user groups (CFUGs) are self-formed local institutions comprising all the households of hamlets, which are typically the traditional users of a particular forest patch. People residing near the forest, willing to manage and conserve that forest, and whose livelihood depends on it, prepare an operational plan and Constitution, and apply to the Division Forest Office (DFO) for approval (Binod, 2016). On suitability, the DFO provides a certificate of handover of the forest to the user group. During the preparation of the Constitution and the Operation plan, the DFO may provide technical support to the user group (GoN, 2019). Based on necessity, the users can modify the Operational plan in consultation with DFO and local government. Approximately 30% of the national forest of Nepal has been handed over to around 23000 CFUGs involving 2,461,549 households (Bista et al., 2023).

Nepal's community forest is praised globally for its decentralized forest management and restoration of degraded land. It provides basic forest products to users, enhances their leadership quality through the democratic decision-making process, and improves household livelihoods (Dhungana et al., 2024). Its contribution to the socioeconomic aspect of forest-dependent communities is immense, from empowering women, poor and disadvantaged groups, generating income and employment, to improving rural livelihoods (Thani & Kandal 2021). However, CF has continued to face some issues and challenges since its inception, among them, conflict has remained persistent and often been overlooked.

Basically, conflict exists between the CF executive committee and users, between CFUGs, and within users (Acharya & Yasmi, 2008). Some issues of conflict in CFUGs include representation in leadership positions, fund mobilization, benefit sharing, Institutional development, forest boundaries, inclusion, and exclusion (Uprety, 2006). Conflict between users and the executive committee arises when executive members and elites capture the decision-making and benefit-sharing, fund mobilization process. The differences in the socioeconomic composition of users may lead to differences in interest. Similarly, conflict

between CFUGs arises over unclear boundaries and encroachment of the forest. In resourceful CFUGs, conflict frequently arises for fund mobilization and management. This occurs due to dissatisfaction with fund prioritization, lack of transparency, and sometimes a different interpretation of provisions mentioned in the CF Operational plan and Constitution.

Since the handover, there have been transformational changes in the social, economic, cultural, and environmental context of the CFUG (Cdmæon et al., 2022). The changes in the mindset of users, their living practices, and economic activities, along with increased livelihood options, have led to a reduction in agricultural activities and, consequently, decreased dependency on forest products such as leaf litter, grasses, and firewood (Shahi, 2022). As a result, the interface between people and the forest has shifted, and so have the nature and sources of conflict. The low income of the CFUG, lack of personal and professional motivation programs such as trainings, seminars, workshops, exposure visits, etc., has turned users reluctant towards the proper management and utilization of the forest. Consequently, the Operational plan includes general activities related to forest management but lacks income and employment-oriented activities as provisioned in the CF guideline. Though users are passive and reluctant to manage the forest, interestingly, they prefer to be members and participate only in mandatory activities, especially in the CFUGs of the hilly region of Nepal. In contrast, in most of the terai's CFs, users actively participate in CFUGs' activities. These CFs have dominant high-value timber species such as Sal (*Shorea robusta*), Saaj (*Terminalia tomentosa*), providing significant income to the CF (Chhetry et. al., 2005) along with the users via selling timber, firewood, and through forest-based enterprises. It has also been seen that the CFUGs of hills have a submissive type of participation. If an option is given on whether to participate or pay a penalty without losing the membership for not participating, they prefer the later option. This shift in the interest of users sometimes gives rise to minor disputes among the members of CFUG, within the executive committee, and occasionally with migrants as well. Issues are a basic level of disagreement that turns into disputes, and unresolved disputes in the long run turn into conflicts (Warner, 2000). Though these types of issues in the CF are not taken seriously, they can sometimes be hard to resolve and may remain persistent. In this scenario, this study tries to investigate the nature of conflicts and issues in CF over time.

METHOD OF DATA COLLECTION AND ANALYSIS

This study was conducted in Saunepani Bareli CF of Pokhara Metropolitan City, ward number 31. The CF has an area of 41.59 hectares with 328 households and was handed over in 2048

B.S. The CF lies at 820 meters above sea level. The forest is a natural mixed type with Sal (*Shorea robusta*), Katus (*Castanopsis indica*), and Chilaune (*Schima wallichii*) as dominant species while the other species include Jamun (*Syzygium cumini*), Tuni (*Toona ciliata*), Mauwa (*Madhuca longifolia*), Simal (*Bombax ceiba*), Gurjo (*Tinospora cordifolia*), Aiselu (*Rubus ellipticus*) etc. It is surrounded by Begnash lake in the East, Maidi lake in the West, Raule ko aawadi, Ban Pokhari, Bauthar in North and Katunjemul and Boskikuna awadi with Bagnas lake in the South (SPBCFUG, 2024).

Table 1

Aspects of CF

S.No.	Aspects	Status of forest	
		2013	2024
1.	Forest area (hectares)	40.49	41.49
2.	Average crown cover (percentage)	65	70
3.	Average growing stock (cubic meters per hectare)	122.11	157.38
4.	Timber AAH (cubic feet)	468.93	1076.96

(Source: SPBCFUG, 2024 and SPBCFUG, 2013)

This is a follow-up study of the similar research carried out in the same CF by applying similar techniques in 2013. There were 307 households in 2013, and 328 households in 2024 (Figure 2). There is a slight increase in the number of households due to property partition (*aamshabanda*) and the addition of new users in the CFUG.

The study has employed a focused group discussion (FGD), and Key Informant Interview (KII) for the primary data collection, while the published research articles, information from DFO, CFUG, and research reports were used for the secondary data collection. Three FGDs with executive committee members, women, and men were carried out separately. Similarly, eight KII were done with school teachers, knowledgeable people, youths, and DFO staffs. Some of the KII were also conducted via phone/mobile due to the time constraints of the key informants. The data thus obtained were analyzed by using computer software like SPSS, GIS, MS-Word, MS-Excel, and presented in tables, bar diagrams, and pie charts.

Figure 1

Map of Nepal showing the study area in Kaski district

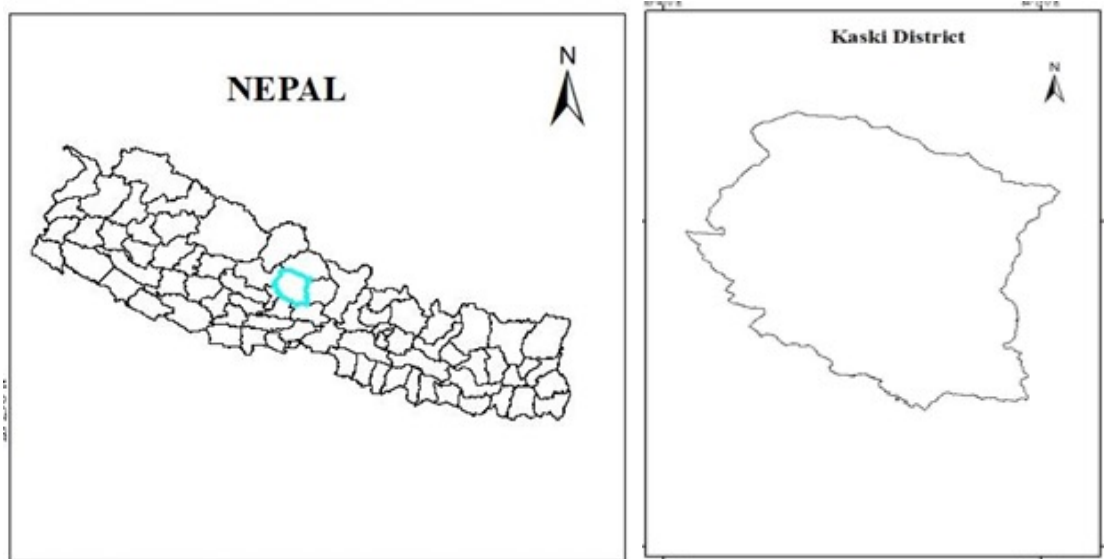
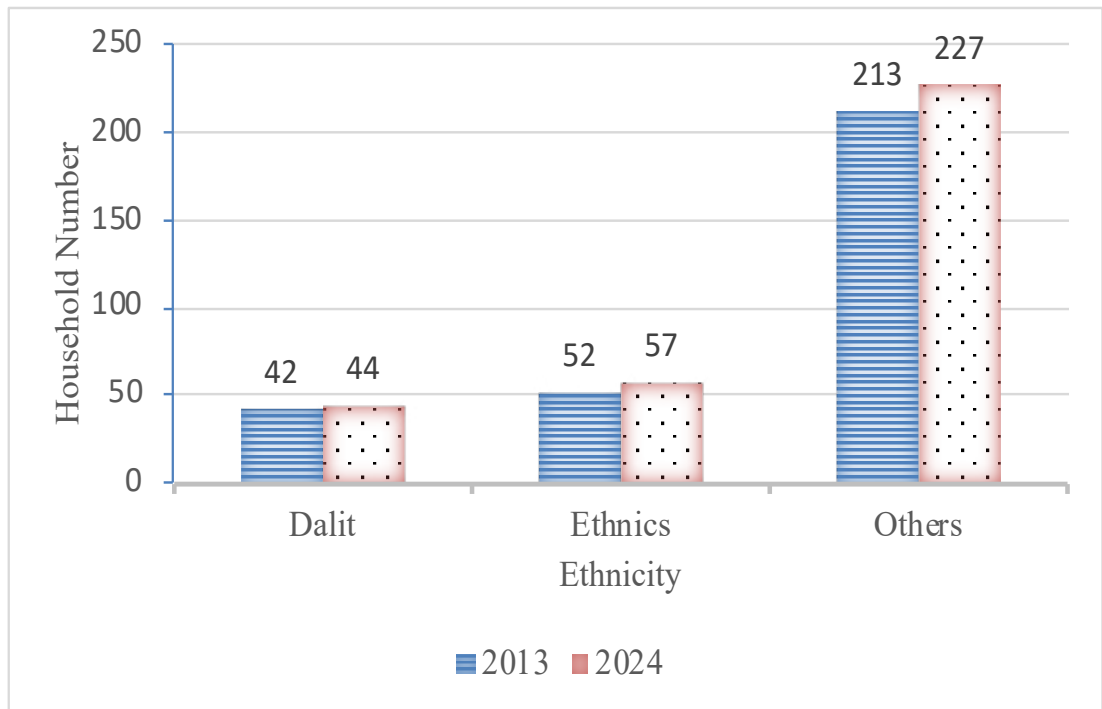


Figure 2

Ethnicity of the Saunepani Bareli CFUG



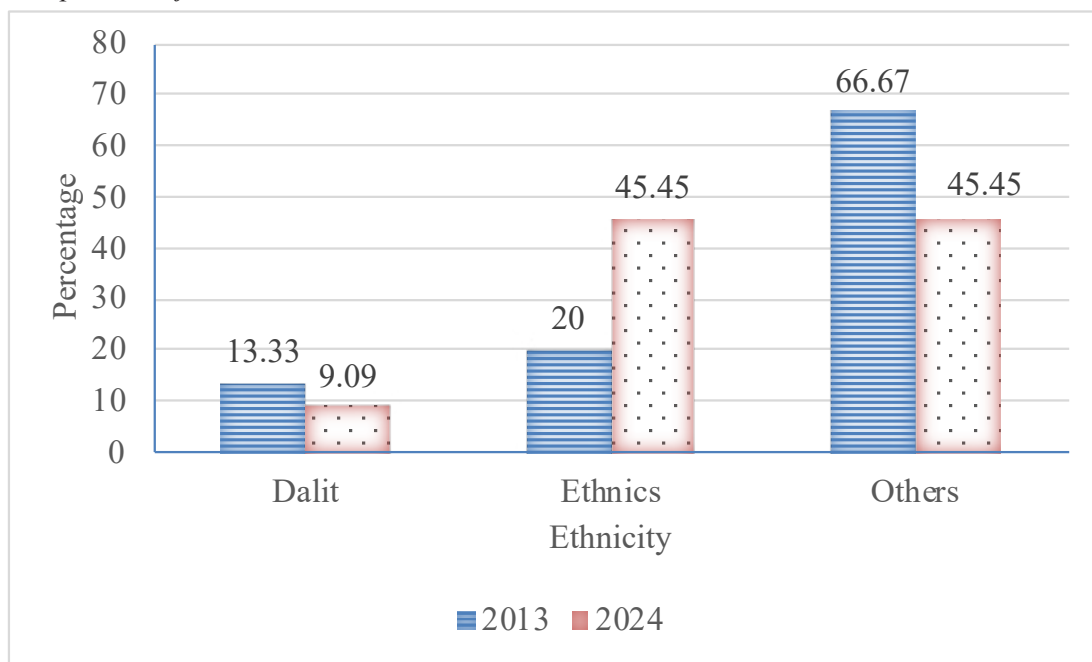
RESULTS AND DISCUSSION

Compromised Governance

Governance is one of the governing factors for the proper functioning of any institution. Participation, transparency, responsiveness, rule of law, effectiveness, and accountability are the crucial components for good governance for any institution. A decade ago, there were issues in participation, transparency, elite capture in decision-making of benefit sharing, and fund prioritization and management, leadership position, as reported by Uprety (2006) and Lamichhane (2012). However, at present, from a bird's-eye view, governance seems good; however, closer investigation revealed compromised governance. The CFUGs conduct regular meetings and general assemblies, have an inclusive executive committee (Figure 3), and perform yearly financial audits. These are the mandatory provisions that CF tends to follow. However, inadequate information flow has led to disproportionate participation of users in the CF meetings and other activities. Users lack clear information and have less interest in their CF, indicating that there is insufficient information flow, which points towards compromised governance. These factors lead to weak governance that escalates conflict (Nepali, 2010).

Figure 3

Composition of an executive committee



Changing Leadership Context

Paudel et al. (2022) have stated that CFs of Nepal are acting as a vehicle to produce leaders and enhance leadership qualities in users. Conflict for vital positions was regarded as one of the major issues in Nepal's CFs a decade ago (Uprety, 2006). Subsistence agriculture, forest-dependent livelihoods, less monetized economy were the key factors motivating users towards forest conservation, management, and willingness to hold the power (Paudel, 2022). However, the scenario has been changed in the present context. A monetized and remittance-based economy has changed the perception and dependency of users towards CF. People are no longer interested in subsistence farming. They are only attracted to the opportunities that provide income. As indicated by research, CFs of the mid-hills region of Nepal have very low income, which makes users reluctant to be in a leadership position (Bhusal et al., 2025). The executive committee of some of the CFs of the mid-hills has repeated its tenure due to the limited interest of users in the committee. Therefore, the decreased share of forests' contribution to the household economy and livelihoods has weakened community forest members' interests in participating in forest management.

Encroachment

Saunepani Bareli CFUG is composed of traditional, local, and migrant users. The traditional users, particularly *Jalari* community, have been residing near the forest area for generations. Their daily livelihood activities are heavily dependent on the forest, especially for fodder, firewood, and timber. The forest area has been encroached on for more than a decade. The area of the CF increased to 41.49 hectares (2024) from 40.49 hectares (2013) (Table 1). This increase in the CF area indicates the settlement of some of the encroached area. However, there are still some encroachment issues that need to be addressed. The study carried out by Lamichhane (2012) also shows a similar issue in the study area. The study carried out in Bardiya by Panthi (2020) has also indicated the CF area encroached by squatters for generations. This is one of the persistent issues in the CFs of Nepal.

Entry Fee for the New Users

This CF is located in Pokhara-31, which is considered as one of the fastest-growing urban areas of Pokhara Metropolitan City. People from the nearby village municipalities, especially Modi and Rupa, migrate to this area. The migrant population is showing interest in getting entry in CF, but not all migrants can afford the entry fee. They have requested the executive committee to reduce the entry fee; however, the users are not positive about it. Kanel & Kandel

(2004) have also stated that new users tend to pay a high amount of money to get access and use rights like those of traditional users, which may give rise to some minor disputes in CFUG.

Benefit Sharing

Users of saunepani Bareli CF are heterogeneous with respect to ethnicity, culture, economic class, profession, etc. (Figure 2). This heterogeneity leads to diverse interests in access and use of forest resources, giving rise to disputes in the CFs (Ojha et al., 2006). The study area had a similar scenario 12 years ago. Conflict due to an inequitable forest product distribution system, good quality of timber and firewood captured by elites, preferential participation in trainings and other incentive-based programs by members closely associated with the executive committee, were the conflicts related to benefit sharing (Lamichhane, 2012). However, the situation is different in the study area now. FGD and KII have indicated a reduced dependency of users on the CF. Mechanized agriculture, particularly the use of small portable tractors, has largely replaced oxen for ploughing fields, leading to a decline in the number of livestock and the need for grass/fodder. Use of LPG gas for cooking, along with income from remittance, trade, and business, has gradually replaced traditional subsistence farming, thereby weakening a decreased forest-farm linkage. Similarly, the use of metal-based construction materials such as iron rods, cement, aluminum, pre-fabricated, and plastic fibers has replaced timber for construction purposes, further minimizing users' dependency on the forest (Paudel et al., 2022). Consequently, this leads to less concern among users regarding the use of forest products and other benefit-sharing mechanisms in the CF (Shahi et al., 2022).

What Motivates Users in Community Forests?

A decade ago, the key drivers of conflict in CFUGs included issues related to benefit sharing, participation, forest boundary, caste and gender related leadership, and traditional use rights (Upreti, 2006), at a time when users were highly dependent on the forest. However, at present, dependency has decreased significantly, especially in mid-hilly urban areas such as Pokhara. Even though the Saunepani Bareli CFUG is dominated by the poor households (7 well-off, 112 medium, and 209 poor households) (SPBCFUG, 2024), users have less dependency and interest in the forest. In such a ground reality, we could not imagine the situation of other CFUGs that have dominant well-off households. Therefore, there is an immediate need to explore and start the income and employment-generating activities in the CFs so that the users get motivated towards the forest.

The current trend of migration, changing demography, shift in people-forest relationship, increasing market dynamics, and opportunities have collectively reshaped the CFUG in the way it operates (Paudel, 2022). This has resulted in a change in the people's perception and expectation of CFs. At present, users are more inclined towards ecosystem services, eco-tourism, and similar other services provided by the forest. Timber sale and value addition in non-timber forest products could be an attraction for users in CF. Forest Act 2019 and Forest Regulation 2022 have given the right to harvest and sell surplus timber from the CF. According to DFRS (2015), the growing stock estimation for Middle Mountains is 124.26 m³/ha, while that of Saunepani Bareli CF is 157m³/ha (Table 1). Commercialization of timber could be one of the sources of income for CFUG, including users.

Community forests produce forest products and services that are essential for the forest ecosystem and landscape, meeting people's subsistence needs. It further provides raw material for forest enterprise, thereby creating jobs and income at the local level, and thus contributing to improved livelihoods of users (FRTC, 2020). Medicinal and aromatic plants, and other non-timber forest products, fruits, fodder, and wild food-based agroforestry practices can be carried out in CF (MoFE, 2024). Likewise, ecotourism could be another option to generate income in community forests like Saunepani Bareli, which is in the proximity of the tourist area like Bagnas lake, with the mesmerizing view of the Annapurna range. With an income and employment-based mindset, CFUG can upgrade the well-being ranking of its users to at least one higher category.

CONCLUSION

The decreased dependency of users in the CF has led to reduced interest in CF activities, thereby reducing disputes in the CF. Community Forest needs to be transformed in a way to regain users' attraction and motivation by increasing the income opportunities from the CF. For this purpose, the collective action is needed from CFUG, DFO, the local government, and other related stakeholders.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 13-29

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Impact of Credit Risk Management on the Profitability of Commercial Banks in Nepal

¹Sanju Thapa and ²Pushpa Nidhi Amgain*

¹Kanya Campus, Pokhara, Tribhuvan University

²Prithvi Narayan Campus, TU

²ORCID: <https://orcid.org/0009-0003-4549-4606>

*Corresponding Author: pushpa.amgain@prnc.tu.edu.np@gmail.com

Received: September, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89268>

Abstract

This study aims to investigate the impact of credit risk management on profitability of commercial banks in Nepal. This study was based on descriptive and causal research design. Out of 20 commercial banks of Nepal, five banks were selected as samples using the lottery method. Secondary data were collected from the annual report to conduct this study from FY 2014/15 to FY 2023/24. The CDR, NPL and CAR serve as independent variables while return on assets (ROA) and earnings per share (EPS) are used as dependent variable in Nepali commercial banks. The regression results indicate that the coefficient of CAR is positive and rest of the NPL and CAR have negatively related with ROA under model I. Under the model II, coefficient of CDR, NPL and CAR are negatively related with EPS. The findings of the study reveal that there is a negative relationship between the credit deposit ratio and non-performing loans with return on assets and earnings per share. The capital adequacy ratio does not have a significant effect on return on assets and earnings per share. Future research direction could be taking moderating variable such as size of the bank to define the impact of credit risk management on profitability of commercial bank in Nepal.

Keywords: Capital adequacy, credit deposit ratio, earning per share, non-performing loan, return on asset

Introduction

Bank is a financial institution that accepts deposits and lends the money to their customers. Commercial banks are the heart of the depository financial institution. Banks earn profits from the difference between the interest rates they pay on deposits and the rates they charge on loans. Credit risk management is the process of identifying, assessing, and controlling the risk that a borrower will fail to repay a loan. Credit risk management in the banking sector is important because of the Worldwide financial crisis experienced in recent years however, due to its greater influence on commercial banks financial performance, growth and survival. However, this is a feasible if they are able to make the required revenue to cover the cost of operations. The major proportion of the financial sectors total assets held by commercial bank in Nepal. Bessis (2011) examined some of the major risks that banks face as credit risk, liquidity risk, interest rate risk, mismatch risk, market liquidity risk, market risk, and foreign exchange risk. Credit risk is also a financial loss for commercial banks. The main purpose of the study is to investigate the impact of credit risk management on profitability of the commercial banks in Nepal. The profitability of the commercial banks is measured in terms of return on assets (ROA) and earnings per share (EPS). Dao and Nguyen (2020) investigate the various factors that impact the profitability of commercial banks in developing Asian countries, specifically Vietnam, Malaysia, and Thailand. The study examined three measures of profitability like return on assets (ROA), return on equity (ROE) and Tobin's Q and analyzes how they are affected by bank- specific factors. It includes capital adequacy ratio (CAR), non-performing loans (NPLs), cost to income ratio, liquidity ratio and bank size. Moreover, the author presents a controversial finding that suggests a negative relationship between CAR and profitability indicators, as well as a positive association between credit risks and profitability (Karki & Khadka, 2024). Kalwar and Shrestha (2024) revealed that credit risk management has a positive impact on the profitability of commercial banks in Nepal. Credit risk has vital impact on profitability of banks as it gives raise to non-performing loans. The study primarily focuses on analyzing the impacts of credit risk indicators on the profitability. This study helps to understand the interest income, cost of capital, minimizes the loan loss provisions and also reduction in NPLs. of commercial banks in Nepal. Previous research focused on credit deposit ratio, non-performing loan, capital adequacy ratio on profitability such as return on assets and earnings per share. Earlier studies included limited sample sizes. This study helps to fill the gap by using a sample of five randomly selected commercial banks using lottery method from the population of twenty commercial banks. Kithinji (2010) showed that there is an

indirect affiliation between non-performing loan and profitability of Nepali commercial banks. Mendoza and Rivera (2017) show that capital adequacy positively affects the profitability of rural banks in the Philippines. Marshal and Onyekachi (2014) investigated the effect of credit risk and bank performance in Nigeria for the period of 1997-2011 using the time series, cross sectional and panel data analysis. The conclusion of the study was that income is generated from loan and advances. Kurawa and Garba (2014) devoted effort to assess the effect of credit risk management on the profitability of Nigerian banks during the period 2002 to 2011. The findings of this study show that found that default rate, cost per loan assets and CAR has a significant positive impact on the profitability of Nigerian banks. Bhattarai (2016) investigate the effect of credit risk on the performance of Nepalese commercial banks. It includes capital adequacy ratio, non-performing loan ratio, cost per loan assets, cash reserve ratio and bank size as an independent variable, and return on assets as a dependent variable Yousuf and Felfoldi (2018) identified the effect of credit risk management on profitability in private banks in Syria. Nelson (2020) found that non-performing loan ratio (NPLR), the capital assets ratio (CAR) and the loan loss provision ratio (LLPR) are negatively significant impact on return on equity (ROE). However, CAR positively influences on return on assets (ROA) and the ratio of client loans and short-term financing (RCLSTF) positively influences on ROE. The hypotheses of this study have been tested.

H1: Credit deposit ratio has a significant positive influence on profitability of commercial banks

H2: Non-performing loan ratio has a significant negative impact on profitability of commercial banks

H3: Capital adequacy ratio has a significant negative influence on profitability of commercial banks.

Freeman (1984) states the stakeholder theory that groups or individuals are influence by the organization's objectives. Freeman redefines shareholders as group who are energetic to the survival and success of the company and assured the importance of considering stakeholders' perspective in management. The theory advocates that companies should not solely aim to maximize profits for shareholders however also take into account the influence of their actions on all stakeholders. According to the stakeholder theory, companies must adopt a long-term perspective when building relationships with stakeholders, acknowledging that positive relationships can enhance the company's long-term success. Soyemi et al. (2014) observed that the greater the risk, the higher the return. Risks are considered warranted when they are

understandable, measurable, controllable and within a bank's capacity to willingly resist its adverse effect (NRB, 2010). Credit risk is an important type risk amongst the many types of risks that commercial banks face which influences bank performance (Boffey & Robson, 1995). In banking, credit risk affects the bank's profitability, liquidity position and cash flows factors that are identified as principal causes of bank failure and the greatest threat to the bank performance (Van Greuning & Brajovic-Bratanovic, 2009). In this research, Credit risk was measured by the capital adequacy ratio (CAR), and non-performing loans (NPLs), whereas profitability was measured by the ROE. Non-performing loans do not affect profitability (ROE). Serwadda (2018) investigated the impact on the impact of credit risk management on the financial performance of commercial banks in Uganda. The results reveal that the performance of commercial banks is negatively affected by NPLs which expose them to high levels of illiquidity and financial crises in the banking industry.

Aduda and Gitonga (2011) analyzed data from 2000–2009 across 30 commercial banks. Using regression, they confirmed a statistically significant negative relationship between NPLR and ROE establishing that higher credit risk reduces profitability in Kenyan banks. Samuel (2015) examined five banks using NPL/loans and loans/deposits ratios against ROA through regression. The findings of this study have increased credit risk significantly diminished bank performance. Ebener and Omar (2016) found that while NPLR strongly negatively influenced ROE, total debt-to-assets and debt-to-equity ratios. Bhattarai (2016) studied capital adequacy, cost per loan assets, cash reserves, and bank size as independent factors with ROA. Results showed poor credit risk management, with NPLR low performance and cost per loan assets also negatively affecting ROA. However, CAR and cash reserves ratio were insignificant. Chhetri (2022) analyzed that NPLR has a negative, significant effect on ROA, while capital adequacy and bank size showed non-significant negative associations. Credit-to-deposit ratio was positive but insignificant, and management quality emerged as a positively significant factor. Pandey and Joshi (2023) examined that default rate and cost per loan assets negatively and significantly affect both ROA and ROE in Nepal, whereas capital adequacy ratio is positively and significantly related to performance. Amgain et al. (2025) revealed that non-performing loans (NPLs) have a significant adverse impact on ROA. Similarly, CAR exhibits a negative but statistically insignificant association with ROA. Furthermore, the cash reserve ratio (CRR) demonstrates that a positive insignificant relationship with ROA. Dahal and Dhungana (2025) found that commercial banks with higher CARs and larger asset sizes tend

to be more profitable. In addition to, an increase in non-performing loans has a significant negative effect on return on equity (ROE).

Methods of Data Collection and Analysis

This study was based on descriptive and casual research design. This study describes the credit risk management and profitability of commercial banks in Nepal. The descriptive research design was adopted for fact and figure finding and suitable information gathering fundamental issues related with credit risk on profitability of Nepali commercial banks. This study adopted causal research design to establish the cause-and-effect relationship between credit risk management and profitability. The causal research design examined the impact of credit risk on the profitability of commercial banks in Nepal. There are 20 commercial banks currently operating in Nepal as the population of the study (NRB, 2024). Due to limitations of time frame and resources, it is not feasible to include 20 commercial banks in the study. Therefore, Everest Bank Limited, Machhapuchchhre Bank Limited, Siddhartha Bank Limited, Prabhu Bank Limited, and Nabil Bank Limited were randomly selected through the lottery method from study period 2014/15 to 2023/24. The data are collected from the published annual reports of the sample commercial banks, the website of Nepal Rastra Bank (NRB) and other official websites. This study used secondary data sources as the primary instrument of data collection, including balance sheet and income statement. The descriptive statistics used mean, standard deviation, minimum and maximum values in this study. Furthermore, the variables study under profitability and the credit risk. Return on assets (ROA) and earnings per share (EPS) are considered as dependent variables. Meanwhile, the independent variables include credit deposit ratio (CDR), non- performing loan (NPLs), and capital adequacy ratio (CAR).

Model 1

In this model, the dependent variable is return on assets (ROA). Credit deposit ratio, non-performing loan, capital adequacy ratio are independent variables. The model is presented as follows:

$$ROA = \beta_0 + \beta_1.CDR + \beta_2.NPL + \beta_3.CAR + \Sigma \epsilon_{it}$$

Model

In this model, the dependent variable is earnings per share (EPS) whereas credit deposit ratio, non-performing loan, capital adequacy ratio are independent variables. The model is presented as follows:

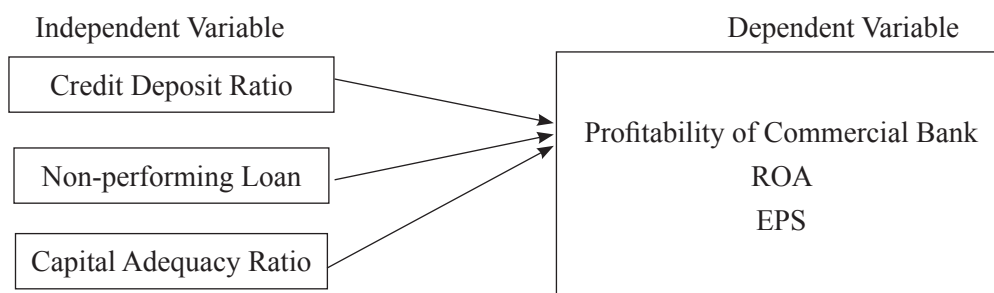
$$EPS = \beta_0 + \beta_1.CDR + \beta_2.NPL + \beta_3.CAR + \Sigma \epsilon_{it}$$

EPS = earnings per share, ROA = return on assets, CDR = credit deposit ratio, NPL = non-performing loan, CAR = capital adequacy ratio

β_0 = The Intercept (constant), β_1 , β_2 , and β_3 = the slope which represents the degree with bank performance changes as the independent variable changes by one-unit variable.

$\Sigma \epsilon_{it}$ = error term

Conceptual Framework



Results and Discussion

The raw data collected were organized and processed using various financial and statistical tools to achieve the objective of the study. Data on RoA, EPS, CDR, NPLs and CAR of the five commercial banks were obtained from audited annual reports and used to conduct descriptive statistics, correlation analysis, and regression analysis.

Table 1

Financial Status of Everest Bank Limited

Year	ROA	EPS	CDR	NPL	CAR
2014/15	1.85	78.04	66.63	0.66	13.33
2015/16	1.59	40.33	75.14	0.38	12.66
2016/17	1.83	32.48	84.05	0.25	14.69
2017/18	1.97	32.78	81.86	0.2	14.2
2018/19	1.94	38.05	87.01	0.16	13.74
2019/20	1.42	29.71	83.52	0.22	13.38
2020/21	0.89	19.91	85.3	0.12	12.48

2021/22	1.13	26.3	90.77	0.12	11.89
2022/23	1.41	31.43	85.7	0.79	13.3
2023/24	1.36	31.47	81.12	0.71	12.3

Note: Annual Report of Everest Bank Limited

Table 1 illustrates that the data where ROA starts at 1.85 percent in 2014/15 after that it fluctuate and increase at 1.97 percent in 2017/18 again it decreases to 0.89 percent in 2020/21, after 2020/21 ROA recovers slightly. EPS starts high at 78.04 percent, then decrease significantly to 40.33 percent the next year, continues to decline to a low of 19.91 percent in 2020/21. CDR starts at 66.63 percent, increases to 90.77 percent in 2021/22, then decreases again. NPL starts at 0.66 percent, decreases to 0.12 percent, then increase to 0.79 percent in 2022/23. At first CAR starts with 13.33 percent then CAR fluctuates between 11.89 percent and 14.69 percent. The decrease in ROA and EPS together with increasing NPL suggests the existence of fundamental problems in loan management practices. The high CDR might be a strategy to increase profits, but it comes with higher risk, as seen in the increasing NPL. The CAR staying above 12 percent is a good sign that the bank is meeting regulatory requirements. In ten years, the NPL rate increased from 0.64 percent to 3.86 percent, and this would impact profitability which indicate high aggressive lending for profitability but risky. The strong CAR shows that despite the risk the bank is maintaining adequate capital reserves.

Table 2

Financial Status of Machhapuchchhre Bank Limited

Year	ROA	EPS	CDR	NPL	CAR
2014/15	1.26	22.2	78.77	0.64	12.24
2015/16	1.51	25.04	84.59	0.55	12.36
2016/17	1.89	24	88.47	0.38	16.82
2017/18	1.47	15.81	89.78	0.44	15.36
2018/19	1.61	21.07	87	0.37	12.79
2019/20	1.02	14.96	88.56	0.52	13.02
2020/21	1.02	17.76	86.53	0.62	12.06
2021/22	0.94	16.44	86.32	1.04	13.36
2022/23	0.87	15.85	81.35	2.26	13.58
2023/24	0.55	8.99	83.32	3.86	13.74

Note: Annual Report of Machhapuchchhre Bank Limited

Table 2 demonstrates that the data over the ten-year period where ROA starts at 1.26 percent in 2014/15, and increase in 2016/17 at 1.89 percent fluctuates and declines to 0.55

percent by 2023/24. EPS follows a similar pattern, increasing at 25.04 percent in 2015/16 and then decrease at 8.99 percent in 2023/24. CDR remains relatively high, mostly in the 2017/18 at 89.78 suggests the bank is lending out a significant portion of its deposits. However, the NPL increases unexpectedly from 0.64 percent to 3.86 percent. CAR fluctuates but stays above 12 percent, which is generally considered the minimum requirement. For instance, as NPL increases, ROA and EPS decrease. The CDR is high, which could mean that the bank is taking more risk by lending out most of its deposits, which might explain the rise in NPL. CAR remains stable, which is good because it means the bank is maintaining a place on top of minimum capital requirements to enhance banks strength against potential losses. The high CDR might be a strategy to increase profits, but it comes with higher risk, as seen in the increasing NPL. The CAR staying above 12 percent is a good sign that the bank is meeting regulatory requirements.

Table 3

Financial Status of Nabil Bank Limited

Year	ROA	EPS	CDR	NPL	CAR
2014/15	2.06	57.24	64.43	1.82	11.57
2015/16	2.32	59.27	70.49	1.14	11.73
2016/17	2.69	59.86	65.38	0.8	12.9
2017/18	2.61	51.84	82.66	0.55	13
2018/19	2.11	50.57	81.96	0.74	12.5
2019/20	1.58	36.16	79.72	0.98	13.07
2020/21	1.71	33.57	89.84	0.84	12.77
2021/22	1.2	18.64	92.49	1.62	13.09
2022/23	1.42	23.67	84.19	3.39	12.54
2023/24	1.19	22.9	83.6	4.45	12.24

Note: Annual Report of Nabil Bank Limited

Table 3 revealed the ROA which starts at 2.06 percent in 2014/15, and increase in 2016/17 with 2.69 percent, then decrease in 2023/24 with 1.19 percent. So, there's a downward trend after 2016/17, which might indicate decreasing profitability over time. The EPS starts strong at 57.24 percent in 2014/15, and increase the next year, then starts to decline with low of 18.64 percent in 2021/22 before nearly recovering. A higher CDR means the bank is lending more, which can be good for profitability but risky if too high. The CDR starts at 64.43 percent, and increase in 2021/22 at 92.49 percent, then decreases. The increasing trend until 2021/22 suggests the bank was expanding its lending, but later it decreases. Lower NPL is better. Higher

CAR indicates better strength. The CAR starts at 11.57 percent, increases to 13.09 percent in 2021/22, then slightly decreasing.

Table 4

Financial Status of Prabhu Bank Limited

Year	ROA	EPS	CDR	NPL	CAR
2014/15	2.19	31.73	70.43	7.33	10.61
2015/16	1.64	26.75	79.11	8.83	12.29
2016/17	1.76	27.17	76.19	4.55	11.18
2017/18	0.86	12.58	81.04	3.98	11.86
2018/19	1.29	21.03	87.94	3.76	11.16
2019/20	0.71	11.58	78.26	3.15	11.18
2020/21	0.8	13.54	83.95	1.68	13.1
2021/22	0.82	14.97	81.38	1.86	12.86
2022/23	0.08	1.19	81	4.98	11.87
2023/24	0.14	2.17	75.56	4.94	12.37

Note: Annual Report of Prabhu Bank Limited

Table 4 illustrates that the ROA measures how profitable the bank is relative to its total assets. Starting at 2.19 percent in 2014/15, it drops to 1.64 percent the next year, then fluctuates. It starts high at 31.73 percent, then decreases with a low of 1.19 percent in 2022/23 and slowly increase in 2023/24 at 2.17 percent. CDR measures how much of the bank's deposits are given out as loans. A higher ratio could mean more risk. The CDR starts at 70.43 percent and increases at 87.94 percent in 2018/19. After that, it fluctuates but remains mostly above 75 percent. NPL indicates the percentage of loans that are not being repaid. Lower NPL is better. The NPL starts at 7.33 percent, and increase at 8.83 percent in 2015/16, after that it decreases by 1.68 percent by 2020/21. However, in the last two years, it jumps to around 4.94-4.98 percent. CAR starts at 10.61 percent, which is just above the regulatory minimum (usually around 10-11 percent). It increases at 13.1 percent in 2020/21 but then decreases to around 11.87-12.37 percent in the last two years. The bank seems to maintain CAR above required levels, but in 2022/23 to 11.87 percent might indicate increased risk or lower capital reserves. The increase in NPL towards the end could indicate get worse loan quality. High CDR suggests aggressive lending, which might have led to higher NPL later. The CAR remains adequate but shows some volatility. The bank might need to focus on improving asset quality and managing credit risk to stabilize profitability. The bank seems to maintain CAR above required levels, but in 2022/23 to 11.87

percent might indicate increased risk or lower capital reserves. The bank's CAR has remained above the regulatory minimum of 8 percent.

Table 5

Financial Status of Sidhartha Bank Limited

Year	ROA	EPS	CDR	NPL	CAR
2014/15	1.51	37.77	83.04	1.8	11.1
2015/16	1.69	41.53	87.02	1.47	11.25
2016/17	1.53	26.6	88.4	1.3	12.74
2017/18	1.59	26.45	86.08	1.09	12.12
2018/19	1.49	23.07	89.65	0.75	12.7
2019/20	1.26	19.55	89.04	1.38	13.17
2020/21	1.25	22.79	90.6	1	13.36
2021/22	1.1	20.6	96.08	1.07	13
2022/23	1.15	22.48	84.94	2.01	12.47
2023/24	1.06	21.86	84.63	2.17	11.88

Note: Annual Report of Sidhartha Bank Limited

Table 5 illustrates that the ROA starts at 1.51 percent in 2014/15, and increase at 1.69 in 2015/16, then fluctuates but generally trends downward to 1.06 by 2023/24. EPS starts at 37.77 percent and increases at 41.53 the next year again it decreases at 26.6 percent and continues to decline to 21.86. CDR starts at 83.04 percent and increases to 96.08 in 2021/22, then decrease again. A higher CDR means the bank is lending out more of its deposits. The highest CDR is 96.08 percent in 2021/22, which is quite high. High CDR can indicate that the bank is using its deposits effectively, but it might also mean higher risk if loans aren't repaid. NPL starts at 1.8 percent and decreases to 0.75 percent and then increases again to 2.17 percent. CAR starts at 11.1 percent, generally increases to 13.36 percent, then slightly decreases.

Table 6

Descriptive Statistics of Sampled Commercial Banks

Variables	N	Mean	Standard Deviation	Minimum	Maximum
ROA	50	1.41	0.54	0.08	2.69
EPS	50	27.64	15.04	1.19	78.04
CDR	50	82.90	6.79	64.43	96.08
NPL	50	1.79	1.89	0.12	8.83
CAR	50	12.70	1.10	10.61	16.82

Note: Annual Reports of Sampled Banks (2014/15-2023/24)

Table 6 illustrates that mean, standard deviation, minimum and maximum values variables associated with five sample commercial banks for the period 2014/15 to 2023/24.

The average return on assets (ROA) of the sampled commercial banks is 1.41 percent with a minimum value of 0.08 percent to a maximum value of 2.69 percent indicating the low performance of the selected commercial bank. Earnings per share (EPS) has a minimum value of 1.19 percent and maximum value of 78.04 percent with an average value of 27.64 percent, which indicate growth trend of the selected commercial banks. Credit deposit ratio (CDR) ranges from a minimum of 64.43 percent to maximum of 96.08 percent with an average value of 82.90 percent. Similarly, the minimum value of non-performing loan (NPLs) is 0.12 percent to maximum value of 8.83 percent with an average value of 1.79 percent. Likewise, the minimum value of capital adequacy ratio (CAR) is 10.61 percent to maximum value of 16.82 percent with average value leading by 12.70 percent. Standard deviation of ROA and EPS are 0.54 and 15.04 respectively which show that ROA is better than EPS.

Table 7

Relationship Between Credit Risk Variables and ROA

	ROA	CDR	NPL	CAR
ROA	1.00			
CDR	-0.33*	1.00		
NPL	-0.25**	-0.29*	1.00	
CAR	0.09*	0.31*	-0.44**	1.00

** Correlation is significant at the 0.01 level (2-tailed).

*Correlation is significant at the 0.05 level (2-tailed).

Note: Authors Calculation

Table 7 demonstrates that there is a moderate negative relationship between return on assets and credit deposit ratio at a significant at 0.05 level which means that as the CDR increases, ROA tends to decrease. The relationship of NPL with ROA is negative but not statistically significant which means that a rise in bad loans is associated with reduced profitability of commercial banks. The relationship between CAR and ROA indicates that there is a weak positive correlation and not significant with 0.01 or 0.05 level which suggest that capital strength alone does not directly influence short term profitability.

Table 8

Relationship Between Credit Risk Variables and EPS

	EPS	CDR	NPL	CAR
EPS	1.00			
CDR	-0.53**	1.00		
NPL	-0.30*	-0.29*	1.00	
CAR	-0.05*	0.31*	-0.44**	1.00

****Correlation is significant at the 0.01 level (2-tailed).**

***Correlation is significant at the 0.05 level (2-tailed)**

Note: Authors Calculation

Table 8 revealed that credit deposit ratio has a negative significant relationship with earnings per share at 0.01 level of significance which indicate that CDR are associated with lower EPS and non-performing loan ratio also shows moderate negative relationship with earning per share at 0.05 level of significance which suggests that an increase in non-perming loan is also associated with lower EPS. Similarly, capital adequacy ratio is also a weak negative and insignificant relationship with earnings per share which suggest that capital adequacy has limited direct influence on EPS.

Table 9

Regression Analysis of Credit Risk Variables on ROA of Sampled Commercial Banks

Specification	Coefficients	Standard Error	t Stat	P-value	VIF
Intercept	4.09	1.19	3.44	.000	
CDR	-0.04	0.01	-3.24	.000	1.40
NPL	-0.10	0.04	-2.35	.020	1.28
CAR	0.04	0.07	0.48	.630	1.30

R-square = 23.57%, adjusted R- square = 18.59% and F (3, 46) = 4.729 at level of significance 5%

Note: Authors Calculation

Table 9 illustrates that 23.57 percent of the dependent variable variance according to its R-squared value. The adjusted R-squared value of 0.1859 takes into consideration the number of predictors which results in a modest decrease in model explanatory power. The reported F-statistic value of 4.729 together with a p-value of 0.0059 indicates model significance at the 5 percent. The intercept coefficient value is 4.09 and standard error 1.19 whereas t stat is 3.44 and p-value is .000 However, the intercept is statistically significant ($p < 0.05$), indicating that when all independent variables are zero, the ROA is expected to be approximately 4.09. The CDR coefficient is -0.04, standard error is 0.01, t stat is -3.24, P-value is 0.00. The negative coefficient suggests that an increase in the CDR is associated with a decrease in ROA. This effect is statistically significant ($p < 0.05$) and VIF value is 1.40 which is less than 10 so there is no problem of multicollinearity. In NPL coefficient is -0.10, standard error is 0.04, t stat is -2.35, P value is 0.020 and VIF value is 1.28 which is less than 10 so there is no problem of multicollinearity. Similar to CDR, the negative coefficient indicates that an increase in NPL is associated with a decrease in ROA, and this effect is also statistically significant ($p < 0.05$). In CAR coefficient is 0.04, standard error is 0.07, t stat is 0.48, P-value is 0.63 and VIF value is

1.30 which is less than 10 so there is no problem of multicollinearity. The coefficient for CAR is not statistically significant ($p > 0.05$).

Table 10

Regression Analysis of Credit Risk Variables on EPS of Sampled Commercial Banks

Specification	Coefficients	Standard Error	t Stat	P-value	VIF
Intercept	170.31	26.39	6.45	.000	
CDR	-1.46	0.24	-5.99	.000	2.03
NPL	-4.16	0.93	-4.47	.000	1.84
CAR	-1.12	1.61	-0.70	.490	1.31

R-square = 51.11%, adjusted R- square = 47.95% and F (3, 46) = 16.043 at level of significance 5%

Table 10 illustrates that 51.11 percent for R-squared demonstrates that the model accounts for 51.11 percent of the EPS variation. The adjusted R-squared value at 47.95 percent indicates some reduction in model explanatory strength caused by additional predictors. The F-statistic value of 16.043 established statistical model significance at the 5 percent significance level with its corresponding p-value being below 0.05. The intercept coefficient value is 170.31, standard error 26.39 whereas t stat is 6.45 and p-value is .000. However, the intercept is statistically significant ($p < 0.05$), indicating that when all independent variables are zero, the EPS is expected to be approximately 170.31. The CDR coefficient value is -1.46, standard error 0.24, t stat -5.99, p-value is .000 and VIF is 2.03 which is less than 10 so there is no problem of multicollinearity. The negative coefficient suggest that an increase in the CDR is associated with a decrease in EPS. This effect is statistically significant ($p < 0.05$). The NPL coefficient value is -4.16, standard error 0.93, p value is 0.00 suggests statistical significance and VIF is 1.84 which is less than 10 so there is no problem of multicollinearity. In CAR coefficient is -1.12, standard error is 1.61, t Stat is -0.70, p-value is 0.49 much larger and VIF is 1.31 which is less than 10 so there is no problem of multicollinearity. As a result, CAR is not statistically significant.

The findings of this study indicate that credit risk management influences on profitability of commercial banks in Nepal. This study illustrated the association among return on assets, earnings per share and other components of credit risk management, like CDR, NPL and CAR. Therefore, Nepali commercial banks should enhance their ability to manage credit risk and assets efficiently and effectively. The study shows that a negative relationship with credit risk management and profitability and also low level of relationship which is not significant relationship. In this study, H1 is not supported due to the negative correlations of credit deposit

ratio with ROA and EPS. H2 is supported due to non-performing loan ratio negatively effect on return on assets and earnings per share. H3 is not supported capital adequacy ratio has no substantial impact on ROA and EPS. The findings show a negative relationship between the credit deposits ratio and non-performing loans with both return on assets (ROA) and earnings per share (EPS). However, the capital adequacy ratio does not have impact on either return on assets and earnings per share. Specifically, the study revealed that credit risk management influence on profitability of commercial banks in Nepal. The credit deposit ratio is negatively affecting on the profitability of commercial banks in Nepal. The results are consistent with findings (Samuel, 2015) which go against H1. The results are opposite to the Chhetri (2022) showed that the credit deposit ratio positively impact on bank profitability. As expected from earlier analysis, non-performing loans are negatively affecting the profitability of commercial banks. The study data showed non-performing loans create extensive damage to credit risk levels that ultimately reduce profitability for commercial banks in Nepal. The finding is similar to (Aduda & Gitonga 2011; Bhattarai 2014; Ebener & Omar, 2016) which is s supported to H2. This demonstrates that commercial banks in Nepal have effective methods for evaluating credit risk management. The findings show that non-performing loans (NPL) in Nepali commercial banks lead to decreased loan repayments. Higher default rates along with reduced banking-sector income and investment funding negatively affect bank profitability. Furthermore, they should improve their loan management and credit analysis. The interaction between profitability and capital adequacy ratio is positive in ROA and negative in EPS which shows that low level of relationship and it is not significant relationship. The result is consistence with the result of (Nelson, 2020). The results go against those of (Abiola & Olausi, 2014) who found that capital adequacy ratio is positive impact on profitability of commercial bank in Nigeria which is against H3.

Conclusion

The research indicates that a Nepali commercial bank's credit risk and profitability can be evaluated using return on assets (ROA) and earnings per share (EPS). The entire analysis of these variables indicates a good status of profitability for the commercial banks in the study. The banks are effectively generating profits through positive financial results supported by control of their non-performing loans and stable capital adequacy ratio. The CDR figure stands at a reasonable level even though it is not exceptionally low and the banks manage to operate efficiently under their sector's standards. The banks analyzed in this study show a

prosperous profit-making state through skillful asset management along with solid earnings and appropriate capital reserves which positions them for successful future growth and stability. The credit position of commercial banks, particularly through the lenses of cost management and asset quality, plays a vital role in determining profitability. Minimizing non-performing loans along with effective cost management represents essential bank strategies for improving financial results and shareholders value. Based on this study, it is clear that both CDR and NPL are significant influencing factors on the profitability of banks, as measured by both ROA and EPS. Commercial banks showing higher CDR values record lower ROA and EPS because their operational expenses exceed their revenue stream. The declining profitability of banks derives from increased non-performing loans because it lowers both EPS and ROA. This demonstrates that strong asset quality remains essential for profitability. While CAR is a critical measure for the stability and risk management of banks, it does not show a significant impact on profitability. Commercial banks can increase their profitability by effectively managing operational costs and minimizing non-performing loans. As a result, the implications for improving bank management practices and increasing bank profitability are suggested. The study demonstrates banks must consider strategies for improving lending processes require banks to develop better credit assessment techniques. The results shows that banks have low level non-performing loans, which motivate credit quality. Banks need to create a proactive lending approach despite managing non-performing loan levels to maintain sustainable growth. Reevaluation of credit policies should be done to enact a restricted lending growth strategy alongside responsible risk administration. The study leads the management of commercial banks to reflect on their past actions and indicate how to formulate future strategies and programs for addressing current issues on credit risk management. Future research direction could be taking moderating variable such as size of the bank to define the impact of credit risk management on profitability of commercial bank in Nepal.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 30-69

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Greenwashing Practices in Business Organizations: A Scoping Review

Ujjwal Adhikari*

Pokhara University, Nepal

ORCID: <https://orcid.org/0009-0001-9400-8753>

**Corresponding Author: adhikari95ujjwal@gmail.com*

Received: October, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89270>

Abstract

As environmental consciousness grows among consumers, many businesses have begun marketing their products and services with an emphasis on environmental responsibility and ecological conservation. Unfortunately, not all these claims are genuine. Some companies deliberately mislead customers by making false or exaggerated environmental claims about their offerings, such practices are known as greenwashing. Since this deceptive behaviour is particularly prevalent in the business sector, this study seeks to identify common greenwashing tactics used by organizations and examine how these practices affect organizational performance and sales outcomes. The research employs a systematic literature review methodology, drawing documents from the Web of Science (WoS) database. The PRISMA framework guided the selection process, ultimately yielding 57 relevant documents focused on greenwashing practices in business organizations. A Meta table was constructed to synthesize findings and identify areas for future research.

A consistent pattern emerged across the reviewed literature shows that, while greenwashing may generate positive results initially, sustained deceptive practices combined with increasing consumer awareness eventually led to detrimental effects on organizational operations and profitability. Based on this comprehensive review, a synthesized conceptual framework has been developed to guide subsequent research on greenwashing.”

Keywords: *Business, greenwashing, systematic review, web of science*

Introduction

Environmental concerns and pollution awareness have been steadily growing since environmental advocacy emerged in the 1960s. In recent decades, climate change, air pollution, and waste management have emerged as central global challenges influencing consumer attitudes and business practices. The Special Euro barometer 464 survey reveals that an overwhelming 94% of European citizens demonstrate personal dedication to protecting the environment, with their primary worries focusing on climate change, air quality, and waste management (European Commission, 2017). In response to this global rise in environmental awareness, numerous manufacturers have begun implementing more sustainable production methods (Heras Saizarbitoria et al., 2020). Organizations are motivated to create eco-friendly products and brands for multiple purposes, including: meeting consumer expectations, exploring emerging markets, increasing product worth, and building favourable brand reputations and corporate social responsibility to gain public approval (Booi Chen & Teck Chai, 2010).

The term “greenwashing,” derived from “whitewashing” to imply concealment, was coined in 1986 by environmentalist Jay Westerveld (Bladt et al., 2024). It refers to deceptive tactics used by firms to appear environmentally responsible via unsubstantiated claims, eco-themed packaging, or nature-inspired imagery without genuine sustainability commitments. These practices undermine the establishment of truly viable eco-friendly markets (Vangeli et al., 2023). Greenwashing involves marketing products as environmentally friendly despite failing to meet such standards, thereby influencing consumer attitudes toward sustainable or circular products. It negatively affects green brand equity by eroding trust and fostering skepticism. While authentic green brands evoke positive emotions and encourage eco-conscious lifestyles, greenwashing heightens perceived risks, generates uncertainty, and diminishes favorable consumer perceptions and behaviors (Chen & Chang, 2013; Lin et al., 2017). Research shows that product-specific deceptive claims have the most damaging impact on brand attitudes (Bladt et al., 2023). Green products have become widespread, and their commercial appeal is increasing. Sustainable, eco-friendly components make green products less polluting, more renewable, and ultimately less detrimental to the environment. Many buyers are willing to pay more for sustainable and green products. Camilleri et al. (2023) found that most consumers believe they should buy more sustainable services and believe service providers and producers should be held accountable for their environmental practices when providing those products/services. Consumers treat green products and services differently when compared to conventional services and brands.

Consumers typically do not prefer to purchase products advertised as being green, or sustainable, without having some level of knowledge about that product. Most people switch to green products if they find them to represent a more desired alternative. Confusion has been proven to reduce consumer pleasure and buying intention (European Commission, 2017). Consumers are confused when there are too much product resemblance and information, which arises when consumers misunderstand what is being portrayed as green features of hotel products/services. This lack of knowledge regarding green products/services leads to green buyer confusion.

Greenwashing is increasingly recognized as an unethical business practice that intentionally misleads consumers seeking environmentally responsible products and services. Greenwashing is being one of the unethical practices of business organization which makes the consumer confused. Firms employ multiple deceptive strategies, making it difficult for consumers to identify genuine sustainability efforts across sectors. Industries such as tourism, food, logistics, and hospitality are particularly vulnerable due to their high reliance on environmental imagery and experiential value. Studies indicate that such unethical practices negatively influence perceived trustworthiness, brand image, satisfaction, loyalty, and overall brand equity (Ha et al., 2022; Santos et al., 2023; Kaur et al., 2023).

In developing countries such as Nepal, greenwashing poses a more complex challenge due to limited consumer awareness, weak regulatory enforcement, and information asymmetry. Industries like food, logistics, tourism etc. are seems to have more false claims communication. People are also not so aware about the eco-friendly products and services so the to analyses the quality of the product is not the primary task of the customer at developing nation. This study tries to identify the various studies where such unethical practices were performed and to acknowledge how they impact in the day to day functioning as well as the overall brand image of the business organization.

Rising consumer awareness of environmental issues has boosted the commercial appeal of green products (Yang et al., 2015). However, unethical practices remain widespread, including unsubstantiated claims, selective disclosures, questionable certifications, lobbying for harmful regulations, and partnerships with environmentally damaging firms (Vangeli et al., 2023). These greenwashing tactics erode consumer trust, undermine genuine sustainability efforts, and significantly harm sales, perceived trustworthiness, brand image, satisfaction, loyalty, and overall brand equity (Ha et al., 2022; Ioannou et al., 2023; Kaur et al., 2023; Santos et al., 2023b).

Greenwashing also heightens consumer confusion and perceived risks, further diminishing confidence in environmental claims and discouraging green purchases (Li et al., 2020). In the hospitality industry, customer perceptions are shaped by marketing efforts, information transparency, and certifications, with varying types of greenwashing such as false, vague, or hidden claims adversely affecting beliefs and behaviours (Bladt et al., 2024; Majeed & Kim, 2023). Mitigating these issues through societal awareness, incentives for recycling, digitalization, and innovative packaging can foster authentic green marketing (Skackauskiene & Vilkaite-Vaitone, 2022).

Studying greenwashing is essential for restoring trust, enhancing corporate reputation, reducing perceived risks, and promoting true sustainability. This is particularly critical in Nepal's hospitality sector, where tourism driven by natural beauty and cultural heritage forms the economic backbone. As demand for eco-friendly accommodations grows, hotels increasingly adopt sustainable practices, yet prevalent greenwashing threatens industry credibility. Deceptive claims mislead tourists, damage Nepal's destination image, undermine competitive advantages in attracting loyal eco-conscious visitors, and risk harming fragile ecosystems. Investigating these discrepancies between proclaimed and actual environmental efforts is vital for ensuring authentic stewardship, building stakeholder trust, and supporting long-term sustainability.

The main objective of this study is to explore the concept of greenwashing and its impacts within the marketing field, with a particular emphasis on the hospitality industry. To achieve this, the research pursues several specific objectives. First, it aims to identify emerging issues and challenges related to greenwashing practices. Second, it seeks to understand the various theories that contribute to existing studies on the topic. Third, it will develop the concepts of key constructs and variables relevant to the investigation. Fourth, it intends to synthesize findings from prior research. Finally, it will formulate a conceptual framework based on these studies to serve as a solid theoretical foundation.

Methods of Data Collection and Analysis

Search Strategy

The Web of Science (WoS) was utilized for data extraction for this study, as it is recognized as the most reliable and trusted global database (Saleem et al., 2021). Following the systematic guidelines ensured a transparent selection process, enhancing the robustness and reliability of

this review. The resources of the study were identified for the review on June 1st, 2024, from the WoS core collection, covering the period from 2013 to 2024. During data screening, the review was limited to peer-reviewed, English-language articles with at least two citations. To assess the literature on greenwashing, the researchers conducted a Topic search yielding 717 articles. Boolean Proximity search was used to find specific variations of the term, such as greenwashing, greenwash, greenwashed, and greenwashes, the Boolean for the term “greenwash*,” was used to refine the articles. The exclusion criteria and selection process are detailed in the flow diagram. After screening, 577 documents were excluded, leaving 140 articles for review. Again, to ensure accuracy, the researchers conducted additional filtering. Keyword combinations were used to exclude articles that are not related with the terms like topic. So only those articles with the terms (“Business OR Corporate OR Business organization OR Business Marketing AND Greenwashing*) are only included for the study. This process excluded 68 documents. 72 articles were sought for retrieval and again the exclusion of some irrelevant articles were performed. For this the articles which are peer reviewed and early access articles were only included for the further review process. 12 articles did not match the inclusion criteria. Ultimately, 57 articles met the review criteria. The researchers analyzed these articles to identify recurring topics and their frequency of occurrence. This analysis helped uncover gaps and trends in the literature, providing valuable insights into the field of greenwashing.

Study Selection

The data selection process was meticulously executed in two distinct stages to ensure the inclusion of the most relevant and high-quality sources. In the first stage, the focus was on a preliminary analysis of the titles and abstracts of the documents. This involved a careful review of these sections to identify documents that appeared to align with the predefined selection criteria. Documents that seemed to meet these criteria were then retained for a more detailed evaluation. In the second stage, the selection process became more intensive, concentrating on the introductions and conclusions of the documents that had passed the initial screening. This stage involved an in-depth review of these sections to ensure that the documents truly satisfied the selection criteria. The aim was to verify the initial assessments and confirm the relevance and quality of the documents based on a comprehensive examination of their introductory and concluding sections. By implementing this two-tiered approach, the researchers aimed to meticulously filter the documents. This method allowed for a thorough verification process, ensuring that only the most pertinent and high-quality sources were included in the final

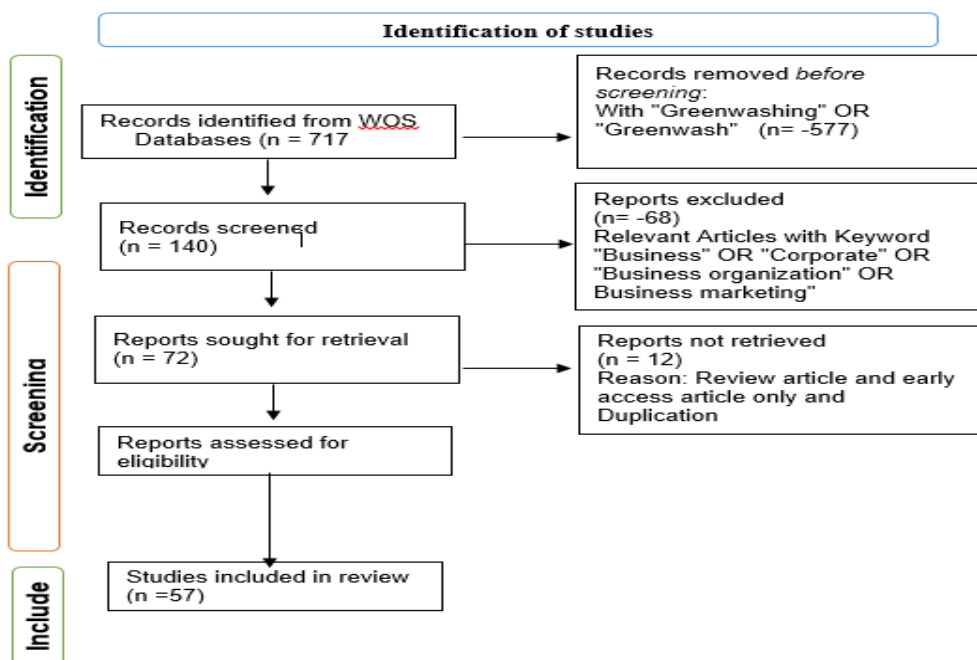
review. This rigorous selection process was crucial for maintaining the integrity and relevance of the research findings.

Data Extraction Process

Figure 1 illustrates the PRISMA refinement process utilized to curate the research library for this review. The process began with an initial search that identified 717 documents. Following this, a systematic exclusion of 577 irrelevant documents was conducted. The remaining 140 sources were then subjected to a dual-screening process. The first screening assessed the sources for their relevance to the review topic. For this step relevant Articles with keywords like “Business” OR “Corporate” OR “Business organization” OR Business marketing” were used for filtering. The second screening ensured that only reviewed articles with open access are selected for the review process. This process led to the exclusion of 68 sources from the previous screening and 12 sources from the second screening process. The remaining 57 sources were then meticulously examined and used for the review process of the study. This visual representation details the rigorous selection process that was undertaken to ensure the inclusion of high-quality and relevant sources for this comprehensive review.

Figure 1

PRISMA flow diagram



Literature Review

Conceptualization and Definition

The term “greenwashing” originates from the concept of “whitewashing,” signifying a cover-up, and was coined in 1986 by the American environmentalist Jay Westerveld (Bladt et al., 2023). Greenwashing refers to the practices used by certain firms to portray ecologically friendly manufacturing methods through claims, green-colored packaging, and nature-evoking visuals without actually demonstrating an environmental commitment. This situation poses a challenge to the creation of a market that is both ecologically and economically viable (Vangeli et al., 2023). Greenwashing is a marketing approach in which items are promoted as environmentally friendly even when they do not satisfy such standards. This strategy has the ability to impact customer perceptions and attitudes toward circular product adoption (Adhikari, 2024).

Greenwashing has an adverse effect on the green brand or brand equity. Green brands elicit pleasant feelings, and customers who feel good about purchasing environmentally friendly items are more likely to embrace a “green” lifestyle. Greenwashing, on the other hand, has a detrimental influence on customer perceptions and actions, generating green uncertainty and increasing perceived risks. (Lin et al., 2017; Chen and Chang, 2013). Findings indicate that misleading greenwashing concerning specific products has the most pronounced adverse impact on brand attitude. (Bladt et al., 2023)

Empirical Review

Papagiannakis et al. (2024) researched “Are publicly traded tourism and hospitality provider’s greenwashing?” The study aimed to identify the valid evidence on the extent to which tourism and hospitality providers greenwash and whether customers penalize tourism and hospitality providers for greenwashing or not. Descriptive research design was used in the study. The data from 253 traded tourism and hospitality firms for the period 2004–2017 were used in this study. The result found that greenwashing reduces firm sales by decreasing trustworthiness, as it is seen as a deceptive attempt to appear more environmentally responsible. The researcher concluded that practicing the greenwash, significantly decline the sales on any organization.

The study conducted by Majeed & Kim, (2023) establishes a conceptual framework for understanding greenwashing, exploring customer perceptions and their antecedents and consequences in the hospitality sector. Analyzing literature from 2000 to 2022 through a scoping review approach, 54 relevant works were included. Findings indicate that customer

perceptions are shaped by hotel operators' environmental efforts, such as green knowledge sharing, marketing, information disclosure, resource conservation claims, and certifications. These perceptions influence eco-friendly behaviors, with customer green attitudes playing a mediating role. The proposed model aids stakeholders in addressing customer skepticism, developing effective green strategies, and positively influencing green behavior. This review fills gaps from prior inconsistent and superficial studies, presenting a new conceptual model for future research (Majeed & Kim, 2023).

The research by Bernard et al. (2024) indicates that sustainability communications need to be effective when it comes to the promotion of positive attitudes and environmentally-conscious behavior among consumers of hotels. Although it is an important issue, there is limited research on the ability of various message factors to interact in such a way that they lead to the increased persuasiveness of environmental messages. To counter this, two studies of onsite and online hotel guests were done. The research find that the restriction-based language design has a positive impact on the intentions of booking, as it has an effect on the perceptions of environmental performance, greenwashing, and environmental concern. The study makes a contribution to the literature on sustainability marketing by examining linguistic tools that the hospitality managers can integrate in their sustainability marketing communications. Other practical and theoretical implications are also discussed.

The article by Alyahia et al., (2024) investigates how green authenticity (GA) and green transparency (GTR) are moderators of the correlation between greenwashing and guest green trust (GT), which eventually affect patronage intentions (PI) to green hotels. Through a quantitative methodology, a survey of 309 respondents was conducted to find out their experience at green hotels. According to structural equation modelling (SEM) in Smart PLS 4, some of the main findings indicated that hotel greenwashing has negative implications on green trust and further patronage intentions, such as intentions to stay (IS) in green hotels and willingness to pay a premium (WPP) in green hotels. Green trust was also found to play an important mediating role in greenwashing-patronage relationship. Importantly, the positive relationship between GT and PI was increased and the negative effect of greenwashing on the green trust was diminished through higher perceptions of GA and GTR. Such findings indicate that the adverse impacts of greenwashing on green-hotel patronage are reversible by encouraging authentic environmental sustainability and articulating the sustainability policies. The green-hotel managers can also have practical implications such as preventive strategies

to overcome the negative consequences of greenwashing to ensure the sustainability of their operations in the long term.

The article by Zhao et al. (2024) examined that the relationship between the intention and satisfaction in greenwashing behavior in hospitality industry and achievement of psychological contracts. It gathers quantitative and qualitative data by employing a mixed-method approach. The results show that the realization of psychological contracts enhances greenwashing behavior, of which moral disengagement mediates. Also, there is an ethical climate that moderates the relationship between fulfilment of psychological contract and moral disengagement. In particular, in the teams that have a high ethical climate, the positive correlation between moral disengagement and the fulfilment of psychological contract is weakened. This study helps us to appreciate the processes that affect the greenwashing behaviors of service workers.

The paper of Bladt et al. (2023) examined how various greenwashing practices (GWPs) affect consumers' brand attitudes. They propose a two-dimensional typology of GWPs, differentiating between the type of claim (false, vague, or hidden information) and the level of initiation (product or firm), resulting in six unique categories of GWPs. In a survey, we presented 315 German participants with these six GW scenarios and measured their brand attitudes. The results show that respondents' reactions varied significantly across different GWPs, indicating the necessity of distinguishing between various forms of GW to fully understand its impact from the consumer perspective.

Ha et al. (2022) examined the impact of greenwashing on consumer brand avoidance, considering the mediating role of brand hypocrisy and the moderating role of CSR–CA belief. Data were collected from a survey of 317 consumers. Hypotheses were tested using a first-stage moderated mediation model with bootstrapping in the PROCESS program in SPSS. Results show that greenwashing positively influences brand avoidance, with brand hypocrisy acting as a partial mediator. Additionally, higher levels of CSR–CA belief weaken the positive effects of greenwashing on both brand hypocrisy and brand avoidance. The mediating role of brand hypocrisy is also diminished with stronger CSR–CA beliefs. Based on these findings, it is recommended that brands honor their environmental claims and strike a balance between quality control, manufacturing costs, and environmental protection. Moreover, government and environmental organizations should educate the public that corporate social responsibility (CSR) and corporate capability (CA) are not mutually exclusive.

The paper by K. Zhang et al. (2023) explored the impact of Chinese companies' environmental performance (EP) on greenwashing, using data from listed companies in China between 2010 and 2018. Analysing through legitimacy and signal theories, it finds a negative correlation between EP and greenwashing, supporting signal theory. The study also examines how environmental subsidies and political connections influence this relationship. Results show that EP reduces greenwashing more effectively in companies receiving environmental protection subsidies, and this effect is stronger in state-owned enterprises compared to non-state-owned ones. These insights can help government departments reform environmental subsidies and improve state-owned enterprises' environmental governance.

Neureiter et al. (2023) examined the effects of abstract and concrete claims on perceived greenwashing, environmental boycotting and buycotting intentions, brand evaluation, and purchase intentions, with a focus on the moderating role of consumers' environmental knowledge. Study 1 (511 participants) found that abstract claims increased perceived greenwashing, while concrete claims did not, and environmental knowledge had no effect. Study 2 (423 participants) showed that concrete claims also led to perceived greenwashing, though less than abstract ones, and environmental knowledge helped detect greenwashing. Both studies found that perceived greenwashing increased boycotting intentions but not buycotting, and Study 2 linked perceived greenwashing to lower purchase intentions. Theoretical and practical implications are discussed.

Theoretical Review

Studies on greenwashing are mostly based on signaling theory, attribution theory, the stakeholder theory, and the consumer skepticism theory. Signaling theory describes the use of environmental claims as market signals by firms to convey their high environmental performance but when such claims are false or unverifiable, they mislead information symmetry and diminish signal credibility, creating consumer distrust (Chen et al., 2023). The attribution theory also indicates that consumers proactively explain the purpose of corporate claims towards environmental sustainability attributing a genuine sustainability motive or a cynical attitude, which largely determines trust and purchase intentions. In situations where the consumers view green claims as selfish as opposed to value based, negative appraisals and resistance actions will arise.

The stakeholder theory underscores the point that organizations have a responsibility towards more than shareholders, as they have a responsibility to the rest of the stakeholders,

such as consumers, communities, and the natural environment. Greenwashing is a breach of these ethical commitments which compromises legitimacy and value in the relationship over the long term. Also, the consumer scepticism theory points out that exposure to exaggerate or false environmental claims again and again increases scepticism of a green marketing and perceived risk and reduces the green brand equity. Collectively, these theoretical views explain that greenwashing disrupts the establishment of trust, increases confusion and adversely affects consumer attitudes, satisfaction and loyalty especially in experience based sectors like the hospitality industry.

The review of several research papers has used various theories in their study. Researchers have usually linked greenwashing to its various business functions, using theories like; Decoupling of Institutional Theory (Guo et al., 2018a) ;(Meyer, J. W., & Rowan, 1977); (Beverland & Luxton, 2005), Schema Incongruity Processing Theory (Goodstein, 1993), Construal Level Theory (Trope & Liberman, 2010), Theory of Psychological Reactance, Theory of Psychological Distance (Trope & Liberman, 2010) consumer theory (Policarpo et al., 2023), Schema Incongruity Processing Theory (Clark & Fiske, 2014), Human Association Memory theory (Anderson, J.R., Bothell, D., Lebiere, C. and Matessa, 1998; Keller, 1993), Adaptive network model (Janiszewski, C. and Van Osselaer, 2000; van Osselaer, S.M. and Alba, 2000). Out of reviewed articles, the majority of research studies embrace the institutional theory. According to this theory, businesses are intricately connected to various social systems. The operational endeavors of enterprises are required to align with existing social systems, which encompass the regulations, standards, and guidelines governing business activities (Zhu, 2016).

Table 1

Meta Table

Author	Title	Journal	Research Design	Findings
(Gupta et al., 2019)	Self/other oriented green experiential values: Measurement and impact on hotel-consumer relationship	International journal of hospitality management	Exploratory Sequential Design:	Trust is mainly built through self-oriented experiences, emphasizing the need for clear communication of green efforts to environmentally concerned guests.

Author	Title	Journal	Research Design	Findings
(Papagiannakis et al., 2024)	Are publicly traded tourism and hospitality provider's greenwashing?	Tourism Management	Descriptive Research design	Greenwashing reduces firm sales by decreasing trustworthiness, as it is seen as a deceptive attempt to appear more environmentally responsible.
(Koseoglu et al., 2021)	Exploring the connections among CSR performance, reporting, and external assurance: Evidence from the hospitality and tourism industry	International journal of hospitality management	Panel data analysis	The results confirmed the signaling theory while rejecting the presence of a greenwashing tendency in the hospitality and tourism sector.
(Dhanda, 2014)	The role of carbon offsets in achieving carbon neutrality an exploratory study of hotels and resorts	International Journal of Contemporary Hospitality Management	Exploratory research design	The paper's findings provide strategic information for hotels and resorts aiming to achieve legitimacy and viability in the offset market, and also benefit consumers by identifying the best carbon-neutral hotels and resorts.
(Rahman et al., 2015)	Consequences of "greenwashing": consumers' reactions to hotels' green initiatives	International Journal of Contemporary Hospitality Management	Quasi-experimental design	Skepticism was negatively related to both the intention to participate in the linen reuse program and the intention to revisit, but positively related to environmental concern, while the intention to participate in the linen reuse program and the intention to revisit showed a significant positive correlation.
(Majeed & Kim, 2023)	A reflection of greenwashing practices in the hospitality industry: a scoping review	International Journal of Contemporary Hospitality Management	Systematic Literature review	Customer perceptions of greenwashing are influenced by hotel operators' green efforts, such as marketing, information disclosure, and certifications, which in turn shape customer behaviors, moderated by their green attitudes.

Author	Title	Journal	Research Design	Findings
(Bernard et al., 2024)	Sustainability Communication in Hotels: The Role of Cognitive Linguistics	Journal of Hospitality & Tourism Research	Descriptive Research design	The study found that restriction-based language in sustainability communication enhances booking intentions by improving perceived environmental performance and reducing perceived greenwashing, suggesting it effectively mitigates skepticism.
(Skackauskiene & Vilkaite-Vaitone, 2022)	Green Marketing – a New Norm: A Qualitative Evidence of Green Marketing Challenges and Future Perspectives in High-Low Context Communication Cultures	Cultural Management: Science and Education, Vol. 6, No. 1 (2022)	Phenomenological Research:	The findings revealed that green marketing challenges vary by industry and enterprise size, and suggested that raising societal awareness, promoting inspiring examples, offering recycling incentives, digitalizing processes, and innovating packaging could help address these challenges.
(Alyahia et al., 2024)	Greenwashing Behavior in Hotels Industry: The Role of Green Transparency and Green Authenticity	Sustainability	Descriptive Research design	Hotel greenwashing reduces green trust and patronage intentions (IS and WPP). Green trust mediates the relationship between greenwashing and patronage. Green authenticity (GA) and transparency (GTR) moderate this impact, with higher perceptions weakening greenwashing's negative effect on trust and enhancing the GT-PI link.
(Zhao et al., 2024)	Greenwashing in workplace: The influencing mechanism of psychological contract fulfillment and the moderating role of ethical work climate	Journal of Hospitality & Tourism Research	Exploratory Sequential Design	Psychological contract fulfillment increases moral disengagement among workers, subsequently heightening greenwashing behaviors. A strong ethical climate in hotels mitigates service workers' engagement in greenwashing practices.

Author	Title	Journal	Research Design	Findings
(Montero-Navarro et al., 2021)	A bibliometric analysis of greenwashing research: a closer look at agriculture, food industry and food retail	British Food Journal	descriptive research design	The academic study of greenwashing has evolved in three phases: ground-setting (2003-2010), trail-blazing (2011-2015), and remarkable growth (2016-2020). Originating from CSR literature, it has expanded into areas like stakeholder management, marketing, communication, and audit practices. Further research is needed, particularly in agriculture, the food industry, and food retail sectors...
(Poveda-Pareja et al., 2024)	The paradox between means and end: workforce nationality diversity and a strategic CSR approach to avoid greenwashing in tourism accommodations	Journal of Sustainable Tourism	Descriptive Research design	The study found a positive direct relationship between WND (waste reduction and recycling) and CSR practices. Moreover, integrating CSR actions into corporate strategy through a strategic CSR orientation enhances the bottom-line impact of CSR activities.
(Guo et al., 2017)	A Path Analysis of Greenwashing in a Trust Crisis Among Chinese Energy Companies: The Role of Brand Legitimacy and Brand Loyalty	Journal of Business Ethics	Descriptive Research design	DEBG has both a direct negative effect on GEBT and an indirect influence through the crucial mediating role of green energy brand legitimacy. Additionally, brand loyalty acts as a moderating factor that can mitigate the energy brand trust crisis.

Author	Title	Journal	Research Design	Findings
(Rahman & Nguyen-Viet, 2023)	Towards sustainable development: Coupling green marketing strategies and consumer perceptions in addressing greenwashing	Business Strategy and the Environment	Descriptive Research design	Greenwashing positively influences Corporate Financial Performance (CFP), but this effect is mitigated by stringent environmental regulations and reversed by low media favorability. In emerging economies with high information asymmetry, stakeholders struggle to identify greenwashing practices.
(Bladt et al., 2023a)	The influence of greenwashing practices on brand attitude: A multi-dimensional consumer analysis in Germany	Business Strategy and the Environment	Descriptive Research design	False greenwashing on product-level has the most negative impact on consumer beliefs. Vague greenwashing has a slight positive effect, and hidden information falls in between. False greenwashing claims have the most detrimental impact on consumer beliefs, while vague claims are least negative, and hidden information is moderate.
(Xiao et al., 2022)	Will Greenwashing Result in Brand Avoidance? A Moderated Mediation Model	Sustainability	Descriptive Research design	The study confirmed a positive impact of greenwashing on brand avoidance, partially mediated by brand hypocrisy. However, consumers who believe in the tradeoff between Corporate Social Responsibility (CSR) and Corporate Ability (CA) are less significantly influenced by greenwashing.

Author	Title	Journal	Research Design	Findings
(Ha et al., 2022)	Greenwash and green brand equity: The mediating role of green brand image, green satisfaction and green trust and the moderating role of information and knowledge	Business Ethics, Env & Resp.	Descriptive Research design	. The findings indicate that while greenwashing does not significantly impact green brand equity, it adversely affects green brand image, satisfaction, and trust, which in turn positively influence green brand equity through full mediation. Additionally, information and knowledge moderate the relationship between greenwashing and green brand equity, amplifying its adverse effects.
(Guo et al., 2018b)	Timely or considered? Brand trust repair strategies and mechanism after greenwashing in China—from a legitimacy perspective	International Marketing management	Experimental Research:	Green brand legitimacy significantly mediates the process of green brand trust repair. When greenwashing behaviors are exposed, enterprises can implement a strategic approach to repair green brand trust with stakeholders in a timely and considered manner...
(Lopes et al., 2023)	The Dark Side of Green Marketing: How Greenwashing Affects Circular Consumption?	Sustainability	Cross sectional Research	Greenwashing positively influences consumers' environmental concerns and their inclination to seek sustainable information. These factors subsequently enhance their intentions toward circular consumption.

Author	Title	Journal	Research Design	Findings
(Zhang et al., 2018)	The influence of greenwashing perception on green purchasing intentions: The mediating role of green word-of-mouth and moderating role of green concern	Journal of cleaner production	Descriptive Research design	Consumers' perceptions of greenwashing not only directly reduce green purchasing intentions but also indirectly affect them through negative green word-of-mouth (WOM). Additionally, stronger green concerns amplify the negative impact of greenwashing perceptions on green purchasing intentions.
(Ioannou et al., 2023)	The Impact of Perceived Greenwashing on Customer Satisfaction and the Contingent Role of Capability Reputation	Journal of Business Ethics	Descriptive Research design	Perceived greenwashing in green product innovation (GPI) negatively impacts the ACSI index due to overpromised corporate policies rather than inadequate implementation. A firm's capability reputation mitigates this impact on customer satisfaction.
(Santos et al., 2023b)	The greenwashing effects on corporate reputation and brand hate, through environmental performance and green perceived risk	Asia-Pacific Journal of Business Administration	Correlational Research:	This study finds that greenwashing damages brands by lowering corporate reputation through perceived environmental performance and increasing green perceived risk. Reducing greenwashing practices can improve corporate environmental perceptions, lower perceived risks, enhance reputation, and strengthen customer relationships.
(Bernini & La Rosa, 2024)	Research in the greenwashing field: concepts, theories, and potential impacts on economic and social value	Journal of Management and Governance	Phenomenological Research	The study offers a robust theoretical framework to comprehend the complex facets of greenwashing and its potential effects on corporate value creation.

Author	Title	Journal	Research Design	Findings
(Cavazos et al., 2023)	Institutional and Individual Effects of Greenwashing on Food Waste	Sustainability	Exploratory Sequential Design	Surveys showed that 15.6% of patrons were aware of composting options, yet 83.3% were willing to compost. After increasing awareness through a field experiment, compost bin usage rose by 2.5 percentage points, diverting approximately 13.4 pounds (about 6.1 kg) of waste from landfills.
(Aji & Sutikno, 2015)	The Extended Consequence of Greenwashing: Perceived Consumer Skepticism	International Journal of Business and Information	Correlational Research:	Greenwashing is linked to green consumer confusion (GCC), perceived skepticism (PCS), and perceived risk (GPR), suggesting deceptive advertising leads to confusion, skepticism, and risk perceptions. GCC did not significantly affect green trust (GT); PCS and GPR negatively impacted GT, reducing trust in green products. Consumer confusion, skepticism, and perceived risks did not predict switching intentions away from green products.
(Yang et al., 2020)	Greenwashing behaviors: causes, taxonomy and consequences based on a systematic literature review	Journal of Business Economics and Management,	Descriptive Research design	The impact of multinational corporations (MNCs) on emerging markets has generally been positive; however, their practices pose a threat of greenwashing due to insufficient external environmental regulation and oversight.

Author	Title	Journal	Research Design	Findings
(Zhang et al., 2023)	Relationship analysis between greenwashing and environmental performance	Environment, Development and Sustainability	Longitudinal research design	The study finds a negative correlation between environmental performance (EP) and greenwashing, supporting signal theory. Environmental subsidies enhance EP's ability to reduce greenwashing, particularly in subsidized enterprises. State-owned enterprises show a stronger negative impact of EP on greenwashing compared to non-state-owned counterparts. Consumers may perceive truthful green marketing as greenwashing due to prior negative experiences with deceptive marketing practices.
(Szabo & Webster, 2021)	Perceived Greenwashing: The Effects of Green Marketing on Environmental and Product Perceptions	Journal of Business Ethics	Explanatory Sequential Design	The findings indicate that perceived greenwashing predicts intentions for environmentally boycotting but not environmentally buycotting. Perceived greenwashing is unrelated to brand evaluation but negatively correlates with purchase intentions. Concrete compensation claims positively influence both brand evaluation and purchase intentions.
(Neureiter et al., 2023)	Is It Greenwashing? Environmental Compensation Claims in Advertising, Perceived Greenwashing, Political Consumerism, and Brand Outcomes	Journal of Advertising	Longitudinal research design	The findings indicate that perceived greenwashing predicts intentions for environmentally boycotting but not environmentally buycotting. Perceived greenwashing is unrelated to brand evaluation but negatively correlates with purchase intentions. Concrete compensation claims positively influence both brand evaluation and purchase intentions.
(Policarpo et al., 2023)	Social cynicism, greenwashing, and trust in green clothing brands	International Journal of Consumer Studies	Correlational Research:	The study confirmed that social cynicism negatively impacts green brand trust through perceived greenwashing. Conspicuous consumption moderates this indirect effect, with a stronger influence observed when conspicuous consumption is more salient.

Author	Title	Journal	Research Design	Findings
(Qayyum et al., 2023)	Impact of green marketing, greenwashing and green confusion on green brand equity	Spanish journal of marketing	Explanatory Sequential Design	Excessive product packaging predicts greenwashing and green confusion positively. Greenwashing negatively impacts green brand equity, moderated by brand credibility.
(Akturan, 2018)	How does greenwashing affect green branding equity and purchase intention? An empirical research	Marketing intelligence and planning	Experimental Research:	Green brand associations and brand credibility positively influence green brand equity, which in turn strongly impacts consumer purchase intentions. However, greenwashing negatively affects green brand associations and brand credibility, indirectly influencing green brand equity and purchase intentions negatively.
(Mu & Lee, 2023)	Greenwashing in Corporate Social Responsibility: A Dual-Faceted Analysis of Its Impact on Employee Trust and Identification	Sustainability	Cross sectional Research	This study found that greenwashing in primary-stakeholder-oriented CSR was negatively related to trust, and greenwashing in secondary-stakeholder-oriented CSR had a negative and significant impact on employee-company identification. Interestingly, each type of CSR greenwashing had no bearing on the other's trust and identification. Furthermore, greenwashing in both CSR types indirectly decreases employee loyalty through the respective mediators of trust and identification

Author	Title	Journal	Research Design	Findings
(Arouri et al., 2021)	Greenwashing and product market competition	Finance research letters	Longitudinal research design	The study reveals that Performance Management Control (PMC) reduces greenwashing in industries with high environmental costs. In less competitive sectors, managers of more polluting firms tend to engage in more greenwashing, where PMC's impact is weaker amid stronger incentives for private benefits. Conversely, in highly competitive industries with substantial environmental costs, increased transparency via PMC effectively mitigates greenwashing, enhancing economic efficiency through reliable information disclosure.
(Chen & Chang, 2013)	Greenwash and Green Trust: The Mediation Effects of Green Consumer Confusion and Green Perceived Risk	Journal of Business Ethics	Experimental Research:	Green consumer confusion and green perceived risk negatively mediate the relationship between greenwashing and green trust, demonstrating their role in influencing trust perceptions.
(Chen et al., 2020)	Greenwash and green purchase behavior: the mediation of green brand image and green brand loyalty	Total Quality Management & Business Excellence	Cross sectional Research	firms greenwash negatively influences their consumers' green purchase behavior. Besides, this research proves that firms greenwash is negatively related to both their green brand image and their consumers' green brand loyalty that would positively affect their consumers' green purchase behavior
(Boncinelli et al., 2023)	Effect of executional greenwashing on market share of food products: An empirical study on green-colored packaging	Journal of Cleaner Production	Experimental Research:	Findings demonstrate that greenwashing food products can potentially increase their market share compared to ordinary food.

Author	Title	Journal	Research Design	Findings
(Zhang et al., 2022)	Does Greenwashing Influence the Green Product Experience in Emerging Hospitality Markets Post-COVID-19?	Sustainability	Cross sectional Research	Green awareness influences purchase intentions of lodging consumers directly and indirectly; the most important factors influencing whether people have a positive or negative green lodging experience are those perceived risks held by consumers.
(Neureiter & Matthes, 2023)	Comparing the effects of greenwashing claims in environmental airline advertising: perceived greenwashing, brand evaluation, and flight shame	International Journal of Advertising	Experimental Research:	perceived greenwashing decreases consumers' brand evaluations; green advertising with concrete compensation claims has positive effects on brand evaluations; consumers accept green claims offering concrete green compensations; even consumers with low topical environmental knowledge perceive greenwashing in vague, false, and abstract compensation claims.
(Vangeli et al., 2023)	From greenwashing to green B2B marketing: A systematic literature review	Industrial Marketing Management	Systematic literature Review	Contributes to a modern understanding of greenwashing by providing a new framework for the typology, drivers, and consequences of greenwashing.
(Galletta et al., 2024)	A PRISMA systematic review of greenwashing in the banking industry: A call for action	Research in International Business and Finance	Meta-Analysis	The key findings show that greenwashing has garnered substantial attention recently, as evidenced by the growing number of studies. It indicates that banks have been accused of greenwashing by overstating their sustainable policies and environmental commitments without actual implementation.

Author	Title	Journal	Research Design	Findings
(Santos et al., 2023a)	A systematic literature review on greenwashing and its relationship to stakeholders: state of art and future research agenda	Management Review Quarterly	Bibliometric Analysis	This article identifies key aspects of greenwashing literature, examines recent studies on its impact on stakeholders, and highlights trends, gaps, and future research opportunities, focusing on branding, consumer behavior, B2B relationships, and greenwashing taxonomy.
(Blasi et al., 2024)	network perspective of cognitive and geographical proximity of sustainable tourism organizations: evidence from Italy	Sustainable tourism organizations	Systematic Literature review	The results indicate geographical clusters of tourist accommodations linked by strong cognitive proximity based on well-communicated sustainability principles, suggesting these are not instances of greenwashing, as the companies involved have implemented concrete actions and signal them through various sustainability certifications.
(de Freitas Netto et al., 2020)	Concepts and forms of greenwashing: a systematic review	Environmental science Europe	Systematic Literature Review	Identified four main types of greenwashing: firm-level executional, firm-level claim, product-level executional, and product-level claim.
(Oppong-Tawiah & Webster, 2023)	Corporate Sustainability Communication as 'Fake News': Firms' Greenwashing on Twitter	Sustainability	Descriptive Research	Greenwashing harms consumers' trust in products and influences their purchase intentions

Author	Title	Journal	Research Design	Findings
(Wei, 2023)	Does the “Green-washing” and “Brown washing” of Corporate Environmental Information Affect the Analyst Forecast Accuracy	Sustainability	Descriptive Research	The more environmental information corporations measure or disclose, the more accurate analysts’ forecasts become, with a strong, significant correlation between the environmental details in special reports and forecast accuracy, especially in cases of “matching words to deeds” and “brown washing” by corporations
(Sharma et al., 2023)	Factors affecting green purchase behavior: A systematic literature review	Business, strategy and the environment	Systematic Literature review	This paper identifies factors affecting consumers’ green purchase intentions and behaviors, offering strategic insights for marketers to enhance marketing opportunities for green products.
(Sailer et al., 2022)	Greenwashing and Blue washing in Black Friday-Related Sustainable Fashion Marketing on Instagram	Sustainability	Exploratory Sequential Design:	Findings indicate that consumers’ critical attitudes toward Black Friday and high ad skepticism lead to positive evaluations, whereas sustainable purchase behavior leads to negative evaluations.
(H. Chen et al., 2019)	Greenwashing in hotels: A structural model of trust and behavioral intentions*	Journal of Cleaner Production	Descriptive research design	Results suggest that perceived greenwashing significantly reduces green trust, which is positively associated with revisit intention and intention to participate in green practices, and negatively associated with negative word of mouth.

Author	Title	Journal	Research Design	Findings
(Bernini et al., 2023)	Measuring greenwashing: A systematic methodological literature review	Business Ethics, the Environment and Responsibility	Systematic Literature Review	Greenwashing practices have significantly increased since 2000, dedicated empirical research only began to emerge around 2012, highlighting a significant temporal gap between the phenomenon's appearance and scientific interest in it.
(Paul & Barari, 2022)	Meta-analysis and traditional systematic literature reviews—What, why, when, where, and how?	Psychology Marketing	Meta Analysis	Outlined the steps of the meta-analytic process, including question definition, data collection, data analysis, and reporting results, explaining the primary purpose, tasks required of the meta-analyst, and best practice recommendations for each step
(Quoquab et al., 2022)	“Do they mean what they say?” Measuring greenwashes in the sustainable property development sector	Asia Pacific Journal of Marketing and Logistics	Exploratory Sequential Design	The exploratory factor analysis revealed that greenwashing in sustainable property development (GSPD) is a multi-dimensional construct with dimensions of false claims and misleading claims, which were confirmed by the confirmatory composite analysis.
(Bottega et al., 2024)	Advertising, ecolabeling and consumers' beliefs: Greenwashing or not?	Economics Letters	Descriptive research	When consumers overestimate quality, increasing informative advertising can be counterproductive, as it lowers perceived quality. Additionally, when the ecolabel is more stringent and information about quality is more accurate, persuasive advertising widens the gap between perceived and actual quality.

Author	Title	Journal	Research Design	Findings
(Mohd Suki & Mohd Suki, 2015)	Consumers' environmental behavior towards staying at a green hotel	Management of Environmental Quality: An International Journal	Explanatory sequential research	Returning tourists' intention to stay at a green hotel was positively influenced by perceived behavioral control and attitude, while the subjective norm was not significantly related to this intention.

Note: Author's creation from various literature review

5.4 Research Gap

A comprehensive review of existing literature reveals significant research gaps in the study of greenwashing within the hospitality industry. These gaps span both methodological and theoretical dimensions, indicating substantial opportunities for future investigation (Saleem et al., 2021). Several critical areas require deeper exploration regarding consumer responses to greenwashing. Researchers need to examine how inherent consumption values embedded in green experiences influence green trust (Chen & Chang, 2013), green brand equity (Ha et al., 2022), and customers' intentions to return. Understanding the prevalence of greenwashing practices across hospitality establishments remains unclear (TerraChoice, 2010), as does the extent to which consumers demonstrate negative purchasing behaviors toward companies engaged in such practices. The actual impact on firm sales and revenue streams warrants empirical investigation.

Additionally, the relationship between different types of greenwashing and consumer brand attitudes deserves attention (Nyilasy et al., 2014). This includes examining how greenwashing perceptions lead to brand avoidance behaviors and exploring the mechanisms through which perceived greenwashing affects customer satisfaction. The role of overly ambitious environmental product innovation policies and their interaction with a company's capability reputation presents another unexplored dimension (Dangelico & Pujari, 2010). The hospitality sector lacks sufficient empirical evidence connecting CSR performance with Global Reporting Initiative (GRI) adoption and external assurance mechanisms for CSR reporting. This gap extends to understanding how corporate reputation intersects with greenwashing to influence brand hatred, environmental performance perceptions, and green perceived risk among consumers (Chen & Chang, 2012). Further research should address the environmental practices of service workers in hotels, particularly when they receive non-environmentally

friendly products to use in their daily operations. The combined influence of various message factors on persuasiveness and their ability to drive pro-environmental behavior among hotel guests remains underexplored.

The regulatory landscape surrounding greenwashing requires thorough examination, specifically regarding how firms position themselves in relation to value drivers within existing frameworks. Developing effective strategies to minimize the erosion of guest trust and behavioral intentions caused by greenwashing represents a pressing need. The impact of social cynicism on trust toward “green” product brands and eco-friendly offerings requires systematic investigation. A fundamental gap exists in establishing robust theoretical frameworks that explain the complex relationships between corporate reputation, greenwashing practices, and brand hatred. These frameworks should also account for how these dynamics shape environmental performance perceptions and influence green perceived risk among various consumer segments (Chen, 2012). Addressing these interconnected research gaps will provide a more complete understanding of greenwashing in the hospitality industry and offer practical insights for businesses, policymakers, and consumers navigating the complexities of environmental sustainability claims(Kim et al., 2015).

Table 2

Future Research Agendas

Author	Future agenda
(Gupta et al., 2019)	Future research should examine the unique values of green and non-green hotel services, their interactions, and separate effects on trust, brand equity, and re-patronage intentions.
(Papagiannakis et al., 2024)	Future studies could use experimental designs.
(Koseoglu et al., 2021)	There is room for improvement for non-CSR reporters and non-GRI adopters.
(Dhanda, 2014)	Future work should include more direct contact with hotels and resorts through site visits, surveys, or interviews.
(Rahman et al., 2015)	Future research could explore how customer environmental education, both offline and online, affects relationships in this review’s conceptual framework.
(Majeed & Kim, 2023)	Future research should explore the impact of customer environmental education on proposed relationships in the conceptual framework and analyze customer perceptions of greenwashing.

- (Bernard et al., 2024) Longitudinal or experimental designs might reveal causal relationships. Future studies could also examine moderators like income, education, travel purpose, environmental consciousness, and environmental certification.
- (Skackauskiene & Vilkaite-Vaitone, 2022) Future studies should examine different hotel types and use subdivided samples for thorough results. Star hotels have more systematic management compared to B&Bs and budget hotels.
- (Alyahia et al., 2024) Future research should strive for balanced samples, explore green hotels' perspectives on greenwashing effects, and use longitudinal or experimental designs to understand causal relationships.
- (Zhao et al., 2024) Future research should include control variables like cash flow or firm leverage to better understand hotel resource availability.
- (Montero-Navarro et al., 2021) Longitudinal or dynamic data analysis is crucial, as cross-sectional survey data can't capture dynamic effects on GEBT.
- (Poveda-Pareja et al., 2024) Future research should adopt field investigation, interview and questionnaire to obtain more reliable research data.
- (Guo et al., 2017) Longitudinal or dynamic data analysis is crucial for understanding the dynamic effect on GEBT and the relationship between GEBT and green energy brand equity.
- (Rahman & Nguyen-Viet, 2023) Future studies should compare different countries and cultures to enhance the generalizability of the findings. An experimental or longitudinal design is preferred.
- (Bladt et al., 2023b) Future research should adopt longitudinal designs to examine changes in greenwash, green brand image, satisfaction, trust, and consumer knowledge across various stages of environmental regulations.
- (Bladt et al., 2024) Future research should prioritize collecting data from diverse industries and countries, while employing robust experimental designs to investigate the multifaceted roles of brand legitimacy in rebuilding brand trust following greenwashing incidents.
- (Xiao et al., 2022) Future research can further build on our findings by studying the impact of greenwashing across different demographic groups, cultural contexts, and industries.
- (Ha et al., 2022) Future research should include comparative studies across different cultural backgrounds and environmental contexts.

(Guo et al., 2018)	Studies could extend beyond environmental product innovation to measure perceived greenwashing. Additionally, using product-specific measures of customer satisfaction could provide deeper insights than firm-level measures.
(Lopes et al., 2023)	Given potential cultural variations in perceptions of greenwashing, it's advisable to replicate the model in other countries.
(Ioannou et al., 2023)	Future research should extend beyond experiments on awareness and ease of use, investigating education on food waste as a strategy to reduce plate waste. Longitudinal studies with prolonged placement of compost bins could boost awareness and promote composting habits
(Bernini & La Rosa, 2024)	Future comparative research is needed to account for effects of green ads on perceived greenwashing that vary in the environmental harm of advertised products or services.
(Cavazos et al., 2023)	Research has focused on sustainable fashion clothing brands. However, ecological and signaling concerns may vary across product categories.
(Aji & Sutikno, 2015)	Moderating factors like environmental knowledge and green concerns could also influence results. Future studies could incorporate these moderators to enrich the proposed mode
(Yang et al., 2020)	Different product categories should be tested for generalizability
(K. Zhang et al., 2023)	Future research is suggested to conduct a field experiment to track the responses and attitudes of employees in companies that engage in greenwashing behavior in CSR.
(Szabo & Webster, 2021)	It would be interesting to develop new measures of greenwashing so as to expand the analysis to a broader sample and enjoy more leeway in terms of econometric methodologies.
(Neureiter et al., 2023)	Future research could set forth toward the longitudinal study to find out the differences of greenwash, green consumer confusion, green perceived risk, and green trust in the different stages of the environmental regulations in the world

Note: Author's creation from the literature review

Synthesized Conceptual Framework for Future Research

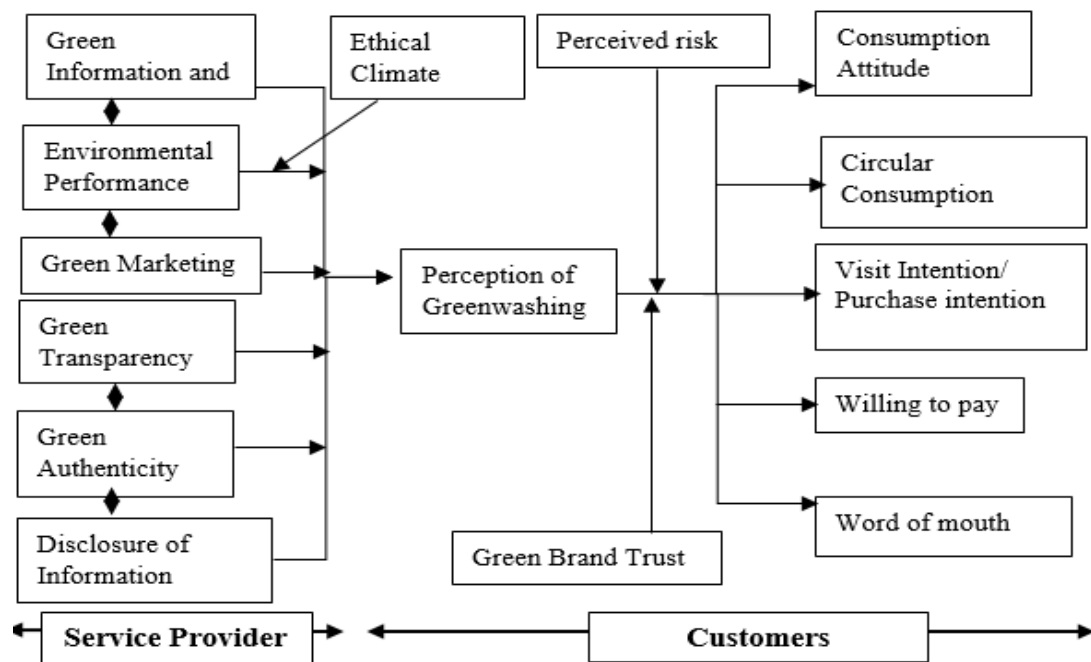
Based on the findings from various studies and the constructs used in those studies, a conceptual model is depicted in Figure 1. This model illustrates how suppliers within the hospitality

industry, such as hotels and tourism services, can impact customer perceptions of greenwashing through various mechanisms. These perceptions, in turn, influence customers' green behaviors, including their consumption attitudes, trust levels, intentions to revisit, willingness to pay a premium, and word-of-mouth endorsements. The relationship between customer perceptions of greenwashing and their green behaviors is moderated by their perceived risk and overall green attitudes.

In the context of marketing and communication, green marketing can leverage green communication strategies, such as sharing operators' green knowledge, disclosing environmental information, making resource conservation claims, and obtaining environmental certifications, to affect customer perceptions of greenwashing. The conceptual model is divided into two main components: the service provider side and the customer side. This division highlights that customer perceptions of greenwashing and the subsequent green behaviors are influenced by green initiatives and activities promoted through various channels

Figure 1

Conceptual model of consumer perception towards greenwashing



Note: The synthesized conceptual framework is Author's own creation from the review of literatures.

Results and Discussion

The paper is a synthesis of theoretical and empirical sources, which analyzes the impact of greenwashing in business operation. It has studied the consequences of greenwashing on consumer perceptions, trust, and behavioral intentions in businesses like hospitality and tourism industry. The results are based on the signaling theory, which shows that misleading environmental statements produce a distortion of sustainability signals that are supposed to pass information about high environmental performance (Koseoglu et al., 2021; Zhang et al., 2023). In the cases where the pronounced environmental promises do not correspond to reality, the consumers attribute the gap in this context to opportunistic intentions, which leads to low trust and a negative brand image (Chen, 2010).

Regarding the consumer behavior and attribution view, previous studies have always shown that greenwashing increases consumer confusion, cynicism, and perceived risk, which constitute major psychological processes driving the results of trust and purchase (Chen and Chang, 2013; Aji and Sutikno, 2015; Li et al., 2020). The observed patterns in the context of hospitality prove the hypotheses that the perceived greenwashing decreases green trust, revisit intention, and engagement in pro-environmental activities and promotes negative word-of-mouth (Rahman et al., 2015; H. Chen et al., 2019; Alyahia et al., 2024). These results support the importance of the processes of attribution in punishing companies who are viewed to be hypocritical in their sustainability reporting.

Conclusion

The analysis indicates that the effects of greenwashing are not similar among the types of claims. False claims at the product level will result in the most adverse consequences, and vague or abstract claims will lead to relatively weak consumer responses, which clarifies the adverse negative impact on long term operation of the organization (Bladt et al., 2023). In line with the stakeholder theory, the recurrence of misleading sustainability messages weakens the legitimacy of a corporation and damages the relationship trust with consumers, employees, and other stakeholders (Guo et al., 2017; Santos et al., 2023).

Notably, the negative impact of greenwashing can be addressed by moderating influences like green transparency, authenticity, ethical organizational climate, and credible certifications, which enable building trust and minimizing skepticism (Majeed & Kim, 2023; Bernard et al., 2024). Such lessons are especially applicable to the emerging economies like developing countries, such as Nepal where the regulatory frameworks have more loopholes

and consumer knowledge is low making them more susceptible to greenwashing. Altogether, the results indicate the need to implement genuine sustainability and effective communication to safeguard brand trustworthiness and favor sustainable tourism growth.

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Janaprakash Journal of Multidisciplinary Research
Vol. 3, December 2025, pp. 70-81
ISSN 3021-9892 (Print), 3021-9906 (Online)
Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Comparison between the Parliamentary and the Presidential System

Rudra Bahadur Pulami Magar*

Central Department of Political Science, Tribhuvan University

ORCID: <https://orcid.org/0009-0004-5425-4185>

*Corresponding Author: rudrajung43@gmail.com

Received: September, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89271>

Abstract

This manuscript aims to present a comparative analysis between parliamentary and presidential systems of government, examining their structural features, functional structure, and impact on political stability, good governance, and democratic accountability. The main goal of the study is to identify the strengths and weaknesses of both systems in terms of executive-legislative relations, leadership stability, inclusiveness, and policy continuity. Methodologically, this research uses a qualitative comparative method, using constitutional provisions, scholarly literature, and secondary data from selected countries that have adopted parliamentary and presidential systems. It concludes that while parliamentary systems promote accountability and inclusiveness through collective executive responsibility, coalition politics can lead to government instability. In contrast, presidential systems provide fixed tenure and policy stability, but they can also lead to problems such as centralization of power and weak oversight by the legislature. The study's findings show that no system is universally superior, but its effectiveness depends on historical background, political culture, judicial system, and institutional maturity. As a consequence, it seems necessary to prioritize contextual suitability, balanced power-sharing, and democratic security in constitution-making and governance reform, especially for multi-party and multicultural societies like Nepal.

Keywords: Governance, parliamentary system, political stability, presidential system

Introduction

So many words in the political vocabulary, the word ‘democracy’ has acquired remarkably strong emotive overtones (Barry, 2000, p. 278). With the development of democratic governance systems, two major models, the parliamentary system and the presidential system, have become fundamental subjects of study in world politics and political science. Although both these systems are based on the principles of constitutionalism, separation of powers, and popular representation, in practice there are major differences in their structures, processes, and functioning. While the parliamentary system relies on a close relationship between the executive and the legislature, the presidential system emphasizes the independence and separate powers of the executive. The question of how these two systems ensure stability, accountability, and representation in governance is a constantly dynamic one in political thought.

In the context of Nepal, the parliamentary system has been practiced for a long time, but political instability, frequent dissolution of the government, and party divisions have raised questions about this system. “The transformation of Nepal from a monarchical system to a democratic system unfolded the absolute power of the king through the separation of power into legislative, executive, and judicial structures in 2047 B.S.”, (Acharya, 2025, p. 32). Meanwhile, some intellectual circles and political forces have been putting forward the presidential system as an alternative. Therefore, a comparative study between the parliamentary and presidential systems is very relevant not only for Nepal, but also for the overall democratic practice. In particular, when analyzing the governance structure adopted by the Constitution of Nepal (2072) and the practical challenges it has brought, a comparison between these two systems can provide policy guidance. Although this system has moved the country forward from a unitary to a federal system, it has also assimilated the Western parliamentary system. “The promulgation of Nepal’s constitution in 2015 initiated a profound transformation in the nation’s governance landscape, transitioning from a deeply entrenched centralized unitary system to a multi-tiered federal structure”, (Gupta, 2025, p. 194).

From an international perspective, the study of these systems is of profound importance. Countries like India and Bangladesh are adopting parliamentary systems, while countries like the US, Brazil, and Argentina have adopted presidential systems. The successes and challenges these countries have achieved provide learning opportunities for Nepal and other countries. Comparative political studies show that no system is completely flawless, but rather the suitability of the system with the historical, social, economic, and cultural structure of

the country determines the success or failure of governance. For this reason, studies should emphasize the deeper historical and social context rather than superficial comparisons. In addition, such studies set long-term strategic foundations for strengthening democracy. “Reflecting on the historical context of Nepal’s unification reveals significant insights into its current state structure and societal composition”, (Guragain, *Challenges in Developing National Unity and Governance in Nepal*, 2025, p. 2).

In political philosophy and comparative politics, the comparison between parliamentary and presidential systems is an old but constantly evolving debate. Scholars have studied the issue from various angles, as the nature of political institutions and the system of government have a profound impact on democratic stability, policy-making, governance, and citizen participation. In the early period, the ideas of John Locke and Montesquieu laid the theoretical foundation for the separation of powers, the relationship between the legislature and the executive, and the nature of accountability. Locke emphasized the supremacy of limited government and the legislature, while Montesquieu argued that a balance between the executive, legislature, and judiciary is a fundamental principle of democracy. “They are of the view that the legislature should only make laws, the executive should implement those laws and run the administration according to those laws, and the judiciary should decide the disputes according to those laws”, (Agarwal, 2004, p. 381). This led to the development of the parliamentary system in Britain, while the presidential system was established in countries such as the United States.

Walter Bezhat’s *The English Constitution* is considered a very important source when analyzing parliamentary systems. For him, the peculiarity of the “fusion of power” of the executive and the legislature in a parliamentary system. “In the British system of government, the Prime Minister is practically the head of the supreme executive”, (Bhandari, 2071, p. 63). In this system, the prime minister is elected by parliament, so the stability of the government depends on the support of the majority. Arend d’ Arend Lijphart (1999) has described the parliamentary system as a system that promotes consensus politics, allows for pluralism, and dialogue between the government and the opposition. Lijphart (1999) believes that this system is particularly effective in multi-party democracies. “The government has to form coalition parties to ensure it has majority support in parliament”, (Simatupang, 2025, p. 100). However, critics say that parliamentary systems can be a source of political instability, especially where the party system is weak or coalition politics prevails.

The Federalist Papers (written by Madison and Hamilton) are considered fundamental in the academic debate on the presidential system. The presidential system under the US

Constitution from the perspective of separation of powers. “The presidential system is based on the theory of separation of powers, although it is difficult to achieve complete separation in actual practice”, (Mahajan, 2016, p. 434). Since the president is directly elected by popular vote, it is believed that his political legitimacy is equal to that of the legislature. “Presidential system are not members of the legislature and they do not belong to the legislative majority party”, (Kapur, 2016, p. 422). This gives stability to the government and facilitates policy continuity. However, Juan Linz has been a harsh critic of the presidential system. Writing in the title *The Perils of Presidentialism*, the presidential system unnecessarily complicates the separation of powers, which increases the conflict between the executive and the legislature and causes political crises. Linz concludes that this system is more likely to fail, especially in developing countries.

In comparative studies, scholars have weighed both systems on the basis of stability and accountability. “Lijphart finds that there are two distinct patterns among his ten indicators that differentiate the two kinds of democratic systems”, (Bormann, 2010, p. 2). In his *Patterns of Democracy*, has shown that parliamentary systems are more suitable for democratic stability. For him, comparative examples of different countries around the world and argues that parliamentary systems balance political consensus, minority participation, and party competition better than presidential systems. On the other hand, Scott Mainwaring has argued that presidential systems are more likely to lead to democratic instability, authoritarianism, and policy failure in countries such as Latin America. However, supporters say that presidential systems strengthen the legitimacy of leaders because they allow them to receive direct mandates, show firmness in policy-making, and are likely to lead to long-term stability.

Looking at the practice of developed countries, the parliamentary system seems to be particularly effective in European countries. The parliamentary system has been in operation stably for more than two hundred years in the United Kingdom. India has also adopted the same system, where both multi-party competition and a federal structure are harmonized. However, in India, instability is sometimes seen when coalition governments and party positions are weak. “A coalition government always remains in pulls and pressures particularly in a multinational country like India”, (Malik, 2014, p. 1). The presidential system seems to have been widely used in the United States and Latin American countries. “The President is hence not the whole gubernative”, (Dann, 2006, p. 2). The United States has operated a presidential system stably for more than two hundred years, which has strengthened democratic institutional development. However, in Latin America, presidential systems have repeatedly failed, which has given rise to

the rebirth of authoritarian rule. “It is also a change of government without a change of regime, and thus carries less of the inherently undemocratic implications of democratic breakdown”, (Hochstetler, 2009, p. 36). Contemporary debate has also brought forward the concept of a semi-presidential system or hybrid system. France uses a mixture of both a presidential and a parliamentary system. “A semi-presidential system offers an intermediate path in policy terms. It retains a significant presidential figure who can set broad priorities, but entrusts day-to-day administration to a prime minister responsible to parliament”, (Magar, 2025, p. 153). This creates two power centers within the executive, a president and a prime minister, but in practice requires balance and cooperation. Some scholars have presented this as a suitable option for developing countries. However, critics say that a mixed system is likely to lead to more conflict and instability.

This issue has been debated in the context of South Asian countries, including Nepal. Although the parliamentary system was re-established in Nepal after 1990, problems have been seen due to political instability, short-lived governments, and party interests. “The constitution of Nepal 2015 incorporates certain outstanding features including dynamism and flexibility”, (Gautam, 2020, p. 51). It has adopted a parliamentary system, but sometimes the argument is raised that a presidential system is more appropriate in Nepal. Some scholars have argued that a presidential system can provide stability in a country with diversity and instability like Nepal, while others have said that only a parliamentary system makes consensus politics possible. “Strong and inclusive political parties provide concrete foundations for establishing a democratic political culture in a developing state like Pakistan, India or Bangladesh”, (Mian et al., 2019, p. 362). The experience of countries such as India, Pakistan, and Bangladesh has also shown that party competition is high in parliamentary systems but stability is weak, while presidential systems have stability but political cooperation is weak.

Contemporary scholars have acknowledged both the limitations and potential of both systems when thinking about the future of democracy. Some studies have shown that parliamentary systems can make democratic practice successful in the long run, especially in developing countries. On the other hand, some have argued that presidential systems are strengthened by direct popular support and decision-making power. In the new debate, perspectives such as governance theory, institutionalism, and democratic consolidation are reevaluating both systems. This shows that in today’s global era, governance systems depend not only on constitutional structures but also on political culture, civic consciousness, and party systems. “An executive with considerable powers in the constitution, generally in full

control of the composition of his cabinet and the administration, is directly elected by the people for a fixed period of time and is not dependent on the formal vote of confidence by the democratically elected representatives in parliament”, (Linz, 1985, p. 3).

Thus, the available literature has shown that the debate between parliamentary and presidential systems is not just about structural differences, but also about deeper questions related to the implementation and sustainability of democracy. Looking at the conclusions of scholars, some similarities are evident, such as the question of institutional stability, balance of power and democratic accountability, which lie at the heart of both systems. But the difference is that the parliamentary system emphasizes cooperation, dialogue and pluralism, while the presidential system emphasizes firmness, stability and direct mandate. For a country like Nepal, a comparative study between the two is even more important and meaningful because Nepal’s democratic practice has repeatedly faced instability, partisan interests and leadership crises.

Therefore, discussion of this research aims to clarify what are the different effects of comparing parliamentary and presidential systems, what are the practical characteristics of these systems, and which system seems more practical in the context of Nepal. Thus, by covering both the theoretical basis and practical significance of the subject, this study aims to deeply understand the democratic practice of Nepal, find solutions to existing challenges, and enrich the academic debate on possible governance models in the future. In addition, this study also provides an opportunity to compare democratic institutional practice in Nepal with other practices around the world. It is expected to provide policy-makers with an intellectual basis for making realistic decisions.

Methods of data collection and analysis

This study adopts a qualitative and comparative research framework to analyze parliamentary and presidential systems of government. It is based entirely on secondary data. The sources used include peer-reviewed academic journal articles, scholarly books, constitutional documents, government reports, and other reliable published materials related to governance systems and political structures. Such sources provide the necessary theoretical basis and empirical perspectives for comparative political analysis. The data collection process has been carried out through a systematic review of literature focusing on topics such as executive-legislative relations, political accountability, policy continuity, leadership stability, and citizen participation. Thematic analysis and thematic classification methods have been used

to organize and analyze the collected materials. In this process, major analytical dimensions such as separation of powers, executive accountability, governance effectiveness, and political stability have been identified and classified.

Then, comparative analysis methods have been used to identify similarities and differences between parliamentary and presidential systems in various political contexts. This method provides a deeper understanding of the effects of institutional structures on governance outcomes. To ensure the validity and reliability of the study, various scholarly sources are compared and established theoretical perspectives from political science are used as the analytical basis. Although the study is based on secondary data, it systematically presents a relevant and in-depth analysis of the broader comparative governance debate, including the political system of Nepal.

Results and Discussion

The initial result that presents both parliamentary and presidential systems of government have their own inherent strengths and weaknesses, but no system is universally suitable for all countries. The country's history, political culture, party functioning, social diversity, geographical conditions, and international context determine how effective a system is. For example, parliamentary systems have been found to be durable in European countries due to long-standing traditions, stable party structures, and high-level political culture, while the same system has been found to be weak in countries like Nepal or Bangladesh due to frequent government changes, party factionalism, and policy instability. On the other hand, presidential systems have been stable in the United States for centuries, but have become problematic in Latin American countries due to power centralization, authoritarianism, and political conflict.

Table 1

Comparative Features of Parliamentary and Presidential System

Dimension	Parliamentary	Presidential
Executive Selection	Elected the Prime Minister by Parliament	Elected the President by people directly
Tenure of Executive	Dependent on majority of parliament	Fixed term (4-5 years)
Accountability	Directly accountable to the parliament	Accountable through the separation of powers
Policy Continuity	Less stable, vulnerable to the coalition shift	Stable more, fixed-term ensures continuity

Decision-making processes	Collectively, cabinet-based	Executive-dominant, individual
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Source: Author's development.

Power distribution and stability

The second consequence is related to executive stability and the distribution of power. In a parliamentary system, the executive, i.e. the prime minister, is dependent on a majority in parliament, making the government more likely to be unstable. Nepal has experienced several changes of government in a short period of time since 1990, which has had an adverse impact on policy continuity and development planning. However, this system places the government under direct control of parliament, which increases accountability. In a presidential system, the executive is directly elected and remains stable for a fixed term. This brings executive stability and ensures continuity in decision-making. However, in such a system, power is likely to shift too much towards the executive, which can weaken checks and balances.

Table 2

Advantages and Disadvantages of Parliamentary and Presidential System

System	Advantages	Disadvantages
Parliamentary	Executive accountable to legislature, ensure democratic control, flexible, leadership change without the political deadlock- promotes coalition and the power-sharing-strong party discipline, maintains political coherences	Frequent government changes may cause instability-coalition politics can lead to compromise, can risk of the legislative dominance over executive, weaker separation of powers, inefficiency
Presidential	Strong and stable executive leadership and fixed tenure, clear separation of powers, ensures deadlock possible between the check and balances, direct election of president, enhances legitimacy, stable government, unaffected by legislative crises	Risk of authoritarianism due to concentration of power, policy removal of president by impeachment, overemphasis on individual leadership rather than the collective responsibility

Source: Author's development.

Inclusion and representation

The third outcome is related to social inclusion and political representation. Since coalition governments are often formed in parliamentary systems, there is a greater possibility of including different classes, castes, communities and parties. The issue of inclusion has historically been sensitive in Nepal, especially in terms of ensuring representation of Dalits, indigenous peoples, women and Madhesi communities. In a parliamentary system, their voices can be easily conveyed to the parliament and government through coalitions. However, this has the potential to complicate and slow down the decision-making process. In a presidential system, the representation of minorities may also be weak as the winning candidate or party takes power in a “winner takes all” style. In a multicultural society like Nepal, such a system can further complicate the issue of inclusion. Therefore, in the context of Nepal, the parliamentary system seems to be relatively more suitable in terms of representation and inclusion, although reform is essential.

International experience and its relevance

The fourth conclusion is drawn from a comparison of international experience. The United Kingdom is an excellent example of the successful practice of the parliamentary system, where a permanent party structure, good political culture and constitutional traditions have made the system stable. In India, the parliamentary system has also been accepted as a constitutional system, which has been protecting Indian democracy, but this system has faced many challenges due to coalitions, instability, factional politics and corruption. In the United States, the presidential system has provided stability and clear executive leadership, but conflicts between the legislature and the executive are also common. In Latin American countries, the presidential system seems to have increased authoritarianism, military intervention and centralization of power. These experiences have taught Nepal that rather than blindly copying any system, it is necessary to choose a model that suits Nepal’s social, political and historical conditions.

In terms of presidential systems, the United States is considered the most successful example, where a strong mechanism of checks and balances clearly implements the separation of powers between the president and parliament. However, in Latin American countries such as Venezuela, Ecuador or Brazil, presidential systems have increased authoritarianism, policy deadlock and power struggles. This international experience makes it clear that for a presidential system to be successful, it is necessary for the judiciary to be independent, political parties to be accountable and citizens to be aware. The importance of these practices for Nepal lies in the

fact that Nepal needs to take a long-term view in choosing a system, strengthening federalism, multi-party practice and democratic values. Only by studying international successful and unsuccessful practices in a comparative manner can Nepal move its political structure towards stability, which can provide stability based on policy clarity, institutional strength and public trust in democratic practices.

Practical message for Nepal

Based on the study, the conclusion for Nepal is that no system is automatically successful because Nepal's political culture is party-centric, leader-oriented, and profit-oriented. Unless the parliamentary system is reformed, the problem of stability will persist, while moving to a presidential system will increase the risk of power centralization and authoritarianism. Therefore, the long-term solution for Nepal is to reform and strengthen the parliamentary system. This requires steps to simplify the process of government formation, make it difficult to destabilize the prime minister before a certain term, reduce factionalism within the party, ensure policy continuity, and increase accountability. Some scholars have argued that a semi-presidential system could be adopted for Nepal, in which the balance of executive power can be established by giving the president a limited role and making the prime minister accountable through parliament.

Table 3

Implication for Nepal's Political Context

Dimension	Parliamentary Practice	Presidential Possibility
Political stability	Frequent government changes	Potential stability with fixed executive term
Inclusivity	Coalition governments allow minority participation	Risk of marginalizing smaller parties, minorities
Governance quality	Weak policy continuity due to instability	Stable policies but prone to power centralization
Risk factors	Coalition fragmentation, weak institutions	Democratic backsliding, authoritarian tendencies

Source: Author's development.

Conclusion

This manuscript clarifies the structural and functional characteristics of both systems through a comparative analysis of parliamentary and presidential systems. Based on the analysis,

it is seen that the parliamentary system improves collective responsibility and democratic accountability by making the executive accountable to the legislature. However, coalition politics and party divisions may pose additional challenges to the stability of the government. In contrast, the presidential system has the potential to strengthen policy continuity and executive stability by providing fixed tenure and clarity of executive leadership. However, it also entails the risks of power concentration, executive-legislative conflict, and weakening of democratic oversight. Therefore, the strengths and weaknesses of both systems are deeply intertwined with institutional design and political behavior.

This study has reaffirmed the fact that no system of governance is universally superior. The effectiveness of a system of governance depends on historical background, political culture, maturity of the party system, constitutional balance, and institutional practice. Especially in a multi-party, diverse social structure, and transitional democratic context like Nepal, it seems more relevant to focus on appropriate reforms in its implementation, institutional strengthening, and accountability promotion rather than abandoning the parliamentary system. This study is expected to provide further guidance for adopting a context-appropriate, balanced, and democratic values-based approach in future constitutional debates and governance reform process.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 82-90

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Health care seeking behavior among females in Pokhara: A case study

Raj Bahadur Rokaya*

PhD Scholar, Pokhara University

ORCID: <https://orcid.org/0009-0005-5310-2777>

*Corresponding Author: aniraj47@gmail.com

Received: October, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89272>

Abstract

Health care seeking behavior is the psychological behavior that a person and family search for the health care after the illness. The pathway model assumes that individuals have equal access to healthcare and can rationally evaluate their options. The objective of the study is to explore the health care seeking behavior of women in Pokhara, Kaski. The study carried out the qualitative research paradigm with case study research design. Primary qualitative data were collected from purposive sampling technique. Data were collected through an in-depth interview guide and case study checklist developed in accordance with the Pathway Model of Health-Seeking Behavior and thematically analyzed using model-guided coding and cross-verification of narratives to enhance reliability. It is found that the case was aware of health illness. The case responded according to the intensity and time duration of the illness. Family members' suggestions are main supportive factors for health service seeking behavior. There is not any practice of the home remedies and ayurvedic medicine or treatment system. Family members also took suggestion from other paramedics of the health personnel for the service seeking. findings indicate that female do not always follow the linear pathway assumed in conventional health-seeking models; instead, they often rely on informal care, normalize symptoms, and delay professional treatment even when health services are available. Although family support plays a positive role in encouraging care seeking, women's decisions are strongly influenced by deeply rooted gender norms and personal expectations, particularly during midlife health transitions.

Keywords: Behavior, family role, female, health care, pathway model

Introduction

Health care seeking behavior is the psychological behavior that a person and family search for the health care after the illness. Once the person feels the uncomfortable and problematic he/she tries to seek for the treatment. The severity and intensity of the illness also plays a role in the health seeking behavior. It is seen that female represent more likely of illness and go for the treatment compared to the male (Rata Mohan et al. 2025). A comprehensive analysis of the barriers in healthcare accessibility found that many women rely on community support or traditional healers before seeking professional medical help, significantly altering their pathway to care (Chughtai et al., 2023). It also varies according to the cost of health services, transportation cost and the financial condition of the family and an individual (Wang, Brenner, Leppert, Banda, Kalmus, & Nlergi, 2015). This underscores the need for gender sensitive interventions in healthcare deliver. Service delivery guides the behavior for health care seeking and utilization (Shahabuddin, 2019). The major theme is the role of socioeconomic status and migration in health-seeking behavior. It had shown the low income and informal housing often lead women to rely on health facilities or guide to health services (Ziblim et al, 2019; Amoah, 2021).

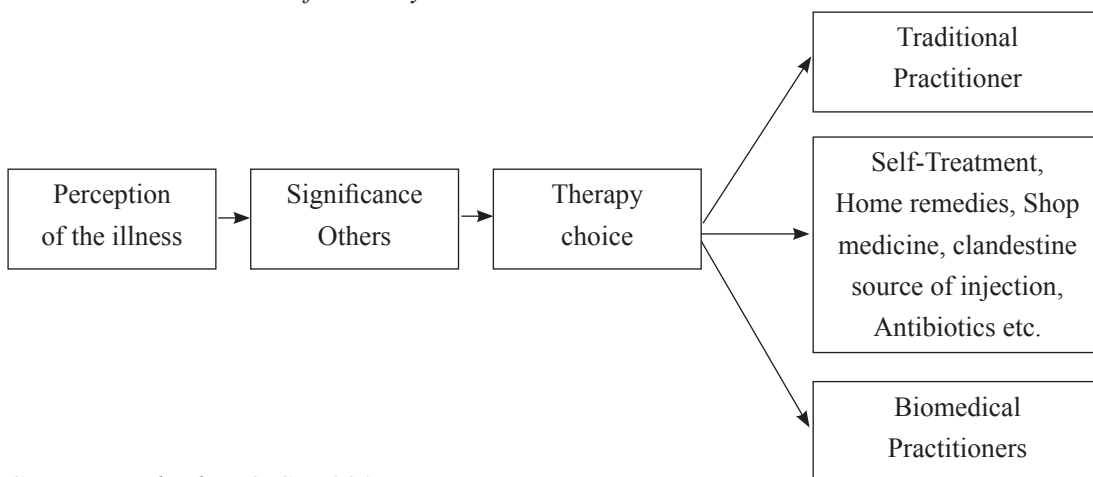
Developing countries' women's do not give priority to the health needs because of the patriarchal social system of primary decision-making thereby delaying or depriving the women from timely care (Sen & Östlin, 2008). Research in Pakistan, illustrates that women's health-seeking behavior, particularly for conditions like cervical cancer, is hindered by a lack of resources and access to care pathways (Chughtai et al., 2023). In Nepal the diverse factors influencing their access to healthcare. It depends upon the belief, attitude and the personal behavior of the person for the illness, resources and the accessibility. Similarly, Anwar et al. (2023) show that in Southern Punjab, socio-cultural barriers like the belief that a woman's place is at home hindered health-seeking for serious conditions like tuberculosis. The study on female community health volunteers (FCHV) in Surkhet, for instance, shows that age and awareness greatly influence cervical cancer screening behavior (Thapa and Bhatta, 2024). Likewise, the key work emphasizes the underutilization of maternal health services, particularly among married adolescent girls in rural areas, shaped by factors like family support and local healthcare availability, and the time of the gender inequities.

Pathway model

The pathway model, widely applied in understanding health-seeking behavior, is introduced on a series of decision-making steps that individuals undertake when seeking healthcare (Kanbarkar & C.P, 2017). These steps often adopt rationality, where individuals move through different phases from symptom recognition to treatment. This action based on the experience of severity and accessibility of health services. In the context of female health-seeking behavior, such as those involving reproductive or mental health, and chronic health conditions also associated with the social, cultural, and economic factors which shape for the decision for care seeking (Doyal, 1995; Doll et al., 2021). Connell's theory of gender and power carryout that the way of sexual division of labor, power, and charge thoroughly drawback the women in seeking the service through the lack of financial dependency and decision-making power (Connell, 1987; Connell & Pearse, 2015). For instance, the pathway model assumes that individuals have equal access to healthcare and can rationally evaluate their options. However, this assumption overlooks barriers like stigma, cultural norms, or even fear of judgment, which significantly delay or prevent help-seeking, especially among women (Chughtai et al., 2023). In mental health, prospective studies that functional impairments may immediate help-seeking, baseline stigma and previous experiences can hinder care seeking (Doll et al., 2021). Similarly, Kleinman's explanatory model also assumed that the women used to normalize the pain and illness along with the gender responsibilities, and cultural norms that affects the care seeking behavior (Kleinman, 1980).

Figure 1

Theoretical Framework of Pathway Model



Source: Kanbarkar & C.P, 2017

Moreover, the pathway model tends to oversimplify the healthcare-seeking journey by neglecting how women navigate informal healthcare systems or rely on non-professional advice before approaching formal institutions. Case studies in mental health services show that women often delay seeking specialized help due to the perceived risks of societal judgment or due to inadequate support systems (Tang & Qin, 2015). In this light, the pathway model's assumption of a direct development from problem recognition to help-seeking fails to account for these complex and iterative behavioral patterns.

Hence, this model support to describe the shapes of health-seeking behavior, but it inadequately captures the realities of women's care-seeking experiences. Its assumption of rational decision-making and equal access overlooks gendered power relations, financial dependency, stigma, and cultural expectations that shape women's health choices. Evidence from studies on mental, reproductive, and chronic health shows that women often delay formal care, rely on informal advice, or normalize illness due to social responsibilities and fear of judgment. This highlights the absence of gender-sensitive adaptations of the pathway model that account for non-linear and iterative care-seeking processes. It is important to address gaps for the relevance of health behavior models and informing equitable service delivery. So, this study aims to explore the health care seeking behavior of women in Pokhara, Kaski. This is based on single case and compared with pathway model. It is an overview of the theory and comparison of output.

Methods of Data Collection and analysis

The study carryout the qualitative research paradigm with case study research design is used to explore the contest and information of health seeking behavior. Primary qualitative data were collected from purposive sampling technique. Sample was selected single with criteria of accessibility of health care service, long term illness experience, family economic stability, and regular treatment engagement. Data were collected through an in-depth interview guide and case study checklist developed in accordance with the Pathway Model of Health-Seeking Behavior, focusing on symptom recognition, healthcare experiences, cultural beliefs, economic barriers, and family influence. It was conducted in two phases, including follow-up after three months with additional interviews from the family members to triangulate the data. for the confirmation and validation of data. Data were thematically analyzed using model-guided coding and cross-verification of narratives to enhance reliability. Ethical approval procedures were followed, verbal informed consent was obtained from all participant and family members,

and confidentiality was maintained by anonymizing personal identifiers, with data used solely for research purposes.

Results and discussion

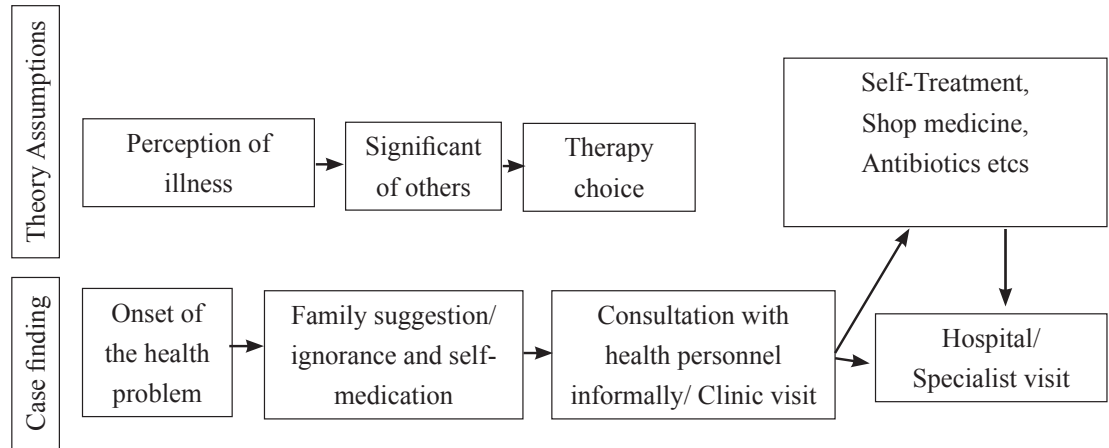
Health-seeking behavior, particularly among women, is shaped by a complex interplay of socio-economic, cultural, and personal factors. This case study investigates how these factors influence the healthcare decisions of women, focusing on their pathways to seeking care in various health contexts, including reproductive and mental health. The pathway model, which suggests a linear decision-making process from symptom recognition to treatment, often oversimplifies this behavior by ignoring barriers such as stigma, accessibility, and cultural norms. Through an empirical analysis of healthcare-seeking patterns, this study aims to critically assess the assumptions of the pathway model, offering a more nuanced understanding of how women navigate healthcare systems in diverse environments.

The case is taken from Pokhara metropolitan city with 49 year's women. She has menopausal syndrome from 3 years and got menopause for 7 months associated with migraine, long-term sweating and osteoarthritis. Migraine occurs at least once in a month. She is using painkiller medicine for three years. She used to practice of holding for some days (1-2 days) after the onset of the illness. She thinks that the illness is not that much problematic. If the problem continues more than three days she goes to the clinic nearby. She used to think that the health problem is occurring due to the seasonal change, chronic living behavior and the physical weakness occurred in past. The family suggests for the health institution visit to her. But she used to refuse the suggestion for the time. She used to use allopathic medicine but does not use the home remedies or the ayurvedic medicine. If it does not work, she used to go to the local clinic where the family are following the practice for the long time. Even the family gives the pressure for the visit of the health professional she did not used to obey them and always follow her own protocol. She takes the medicine for some days that got from the clinic. If this does not work only, she used to go for the hospital. Even in hospital she used to seek the treatment from the specialist. She used to follow the advice of the specialist.

In some extent, the financial condition hampers for the health service seeking. But for the other family members she used to manage money at any cost for the treatment. There is not any discrimination between male and female for the treatment seeking. Though, it seems that being a mother some psychological impact has been seen for the holding of treatment.

Figure 2

Followed by the Case and Comparison With Pathway Model



Key findings

Case is aware of health illness. There was responds according to the intensity and time duration of the illness. Family members' suggestions are main supportive factors for health service seeking behavior. There is not any practice of the home remedies and ayurvedic medicine or treatment system. Family members also received suggestion from other paramedics of the health personnel for the service seeking. First, contact during the illness is local clinic in low intense and non-emergency condition. Second contact the client follows according to the advice of the clinic personnel or the condition. Hospital and the direct specialist are chosen simultaneously.

Discussion

Health care seeking behavior among women is shaped by a dynamic interaction of personal perceptions, socio-cultural norms, family influence, and health system factors rather than a purely rational and linear decision-making process. Consistent with earlier studies, illness severity and duration emerged as primary activates for seeking formal care, while initial symptom normalization and delayed response reflected gendered response and individual health views (Sen & Östlin, 2008; Kleinman, 1980). Although the respondent resided in an urban setting with relatively stable economic conditions and physical access to services, she repeatedly postponed professional care, echoing evidence that accessibility alone does not guarantee timely utilization (Wang et al., 2015; Shahabuddin, 2019). The leaning to first rely on self-assessment and local clinics supports with studies showing that women often adopt step

by step, informal pathways before engaging referral level facilities, influenced by perceived seriousness of illness and belief in providers (Ziblim et al., 2019; Amoah, 2021).

From a theoretical perspective, the findings challenge the core assumptions of the pathway model, which conceptualizes health-seeking as a rational progression from symptom recognition to treatment (Kanbarkar, 2017). The case illustrates a non-linear and repeated the pathway, where care seeking decisions were repeatedly deferred despite family encouragement and awareness of illness. This supports critiques that the pathway model insufficiently accounts for stigma, gender roles, sensitive labor, and women's autonomy in decision-making (Connell, 1987; Connell & Pearse, 2015). Similarly, findings in mental and reproductive health literature, fear of over-medicalization, normalization of pain, and prioritization of family responsibilities shaped the respondent's behavior more strongly than medical need (Doll et al., 2021; Chughtai et al., 2023). Notably, while financial constraints were not a dominant barrier for this respondent, psychological factors associated with motherhood and self-perceived flexibility contributed to delayed care, highlighting that even economically stable women may experience hidden gendered barriers to timely health service utilization.

Conclusion

The female's health care seeking behavior is a complex and context dependent process shaped by personal experiences, family dynamics, cultural expectations, and health system factors. The findings indicate that female do not always follow the linear pathway assumed in conventional health-seeking models; instead, they often rely on informal care, normalize symptoms, and delay professional treatment even when health services are available. Although family support plays a positive role in encouraging care seeking, women's decisions are strongly influenced by deeply rooted gender norms and personal expectations, particularly during midlife health transitions. These insights highlight the need for gender-sensitive and context-specific adaptations of health-seeking behavior models that better reflect women lived realities. Strengthening community-level counseling, enhancing gender-responsive service delivery, and integrating psychosocial considerations into health system planning are crucial steps toward improving timely and equitable health care utilization among women in Nepal.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 91-105

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

The Relationship between Climate-Responsive Public Expenditure, Economic Growth and Environmental Performance: Evidence from Nepal (2013–2022)

¹Aayush Bhattarai*, ²Kamal Dhakal

¹Freelancer

²Department of Economics, Prithvi Narayan Campus, Pokhara, Nepal

*Corresponding Author: aayushbhattarai1998@gmail.com

Received: November, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89273>

Abstract

This paper investigates the relationship between CRPE, economic growth, and environmental performance in Nepal from 2013 to 2022. Data sourced from the World Bank, EDGAR, and the Climate Budget Tagging at the Ministry of Finance are analyzed using Augmented Dickey–Fuller, Engle–Granger, OLS, and Unrestricted Distributed Lag models. Both CRPE and GDP have a positive effect on emissions, with elasticities being 0.63 and 1.40, respectively, indicating that Nepal remains in the rising phase of the EKC. At the same time, CRPE supports growth with elasticity 0.40, while environmental impacts may appear with a lag, which corresponds the delayed effects of climate responsive expenditure according to the UDL model. The lack of a long-run equilibrium shows dynamics of the model are dominated by short run. Findings suggests Policy makers in developing countries to particularly focus on low-carbon investments and incorporate emission-reduction goals in fiscal policy frameworks to attain green, sustainable, and inclusive growth.

Keywords: *CO₂ emissions, economic growth, GDP, inclusive growth, sustainable*

Introduction

Recently emerged discourse on fiscal policy, environmental performance, and sustainable development often link climate-responsive public expenditure, CO₂ emissions, and economic growth. CRPE stands for government spending on initiatives to reduce the effects of climate change and help people adapt, is becoming increasingly accepted as a tool for both environmental and economic development. Research findings demonstrate that redirecting public funds toward climate-resistant industries creates enduring economic benefits which strengthen national resilience against climate-related disasters (Rahman & Velayutham, 2020). This is expected to reduce emissions, enhance resiliency, and raise productivity through sustainable agriculture and disaster risk management. UNDP (2021) argued that initiatives like this help the contribution of national budgets to their climate targets. It also allow individuals to cope with climate shocks better, making them less vulnerable to such shocks and helping the economy prosper in the long term (IFC, 2022). Decreased CO₂ emissions and economy stimulation are foreseen during the implementation of CRPE through its current or future operations since green infrastructure and adaptation projects take time to yield visible results.

Nepal is a landlocked and mountainous country in South Asia, situated between India and China. Its unique topography shapes not only the settlement and economic activities of Nepal but also the country's climate vulnerability. Sustaining economic growth while addressing the risk of climate change remains critical in Nepal. This makes Nepal's growth path very sensitive to ecological shocks. ICIMOD (2023) reported the glaciers in the Hindu Kush Himalaya lost almost 65% of their volume, posing a serious threat to Nepal's hydropower sector, a corner stone of sustainable development. There are floods that have damaged or shut down power plants several times. World Bank (2022) estimated Nepal loses 1.5–2% of its GDP per year due to climate change.

Inclusion of climate issues in fiscal strategy becomes indispensable for Nepal and similar countries since their economic growth is highly dependent on climate-sensitive sectors such as agriculture and water resources, and tourism. The CPEIR system has increasingly popularized climate budgeting in Nepal, classifying governmental spending according to its climate relevance (UNDP, 2021). The Nepal Economic Forum (2025) reports that different ministries were now providing funds for various initiatives related to climate; among them, particular emphasis was placed on water management, agricultural development, and energy infrastructure. These fiscal policies are targeting a reduction of environmental damage by

means of sustainable economic growth due to increased resilience, higher productivity, and attraction of green investments.

The framework of this research study is postulated to understand the complex interlink between climate-responsive public spending and environmental performance and economic development in Nepal. The variables studied in this context are positioned within a broad socio-ecological and economic framework. It is imperative to use an integrative analytical model that can highlight how the intensification of climate change affects developing countries dual obligations to balance environmental goals with economic growth. Therefore, by methodically examining the relationship between CRPE, GDP, and CO₂ emissions in Nepal from 2013 to 2022, this study aims to close the gap in the body of existing literature.

Method of Data Collection and Analysis

The study employs a descriptive, correlational, and causal comparative research design to examine the relationship among CRPE, GDP, and CO₂ emissions. Annual secondary cross-sectional time series data from official government publications, Nepal's Ministry of Finance budget records, and international databases the World Bank and World Development Indicators Data Bank are used in the analysis. These sources provide reliable annual data on CO₂ emissions (metric tons per capita), GDP figures (in constant 2015 US dollars), and governmental budget allocated for climate change.

The analysis begins with descriptive statistics summarizing the trends, central tendencies, and dispersion. Natural logarithmic transformations were taken for empirical analysis. The method also applies correlation analysis to establish a relationship between the primary variables. Augmented Dickey-Fuller (ADF) tested stationarity and integration order of each variable. Then the co-integration test by Engle Granger was performed to choose if variables share a common long-term relationship. OLS linear regression models used to investigate the empirical relationship among key variables. Further, the Error Correction Term from the ECM model is used. Complementing the above ECM to analyze the temporal effect, an Unrestricted Distributed Lag model was estimated. These tools enable us to study how fiscal elements and economic growth are related to influence Nepal's environmental outcomes and reversely how fiscal element influence growth trajectory.

Functional relationship between variables can be presented as:

$$\text{CO}_2 \text{ emission} = f(\text{GDP}, \text{CRPE}) \dots \dots \dots (1)$$

Converting functional relationship into linear form taking natural log on both sides:

$$\text{OLS Model 1: } \ln \text{CO}_{2t} = \alpha_1 + \beta_1 \ln \text{CRPE}_t + \epsilon_t \dots\dots(2)$$

$$\text{OLS Model 2: } \ln \text{CO}_{2t} = \alpha_2 + \beta_2 \ln \text{GDP}_t + \epsilon_t \dots\dots(3)$$

$$\text{OLS Model 3: } \ln \text{GDP}_t = \alpha_3 + \beta_3 \ln \text{CRPE}_t + \epsilon_t \dots\dots(4)$$

Where, CO_2 = carbon emission, GDP=Gross domestic product and CRPE= climate-responsive expenditure

OLS Model 1 focuses on direct effect of CRPE on CO_2 emissions, OLS Model 2 estimates scale effect of economic expansion on environmental performance and OLS Model 3 estimates effect of climate-responsive public expenditure on economic growth.

Table 1

Variable, their description, and measurement

Variables	Definition	Measurement
GDP	Gross Domestic product	In constant 2015 US dollars billion
CRPE	Climate Responsive Public Expenditure	% of total budget
CO_2 emission	Carbon emission	Per capita metric tons

The study focused basically on three variables, namely, climate-responsive public expenditure (CRPE), economic growth (GDP) and CO_2 emissions per capita.

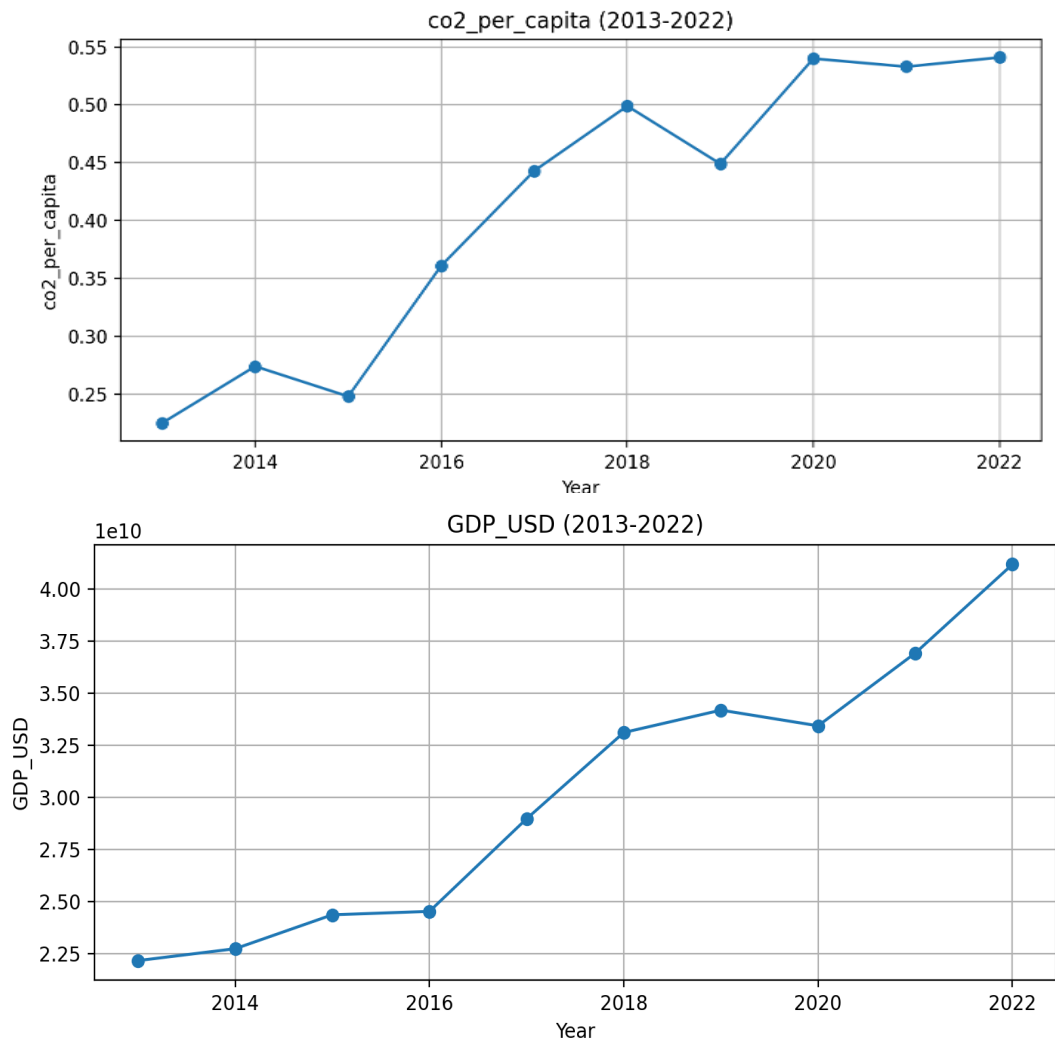
Environmental performance is measured by carbon dioxide emissions (CO_2), expressed in metric tons, as reported in global databases. This indicator represents the environmental impact of economic activity in Nepal and is log-transformed ($\ln \text{CO}_2$) for empirical analysis. All variables encompass the period 2013–2022, and their logarithmic transformations are utilized to attain normality, stationarity, enhance model fit, and facilitate the interpretation of coefficients as percentage elasticities. Gross Domestic Product (GDP) at constant US dollars, reported by World Bank is used as independent variable. It is expressed in billions of constant prices to eliminate the effect of inflation. The natural logarithm of GDP ($\ln \text{GDP}$) is used to stabilize variance and allow for elasticity interpretation. The term Climate Responsive Public Expenditure (CRPE) refers to the budget that governments allocate for climate change programs and activities. The variable is expressed as percentage of total budget and is provided by Ministry of Finance of Nepal through its Climate Budget Tagging framework. To maintain consistency in regression analysis, this variable is translated into its natural logarithm ($\ln \text{CRPE}$).

Results and Discussions

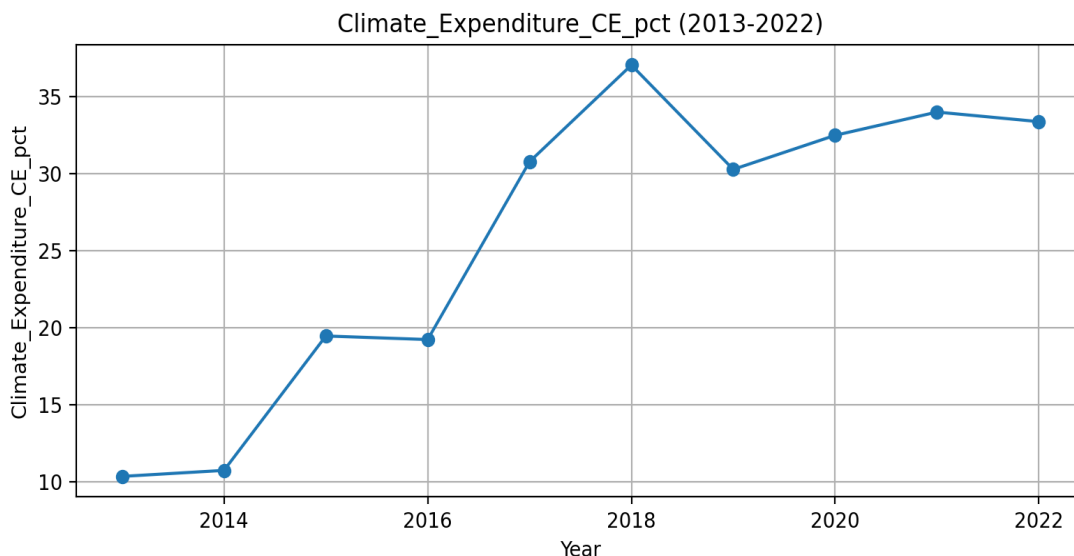
This section presents the empirical findings from the descriptive and econometric analysis. The results are organized into several subsections as: the trend analysis, descriptive statistics, correlation matrices, OLS and UDL output.

Figure 1

Trend of CO₂ emissions per capita, gross domestic product (GDP) and climate-responsive public expenditure (CRPE % of total budget) in Nepal



Source: World Bank World Development Indicators WDI and EDGAR (2023)



Source: Budget document of the respective fiscal year, Ministry of Finance

Figure 1 shows that the trend of CO₂ emissions per capita rose from roughly 0.23 metric tons in 2013 to over 0.541 by 2022, economic shocks like the 2015 earthquake may have contributed to minor decreases in 2015 and 2018. The trend highlights the negative environmental effects of rising GDP. This supports the study's environmental component since increasing per-capita emissions highlight the scale implications of GDP expansion and provide context for examining whether climate-responsive spending lowers the environmental cost of growth. Real GDP increased from roughly USD 22.16 billion in 2013 to over USD 41 billion in 2022, expressed in constant 2015 USD. The summary statistics show steady economic growth, with only minor fluctuations during external shocks like the COVID-19 pandemic in 2019–2020. The climate expenditures following strong upward trend, rising from over 10.34% in 2013 to over 33% in 2022, with sharp increases following 2016 and a peak of almost 37% in 2018. This suggests that the government providing climate change investments more attention. The rise after 2016 aligns with Nepal's climate policy commitments under the Paris Agreement.

Descriptive statistics

These statistics show characteristics, trends, and variability of data which are essential for subsequent econometric analysis.

Table 1

Descriptive Statistics of Key Variables (2013–2022)

Variable	Mean	Median	Std. Dev	Min	Max	Range	Skewness	Kurtosis
CO ₂	0.406	0.446	0.122	0.23	0.541	0.316	-0.40	-1.47
CRPE	25.76	30.51	9.94	10.34	37.03	26.69	-0.66	-1.25
GDP	30.16	31.04	6.57	22.16	41.18	19.02	0.23	-1.23

Source: Author's derivation using MS-Excel

Table 1 shows the descriptive statistics of the key variables: CO₂ emissions per capita, climate-responsive public expenditure, and Gross Domestic Product, within the period of this study. The careful analysis of these descriptive statistics confirms that the three variables under consideration, are suitable for regression modeling.

Correlation between economic growth, environmental performance, and climate responsive expenditure

The correlation matrix summarizes the degree of association between each pair of variables based on data from 2013 to 2022.

Table 2

Correlation between GDP, CRPE and CO₂ emission

	lnCO ₂	lnCRPE	lnGDP
lnCO ₂	1		
lnCRPE	0.9151	1	
lnGDP	0.9171	0.8841	1

Source: Author's calculation from E-views 10

Table 2 shows there is a strong positive correlation ($r=0.917$) between lnGDP and lnCO₂ emissions per capita. Government spending that responds to climate change lnCRPE and lnCO₂ have a strong positive correlation ($r=0.915$) implying that investments in climate change are associated with rising emissions. Furthermore, there is a strong correlation ($r=0.884$) between lnGDP and lnCRPE suggesting that government spending on climate-related issues tends to rise with economic growth.

Table 3

Stationarity test (Augmented Dickey-Fuller)

Variable	Test Statistic	<i>p</i> -value	Stationary
lnCO ₂	-3.41	0.0446	Yes
ln CRPE	-5.37	0.0158	Yes

lnGDP	-3.13	0.0072	Yes
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Source: Author's calculation from E-views 10

Table 3 shows ADF test results. All three variables are stationary, which is a prerequisite for valid time-series regression analysis. The finding that lnGDP is I (2) precludes the use of ARDL modeling, but the stationarity of the other variables at I (1) supports the validity of subsequent regression.

Table 4

Engle-Granger Cointegration Test

Test Pair	<i>t</i> -statistic	<i>p</i> -value	Cointegrated
lnCO ₂ ~ lnCRPE	-3.308	0.0467	yes
lnCO ₂ ~ lnGDP	-3.110	0.0618	No

Source: Author's calculation from E-views 10

Table 4 presents that no cointegration was found between CO₂ emissions and GDP, indicating that the interactions among these variables are driven by short-term dynamics rather than stable long-term trends. As the pair lnCO₂ and ln CRPE found cointegrated, ECM is used to test whether long-run equilibrium adjustment mechanism exists or not.

Direct effect of climate-responsive public expenditure on CO₂ emissions

Table 5

Diagnostic tests direct effect of CRPE on CO₂ emission

Test	Statistic	<i>p</i> -value	Interpretation
Jarque-Bera	2.2765	0.320	Normal residuals
Breusch-Pagan	0.1208	0.6997	Homoskedasticity
VIF	1.0000	—	No multicollinearity
Durbin-Watson	2.406	—	No autocorrelation

Source: Author's calculation from E-views 10

Table 6

Regression results direct effect of CRPE on CO₂ emission

Variable	Coefficient	Std. Error	<i>t</i> -value	<i>p</i> -value	95% CI
Intercept	-2.92	0.3417	-8.569	0.000	[-3.716, -2.140]
lnCRPE	0.627	0.107	5.856	0.000	[0.380, 0.873]
ecm_resid lag1	-0.8198	0.339	-2.41	0.0524	[-1.651, 0.011]

Source: Author's calculation from E-views 10

R-squared: 0.810, Adj. R-squared: 0.787, F-statistic: 34.29, Prob (F-statistic): 0.0004

Table 6 demonstrates that increases in CRPE are associated with higher CO₂ emissions, as 1% increase in climate-responsive public spending corresponds to 0.63% increase in emissions. Similarly, ECM was also performed for completeness as pair lnCO₂~lnCRPE found co-integrated and found that error correction term as -0.8198 with p-value 0.0524 boarder line insignificant implying no significant speed adjustment towards equilibrium in a year. The short-run error correction model (ECM) explains approximately 51% of the short-run variation in economic growth ($R^2 = 0.5123$). Diagnostic tests indicate that model assumptions are satisfied, with no evidence of multicollinearity (VIF), heteroskedasticity (BPG test), non-normality (Jarque-Bera test), or serial correlation. However, the overall ECM model is not statistically significant at the 5% level (F-statistic p = 0.1159), and the error correction term (ECT) is marginally insignificant (coefficient = -0.8198, p = 0.052). The results indicate that there is no convincing evidence of a long-term equilibrium adjustment.

Scale effect of economic expansion on environmental performance

Table 7

Diagnostic tests scale effect of economy on CO₂ emission

Test	Statistic	p-value	Interpretation
Jarque-Bera	0.7777	0.6778	Normal residuals
Breusch-Pagan	1.1363	0.2647	Homoskedasticity
VIF	1.0000	—	No multicollinearity
Durbin-Watson	1.996	—	No autocorrelation

Source: Author's calculation from E-views 10

Table 8

Regression results scale effect of economy on CO₂ emission

Variable	Coefficient	Std. Error	t-value	p-value	95% CI
Intercept	-5.68	0.728	-7.804	0.000	[-7.361, -4.00]
lnGDP	1.398	0.214	6.515	0.000	[0.903, 1.893]

Source: Author's calculation from E-views 10

R-squared: 0.841, Adj. R-squared: 0.821, F-statistic: 42.45, Prob (F-statistic): 0.000185

Table 8 demonstrates a very strong association between economic growth and carbon emissions. The coefficient of lnGDP is highly significant implying 1% increase in GDP is associated with a 1.40% increase in CO₂ emissions.

Effect of climate-responsive public expenditure on economic growth

Table 9

Diagnostic tests effect of climate-responsive public expenditure on economic growth

Test	Statistic	<i>p</i> -value	Interpretation
Jarque-Bera	0.433	0.805	Normal residuals
Breusch-Pagan	0.624	0.3950	Homoskedasticity
VIF	1.0000	—	No multicollinearity
Serial LM	—	0.1767	No autocorrelation

Source: Author's calculation from E-views 10

Table 10

Regression results effect of climate-responsive public expenditure on economic growth

Variable	Coef	Std. Err	<i>t</i> -value	<i>p</i> -value	95% CI
Intercept	2.11	0.242	8.737	0.000	[1.5535, 2.6676]
lnCRPE	0.40	0.075	5.33	0.000	[0.228, 0.577]

Source: Author's calculation from E-views 10

R-squared: 0.782, Adj. R-squared: 0.754, F-statistic: 32.24, Prob (F-statistic): 0.000

The model shows a statistically significant positive relationship between climate-responsive public expenditure and GDP. A 1% increase in CRPE is associated with a 0.40% increase in GDP.

The Unrestricted Distributed Lag (UDL) model

Table 11

UDL Model for $\ln CO_2 = \ln CRPE + \ln CRPE(Lag1)$

Variable	Coefficient	Std. Error	<i>t</i> -value	<i>p</i> -value	95% CI
Intercept	-2.83	0.33	-8.65	0.000	[-3.63, -2.03]
lnCRPE	0.19	0.19	0.99	0.36	[-0.28, 0.67]
lnCRPE_lag1	0.43	0.16	2.66	0.04	[0.04, 0.82]

Source: Author's calculation from Python programming

R-squared: 0.89, Adj. R-squared: 0.85, F-statistic: 24.20, Prob (F-statistic): 0.0013, Durbin-Watson: 2.40

The coefficient of current lnCRPE is positive 0.19 but statistically insignificant ($p = 0.36$), suggesting that a 1% increase in current CRPE is only associated with a 0.19% increase in CO_2 emissions, even though this influence is not very strong. In contrast, the lagged CRPE

is positive and statistically significant (0.43, $p = 0.04$). This elasticity states that for every 1% increase in CRPE in the previous year, current CO₂ emissions increase by 0.43%.

Discussion

This research investigated relationship between CRPE, CO₂ emissions per capita, and GDP in Nepal during the years between 2013 and 2022. Motivated by the question of how fiscal policy can move toward a perspective of sustainable development, this research was focused on whether climate-related public spending fosters economic growth and affects environmental outcomes. The EKC hypothesis, endogenous growth theory, and fiscal policy theory served as the foundation for analysis. The key variables, GDP, CO₂ emissions per capita, and CRPE, were log-transformed for elasticity-based interpretation and to meet the assumptions of linear modeling.

The methods included ADF tests for stationarity, Engle-Granger co-integration for long-run relationships, OLS regressions, ECM and UDL model estimations to capture temporal dynamics. It follows from the statistics that there was considerable growth in both GDP and CRPE, with GDP leading. Consequently, the OLS regression analysis confirms that climate-responsive public expenditure and GDP are positively related to CO₂ emissions. The direct impact of CRPE on CO₂ emissions—a 1% rise in climate-responsive public spending—translates to a 0.63% increase in emissions. This is most probably because energy-intensive and infrastructure-related activities were the focus of climate-related initiatives, which initially raise emissions instead of lowering them. Similarly, GDP remains a strong predictor of emissions, hence underlining the environmental cost of economic growth. The coefficient of $\ln\text{GDP}$ stands at 1.398 and is highly significant ($p < 0.001$), which implies that a 1% increase in GDP is accompanied by a 1.40% increase in CO₂ emissions. This implies that the economic growth of Nepal exerts a strong and more than proportionate effect on emissions, reflecting the scale effect of development. The positive elasticity lends support to the EKC hypothesis during its early stage, where emissions increase with the growth of income. No evidence of decoupling is found within the period of study, 2013–2022, which suggests that Nepal remains in the rising phase of the EKC. Similarly, the stimulating influence of CRPE on GDP supports the notion that environmental fiscal policy leads to growth as well.

These results for Nepal can be juxtaposed with evidence from the European Union. Georgieva (2022) noted that EU expenditure on environmental protection increased linearly between the years 2008 and 2022, while GHG emissions continuously went down, especially in

2019–2020 due to COVID-19. It would thus appear that growth and emissions are decoupled, and the green policies invested in resulted in measurable environmental dividends. In contrast, both GDP and CRPE were seen to have increased significantly in the present study—from USD 22.16 to 41.18 billion and from 10.34% to over 33%, respectively. On the other hand, CO₂ emissions per capita increased from 0.225 to 0.541 metric tons. To the contrary to European Union where increased spending on the climate was associated with decreased emissions, the very opposite was seen in Nepal: the country is therefore still in its initial stages of growth whereby emissions and growth move together. Although the EU trend favors “green growth,” the scale effect is reflected in the Nepalese scenario, stating economic expansion and fiscal growth raise emissions before institutional and technological changes can offset them.

It was found from the UDL model that the immediate effect of CRPE on resultant emissions was insignificant, but the lagged effect turned out to be significant, thus showing a delayed response of environmental degradation due to climate expenditure. Co-integration tests showed no evidence of a long-run equilibrium relationship among the variables studied; this implies that the dynamics are dominated by short-run effects. In general, the results lead to the twin imperative for increasing economic growth through climate-responsive public expenditure on the one hand and sustainability of the environment on the other. The results provided useful information to policymakers who seek balanced development with sustainability concerns in Nepal.

Conclusions

In conclusion, evidence shows that both GDP and CRPE positively impact emissions. The magnitudes detected suggest that a 1% rise in GDP and CRPE increases CO₂ emissions by 1.40% and 0.63%, respectively. This infers that Nepal is still in an ascending phase of the Environmental Kuznets Curve, where growth and emission increase together. Although CRPE boosts economic growth, the environmental effect is not identified due to a time lag, as detected through the statistical significance of its lagged value. Unlike in the European Union’s case, where economic growth is decoupled from emissions, fiscal and economic expansion in Nepal is still placing pressure on the environment. Policymakers must make climate-responsive spending more efficient by concentrating on low-carbon and renewable energy-based investment to achieve sustainable and inclusive growth.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 106-134

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Financial Sustainability as a Catalyst for SDG Implementation in Higher Education: Evidence from Tribhuvan University

Rupa Shrestha*

Financial Administration Division, Tribhuvan University

ORCID: <https://orcid.org/0000-0003-3131-3598>

*Corresponding Author: shrestharupa06@gmail.com

Received: November, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89274>

Abstract

This study examines the role of financial sustainability and public investment in embedding SDG 4.7 at Tribhuvan University, Nepal's largest public university. This study is grounded in a social constructivist paradigm, a qualitative multi-method design was employed, including semi-structured interviews with university leaders, systematic review of policy documents, and analysis of institutional budgets over a ten-year period. Findings indicate that despite formal alignment with SDGs and supportive national policies, reliance on recurrent government grants constrains curriculum reform, sustainability research, and education for sustainable development initiatives. Project-based and performance-linked funding partially addresses these limitations, yet fragmented financing and limited institutional autonomy hinder systematic integration. The study concludes that financial sustainability plays a decisive role in integrating SDG 4.7 within academic, governance, and sustainability practices. However, SDG 4.7 remains weakly embedded due to limited program-oriented public investment and a predominance of administrative spending, which constrains effective SDG policy integration at the institutional level. The study contributed the evidence-based guidance for policymakers, UGC, and national SDG planners. Furthermore, the study encourages future research on the role of public investment policy in shaping integrated university financial systems for sustainable higher education in Nepal.

Keywords: Education for sustainable development, financial sustainability, higher education, public investment, sustainable development goal 4.7

Introduction

Sustainable development, understood as an integrated framework for social, environmental, and economic advancement or more recently conceptualized as development for people, planet, and prosperity, has become increasingly critical for the global community. Although its foundations were articulated in the agenda 21 global action plan adopted in 1992, the adoption of the Sustainable Development Goals (SDGs) in 2015 marked a renewed and more coordinated global commitment to sustainability (United Nations, 2015). The SDGs represent a comprehensive and interdependent agenda intended to stimulate action over a 15-year period in areas of critical importance for humanity and the planet. Central to this agenda is the principle of “Leave No One Behind” (LNOB), emphasizing inclusive and equitable development across regions and populations. The research, de Jong, E. (2025), Provides a recent academic foundation for linking LNOB to development policy and monitoring framework. The united nation continues to explain transformative promise of the agenda 2030, emphasizing that development progress must be inclusive of all (United Nations Sustainable Development Group, 2023).

Higher education institutions (HEIs) are widely recognized as pivotal actors in achieving the SDGs. Franco et al. (2018) argue that HEIs play a “paramount” role and bear a social responsibility to foster sustainability-related competencies among students and within wider communities. Similarly, Leal Filho et al. (2019a) contend that universities have a moral duty to contribute to the societies in which they operate. Over the past several decades, HEIs have increasingly integrated sustainability into curricula, institutional management, campus operations, and community engagement initiatives (Leal Filho et al., 2019b). International agreements and initiatives have further consolidated the role of higher education in advancing sustainability. The Copernicus Charter and the Higher Education Sustainability Initiative (HESI), supported by hundreds of universities worldwide, underscore the responsibility of HEIs to promote sustainable development through teaching, research, campus greening, and community outreach (Decamps et al., 2017). Through interdisciplinary learning, innovation, public engagement, and capacity building, HEIs are uniquely positioned to shape future leaders and decision-makers capable of addressing complex sustainability challenges (Ferguson, 2019; Vaughter, 2018). As emphasized by the Association of Commonwealth Universities and the UN High-Level Political Forum on Sustainable Development, none of the 17 SDGs can be achieved without the meaningful contribution of higher education and research (O’Malley, 2019).

Despite this growing consensus, scholarly debates continue regarding the effective embedding of SDGs within higher education systems. Numerous studies have examined sustainability integration in HEIs, focusing on governance structures, institutional culture, teaching quality, research, technology transfer, and societal engagement (Aleixo et al., 2017b; Blanco-Portela et al., 2018; Giesen Bauer & Müller-Christ, 2020; Verhulst & Lambrechts, 2015). SDG 4, which aims to ensure inclusive and equitable quality education, highlights the need to integrate the economic, social, and environmental dimensions of sustainable development into higher education teaching and learning. Quality education, when aligned with sustainability principles, can generate improved development outcomes for individuals, communities, and nations, thereby contributing to poverty reduction and social inclusion (SDSN Australia/Pacific, 2017).

UNESCO (2017) identifies higher education as a cornerstone of the SDGs, particularly through SDG Target 4.7, which emphasizes education for sustainable development (ESD), global citizenship, human rights, gender equality, and a culture of peace. However, while global policy frameworks and institutional commitments are increasingly visible, evidence suggests that SDG implementation within universities remains fragmented and at an early stage (Leal Filho et al., 2019a; Lozano et al., 2015). Progress has been slow despite decades of policy advocacy and significant financial investment (Ross et al., 2011; Higgins, 2020).

In the context of Nepal, the challenges are particularly pronounced. The country has formally adopted the SDGs and incorporated them into its Fifteenth Five-Year Plan, national development strategies, and the University Grants Commission (UGC)-led higher education reform programs. These policy alignments provide a strong foundation for advancing Higher Education for Sustainable Development (HESD). Nevertheless, empirical studies indicate that HESD literacy among university leaders and stakeholders remains limited, and institutional strategies for embedding SDG 4.7 are often weak or absent. Adhikari & Shrestha. (2023) concludes that lack of financial capacity, Nepalese HEIs is failed to manage the consistent budget for embedding the concept SDG4.7, in other hand, the SDG concept is becoming extra fruit for the Universities.

Existing research further suggests that awareness of the SDGs among high-ranking university officials and key stakeholders in Nepal is uneven, despite the country's formal commitment to the global agenda (Adhikari & Shah, 2021). Discussions on higher education reform rarely link global sustainability goals to the core structures and functions of HEIs, such as curriculum design, governance, financing, and research priorities. These gaps are

exacerbated by broader development constraints. Least-developed countries such as Nepal continue to face challenges in establishing basic educational infrastructure and ensuring adequate resources for higher education, limiting their capacity to prioritize sustainability-oriented reforms.

This study is significant as it empirically examines how financial sustainability influences the implementation of the Sustainable Development Goals particularly SDG 4.7 within higher education, using Tribhuvan University as a case. By addressing research questions on the adequacy of financial resources, budgeting priorities, and leadership roles in embedding education for sustainable development, the study fills a critical evidence gap in Nepalese higher education research. The findings offer policy-relevant insights for public investment, the University Grants Commission, and national planners, supporting more effective alignment between financial governance, institutional sustainability, and SDG-oriented educational transformation.

Although Tribhuvan University has formally aligned with the SDGs, empirical evidence suggests that financial constraints significantly limit implementation. Insufficient and fragmented funding affects curriculum reform, sustainability-oriented research, and institutional initiatives, raising questions about the role of financial sustainability in translating SDG commitments into practice.

Despite Nepal's strong policy alignment with the SDGs, empirical research examines how higher education institutions operationalize sustainable development within governance and in particular, little is known about the role of executive leadership in translating national sustainability commitments into institutional strategies and budgeting frameworks. Therefore, this study aims to review the extent to public investment and financial sustainability within institutional policy frameworks. Specifically, it explores the perceptions, practices, and challenges faced by TU in implementing SDG 4.7. By doing so, the study contributes to the emerging literature on Higher Education for Sustainable Development in developing-country contexts and provides policy-relevant insights for higher education reform in Nepal.

Considering the financial policy framework and its explicit linkage to SDG 4.7 within the higher education financing system of Tribhuvan University, this study addresses the following research questions:

(1) How does financial sustainability influence the institutional integration of SDG 4.7 within academic programs, governance structures, and sustainability-oriented practices?

(2) What role does public investment play in enabling higher education institutions to embed SDG 4.7-aligned principles of Education for Sustainable Development?

Financial sustainability is widely recognized as a prerequisite for higher education institutions to fulfill their academic and societal missions (OECD, 2020). In public universities, particularly in developing countries, public investment plays a decisive role in shaping institutional capacity and long-term planning (Johnstone & Marcucci, 2010). At the same time, the integration of the Sustainable Development Goals within higher education requires institution-wide engagement across governance, teaching, research, and community outreach (Leal Filho et al., 2021).

This study aims to examine how financial sustainability and public investment influence the integration of SDG 4.7 at Tribhuvan University. Linking institutional financing to curriculum, governance, and system-wide practices, it provides empirical evidence on higher education for sustainable development in Nepal, offering insights for policy alignment and strengthening SDG implementation in resource-constrained contexts.

Review of Literature

The adoption of the Sustainable Development Goals (SDGs) in 2015 marked a transformative shift in global development thinking by establishing an integrated framework addressing economic growth, social inclusion, and environmental sustainability (United Nations [UN], 2015). Unlike previous development agendas, the SDGs emphasize universality, interdependence, and long-term transformation, recognizing education as both a standalone objective and a cross-cutting enabler of sustainable development. SDG 4, which seeks to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, which is widely conceptualized in achieving the SDGs 2030 Agenda.

In the process of embedding SDGs, higher education institutions (HEIs) play a critical role due to their unique position in producing knowledge, shaping future leaders, and influencing public policy and societal values (UNESCO, 2017; SDSN, 2017). Franco et al. (2018) describe the role of universities in sustainable development as “paramount,” arguing that HEIs bear a social responsibility to equip learners with competencies necessary to address complex sustainability challenges. Similarly, Leal Filho et al. (2019a) emphasize that universities have a moral obligation to contribute to sustainable societies through education, research, and community engagement.

Through curriculum development, research innovation, and institutional practices, HEIs influence sustainability outcomes at multiple levels. Universities act as knowledge hubs, generate context-specific solutions, and serve as living laboratories for sustainability experimentation (Leal Filho et al., 2019b). Graduates, in turn, function as agents of change across economic, political, and social sectors. Consequently, higher education is increasingly conceptualized not merely as a beneficiary of development but as a strategic driver of sustainable transformation.

Theoretical underpinnings

This study integrates sustainability, public finance, and higher education governance theories to examine SDG 4.7 integration. Financial Sustainability Theory explains how stable and strategically aligned resources enable long-term investment in Education for Sustainable Development (Johnstone, 2018). Resource Dependence and Public Financing Theory highlights how government and UGC funding shape institutional priorities (Salmi, 2017). ESD Theory emphasizes transformative, competency-based learning requiring sustained investment (Wals, 2014; UNESCO, 2017). Institutional Theory explains how national policies and financing frameworks influence university alignment with SDG 4.7 (Scott, 2014).

Table 1:

Financial Sustainability Indicators for SDG 4.7 Integration

SN	Measurement Indicators	Author(s)	Framework / Theory
1	Financial Arrangement and Budgets	Adhikari & Prakash, 2023	Financial Sustainability
2	Needs Assessment, Costing & Financing Strategy for SDGs	NPC, 2019; NPC, 2020	Financial Strategy
3	Funding for staff, capacity development, and research	IAU, 2023	Fund Management
4	Addressing resource-related challenges through public policies	Singh & Segatto, 2022	Resource Management
5	Multi-pronged TU financing approach (grants, fees, loans, endowments, sponsorships)	TU Vision, 2019	Adoption of Multi-pronged Financing

Source: Summarize by the Author

Empirical review

SDG Target 4.7 calls for equipping learners with the knowledge, skills, values, and attitudes needed to promote sustainable development, including Education for Sustainable Development (ESD), global citizenship, human rights, gender equality, cultural diversity, and peace (UN, 2015). Indicator 4.7.1 operationalizes this target by assessing its integration into education policies, curricula, teacher education, and assessment systems (UNESCO, 2017). In higher education, ESD has emerged as a core pedagogical approach, emphasizing transformative, competency-based learning that fosters critical thinking, systems thinking, ethical reasoning, and civic engagement (Wals, 2014; Barth & Rieckmann, 2012). While HEIs have increasingly incorporated SDG-related content into curricula and research, implementation remains fragmented and often driven by individual champions rather than institutional strategies (Aleixo et al., 2018a; Lozano et al., 2015; Giesen Bauer & Müller-Christ, 2020). Regional disparities persist, with HEIs in developing countries facing institutional, governance, and financial constraints (Farinha et al., 2018). In Nepal, SDG commitments are embedded in national plans, notably the Fifteenth Plan (NPC, 2017; NPC, 2020), yet SDG 4.7 remains weakly operationalized in higher education due to the absence of explicit mandates, indicators, and financing incentives within education policies and UGC reforms.

Financial sustainability is increasingly recognized as a critical enabler of higher education for sustainable development. It refers not only to the adequacy of financial resources but also to the stability, predictability, and strategic alignment of funding with institutional priorities (Johnstone, 2018). Without financial sustainability, universities struggle to maintain academic quality, invest in innovation, and institutionalize sustainability-oriented initiatives.

Multiple studies demonstrate that the integration of SDGs in HEIs is closely linked to funding structures and resource allocation mechanisms (Aleixo et al., 2020; Farinha et al., 2018). Sustainable financing enables universities to redesign curricula, train faculty in ESD pedagogies, support interdisciplinary research, and expand community engagement activities. Conversely, financial instability often results in short-term project-based sustainability initiatives that lack institutional continuity.

UNESCO (2017) emphasizes that embedding SDG 4.7 requires sustained investment in curriculum development, teacher education, learning materials, and assessment systems. These investments are particularly critical in public universities, where dependence on government funding limits institutional autonomy. When funding is insufficient or unpredictable, sustainability initiatives are often deprioritized in favor of immediate operational needs.

Performance-based funding and results-based financing have been identified as mechanisms that can incentivize HEIs to align institutional outcomes with SDG priorities (Salmi, 2017). However, the literature cautions that such mechanisms must be carefully designed to avoid reinforcing inequalities between well-resourced and under-resourced institutions. Financial sustainability, therefore, is not merely a technical issue but a policy concern with implications for equity, access, and long-term development.

Public financing plays a central role in shaping the sustainability trajectories of higher education systems, particularly in countries where universities rely predominantly on government grants. National policies, budgetary allocations, and funding formulas influence institutional behavior and strategic priorities (SDSN, 2017). When public investment frameworks explicitly link higher education financing to SDG outcomes, universities are more likely to embed sustainability within their core functions.

The literature suggests that coherent policy alignment between national development plans and higher education financing is essential for effective SDG implementation (NPC, 2019; UNESCO IIEP, 2017). In contrast, fragmented or short-term funding undermines universities' capacity to institutionalize SDG 4.7 across curricula, research, and community engagement.

Global initiatives such as the Higher Education Sustainability Initiative (HESI) and the Copernicus Charter have reinforced the responsibility of HEIs to contribute to sustainable development through education, research, and campus operations (Decamps et al., 2017). However, participation in such initiatives often depends on financial capacity, highlighting the link between public investment and institutional engagement with global sustainability frameworks.

Nepal has formally committed to the Sustainable Development Goals through their integration into national policy frameworks, including the Fifteenth Five-Year Plan and sectoral education policies led by the Ministry of Education, Science and Technology and the National Planning Commission (NPC, 2019). Localization of SDG indicators and coordination mechanisms reflects strong policy-level alignment with the 2030 Agenda. However, empirical evidence indicates significant implementation gaps within higher education institutions. Studies report limited SDG awareness among senior university officials and weak integration of sustainability into academic planning and governance, largely due to inadequate Higher Education for Sustainable Development (HESD) literacy and strategic leadership (Adhikari & Shah, 2021; Adhikari & Shrestha, 2023).

Financial sustainability constitutes a critical constraint. Nepalese public universities depend heavily on government grants that are often insufficient, delayed, and weakly linked to sustainability outcomes. Although the Nurturing Excellence in Higher Education Program introduced results-based financing to promote equity, governance reform, and labor-market relevance, its contribution to SDG-oriented transformation remains underexplored and only indirectly aligned with SDG 4.7 or ESD metrics (Adhikari & Shah, 2020; Aryal, 2020).

International evidence underscores financial sustainability as a prerequisite for institutionalized SDG integration. Stable public investment and diversified financing enable curriculum reform, faculty development, sustainability research, and community engagement, whereas weak financial commitment results in fragmented initiatives (Aleixo et al., 2018; UNESCO, 2021; OECD, 2025; Sterling, 2014; Sahin, 2025). Nepal's LDC graduation and alignment with the Doha Programmed of Action offer opportunities to reorient higher education financing toward SDG 4.7 outcomes. As the country's largest public university, Tribhuvan University provides a critical case for examining how financial policies and public investment shape institutional SDG integration, an area where empirical evidence remains limited.

Table 2

Empirical Studies on Financing, Policy Alignment, and SDG 4.7 in Higher Education

Author(s) & Year	Study Context	Research Design	Focus	Key Empirical Findings	Relevance to SDG 4.7
Salmi (2017)	Global HE systems	Qualitative analysis	Performance- based funding	Results-based financing can incentivize reforms	Relevant for SDG-linked funding policies
Aleixo et al. (2018a)	European public universities	Mixed methods	Sustainability governance, finance	Financial constraints hinder sustainability initiatives	Links funding stability to SDG implementation
Farinha et al. (2018)	Developing- country HEIs	Comparative case studies	Governance, financial capacity	Limited autonomy and weak funding restrict SDG adoption	Relevant to public universities in Nepal

Giesen Bauer & Müller- Christ (2020)	European HEIs	Qualitative interviews	Organizational learning	Long-term financial planning essential for SDG integration	Supports need for stable financing
Aleixo et al. (2020)	Public universities	Survey- based analysis	Funding mechanisms, SDGs	Financing structures shape institutional SDG engagement	Justifies focus on public investment
Adhikari & Shah (2021)	Nepalese universities	Qualitative interviews	SDG awareness, leadership	Limited SDG literacy among leaders constrains implementation	Explains weak SDG 4.7 operationalization
UNESCO (2021)	Global	Comparative analysis	ESD financing	Sustained public investment enables ESD	Confirms finance as prerequisite for SDG 4.7
Adhikari (2022)	Nepal (Tribhuvan University)	Qualitative case study	HESD concept, policy context	Absence of explicit mandates and financing undermines HESD	Contextualizes SDG 4.7 in Nepal
Adhikari & Shrestha (2023)	Nepalese HEIs	Multi- stakeholder qualitative study	Knowledge management, SDG 4.7	Weak KM systems limit stakeholder engagement and SDG integration	Positions KM as an enabler of SDG 4.7

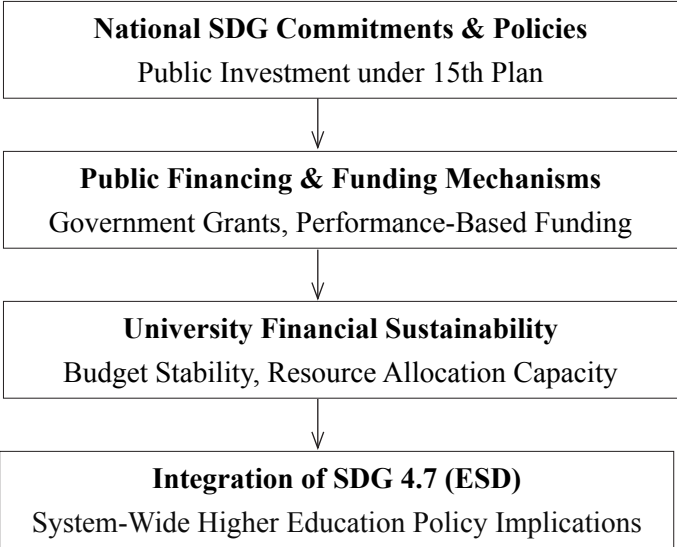
Source: Summarize by the Author

Conceptual framework

Throughout the literature review, the study aims to examine the relationship between financial sustainability and the integration of SDG 4.7 within institutional sustainability frameworks, and to assess the role of public investment in supporting the implementation and institutionalization of SDG 4.7 aligned Education for Sustainable Development initiatives within higher education institutions following the conceptual framework.

Figure 1

Conceptual framework



This study positions financial sustainability as a foundational enabler of SDG 4.7 implementation in higher education, offering empirical insights from Nepal and contributing to global debates on sustainable higher education governance in developing countries. OECD (2025) discusses the *financial sustainability* of higher education institutions, defining it as the capacity to meet operational and long-term investment needs to deliver strategic goals and serve society. It also highlights that sustainable financing strategies are critical for universities to maintain quality education and support broader institutional objectives.

Research Gap and Contribution

In Nepal’s higher education system, universities face persistent financial sustainability challenges stemming from limited public funding, weak long-term income streams, and inefficient expenditure frameworks (Adhikari & Shrestha, 2023). The absence of Higher Education for Sustainable Development (HESD) literacy and strategic leadership has constrained institutional advocacy for SDG 4.7 with government and funding agencies. Although national financial plans exist, HEIs often struggle to access and effectively utilize grants, resulting in unclear integration of SDGs within institutional strategies (Adhikari & Shah, 2021; Adhikari & Prakash, 2023). International literature further indicates that HESD research remains fragmented and context-dependent, particularly in non-Western settings

(Inkinen, 2016; Ma & Yu, 2010; Quarchioni et al., 2020; Hallinger & Chatpinyakoo, 2019). Nepal's Fifteenth Plan and Medium-Term Expenditure Framework incorporate SDG indicators, budgeting, and strategic financing mechanisms such as needs assessment and costing (NPC, 2019; NPC, 2020; IAU, 2023; Singh & Segatto, 2022). At the institutional level, Tribhuvan University employs a diversified financing model, including block grants, tuition adjustments, subsidies, research funding, endowments, and affiliation charges, aiming to enhance financial sustainability and embed SDG 4.7 within planning, governance, and academic programs (TU Vision, 2019).

Method of data collection and analysis

This study is grounded in a social constructivist paradigm, consistent with Creswell's qualitative inquiry framework, which assumes that meaning is co-constructed through interaction and shaped by social, institutional, and policy contexts (Creswell, 2014). The research adopts a qualitative, multi-method design comprising archival analysis of policy and institutional documents, and semi-structured and unstructured interviews with key stakeholders. Data collection and analysis were conducted iteratively, with research questions guiding the selection and refinement of inquiry methods throughout the study.

This systematic review followed the PRISMA framework to identify and screen relevant studies. An initial set of keywords was generated through exploratory searches on financial sustainability on Sustainable Development Goals (SDGs) in higher education institutions (HEIs) with its domains; This study consists of four dimensions (Budgetary Arrangements, Fund Management, Cost Efficiencies, Income Incensement) as domains of financial sustainability, which are referenced from Adhikari and Shrestha (2023). Using the Scopus database, 50 systematic review articles were systematically identified and screened out of 500 retrieved articles, included "SDG4.7, "education for sustainable development" HEIs and financial sustainability.

Titles, abstracts, and keywords were screened to identify recurring terms and thematic patterns. These terms informed iterative keyword refinement, which was conducted through repeated searches in Scopus until irrelevant results were minimized and seminal studies consistently emerged. The finalized keywords are: "Budgetary Arrangement OR Financial Policy OR Cost Effectiveness OR Financial Strengthen OR Financial Empowerment OR Fund Management."

Research Context

Nepalese higher education is complex, with multiple universities, yet Tribhuvan University (TU) accounts for over 80% of the student population, academic programs, and facilities (Bhusal, 2023). TU comprises 40 central departments, 62 constituent campuses, 1,052 affiliated campuses, four schools under five institutions, and four faculties. It manages 144 budgetary units and 181 cost units nationwide, promoting knowledge, research, and the development of competent human resources for Nepal's holistic progress (Bhusal, 2023). Research is facilitated through four research centers, a Research Directorate, and Research Management Cells across central departments and campuses. As a central university, TU aligns national plans and policies, playing a critical role in implementing SDG 4.7. Its mission focuses on promoting advanced learning, protecting and developing national culture, and engaging in empirical knowledge creation across arts, science, technology, and vocational disciplines (TU, IPRD, 2023).

TU's governance supports SDG 4.7 integration through four councils: the Executive Council executes Senate decisions, allocates grants, and appoints officials (7 members); the Academic Council oversees curricula, teaching, examinations, and research (50 members); the Research Coordination Council formulates research policies and coordinates university-level research (27 members); and the Planning Council advises on short- and long-term plans, annual programs, and program evaluation (29 members) (TU, IPRD, 2023). Collectively, these structures enable TU to foster a learning culture aligned with national and global education priorities.

Research Design

This study majorly follows qualitative multi-method research design, complemented by a descriptive research approach. In Table 3 shows that data were collected from key executive leaders who possessed direct institutional knowledge and decision-making responsibilities relevant to the study. Clearly defined inclusion criteria were applied to ensure the relevance and adequacy of participants and to minimize potential sampling frame errors, thereby enhancing the rigor and credibility of the qualitative inquiry (Malhotra, 2019).

Table No. 3*Sample Frame for the Study*

Research Methods	Sampling Frame
Semi-structured Interviews	Executive higher educational leaders,
Semi-structured Interviews	Division Chiefs
Systematic Review	Systematic reviews identified via Scopus database (n = 50)

Source: Author's Own Work

In this study, the researcher conducted a discursive and consultative dialogue with key executive leaders to purposefully identify participants who hold formal leadership positions under the Act and regulations of Tribhuvan University (TU, 2023). Interviews were largely unstructured and conversational, allowing flexibility for probing, clarification, and follow-up questions. This approach facilitated a nuanced understanding of executive leaders' conceptualizations and practices related to the research questions (Tribhuvan University, 2050). Sample size is determined not by numerical thresholds but by the principle of theoretical saturation. Data collection is considered complete when no new information emerges, analytic codes are fully developed, and relationships among categories are well established and validated (Strauss & Corbin, 1990). Although guided by descriptive–interpretive qualitative principles, Table 4 is presented the sample sizes, time commitment, and analytical depth required by the adopted research design.

Table 4*Sample Size for Various Approaches to Data Collection*

Research Method		Size (N)	Total Hours/Units
Semi-structured	interview	4	3 hours
Academic Executive Leader			
Semi-structured	interview	2	2 hours
Administrative Division Chiefs			
Systematic Review		50 Systematic Reviews	
		Via Scopus Database with 5 Key Words	
Descriptive Analysis		10 Fiscal Years	

Source: Author's Own Work

Quantitative data were analyzed using statistical techniques, with descriptive tools employed to clean, summarize, and present the data, while mathematical procedures were applied to examine key components and relationships. Qualitative data analysis followed established interpretive practices. Interview transcripts and analytic memos were first reviewed to identify emerging ideas relevant to the research questions (Murphy, 2018). Verbatim excerpts

were then systematically coded and categorized by theme to enable deeper analysis (Cohen et al., 2000), is annexed.

Data were generated in compliance with established research ethics and safety standards. Informed consent was obtained from all participants through an information sheet outlining the study's objectives, procedures, and potential benefits, with participation remaining entirely voluntary. Participant anonymity was ensured through the use of pseudonyms. Interview transcripts were shared with participants for verification and amendment where necessary. The study adhered to approved ethical protocols throughout the research design, implementation, and monitoring phases. All data were securely stored on the university's official cloud platform, and confidentiality was maintained at all stages of data collection and reporting.

Results and Discussion

This section includes the opinions of executive leaders and interviews at different phases. Interviews with university registrars, deans, and division chiefs were done to address the issue is raised by RQ1 and in Phase 2, financial data is reviewed to answer the second research question, RQ 2. Findings are reconciled with policy provisions to examine whether public investment is good enough to embed the goal.

National SDG Commitments & Policies on SDG 4.7

The result of documents analysis (policy review) presents that Nepal has formally embedded the Sustainable Development Goals (SDGs), including SDG 4 targets, into its Fifteenth National Plan and related frameworks, signaling high-level policy commitment to inclusive and transformative education in line with the 2030 Agenda. The SDGs are assigned codes in the Medium-Term Expenditure Framework (MTEF), which guides annual budgeting and planning processes, thereby aligning national development strategies with SDG targets (NPC, 2019; NPC, 2020).

The major national level policies, plans and reports revealed that Nepal has embedded the SDGs, including SDG 4, into its Fifteenth National Plan and Medium-Term Expenditure Framework, aligning budgeting and development strategies with 2030 Agenda targets (NPC, 2019; NPC, 2020). The 2019 SDG 4 Education 2030 Nepal National Framework, developed with UNESCO, guides operationalization across all government levels, emphasizing education for sustainable development and global citizenship (4.7). While no standalone mandate exists, provisions in national policies, such as NEP 2020, promote value-based, inclusive, and multidisciplinary education, civic responsibility, human rights, and environmental awareness,

reflecting SDG 4.7 principles. Monitoring tools like 4.7.1 highlight gaps, and decentralized guidance ensures subnational alignment. Table 5 presents the SDG4.7 relevance provisions in policies.

Table 5

National Policy Provisions for SDG 4.7

Policy / Framework	SDG 4.7 Relevance
Fifteenth National Plan & MTEF (NPC)	“Mainstream SDG targets in planning and budgeting; includes SDG 4 but lacks explicit 4.7 operational details”. (The United Nations in Nepal)
SDG 4 National Framework (Education 2030 Nepal)	Defines strategic priorities for inclusive and transformative education, including peace, diversity, and citizenship concepts aligned with 4.7. (UNESCO)
National Education Policy 2020	Supports value-based, flexible education and lifelong learning that can advance ESD and citizenship education. (Public Administration Institute)
SDG Monitoring Tools (4.7.1 Indicator)	Mechanism to track mainstreaming of ESD and global citizenship, though current data gaps persist. (UNESCO UIS Download)

Source: Author's Own Work

Nepal's national education planning and frameworks conceptually acknowledge SDG 4.7 themes (sustainability, citizenship, diversity), but explicit mandates, operational guidelines, and financing incentives specifically dedicated to SDG 4.7 are limited.

Throughout the review process, it is found that the plan highlights mainstreaming Education for Sustainable Development (ESD), global citizenship, human rights, gender equality, and peace across curricula, teacher education, and assessment systems. While it provides a clear policy directive for embedding sustainability and citizenship principles, financing mechanisms and institutional-level implementation strategies remain underdeveloped, limiting transformative outcomes in higher education. Key policy provisions include:

- Fifteenth National Plan (NPC, 2019; NPC, 2020): “Mainstream SDG 4.7 principles in education, including global citizenship, sustainable development, human rights, gender equality, and peace, through national policies, curricula, teacher training, and assessment systems.”

- SDG 4 Education 2030 Nepal National Framework: “Target 4.7 aims to focus on mainstreaming global citizenship education and education for sustainable development in national education policies, curricula, teacher education, and student assessment.”
- SDG 4 Education 2030 Nepal National Framework: “Promote the culture of peace, civic awareness, sustainable behaviour, social harmony and shared values”
- SDG 4 Goals (UN Commitment adopted in Nepal): “By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development through education for sustainable development global citizenship and appreciation of cultural diversity.”
- National SDG Status & Roadmap: “Target 4.7 education for sustainable development and global citizenship mainstreamed in policies, curricula, teacher education, and student assessment.”

Public Investment Provisions for HEIs in National Policy

From the content-document analysis, it is explored towards public investment provision that although Nepal allocates a significant education budget, only 9 to 19% targets higher education, historically low compared to its neighbors. Public financing primarily covers recurrent and administrative costs, with limited emphasis on strategic investments like SDG 4.7 integration. The University Grants Commission (UGC) channels government grants for operational and developmental purposes, provides scholarships and research funding, and formulates grant policies. The Nurturing Excellence in Higher Education Program (NEHEP, 2021–2026) offers results-based, performance, and equity grants, alongside capacity-building support. Additional block grants and subsidies through the Ministry of Education and UGC, plus federal and provincial transfers, form Nepal’s public investment framework, yet explicit SDG-focused funding remains limited. The table below presented that the public investment mechanism to tie up HEIs.

Table 6

Public Investment Provisions for HEIs in National Policy

Policy / Program	Public Investment Provision
University Grants Commission Act (1993)	“Government grants for universities/HEIs scholarships and research support”
UGC Grant Allocation Mechanisms	“Block grants, formula-based, and performance-based funding to HEIs via UGC”

National Higher Education Program (2021–2026)	“Results-based financing to improve governance” access, equity, and digitalization”
Federal Budget Allocations	“Public subsidies channeled through MOEST and UGC to HEIs”

Source: Author’s Own Work

The provision for public investment present that Nepal’s public investment in higher education via the University Grants Commission, block and performance-based grants, the National Higher Education Program (2021–2026), and federal budget allocations- supports general institutional development, governance, and equity. However, no provisions explicitly earmark funding for SDG 4.7 integration, ESD curriculum reform, or sustainability-focused capacity building. And digitalization grant ensured the governance system of TU.

The Conceptualization Role of Leaders for Financial Sustainability

In the case of analyzing thematic concentration about executive leaders regarding public investment policies 3 board thematic open-ended question were asked in in-depth interviews. During the interview, background is discussed and connected the result of documents analysis. The perception of Deans, Director of Planning Directorate and Financial Chief of TU to get the condition of Financial Sustainability in TU. The opinions of these officials are mentioned below.

Table 7

Opinion of TU Leaders on Plan to Manage the Funds/ Budget for HSED

University leaders	Statements
Dean_1	“However, despite the availability of grants, there seems to be a lack of sufficient proposals. For instance, at the Institute of Science and Technology, while there were nine collaborative grants available worth 30 lakhs, only seven applicants emerged. Furthermore, three of these applicants were eliminated in the initial screening process. It shows that we can plan and manage the fund and budget for HSED, and only the things that require leaders and concerns are addressed.”
Dean_2	“I have plans for financial resources; however, we received the grant only for Salary and other liabilities of employees, so fund management becomes a crucial part for TU institutions.”
Planning-Director	“To some extent, and looking for more support from the government.”

Chief	“Financial Sustainability largely depends on how the university manages its sources. Every program and activity must be planned to ensure the financial source.” TU has research, campus development, endowment, scholarship, and other funds.”
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Source: Opinions of HEIs’ Leaders

Table 7 indicates that Tribhuvan University’s difficulty in securing adequate funds for routine operations reflects a core challenge highlighted in financial sustainability theory which emphasizes revenue adequacy, diversification, and strategic resource alignment as prerequisites for long-term institutional viability (Johnstone, 2018; OECD, 2020). Overdependence on single-source public financing, TU remains largely dependent on government grants. The Financial Division’s observation that SDG-related projects attract funding when linked to clearly identified financial sources underscores the importance of project-based and earmarked financing.

University Financial Sustainability Strategy

Regarding the next questions, in this context, the university’s financial strategy and fund management the following table presents the perceptions of key policy initiators and their role in supporting the implementation of SDG 4.7 at Tribhuvan University.

Table 8

Opinion of TU Leaders on Strategy for Financial Sustainability for HSED

University leaders	Statements
Dean_1	<p>“Nepal Government made a MoU with the World Bank for the Nurturing Excellence in Higher Education Program (NEHEP) in line with implementing SDG. In some frameworks/approaches is deemed inefficient and a misallocation of resources; thus, public fund investment should be in alignment with universities’ needs. Following Internal strategies may work to support to some extent</p> <ol style="list-style-type: none">1. Fee Increment strategy (Existing and new Program Launch)2. Endowment Fund Increment Strategy3. Generate Fund strategy (Explore collaborative research /programs to attract funds from international and national organizations.)” <p>Additionally, a partnering strategy might promote the financial sustainability of TU, as we have many examples for it.”</p>

Dean_2	<p>“Public Investment is highly expected for this initiative however, following internal strategies is working to some extent;</p> <ol style="list-style-type: none">1. Fee Increment strategy (Existing and new Program Launch)2. Endowment Fund Increment Strategy3. Generate Fund strategy (Explore collaborative research /programs to attract funds from international and national organizations.)”
Director	<p>“For SDG4.7, the government has a responsibility to invest in it; however, following the internal strategy will slightly work for Financial Sustainability;</p> <ol style="list-style-type: none">1. Generate Fund strategy (Explore collaborative research /programs to attract funds from international and national organizations.):2. Endowment Fund Mobilizing /Increment strategy:3. Fee Increment strategy (Existing and new Program Launch)
Chief	<p>“We can enrich our funds and income by mobilizing the following (without interfering with the regular education program)</p> <p>Generate Fund strategy (Explore collaborative research /programs to attract funds from international and national organizations.):</p> <p>Endowment Fund Mobilizing /Increment strategy:</p> <p>Generate Fund strategy (through its physical resources that are not in use at present, may be leasing); we can align with industries with an MoU ie we can even establish a hotel for practicing and employing our students. Additionally, we can approach the Government for the public fund, as it is a national priority issue, with precise proposals and plans.”</p>

Source: Opinions of HEIs' Leaders

TU officials emphasized the importance of public investment, particularly for the SDG program, which requires additional resources. To ensure financial sustainability, they propose seeking government support and adopting internal strategies: generating funds through collaborative programs, increasing endowment funds, and raising fees for existing and new programs. Public investment is prioritized.

Conceptualization the integration of SDG4.7

The study examines the university's budget, public investment pattern and financial condition over a ten years period from fiscal year 2070/071 to 2080/081, using SDG4.7 indicators as the analytical framework. The analysis described that the National Planning Commission has

estimated a total of NRs 306bn (US\$2.87bn) during 2016–2030 for achieving the SDGs in line with the targets (NPC, 2018). The budget trend in the past shows that the total budget allocated for HEIs by the government is about 1% of the national budget, which ranges between NRs 11–14bn per annum. On that basis, Nepalese HEIs require approximately NRs 22.8bn (US\$0.21bn) per annum to achieve SDG 4 (Adhikari & Shah, 2021). Tribhuvan University has very limited resources and is promoting the concept of SD, both in the sense of research and innovation and the transfer of technology and knowledge.

The Financial status for the integration of SDG4.7 in TU for the 10 years is presented in the following graphs

Figure 2

The Weight of Development Budget on Total Budget

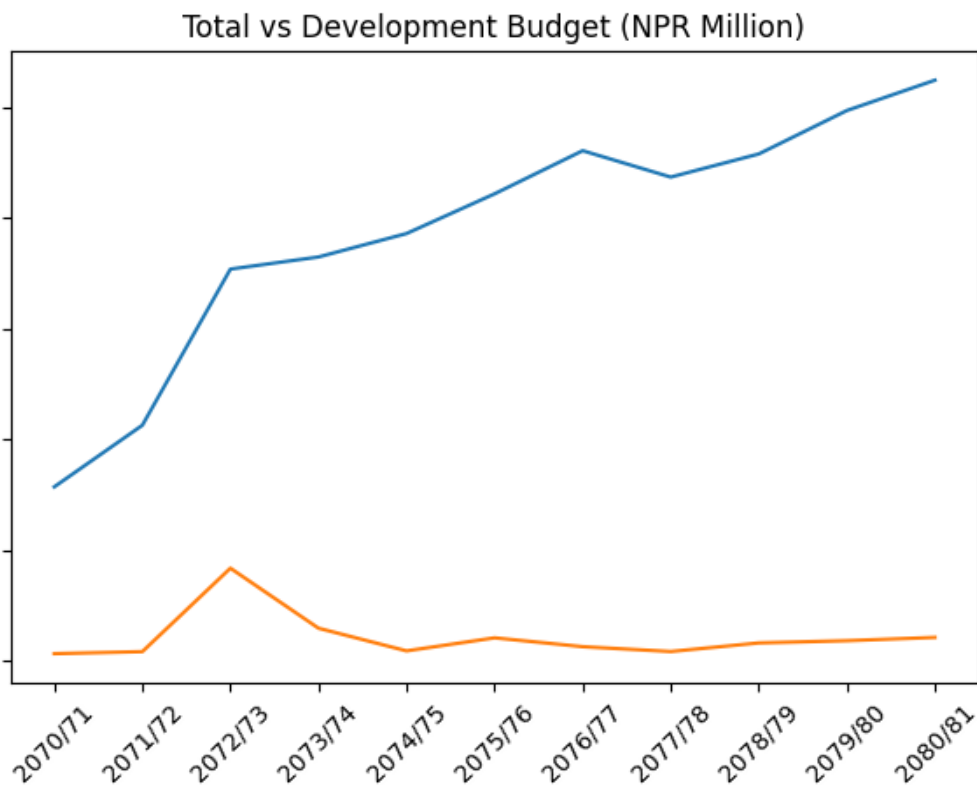


Figure 3

Research Budget Trend

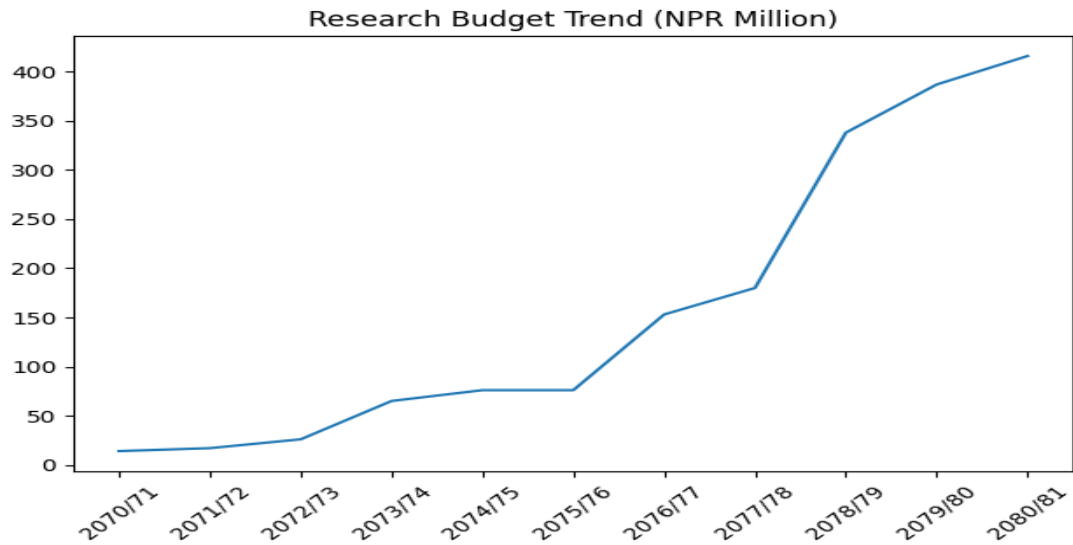
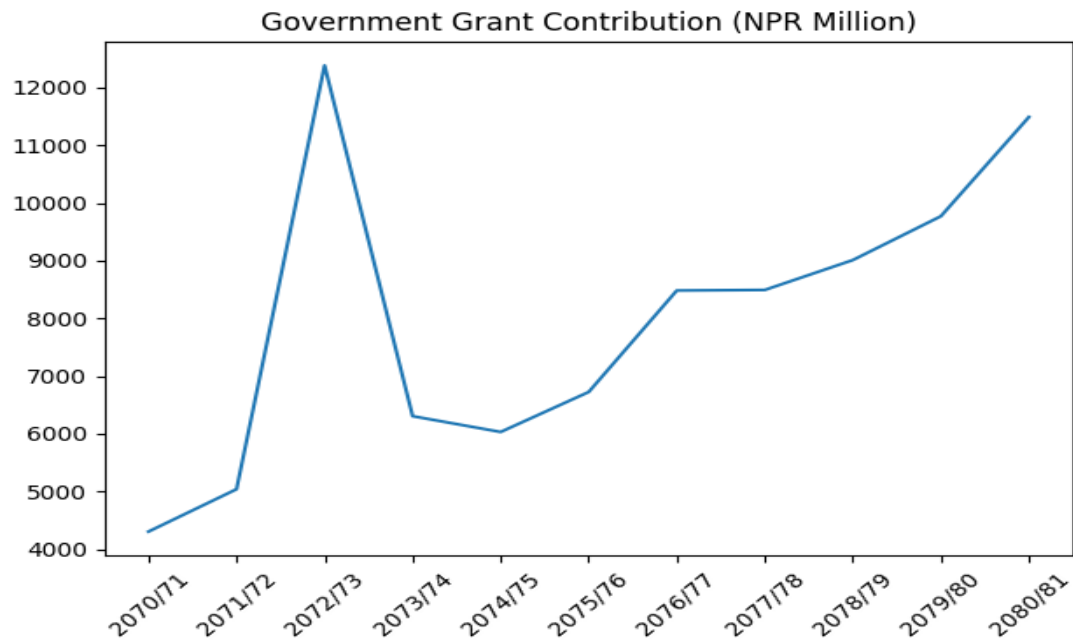


Figure 4

Government Grant Contribution



The budgetary analysis of Tribhuvan University over the period FY 2070/71 to 2080/81 reveals structural constraints affecting the institutionalization of SDG 4.7. Although TU's total budget increased more than threefold over the decade, expenditure remains heavily skewed toward recurrent and operating costs. Development expenditure, critical for curriculum transformation, faculty development, and sustainability-oriented innovations, consistently accounts for less than 5% of total spending, except for FY 2072/73.

The findings of this study demonstrate that financial sustainability operates as a catalytic condition for the effective implementation of SDG 4.7 within higher education institutions, rather than as a peripheral administrative concern. Consistent with sustainability finance theory, the analysis shows that persistent dependence on recurrent government grants constrains Tribhuvan University's (TU) ability to invest strategically in curriculum innovation, research, and community engagement aligned with Education for Sustainable Development (ESD) (OECD, 2021; Salmi, 2018).

Table 9

*Results–Discussion Linkage on SDG 4.7 Financing in Nepalese Higher Education**

Empirical Result	Evidence Source	Analytical Interpretation (Discussion)	Policy / SDG 4.7 Implication
Higher education receives a limited share of the education budget (9–19%).	National budget reports; NPC planning documents	Despite strong SDG commitments, fiscal prioritization of higher education remains low, constraining transformative learning investments.	Limits HEIs' capacity to mainstream SDG 4.7 through curriculum reform and sustainability programs.
Over 90% of HEI funding is allocated to recurrent expenditure.	TU financial records; interview with Chief of Finance Division	Developmental and innovation-oriented activities receive minimal funding, marginalizing SDG-related initiatives.	SDG 4.7 implementation remains peripheral and project-based.
TU struggles to finance regular operations.	Interview evidence (Financial Division, TU)	Structural underfunding reduces institutional flexibility for SDG-oriented innovation.	Highlights the need for earmarked SDG-linked grants.

SDG projects are feasible when funding sources are identified early.	Executive leader interviews	Financial constraints are procedural rather than absolute; planning and alignment matter.	Strengthening proposal design and SDG-budget alignment can enhance implementation.
NEHEP introduces performance-based financing but lacks SDG indicators.	NEHEP policy documents (2021–2026)	Results-based funding prioritizes governance and quality, not sustainability, and learning outcomes.	Missed opportunity to incentivize SDG 4.7 integration in HEIs.

Source: Elaborate by the author

The findings of this study stated that financial sustainability strongly influence the institutional integration of SDG 4.7 within academic programs, governance structures, and sustainability-oriented practices. Hence SDG4.7 yet to be embedded effectively accordance with the national commitment. Similarly public investment is most of expected source for incorporation the them of SDG4.7. The data demonstrates that the indicators of SDG4.7 are yet to properly embedded in budget and program because the trend of public investment is on administrative budget rather to allocate program-oriented budget. Even, by the university, weak in financial sustainability, it remains unable to integrated SDG policy.

The disproportionately low share of development and research expenditure observed across the study period mirrors international evidence that SDG integration in universities remains symbolic when not backed by targeted financial commitments (Leal Filho et al., 2019a; Blanco-Portela et al., 2018). UNESCO (2017) emphasizes that SDG 4.7 requires systemic investment in curriculum reform, faculty development, and participatory pedagogies, areas that are highly sensitive to fiscal flexibility. The negligible allocation to curriculum development at TU after FY 2071/72 reflects a broader policy–practice gap frequently reported in developing-country HEIs (Tilbury, 2011; Aleixo et al., 2020).

Furthermore, the gradual increase in research funding, although positive, remains insufficient to support interdisciplinary sustainability research capable of generating transformative learning outcomes. Prior studies argue that research-led ESD is essential for embedding global citizenship, human rights, and sustainability values across disciplines, yet such integration depends heavily on predictable and diversified funding streams (Sterling, 2014; Ramos et al., 2015). The findings therefore support Leal Filho et al.'s (2019b) assertion that

universities cannot fulfill their moral and social responsibility toward sustainable development without structural financial reforms.

From a policy perspective, the study aligns with Nepal's Fifteenth Plan and the University Grants Commission's reform agenda, which recognize higher education as a strategic driver of the SDGs (NPC, 2019; UGC, 2020). However, the limited fiscal autonomy observed at TU suggests that national SDG commitments have not yet translated into institution-level budgetary prioritization of SDG 4.7, echoing concerns raised by Adhikari and Shrestha (2023) regarding weak HESD literacy and leadership advocacy.

Conclusion

This study concludes that financial sustainability is a decisive enabler of SDG 4.7 implementation in higher education, rather than a contextual background variable. Evidence from Tribhuvan University indicates that constrained development and research financing significantly limit the institutionalization of Education for Sustainable Development, despite strong national policy commitments to the SDGs.

The findings reinforce that SDG 4.7 cannot be operationalized through policy rhetoric alone, but requires deliberate financial alignment, diversified funding mechanisms, and integration of sustainability priorities into core budgeting processes (UNESCO, 2020; OECD, 2021). For Nepal, strengthening endowment governance, expanding project-based public and donor financing, and embedding SDG 4.7 indicators into higher education quality assurance frameworks are critical steps toward sustainable transformation. One of executive leaders expressed the view regarding financial sustainability;

“For SDG4.7, government has responsibility to invest on it, however following internal strategy will slightly work for Financial Sustainability;

1. Generate Fund strategy (Explore collaborative research /programs to attract funds from international and national organizations.);
2. Endowment Fund Mobilizing /Increment strategy;
3. Fee Increment strategy (Existing and new Program Launch)”

By empirically linking financial sustainability to SDG 4.7 outcomes, this study contributes to the emerging Higher Education for Sustainable Development (HESD) literature and provides evidence-based guidance for policymakers, university leaders, and development partners seeking to advance sustainable, inclusive, and globally responsible higher education systems.

Tribhuvan University must transition from a grant-dependent financing model to a diversified, SDG-aligned financial strategy. Institutionalizing SDG 4.7 within budgeting frameworks, strengthening endowment governance, and prioritizing project-based public and donor financing are essential to ensure sustainable implementation of Education for Sustainable Development.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 135-153

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Problems and Challenges of Community Campuses in Gandaki Province

Keshav Raj Kaphle*

Janajyoti Campus, Bhimad Tanahun

*Corresponding Author: kaphlekeshav@gmail.com

Received: September, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89275>

Abstract

This study explored the problems and challenges faced by community campuses in Gandaki Province, focusing on both QAA-accredited and QAA in process campuses. Using a qualitative research design with a descriptive phenomenological approach, data were collected from ten purposively selected campus chiefs through open-ended questions. Thematic analysis revealed that financial constraints, inadequate infrastructure, shortages of qualified full-time faculty, low student enrollment, and high dropout rates are determined problems across campuses. Faculty motivation, professional development, and research engagement were found to be limited, while weak governance, political interference, and insufficient community support further weaken institutional effectiveness. Campuses also face challenges in aligning academic programs with labor market needs, implementing modern teaching methods, and supporting long-term growth. QAA-accredited campuses generally demonstrate better governance, faculty quality, student engagement, and infrastructure compared to campuses still undergoing accreditation. The study recommends dedicated funding, income-generating programs, faculty recruitment and development, modernization of curricula, ICT integration, research support, strengthened governance, and active community engagement to enhance sustainability, academic quality, and student success. These findings provided critical insights for policymakers, campus administrators, and stakeholders to improve the performance and resilience of community campuses in Nepal.

Keywords: Challenges, enrollment, financial constraints, higher education, problems

Introduction

Community campuses in Nepal are non-profit public higher education institutions that are founded and developed by local communities, frequently with assistance from local stakeholders (such as educators, social workers, politicians, and civil society, especially linked to Tribhuvan University (TU) or other national universities. They are partially financed by the community, with minimal government support. They are established to offer affordable and accessible education, particularly in rural and semi-urban regions. In response to the limited access to higher education in rural and impoverished areas, community campuses in Nepal began to emerge in the mid-20th century. Since the majority of colleges were situated in major cities like Biratnagar, Pokhara, and Kathmandu, students from more rural areas were denied access to education. By organizing community resources, local leaders, social activists, educators, and parents took the initiative to start universities to remedy this imbalance. One of the main goals of community campuses is to guarantee that all students, regardless of socioeconomic background, have access to higher education. Community Campuses were established on the basis of the objectives, such as promoting local ownership and involvement in education, decreasing the movement of students from rural to urban locations for schooling, and improving underprivileged and oppressed populations, offering inexpensive education. Community campuses in Gandaki Province mainly affiliated with Tribhuvan University and other institutions play an important role in providing accessible higher education in Rural and Semi urban areas. However, they confront variety of challenges that hinder their effectiveness and sustainability. The primary objective of examining these issues is to identify key barriers to quality education delivery, equitable access and institutional growth. In order to support policy recommendations for increasing fund for infrastructure development and academic reforms for sustainable development of community campuses.

Recent Studies (UGC Reports) indicate that community campuses face significant challenges that hinder their effectiveness and sustainability. Low student attendance and elevated dropout rates serve as indicators of serious issues related to engagement and retention, exacerbated by inadequate facilities and limited funding. Additionally, teacher retention is compromised by low motivation levels and insufficient opportunities for professional development, leading to a lack of commitment and weak mentorship connections with students. The motivation of teachers to educate is often insufficient, resulting in pass rates that are only marginally above the national average. These challenges are further intensified by the declining interest of both the community and students in community colleges. Financial

constraints severely limit the campuses' ability to implement necessary improvements and create a conducive learning environment. Political factors obstruct the implementation of initiatives aimed at enhancing educational quality, complicating efforts to tackle these issues. To overcome these challenges and enhance student success, community campuses require increased funding, comprehensive professional development for educators, strategic planning, and strong community engagement programs. These findings are consistent with the results, which underscore the intricate relationship between various factors affecting academic success and the vital role of well-managed teacher support and resource distribution for effective learning.

Ardalan (2019) views that community colleges should be pleased and take glory for providing affordable open-door access to millions of Americans; they also must hold responsibility for leading dynamic and transformative changes that meaningfully increase student success. Community colleges indeed provide access to higher education by joining non-traditional, marginal, low-income, first-generation, and underprepared individuals. Similarly, Ramsden (2003) centers on how to enhance the quality of teaching and learning in universities and colleges. Its core themes are student-centered learning, constructive arrangement, reflective teaching practice, assessment and feedback, motivation and engagement, and instructional role in teaching quality. As Bailey (2002) stated that community colleges account for a significant share of American higher education. About one-half of all students in postsecondary teaching in 1997 were selected in community colleges (NCES, 2000), and over the span of any given year, more for-credit undergraduate replacements were selected in community colleges than in bachelor's degree programs. In numerous community colleges, more students select noncredit courses than credit-bearing courses. Throughout the 1960s, 1970s, and a portion of the 1980s, community colleges enjoyed dense enrollment growth. But in contrast to the past decades, community college enrollments declined marginally in the 1990s. Add up to drop enrollments peaked in 1992 at 5.7 million students, but stood at around 5.4 million in 1998 (NCES, 2000d). In the meantime, colleges in numerous states confronted declining enrollments, despite the fact that in a few states they turned back up by the end of the decade. According to Groenwald (2018), the numerous competing internal and external influences make leadership in higher education today hard and demanding. The study discussed the particular difficulties of managing several campuses, such as decision-making autonomy, communication, and high-caliber academic activities, knowledge management, culture, and consistency. The article also discusses ways to enhance effective leadership, including setting goals and plans for the

entire system, using technology to facilitate knowledge management, establishing policies for communication and consistency, and forming committees and councils that support the entire system.

As Muhiddin et al. (2023) made an effort to investigate how Malaysian public institutions are now employing green campuses. Even though the majority of Malaysian public institutions had adopted green initiatives, a number of difficulties were discovered. There were ways to advance green campus programs to the front. In order to achieve the Sustainable Development Goals and guarantee more sustainable behaviors in the future, communities and university administration should be key players. However, according to recent data, about 41% of US undergraduate students attend community colleges. This suggests that over two out of every five undergraduates attend community institutions. Community colleges saw a revival in 2024 with significant increases in enrollment, retention, and determination rates following a difficult few year. According to the Persistence and Retention report from 2025, enrollment has increased by more than 4%, freshmen enrollment has increased by more than 6%, and dual enrollment continues to rise.

Similarly, Leiderman et.al. (2002) made several recommendations for community group representatives who had collaborated with higher education institutions. The first problem is how important it is to follow through in order to create long-lasting relationships. The second is how community partners weigh the advantages and disadvantages of collaborating with a higher education institution. The third is how community members' perceptions of their college partners are affected by parity. Community partners proposed that collaborations with universities and colleges offer their organizations a variety of advantages. Some recommendations and implications for practice and policy were included in the study's conclusion. As examined by Holland (2005), the current and evolving role of higher education institutions, particularly those operating within the context of combinations, associations, and state systems, is to catalyze change on issues affecting communities and society as a whole. Specifically, the focus of the study was to develop and strengthen an understanding of how higher education might work more effectively with communities, and it is believed that associations or collaborations of higher education institutions, along with community partners, can learn from one another. Cooperation between efforts is vital.

Similarly, Pennington et al. (2006) examined the distinctive problems facing rural community colleges today and the challenges those institutions must address to fulfill their mission in rural America. The challenges found were compared with problems described in the

literature from the last 30 years. It was also stated that efforts have been made to solve the situations supposed as problems. Therefore, if community college leaders have tried to address these problems, they have been frustrated from making important progress by barriers found in the larger social, economic, or political certainties facing most rural communities. AS stated by Tyndorf (2019), community college education is corresponding and is not a less respected, non-elite alternative to the dynamic context of higher education. Community colleges provide the higher education desired by local communities and citizens who may not have other higher education opportunities. If policy representatives believe the economy to be for the people and driven by the people, then they need college to complement the higher education market, and they should therefore not be stigmatized; such stigma is unjustifiable. As Ardalan (2019) American community colleges have delivered on their work, open access, and educated about half of all undergraduate students in the United States. These colleges are recognized as primary providers of higher education for socioeconomically disadvantaged students. Contemporary community colleges have been facing the challenge of underfunding, and their leaders are expecting to improve student completion rates. As explored by Gaihre et al., (2022), the motivation practices and the contextual challenges for teachers' motivation in community colleges in Nepal. The study revealed that community colleges in Nepal are endeavoring to motivate their teachers to adopt broadly applied good practices as in other organizations of a similar nature. However, community colleges are unable to implement those motivational practices in line with teachers' expectations due to inadequate resources and a lack of systematized procedures. These institutions are increasingly looking for support from their affiliating universities, the University Grants Commission (UGC), as well as from federal, provincial, and local governments. Like Portrayed by Subedi et al.(2018), there are several issues and discrepancies in the current government system and the legitimacy of community campuses, which are proxies of higher education institutions in Nepal. The government needs to have strong and clear legislation to regulate almost all academic and administrative affairs of community campuses. found great variation and inconsistencies in the campus management committee formation process and its mechanisms, the campus chief selection process and its tenure. Likewise, the perception of teachers towards their career development was found to be miserable. Thus, the existing situation paves the way to make an inference that it is high time for the government to prepare a strong legislative framework to control and address issues and disagreements of the overall governance of community campuses of Nepal. As stated by Panthee (2022), public campuses are facing many challenges, which include proper

management of Teacher Professional Development (TPD) for faculty members of their campuses, and there is a gap between policies and practices in the application of TPD in public campuses of Nepal. The study discovered that teachers of public campuses justify TPD's high significance in the sense that it helps teachers develop many kinds of professional skills, knowledge, and new techniques of teaching. As stated by Neupane (2019) the Nepalese higher education sector had not seen much progress in terms of student enrollment, an increase in higher education programs and institutions, and infrastructure uplift, among others. This paper pointed out the current state of higher education in Nepal in terms of the shiny prospects and also suggests some challenges before offering some recommendations. He also stated that a lot still has to be done in terms of the government investing more in teacher training, management skills, and infrastructure development, although private educational institutions have flourished, and even some public colleges have upgraded their standards. The government should also start reforms on higher educational institutions, engaging students in applied learning rather than the pursuit of theoretical knowledge, and higher education curricula should be revised to entail issues of linguistic and sexual minorities so higher education is impartially possessed to all socio-cultural and economic sections. Like Gurung (2012) focused on just the general trends and information on the historical development of Nepalese education policy. Its main purpose has been to bring attention to the attempts that have been made to develop education and change in Nepal in the last six decades. It is recommended to make a further review and analyze the separate specific issues, such as curriculum, course structures, textbooks, teacher management, exams, government monitoring, and evaluation systems. He argued that, regardless of the problems and challenges, there are opportunities as well. The use of information and communication technology in education has encouraged betterment and improvement in the Nepalese education system. Regardless of the large amount of donor support and funds, the principal challenges such as the inability and lack of competence of various stakeholders and educational managers, as well as inappropriate implementation, monitoring, and evaluation. Similarly, Parajuli (2022) explored bachelor 's-level perceptions of challenges in their learning to complete their degrees. Applying the qualitative case study design, the findings indicated that academic challenges include poor study habits, insufficient English language skills, lack of note-taking skills and online study skills, as well as inadequate access to educational resources. Similarly, the study also focused on non-academic challenges such as transportation problems, digital distraction, conflict in career choice, and family support. The findings suggested that students need additional support in study skills

development, English language learning, career counseling, motivation, and avoiding digital distractions to alleviate these challenges for better retention and graduation rates. As Baral (2021) stated that the higher education reform initiative is challenging. The reform agenda should be the long-term agenda for the overall advancement of higher education, as reform is the best means to develop higher education in Nepal. His research has concluded that Nepalese Higher Education Institutions (HEIs) are not capable of bearing the demand of the global education market, to enhance the capacity of Nepalese higher education research and innovation culture; fairness and the uniformity in teacher selection and recruitment system; and development of a national qualification outline and credit transfer system are major challenges of HEIs. Therefore, strengthening the monitoring and evaluation system in higher education, increasing the pass rate, reforming tertiary institutions to impart quality education, improving property management among universities, and implementing the higher education policy provisions are other major challenges. Gaihre & Khanal (2025) presented an analysis of the perception of motivation among teachers in community colleges in Nepal, using Adam's equity theory of motivation. Using an interpretive phenomenological design, the study revealed that teachers in community colleges appreciated their work, practiced positive attitudes, and had a conducive work environment. Furthermore, community college teachers expected impartial treatment in terms of policies and practices, salary and assistance, administrative actions, chances for professional growth and development, and appreciation from their institutions. As Kaphle (2024) commonly highlights the significance of systematic teaching strategies that cater to students' diverse needs and preferences, emphasizing the dynamic nature of vocabulary acquisition and the need for tailored, adapted instruction for English language learners. Finally, Chapagai (2024) studied to identify the factors influencing academic accomplishment among students on community campuses by applying a descriptive survey research design. The study concluded that home-related factors, campus facilities, the teaching-learning environment and resources, habits of students, teacher-student relationships, and institutional factors meaningfully influence students' academic achievement at the university level.

The community campuses in Nepal, as non-profit public higher education institutions established through local initiatives since the mid-20th century, primarily aim to provide affordable and accessible education in rural and semi-urban areas, which are motivated by community stakeholders, educators, and social activists. These campuses are often affiliated with Tribhuvan University for focusing local ownership, reduced rural-urban student migration,

and empowerment of underprivileged groups, drawing conceptual international community colleges. Despite their foundational role in democratizing access, recent UGC reports and studies highlight significant challenges threatening their sustainability and effectiveness. Inadequate funding with limited government support, poor infrastructure, declining student enrollment, high dropout rates, and low community interest worsen issues of student retention and engagement. Teacher motivation remains low due to insufficient salaries, limited professional development opportunities, and systemic gaps between policies and practices.

While existing research, mainly qualitative and perception-based from 2012 to 2025, provides valuable insights into motivation, governance, and learning challenges, noteworthy research gaps remain. There is a scarcity of large-scale quantitative and longitudinal studies following enrollment trends, dropout patterns, and graduation outcomes, particularly in the context of post-2020 federal developments and potential campus mergers. Empirical comparisons between community and private/constituent campuses are limited, as are involvement studies evaluating the impact of enhanced funding, professional development programs, or community engagement initiatives. Emerging areas such as post-pandemic recovery, digital integration, employability outcomes, and sustainable practices receive minimal attention. Furthermore, the effectiveness of UGC interventions like performance grants and quality assurance accreditation, along with governance reforms under federalism and strategies to lessen political interference, permit deeper investigation. Addressing these gaps through mixed-methods, multi-site, and comparative research could generate evidence-based recommendations to strengthen policy frameworks and ensure the long-term viability and equity of community campuses in Nepal's higher education sector.

Methods of data collection and analysis

The study employs a qualitative research design with a descriptive phenomenological approach. Since the aim is to explore and interpret the real experiences of campus chiefs regarding the problems and challenges of community campuses, qualitative inquiry provides the flexibility to capture in-depth perspectives. Context-specific issues, and nuanced challenges that may not emerge through quantitative tools.

A purposive sampling strategy is used to ensure representation of two accreditation-status categories that are central to the study: (1) QAA-accredited community campuses, and (2) currently in the QAA accreditation process. From the total population of 79 campuses, ten campuses ($n = 10$) are purposively selected to allow a focused, comparative, qualitative

exploration of problems and challenges as reported by campus chiefs. Selecting an equal number from each category (5 + 5) allows balanced comparison and sufficient diversity to reach thematic saturation for the two open-ended questions. I have selected five QAA-certified campuses of Gandaki Province and coded QC for accredited campuses as (QC1), (QC2), (QC3), (QC4), and (QC5). Similarly, I have selected five under QAA process campuses and coded them as (C1), (C2), (C3), (C4), and (C5). This study, while providing useful insights into the problems and challenges of community campuses in Gandaki Province, has several limitations that need to be acknowledged.

First, the research is limited to ten purposively selected campuses (five QAA-accredited and five undergoing QAA accreditation) out of the total 79 community campuses in the province. Although this selection ensures representation of both categories, it does not capture the full diversity of all campuses. Thus, the findings should be interpreted as indicative rather than conclusive. Second, the study is based solely on the self-reported views of campus chiefs through two open-ended questions. While campus chiefs are the most knowledgeable about institutional issues, their responses may reflect leadership perspectives more strongly than those of other stakeholders. For a more holistic understanding, the voices of faculty members, students, administrative staff, and local communities would be equally valuable. Third, the study adopts a qualitative exploratory approach without detailed quantitative analysis. This limits the ability to generalize results statistically but allows a richer and more nuanced understanding of the key themes.

The respondents are Campus Chiefs of the selected 10 campuses. They are the key informants because of their administrative role, leadership position, and comprehensive understanding of the institutional problems and challenges. Since the research is qualitative, the following tools have been employed as Open-ended Questions, and these broad open-ended questions have guided the data collection. They are as What are the problems of your campus? And what are the challenges of your campus? The researcher established prior communication with selected campuses and requested participation, and provided campus chiefs with the open-ended questions in advance. The researcher informed the respondents to respond within one week and collected the responses systematically.

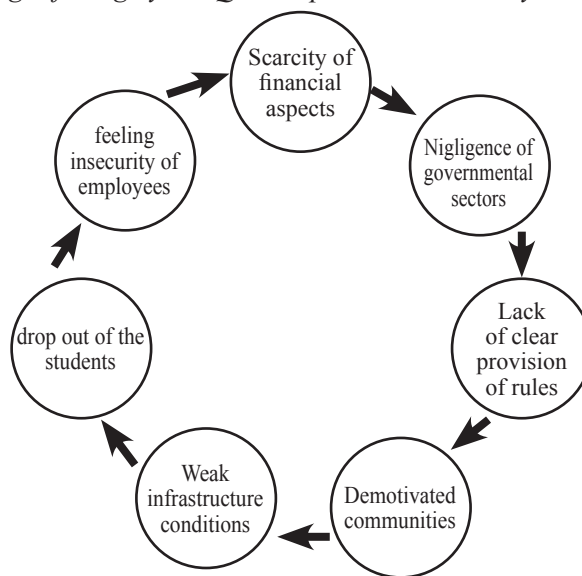
Thematic analysis is used to analyze responses. The steps are included as transcription of responses, categorization of codes into broader themes, and interpretation of themes to identify common problems and challenges. Examples of potential themes such as governance and leadership, financial sustainability, quality assurance and accreditation, infrastructure and

resources, faculty management and human resources, student enrollment and retention, and policy and external support

In keeping with its qualitative research design, the study used a descriptive phenomenological framework. While analyzing variations based on QAA (Quality Assurance and Accreditation) status as a crucial regulatory variable, this method focuses on examining and characterizing the existing experiences of campus chiefs regarding difficulties in community campuses. In the context of a developing country like Nepal, the framework can be thought of as a multi-dimensional model of institutional difficulties and quality improvement in community higher education institutions (HEIs). It found academic quality, sustainability, and campus success as results of structured internal and external elements, with QAA accreditation catalyzing advancement. To arrange the results, the study uses a qualitative descriptive phenomenological approach with thematic analysis. The conceptual structure is directly derived from the experiences of campus chiefs and structures the problems, challenges, and differences between QAA-accredited and QAA-in-process community campuses.

Figure 1

Problems and challenges facing by the QAA-in process community campuses



Results and Discussions

QC1 Campus, despite its long-standing contribution to higher education, faces a number of problems and challenges that affect its overall growth and effectiveness. One of the major

problems is the low motivation of faculties in conducting research work. Alongside this, the high student dropout rate has become a significant concern, reflecting issues in student engagement, economic difficulties, and limited career linkage. Similarly, the campus struggles to attract highly qualified human resources into teaching professions, as many prefer other sectors with better opportunities and facilities. Economic constraints further limit the campus's ability to upgrade its services, maintain quality education, and support academic activities. Additionally, unhealthy competition with other academic institutions in the region diverts focus from collaboration and collective educational progress.

In terms of challenges, QC1 Campus is struggling to bridge the gap between education and employment, as many programs are not adequately aligned with labor market needs. The lack of sufficient physical infrastructure has also restricted the campus from modernizing its learning environment and expanding opportunities for students. Another key challenge lies in creating strong community ownership and trust, which is vital for the sustainability of the institution in a community-driven educational model. The campus also faces difficulties in introducing new, market-oriented subjects and programs due to financial and program limitations. Furthermore, the absence of adequate financial support for faculty members to pursue higher education and professional development remains a barrier to academic excellence. These combined problems and challenges require collective efforts from management, faculty, students, the community, and policymakers to ensure the campus's sustainable development.

QC2 Campus is struggling with multiple institutional problems, such as low enrollment, inadequate and outdated infrastructure, high dropout rates, and poor academic results. Students show limited motivation toward higher education, while both faculty and students are rarely engaged in research activities. The campus also faces shortages of financial and human resources, insufficient use of modern teaching methodologies, and very few staff capacity-building programs, all of which are worsened by rising operational costs.

The challenges of QC2 Campus are equally critical, with many students dropping out due to weak economic backgrounds and limited public support for the institution. The lack of market-driven academic programs, the shortage of highly qualified faculty with MPhil and PhD degrees, and insufficient government grants continue to hinder its growth. Furthermore, the growing trend of students opting for foreign study or employment has sharply reduced enrollment, making it increasingly difficult for the campus to sustain academic quality and ensure long-term development.

QC3 Campus faces several pressing problems that directly affect its growth and quality of education. The lack of adequate funding has limited its ability to expand infrastructure and

attract qualified faculty, leading to difficulties in retaining staff. Similarly, limited infrastructure, low enrollment, and high dropout rates reflect both academic and motivational challenges among students. The absence of sufficient research opportunities and policy support has further weakened academic innovation. On top of this, brain drain and growing competition with other institutions have put pressure on the campus to remain relevant, while curriculum rigidity and language barriers add further complexity to the teaching-learning environment.

Alongside these problems, the campus must also tackle significant challenges. Ensuring financial sustainability is critical, especially while adapting to rapid digital transformations in education. Strengthening governance and leadership is necessary to improve decision-making and resist political interventions that can hinder academic progress. Enhancing the relevance of the curriculum, building strong research capacity, and creating a favorable environment for faculty retention are equally important. To overcome these challenges, the campus needs to balance modernization with inclusivity, attract community support, and position itself as a competitive and innovative educational institution.

QC4 Campus faces significant financial constraints, heavily relying on student fees, which limit its ability to run programs, expand infrastructure, and manage extra classes. Student enrollment is declining due to dropout, migration, and socio-economic barriers. Physical facilities such as classrooms, laboratories, libraries, and sports grounds are inadequate, while digital and technology-based teaching is poorly managed. The campus also suffers from a shortage of teaching materials, a weak research culture, limited industry collaboration, outdated professional development for faculty, and insufficient student support services. Additionally, there is a lack of employment-oriented and market-relevant programs, leaving graduates less prepared for the labor market.

The campus faces the challenge of sustaining quality education amid rising competition and declining student numbers. Attracting and retaining students, launching market-oriented programs (like BBA, BCA, BIM, IT, and MA in Sociology), and maintaining financial sustainability are pressing concerns. Effective use of ICT, fostering research and innovation, and developing qualified faculty are critical for academic growth. Administrative efficiency and good governance need strengthening, along with expanding national and international collaborations. Finally, maintaining community trust and stakeholder engagement is essential for long-term development and support.

QC5 faces significant problems that impact both its academic and operational effectiveness. Limited financial resources constrain the development of physical infrastructure and academic programs, while low student enrollment and high dropout rates reflect challenges

in attracting and retaining students. The campus also struggles with limited research activities and low motivation among faculty and students, and weak governance and management further hinder its overall progress.

The campus must focus on key challenges such as sustaining financial stability and retaining qualified human resources. Adapting to digital transformation, improving academic quality and relevance, expanding programs, and building strong community ownership are crucial for long-term growth and enhancing the campus's role as a credible and effective institution of higher education.

In summary, while all campuses share common issues of finances, enrollment, and research, each has distinctive concerns: QC1 emphasizes employment linkage, QC2 focuses on student retention, QC3 on governance and curriculum, QC4 on ICT and modern programs, and QC5 on motivation and community engagement

C1 is struggling with significant financial limitations, which hinder the campus from adequately developing its academic programs, purchasing necessary resources, and maintaining its facilities. The poor physical infrastructure further compounds these difficulties, as classrooms, laboratories, and other essential facilities are not sufficiently equipped to support effective teaching and learning. These problems restrict the campus's ability to provide quality education and limit the overall student experience.

C1 also faces pressing challenges related to student engagement and academic quality. The campus struggles with low student enrollment and a high dropout rate, indicating issues in retaining students and sustaining interest in higher education. Moreover, the teaching staff faces motivational challenges, and there is a shortage of qualified teachers. This combination affects the campus's capacity to deliver high-quality education, adopt innovative teaching methods, and improve academic outcomes, thereby posing long-term challenges for its growth and reputation.

C5 faces several issues that hinder its academic quality and student success. The shortage of qualified full-time faculty, resulting from financial constraints, directly impacts teaching and learning. Many students prefer urban centers with better career and skill development opportunities, which can lead to lower retention rates. Limited morning-only operational hours restrict full coverage of the curriculum, while students' home responsibilities and comfort zones reduce their dedication and academic performance. Additionally, the rural setting limits community support and awareness of higher education, and some students' focus is further weakened by plans to seek opportunities abroad.

The campus must overcome financial and structural limitations to attract and retain qualified faculty and improve student enrollment. Expanding operational hours and enhancing curriculum delivery are necessary to ensure academic outcomes. Boosting student engagement and motivation, particularly among those considering studies abroad, is critical. Strengthening community awareness and support for higher education can help build a more conducive learning environment. Overall, the campus faces the ongoing challenge of raising educational quality while adapting to socio-economic and geographic constraints

C4 is struggling with financial constraints, which limit its ability to expand or improve facilities. The campus also faces inadequate infrastructure, making it difficult to provide a conducive learning environment. Moreover, there is a shortage of full-time qualified staff, which affects teaching quality and overall academic performance.

The campus is experiencing a decline in student enrollment, which further strains its financial stability. Persistent financial crises make it difficult to sustain operations and development. Additionally, limited support from the local government poses a challenge in mobilizing resources and improving campus facilities

C1 is struggling mainly with financial instability, which limits its growth and academic development. Declining enrollment and high dropout rates reflect students' lack of confidence in the current curriculum, while irregular attendance and growing attraction towards foreign employment further weaken its academic environment. The inability to offer job-oriented and practical education, along with limited adoption of modern teaching strategies, has reduced its relevance. Adding to this, insufficient public concern and weak government support have made the situation more challenging.

The campus now faces the challenge of managing sustainable financial resources, attracting and retaining more students, and regaining public trust. It needs to motivate students towards the existing curriculum while also introducing skill-based, job-oriented programs that link education with employment. Minimizing student migration and ensuring active involvement and accountability of federal, provincial, and local governments are equally important for securing the future of the campus.

C3 is confronted with a range of structural and financial problems that affect its overall functioning. The campus depends heavily on limited student fees and government grants, restricting its capacity to invest in infrastructure, academic resources, and quality education. Inadequate physical facilities and insufficient space make it challenging to accommodate growing student numbers and meet modern learning needs. Operational inefficiencies

linked to Tribhuvan University's affiliation framework further impact teaching quality and administrative effectiveness. Many students, particularly from rural or economically disadvantaged backgrounds, face barriers in continuing their education, contributing to high dropout rates. Compounding these issues, delays or difficulties in affiliation renewal threaten the campus's credibility and the recognition of its academic programs.

The campus faces several pressing challenges that require strategic attention. Achieving sustainable financial management is essential to ensure consistent funding for operations and development. Expanding and upgrading infrastructure is crucial to provide modern learning environments and accommodate increasing student enrollment. Improving teaching quality and academic programs remains a key priority to deliver relevant and effective education. Supporting students from disadvantaged backgrounds is necessary to enhance retention and academic outcomes. Finally, maintaining compliance with university standards and fulfilling affiliation requirements is vital to preserving the campus's reputation and guaranteeing continued recognition by Tribhuvan University.

The five campuses - C2, C5, C4, C1, and C3 share common challenges related to financial constraints, inadequate infrastructure, and shortages of qualified full-time faculty, all of which hinder the quality of teaching, academic programs, and overall student outcomes. Low student enrollment, high dropout rates, and limited student engagement are recurring issues, reflecting difficulties in retaining students and maintaining motivation. Rural locations and weak community support further exacerbate these challenges, limiting the campuses' ability to expand resources or modernize facilities.

Despite these similarities, there are notable contrasts. Some campuses, like C5, struggle with limited operational hours and students' preference for urban centers, whereas C2 and C3 face additional pressures from regulatory and affiliation processes. Aanbookhaireni Multiple Campus is particularly challenged by declining student confidence and the need for job-oriented programs, while C4 contends with weak local government support. Overall, while all five campuses are working toward meeting QAA standards, differences in location, governance, and resource availability create unique challenges that shape their approaches to improving academic quality and institutional sustainability.

QAA-accredited campuses in Gandaki Province have successfully met the Quality Assurance and Accreditation standards, which reflect their commitment to maintaining academic quality, robust governance, and adequate infrastructure. These campuses generally have better-qualified faculty, more organized teaching schedules, and stronger research

and extracurricular programs. Student retention and engagement tend to be higher, and the campuses enjoy greater recognition and trust from the local community. In contrast, campuses undergoing the QAA process are still working to meet these standards. They often face challenges such as insufficient full-time faculty, limited physical and learning resources, lower student motivation, and operational constraints, which hinder their ability to fully implement curriculum and assessment practices.

While accredited campuses benefit from a structured quality framework and improved accountability, QAA-process campuses are still in the stage of identifying gaps and implementing reforms. Accredited campuses can leverage their status to attract students and faculty, develop innovative programs, and secure community and financial support. Meanwhile, campuses in the QAA process face the dual challenge of managing existing operational issues while simultaneously aligning their systems with QAA requirements. This contrast highlights the impact of accreditation not just on internal quality measures but also on external perception, student satisfaction, and institutional growth potential.

The findings of the study revealed that community campuses in Gandaki Province, whether QAA-accredited or in the process of accreditation, face a common set of institutional problems and emerging challenges. Financial constraints are the most persistent issue, limiting the development of infrastructure, the recruitment of qualified faculty, and the implementation of modern academic programs. Most campuses struggled with inadequate physical facilities, outdated or insufficient teaching-learning resources, and poor integration of ICT in education. Low student enrollment and high dropout rates remain critical problems across campuses, largely influenced by migration, weak economic backgrounds, and poor linkage between academic programs and employment opportunities. Faculty motivation is generally low, with limited involvement in research, professional development, and innovation. Many campuses also faced shortages of full-time qualified human resources, which directly affects academic quality and program delivery. Weak governance, political interference, and limited community ownership further undermine institutional performance.

In terms of challenges, sustaining financial stability, improving academic quality, and meeting accreditation requirements are major concerns. Campuses undergoing the QAA process are still struggling to align their systems with quality standards, while accredited campuses face the challenge of maintaining and enhancing the standards they have achieved. Expanding market-oriented and employment-focused programs, introducing digital and research-based learning practices, and retaining students emerge as pressing needs for long-

term sustainability. Additionally, improving governance, strengthening leadership, promoting community trust, and appealing for external support are critical for both categories of campuses. While accredited campuses show comparatively better organization, recognition, and resource management, those in the QAA process are still in transition, balancing institutional reform with persistent operational limitations. Overall, the findings indicate that despite contextual differences, the core issues of financial instability, infrastructure gaps, human resource shortages, and deteriorating enrolments. The campuses should promote future research on challenges and comparative studies between accredited and non-accredited institutions, and include perspectives of students and faculty, and a weak research culture should be shared across institutions and demand strategic, collaborative intervention.

Conclusions

The study recommended that community campuses receive dedicated funding from provincial and local governments to ensure financial sustainability and initiate income-generating programs such as short courses, consultancy services, and facility rentals. Campuses were advised to collaborate with local stakeholders, NGOs, and private partners to mobilize additional resources and recruit sufficient full-time faculty to reduce reliance on temporary staff. Regular professional development programs on ICT, research, pedagogy, and classroom management were suggested, alongside incentive schemes and career progression mechanisms to retain qualified staff. Infrastructure development, including well-equipped classrooms, laboratories, libraries, and student support centers, was emphasized, complemented by expanded digital facilities such as Wi-Fi, e-libraries, and educational management systems. Programs were recommended to be modernized to meet local needs and labor market demands, while research cells with mini-grants were proposed to encourage faculty and student research. Quality assurance mechanisms, internal assessments, academic audits, and feedback systems were advised, along with outreach programs and scholarships to improve access, retention, and employability, particularly for marginalized communities. Flexible learning options, strengthened governance through skilled Institutional Management Committees, transparent financial management, and participatory decision-making processes were highlighted. Strategic planning, QAA accreditation, and sharing of best practices from high-performing institutions were encouraged to enhance institutional credibility. Campuses were advised to actively engage alumni, local governments, and communities through social audits, public consultations, and resource mobilization campaigns. Finally, provincial authorities were

recommended to provide fiscal incentives and policy support, while campuses implemented regular monitoring and evaluation and pursued national and international partnerships to ensure sustained growth, quality improvement, and community-centered development.

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Janaprakash Journal of Multidisciplinary Research
Vol. 3, December 2025, pp. 154-165
ISSN 3021-9892 (Print), 3021-9906 (Online)
Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Business Establishment among BBS Graduation: A Case Study in Pokhara Valley

¹Sachin Pudasaini*, ²Nikita Mahato and ³Gopi Raj Adhikari

Janaprakash Multiple Campus, Pokhara-29, Bhandardhik

¹ORCID: <https://orcid.org/0000-0002-5225-2643>

²<https://orcid.org/0000-0001-8575-5530>

³<https://orcid.org/0000-0002-3677-8186>

*Corresponding Author: sachinpudasaini366@gmail.com

Received: September, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89276>

Abstract

Owning a business, whether large or small, has become a trend especially among youths including those in Nepal. Student life is considered the most crucial stage in an individual's life, as it is the period when individuals choose the path they wish to pursue. This study aims to examine the extent to which Bachelor of Business Studies (BBS) students in Pokhara Valley are fascinated in establishing their own business. This study focuses on describing students' aspirations toward business ownership and provides suggestions for addressing unemployment, one among major problems in Nepal.

A qualitative primary survey was performed to collect primary data from 110 bachelor-level students through self-administered questionnaires. The focus of research is in Janaprakash Multiple Campus and Triveni International College, Pokhara. Total 20 different questions, including demographic variables, have been developed for data collection. And, reviewed, organized and then presented in a tabular and diagrammatic form. The findings revealed that the majority of the participants expressed interest in owning a business while only a small percentage of participants did not agree and preferred stable salaried employment. Many respondents believe in their entrepreneurial skills and knowledge and have confidence in themselves to operate a business. However, lack of investment, limited family support, and insufficient government assistance are identified as major challenges ahead.

Keywords: *Business challenges, consumer, entrepreneurship, investment, startup*

Introduction

Interest in the establishment of business among BBS students refers to their passion and ambitions who aim to be entrepreneurs, converting their ideas into reality and building a career in the field of business. Therefore, business is a commercial activity aiming to generate profit. Ferrell et al. (2013) stated that business is the organized effort of individuals to produce and sell, for a profit, the goods and services that satisfy society's needs. This suggests that business is an organization that aims for profit maximization by producing goods and services. Nickels et al. (2016) business is any activity that seeks to provide goods and services to others while operating at a profit. The goal of any business is to make profit while producing and distributing quality goods and services. Business plays a vital role in a nation's economy by generating job opportunities and contributing to the development of society. To succeed an entrepreneur must understand their target consumer, produce quality goods and services that meet their demand, implement effective marketing strategies and adapt to the dynamic of the changing business environment.

Starting a business as a college student may seem challenging, but it is very possible to do so. In fact, it serves as a great opportunity to develop a vision for future success. Many students are actively searching for opportunities where they can turn their entrepreneurial vision into life with the fast progression of the business environment in Nepal Sharma, (2024). Students are increasingly motivated to explore new business ideas, tackle challenges, and develop skills that will guide them to navigate obstacles when they are on their journey of entrepreneurship. This study explores the entrepreneurial interest of BBS students and their perspective to business, their aspiration to start their business, challenges and attitudes.

The research's primary goal is to investigate the interest of BBS students in establishing their own. It was found that students' surroundings, lack of training and other additional challenges such as funding and policies relate negatively to entrepreneurial intentions and force students to learn toward stable 9-5 jobs. Thapaliya and Adhikari, (2024) shows both institutional efforts and students' motivation shapes entrepreneurial attitudes which is very relevant in the context of Nepal's growing economic opportunities and youth's engagement in business. The researchers suggest that universities should provide effective education to stimulate students as entrepreneurs Shrestha, (2024). Rai, (2021) argues that the reason for students to choose the path of entrepreneurship is to earn money and thus fear risking and losing investment which results in students learning toward stable jobs since there is low level of risk. Entrepreneurs, especially freshly graduated or still students, have a hard time finding

an investor and even if they find one, they have limited access. Sitoula, (2015) gives a realistic view of what it takes for youth to sustain entrepreneurship in an urban Nepali context and emphasizes the need for supportive infrastructures and policies to help young youths.

Kafle, (2024) stated that training helps youth challenge the limited fund and market competition and underling the vital role of structured support in enhancing the success of Nepali startups. Commencing a business is difficult for any beginner. Confidence and a positive mindset are key drives for students to pursue entrepreneurship Niroula, (2019). Personal attitudes, subjective norms and entrepreneurial education affect an entrepreneur's intention both positively and negatively, Shrestha, (2023). Similarly, Dhungana, (2024) exposes although behavior, subjective norms and locus of control influence entrepreneurial intention among Nepal's university students, perceived behavior and need for achievement have a significant relationship. Lamichhane, (2023) studies that factors such as ambition and confidence, these are the forces that drive students towards entrepreneur's path. Wagle, Adhikari and Shah, (2024) explore the effect of emotional competence and businessman's self-efficiency on entrepreneurial intention among business students in Pokhara valley. Bakheet, (2018) explores student's perceptions on business opportunities and barriers for startups in practical life. The study reveals the students as optimistic toward entrepreneurship but later focus on the challenges such as lack of confidence, low self-esteem and lack of security which results in the students choosing the path of a stable nine to five jobs.

The solution to these challenges is to have a suitable environment for students to learn and grow. Bhandari and Subedi, (2024) studies that university curriculum activities and teaching methods positively influence students to establish their own business. If a student is surrounded with a supportive environment such as academic support, then, they will have less pressure and stress to help in improving the entrepreneurs into a successful businessman Johnson and Tee, (2024). Karki, Joshi and Subedi, (2023) reveal that if a university has a good academic environment and gives students practical lessons and pushes them toward developing skills then the students have positive entrepreneurship intentions. Prajapati, (2019) reveals the relationship between entrepreneurship education and intention among business students of Nepal is positive, it is still insignificant because there are obstacles such as lack of resources, cultural business and traditional thoughts. These challenges do not only exist in Nepal but worldwide. Shombre, (2017) explores the barriers faced by the students of South Africa while starting their own business. This research highlights the problems such as lack of investment, family support, and policies that occur while starting their own business. Academic curriculum

is a challenge to be faced but they are insignificant among all the other obstacles. Petrescu and Suci, (2024) research reveals that the graduate students at business colleges face challenges such as lack of resources, cultural biasness, unsupported family and so on. Even after choosing entrepreneurship as a career path. This article highlights all the obstacles one faces while starting their own business in the context of Nepal.

Although there has been growing interest in understanding entrepreneurial intentions among university students, most exciting research focuses on broader factors such as functioning, policies and startup ecosystem. There are limited explorations of how micro factors such as the education environment; especially in a developing country like Nepal, career preference or choice between starting a business locally or abroad, shape students' motivation and confidence in the faith of entrepreneurship. BBS students, in particular, who are trained in business but still lack skills, inspiration and confidence due to various underlying reasons such as lack of institutional or government support, lack of practicality, fear of risk of failure, lack of successful role model, uncertainty in the job market and so on. The initial findings from this research suggest that while many BBS students express interest in starting a business, they are equally open to stable jobs as well, which could possibly be because of the discouragement from the unstable government, lack of opportunities as well as lack of resources and networking. This trend indicates a concern for lack of passion or belief in entrepreneurship as a practical path among youth. Therefore, this study aims to examine the entrepreneurial aspirations of BBS students by analyzing their preferences and motivation, along with the underlying factors- educational, environmental and psychological that influence their entrepreneurial mindset through the questionnaire distributed to 110 BBS students. This study main objective is to find out how many BBS students are truly interested in starting their own business and how serious or committed they are to achieve their goal and also looks at the challenges and barriers that are stopping students from becoming entrepreneurs, such as lack of investment, fear of failure, limited support, or not enough business knowledge.

Methods of Data Collection and Analysis

This study was based on the positivist research paradigm, which assumes that social behavior can be measured objectively through numerical data. A cross-sectional quantitative research design was used to examine the entrepreneurial interest of BBS students and to identify the challenges they face in pursuing business opportunities. The study relied on primary data collected directly from respondents using a structured questionnaire, while secondary sources

such as books, articles and thesis reports were consulted only to support the introduction and literature review. The population of the study included all BBS students from first to third year studying in two colleges in Pokhara. From this population, a sample of 110 students was selected, with 69 students from Triveni International College and 41 from Janaprakash Multiple Campus. A convenience sampling technique was employed due to practical considerations, such as accessibility, time limitation, and respondent's willingness to participate. Before collecting the responses, students were informed about the responses, students were informed about the purpose of the study, assured of confidentiality and included only after providing voluntary consent. The questionnaires were distributed personally during class sessions, allowing each respondent sufficient time to complete the form independently.

The primary data collection tool was a self-developed structured questionnaire prepared by the researcher after reviewing relevant literature on entrepreneurship and entrepreneurial intention. The instrument included 20 items designed to measure students' interest, motivation, risk-taking attitude and general attitude toward starting a business. All items were arranged on a five-point Likert scale ranging from 1=strongly agree, 2=agree, 3=neutral, 4=disagree and 5=strongly disagree. Since the questionnaire was self-developed, its face and content validity were ensured through a small pilot interaction with a few students, which refined questions clarity and relevance. After collecting the completed questionnaire, the responses were checked, coded and organized for analysis. Descriptive statistical techniques, including frequency counts, percentages, and the tabulation, were applied to summarize the data and identify patterns in students' entrepreneurial interest and challenges. Throughout the study, ethical considerations were strictly maintained by ensuring voluntary participation, informed consent and academic-only use of the collected data. This structured methodology approach ensured the collection of reliable, meaningful and interpret-able data, providing clear understanding of the entrepreneurial orientation of BBS students.

Results and discussion

The survey includes 20 questions measured on a Likert scale. Based on the collected raw data, this table presents the result of 20 questions related to students' interest in starting a business. The answers from all students have been added together for each question, and then the average response has been calculated. This table gives an overall picture of how students feel and what they think about starting their own business.

Table 1

Data of responses of respondents to 20 questions.

Questions	Sum	Average
1. Do you want to start your own business.?	211	1.91
2. Do you think the BBS students can be engaged in any business.?	188	1.7
3. Would you prefer to go abroad for further studies about business.?	231	2.1
4. Are you satisfied with the current BBS course to develop entrepreneurship.?	296	2.69
5. Can you manage your studies together with your business.?	265	2.4
6. Would you like to have a student business club in your college.?	220	2
7. Are you confident in your abilities to establish a business.?	195	1.77
8. Do you want to learn about marketing strategies.?	185	1.68
9. Are you interested in online based business.?	221	2
10. Do you have any business plan for future.?	243	2.2
11. Would you like to run your family business.?	317	2.88
12. Do you ever attend any business-related seminar.?	357	3.24
13. Are you interested in a business that is based on local products.?	257	2.33
14. Do you prefer to start a business in Nepal.?	230	2.09
15. Do you see any business possibilities in Nepal.?	240	2.18
16. The local government is supportive to the students to establish a business.?	340	3.09
17. Are you satisfied with the business condition in Pokhara.?	310	2.81
18. Do you like to start a business with a partner rather than solo.?	276	2.5
19. Would you prefer to do job instead of becoming an entrepreneur.?	304	2.76
20. Do you think investment is the main barrier to start a business.?	204	1.85

Note: Questionnaire survey, Poush 2025

This study presents data using a table, pie chart, and bar diagram. The table shows survey responses based on a Likert scale, while the pie chart and bar diagram illustrate the demographic characteristics of the surveyed respondents of BBS students. Here we present respondents' demographic status as:

Figure 1

Gender Distribution

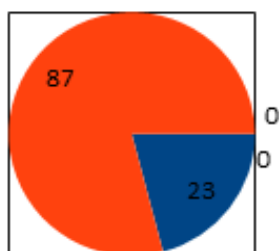


Figure 2

Academic Qualifications

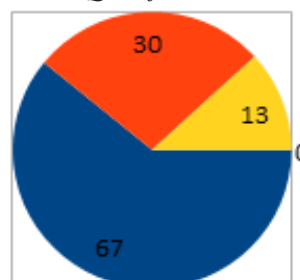


Figure 1 shows the gender breakdown of the respondents. It is clear from the figure that there are more female (87 students, 79.1%) than male (23 student, 20.9%). For validity, the data were collected from coeducational or mixed college. This suggests that a greater number of females are currently involved in higher education. It may also reflect a growing interest and participation of females in academic advancement compared to males.

Figure 2 shows the year-wise distribution of BBS respondents. The total number of respondents is 110, the majority were from the first year (67 students, 60.9%), followed by the second year (30 students, 27.3%) and the third year (13 students, 11.8%).

Figure 3

Age Group of Respondents

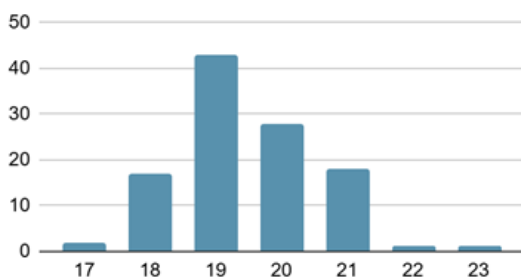


Figure 3 illustrates the age distribution of the respondents. The majority of respondents were 19 years old (43 students, 39.1%), followed by 20 years (28 students, 25.5%), and 21 years (18 students, 16.4%). Seventeen students were 18 years old (15.5%), while only 2 students were 17 years old (1.8%), and 1 student each was 22 and 23 years old (0.9%).

Figure 4

Respondents' Academic Institutions

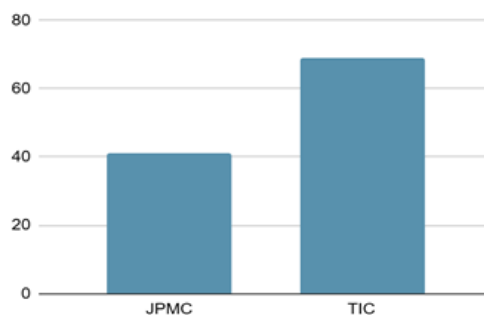


Figure 4 presents the campus wise distribution of respondents. Data was collected from two different colleges: Jana Prakash Multiple Campus (JPMC) and Triveni International College (TIC). There are 41 (37.3%) respondents from JPMC and 69 (62.7%) respondents from TIC.

Discussion

As shown in table 1, concerning the 1st question, respondents have agreed that they want to start their own business. The data shows that the average value of 1.91 and Likert scale defines the average value 1.91 for agreement. Among 110 students, 25 respondents extremely agreed, 70 respondents agreed, and 14 respondents were neutral and the rest of them extremely

disagreed. Hence, BBS students show positive response for establishing their own business in future.

On the other hand, the 2nd question is to identify that the BBS students can be engaged in any business, and the average score is 1.70 which means respondents agree with the statement. Likewise, the 3rd question is to know if they would prefer to go abroad for further studies about business, and its average score is 2.10 which is near to the 'agreed' option. It means respondents prefer to go abroad for further studies in business. Similarly, the 4th statement deals with an average value of 2.69 that shows the respondents agreed to the given statement. It means BBS course work effectively that helps students to develop entrepreneurship skills.

The response to the questionnaire shows agreement regarding the statement of fifth inquiry. The 5th question is concerned with can students manage their studies together with their business and the response for the statement is 'agreed' scoring 2.40 average value in the Likert scale. Therefore, it analyzed the students' can-do part-time business along with their studies.

Following statement number 6th, would they like to have a student business club in their college, the average value is 2, it signifies those respondents agreed with the given statement. Analogously, in statement number 7th, the average value is 1.77. It shows the students are confident in their abilities and skills to run a business statement. 8th relates to learning about marketing strategies with average value of 1.68, near to extremely agreed in Likert scale.

Additionally, the response of the 9th statement is they are interested in online based business. Average value is 2 which is 'agreed' in Likert scale meaning respondents are interested in online based business. Nevertheless, the 10th question was to know about the future business plan of the respondents and the average score is 2.20. It is near to the 'agreed' option which means students are serious about their entrepreneurial career and build their own business. Likewise, statement 11th refers to would they like to run their family business, and the average score is 2.88 which is close to the "neutral" option.

Furthermore, the 12th inquiry concerned with did they ever attend any business-related seminar with the average is 3.24 which means neutral which shows that maximum respondents never attend any business-related seminar. The 13th statement deals with interest in a business that is based on local products, the respondents are with 'agreed' scale having 2.33 average value in Likert-scale that is near to value 2. Concerning to preference of starting a business in Nepal the average is 2.09 which refers to 'agreed' in statement 14th. Thus, they want to start their own business in Nepal.

The 15th statement is related to the business possibilities in Nepal. Respondents are highly agreed with statements with an average of 2.18. They see many business possibilities in the present economic condition of Nepal. The 16th question is concerned about whether the local government is supportive to the students to start a business or not and the average score is 3.09 which is close to 'neutral' response. The students expressed a mixed or uncertain opinion. This suggests that students neither strongly agree nor disagree with the level of support provided.

Moreover, the 17th statement concerns the satisfaction of business infrastructure with the average of 2.81 which is close to 'neutral' response then agree but not quite neutral. Lack of business infrastructure also causes slow growth of business. The 18th question related to preference to start a business with a partner rather than solo with an average score of 2.50, which suggests that students are somewhat in favor of starting a business with a partner. Their view is between agreeing and being neutral. This means they are open to the idea but are not fully sure. In addition, the 19th statement is to identify the preference of respondents to do a job instead of becoming an entrepreneur with the average score of 2.76, which is slightly close toward 'neutral' response, this suggests that while some students prefer doing a job over starting their own business, many are still undecided. Overall, they are not strongly in favor of choosing a job over business. The 20th statement concerning investment is the main barrier to starting a business. Respondents are highly in agreement with the statement with an average score of 1.85. Investment plays a significant role while building a business and lack of investment is the main barrier for the student. The insight of the study is potentially beneficial for the policy making for encouragement of new startups. This study gives a clear picture of what students need to become entrepreneurs, which can help the government for practical policy making that can support youth entrepreneurship and economic development.

The findings shows that most BBS students are truly interested in starting their own business. This is reflected in a high level of agreement, with a total score of 211 and mean 1.91, which is close to strongly agreement. Students also appear confident in their abilities to establish a business, as shown by sum of 195 and a mean value of 1.77. Many respondents have already thought about their future business plan, with a total score of 243 and an average of 2.20, indicating that entrepreneurship is taken seriously by a large number of students. One of the major reasons behind student hesitation is lack of government support, which recorded a higher average score of 3.09 and a total of 340. In addition, lack of investment capital was

identified as the most significant barrier with a sum of 204 and a mean of 1.85 showing that financial limitations strongly affect students' ability to start their own businesses.

Sharma (2024) reported that a large proportion of students are actively searching for opportunities to establish their own businesses. This finding closely similar with the results of the present study, which also reveals that many students are highly motivated to pursue entrepreneurial ventures and are continuously exploring potential business ideas. The consistency between Sharma's work and the current study suggest that the trend of opportunity-seeking behavior among students is becoming stronger over time. Likewise, Bakheet (2018) found that although students initially expressed optimism toward entrepreneurship, many eventually shifted their preference toward stable nine-to-five jobs due to challenges such as lack of confidence and low self-esteem. In contrast, the findings of the present study indicate that student not only show strong interest in entrepreneurial activities but also demonstrate a high level of confidence in their abilities to establish and manage a business. Furthermore, Shombre (2017) study reveals that, student in South Africa struggle to start businesses due to limited funding, weak government policies and poor supportive environment. Present study reflects the same situation as student here also face similar external barriers despite having strong interest in entrepreneurship.

Conclusion

The study clearly shows that most BBS students in Pokhara are interested in starting their own business. Many respondents agreed that they want to become entrepreneurs and believe that the BBS course helps them gain the necessary knowledge and skills. In addition, students showed interest in different business types such as family run and online based. Some students even plan to go abroad to learn more before starting their own startups. However, along with these positive findings, this study also found some significant challenges. Many students pointed out that lack of investment and support from the government are the main obstacles they are facing right now. Because of these challenges students prefer to do so for a stable and secure future. This study shows that even if students have ideas and interest, they are not fully confident to act and risk. Therefore, this study recommends that more support is required to strengthen students to become successful entrepreneurs. More efforts should be made to provide them with investment opportunities, proper training and encouragement from the government. This will not only help the students but also contribute to the students but also contribute to the economic development of the country.

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Janaprakash Journal of Multidisciplinary Research

Vol. 3, December 2025, pp. 166-188

ISSN 3021-9892 (Print), 3021-9906 (Online)

Journal homepage: <http://janaprakash.edu.np/Home/JournalsArticles>

Green Marketing and Its Impact on Consumer Purchase Decision in Circular Economy. A Systematic Literature Review

¹Sujita Adhikari*, ²Deepak Ojha and ³Hemkanta Poudel

School of Business, Pokhara University

¹ORCID: <https://orcid.org/0000-0002-5225-2643>

²<https://orcid.org/0000-0001-8575-5530>

³<https://orcid.org/0000-0002-3677-8186>

**Corresponding Author: pokhara236@gmail.com*

Received: October, 2025 Revised: November, 2025 Accepted: December, 2025



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DOI: <https://doi.org/10.3126/jjmr.v3i1.89277>

Abstract

The Study on consumer purchasing decisions, green marketing, and the circular economy which are published between the year 2015 and 2025. Thematic analysis, keyword co-occurrence mapping, and descriptive statistics were used to analyze 65 articles which were taken from Scopus. The annual distribution shows increase in publications after 2020, with 2024 and 2025 recording the highest articles, which indicates a growing global focus on sustainability. Whereas, predominance of Quantitative studies indicates a strong interest in measuring consumer attitudes and behavioral outcomes. Country-wise analysis reveals widespread international contributions but citation impact seems to be more concentrated in countries such as the United Kingdom and Hungary. And Sustainability (Switzerland) journal seems to be the leading sources of publication and citations. Through keywords co-occurrence analysis three themes have been identified sustainability, marketing, and consumption behavior; consumer attitudes, perceptions, and digital influence, and green marketing strategies and sustainable consumption. In order to increase consumer trust and green purchase intentions, credible and transparent sustainability communication is vital. Studies also show that digital platforms play an important role in influencing consumers about sustainability but, green washing remains a major barrier, weakening consumer confidence and widening the attitude–behavior gap. Thus, the review shows authenticity, clear communication, and integration of

circular economy practices are important for effective green marketing strategies. This review highlights that businesses, policymakers, as well as researchers need to promote sustainable green consumption and should strengthen environmental responsibility.

Keywords: *Circular economy, consumer purchase decision, digital platform, green marketing, sustainability*

introduction

Concerns about the increasing amount of waste, pollution, and climate change have led consumers, industries, as well as governments to rethink traditional consumption and production systems for many years (Gierszewska & Seretny, 2019). This pressure has increased interest in extending the life of products through reuse, repair, recycling, and resource recovery in the form of the circular economy (Chamberlin & Boks, 2018; Prieto-Sandoval et al., 2022). Nowadays, companies' communication strategies are changing because they are trying to adopt circular and sustainable practices as far as possible (Nga & Tam, 2024; Putra et al., 2024). Thus, this shift has given rise to green marketing, which helps to promote products, services, and behaviors that claim to be environmentally responsible (Nekmahmud & Fekete-Farkas, 2020; Rahman & Luomala, 2021).

In the same way, green marketing has become a central tool that influence consumer decision-making in sustainability-focused markets (Cui et al., 2024; Duque-Oliva et al., 2024). Today's consumers, especially younger generations, expect brands to show real and original environmental commitment (Essiz & Mandrik, 2022; Kabaja et al., 2023). Greenwashing usually reduces trust and weakens purchase intention among Gen Z, as these groups show high sensitivity to environmental honesty (Di Pillo et al., 2025; Rehman et al., 2025). Although, consumers want to support ecofriendly alternatives, but their purchase intention depends on the credibility of the information. Thus, when companies overemphasize or misrepresent environmental claims, buyers become cautious and less motivated to choose the product (Lopes et al., 2023).

Not only credible and reliable message but there are other factors such as psychological and behavioral factors to influence green purchasing behaviors. In the same manner, sustainability messages also depend upon consumers' perceptions of green value, lifestyle, and self-concept (Garnelo-Gomez et al., 2025). For instance, individuals who value green identities or social responsibility tend to support ecofriendly brands (Villavicencio & Schlesinger, 2023; Li & Kim, 2024). So green marketing helps raise awareness and offers clear explanations about

environmental values and benefits (Iliopoulou et al., 2024). However, when sustainability claims are vague or difficult to understand, they create confusion and lower purchase intention (Apostolopoulos et al., 2025).

Companies are also benefiting from digital tools and artificial intelligence to strengthen green marketing activities, understand consumer preferences, personalize sustainability messages, and forecast green purchase intentions (Sohaib et al., 2025). Nowadays, artificial intelligence also seems to support circular economy processes by improving product design, tracking environmental performance, and enhancing transparency of sustainability data (Yan et al., 2024; Diao et al., 2025). And these developments correspond with circular economy principles, which rely on transparency, accessibility of information, and long-term engagement (Chamberlin & Boks, 2018).

Consumers evaluate repairable goods, recycled materials, or long-lasting items to gain environmental and functional value. When environmental benefits are communicated clearly, and the products meet expected quality and convenience standards then consumers want to buy circular or sustainable products (Yuan et al., 2022). However, when circular features are not explained well or appear confusing, then the purchase intention decreases (Apostolopoulos et al., 2025).

Consumers are more aware of their environmental impact, and brands with strong environmental commitments benefit from higher customer loyalty (Ko & Jeon, 2024). Many studies identify an attitude–behavior gap, where consumers express support for sustainability but do not always choose green products (Bizarrias et al., 2024; Sari et al., 2025). Issues like higher prices, limited availability, and lack of clear information regularly hinder sustainable purchasing (Lopes et al., 2024). Therefore, to increase consumer purchase intention, green marketing should try to address both environmental as well as functional value (Chen et al., 2024). Circular economy strategies require strong consumer participation and clear communication (Cai et al., 2025). Therefore, transparency is essential for green marketing (Rehman et al., 2025) because misleading or inconsistent sustainability claims may weaken brand credibility, reduce trust, as well as might decrease purchase intention (Lopes et al., 2023).

This paper reviewed various studies related to green marketing and its impact on consumer purchase decision in circular economy. Which is searched on the Scopus database till the middle of November 2025. This study tries to fulfill some objectives as it tries to identify the general characteristics of various studies related to green marketing and its impact on

consumer purchase decision in circular economy. Likewise, it tries to analyze the importance of selected articles in the research field of green marketing and circular economy. In the same way, it helps to identify the major keywords used and their relationship with other keywords and helps to find the themes of green marketing and consumer behavior in circular economy.

Methods of Data Collection and Analysis

Sources of Data and Search Strategy

This study focuses on a systematic review of papers related to the impact of green marketing on consumer purchase decision in circular economy. For this study, only the papers published in Scopus until 2025 are considered. English language-based articles from environment science, social sciences and business, management and accounting are included in the study. To include all these keywords and to extract the papers related to the green marketing and its impact on consumer purchase decision in circular economy the following Boolean operators has been used as search strategy for this systematic review;

("GREEN MARKETING" OR "ECO-FRIENDLY MARKETING" OR "SUSTAINABLE MARKETING") AND ("CONSUMER PURCHASE DECISION" OR "PURCHASE INTENTION" OR "BUYING BEHAVIOR" OR "CONSUMER BEHAVIOR") AND ("CIRCULAR ECONOMY" OR "SUSTAINABLE CONSUMPTION" OR "GREEN CONSUMPTION" OR "ECOFRIENDLY CONSUMPTION")

Data Collection Process and Articles Screening

Using the above-mentioned search strategy, a total of 199 articles were extracted on 20 November 2025. Then after 189 articles were extracted by limiting the time frame from year 2015 to 20 November 2025. After that, articles are screened on the basis of given below inclusion and exclusion criteria and a total of 68 articles were extracted. Then while doing the title review 2 were found review paper and while doing the full test review, 1 article found irrelevant so that 3 articles were removed, and the final list included 65 articles. The inclusion and exclusion criteria are mentioned below.

Table 1

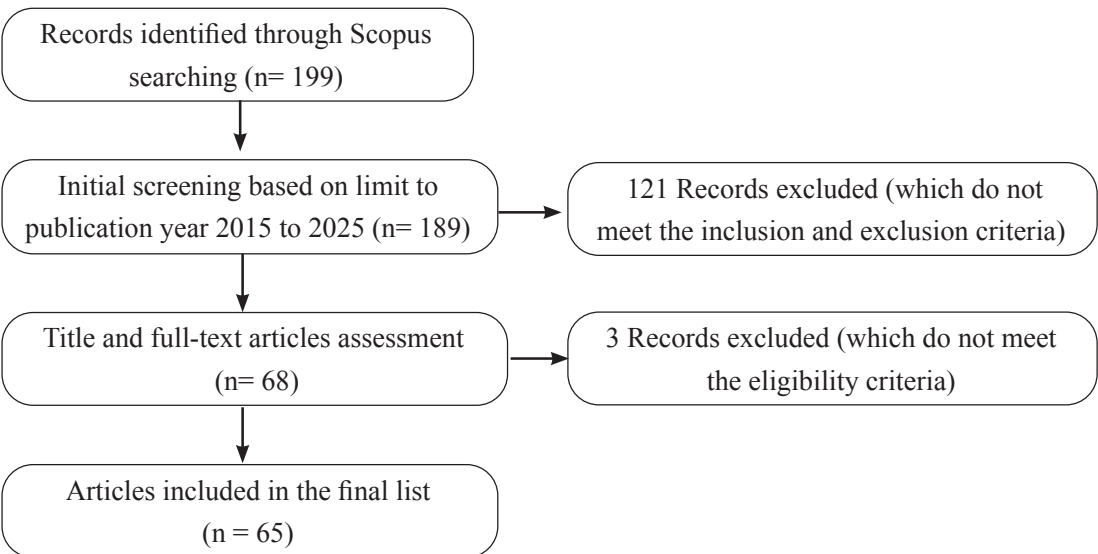
Inclusion and Exclusion Criteria

Inclusion Criteria	Exclusion Criteria
<ul style="list-style-type: none">• Document Type: Articles• Language: English• Subject Area: Environment Science, Social Science and Business, Management and Accounting• Focused on green marketing, consumer purchase decision and circular economy	<ul style="list-style-type: none">• Books• Non-English articles• Review articles• Study not related to green marketing, consumer purchase decision and circular economy

The inclusion and exclusion criteria used for the selection of articles are given in table 1. For this systematic review, journal articles papers that are English language-based from Environment science, social science and Business, Management and Accounting are included. Likewise, the studies conducted to study green marketing, consumer purchase decision and circular economy are only considered. Those documents which are non-English articles, review articles, published as book chapters, and that are not related green marketing, consumer purchase decision and circular economy are not included in this study.

Figure 1

PRISMA Framework



Data Analysis Techniques

Data analysis used to fulfill the objectives of the study are mentioned below:

- The general characteristics of the papers have been analyzed using yearly distribution, distribution as journals, country-wise distribution, and types of articles.
- Citation analysis has been used to see the importance of retrieved articles and a keyword co-occurrence map has been used to show the relationship between the major keywords. Both citation analysis and bibliographic map are developed using VOSviewer software.
- Finally, a thematic analysis has been done to synthesize key insights from the study.

Results and Discussion

This systematic literature review identified 65 articles till the November 3rd on green marketing, consumer purchase decision and circular economy all the retrieved articles are presented in Table A1. This section shows the overall analysis of the retrieved articles.

Descriptive Analysis

To know the overall characteristics of selected studies, we have conducted different analysis in this section such as yearly distribution, distribution as journals, country-wise distribution, data sources, and statistical tools used in the selected studies.

Figure 2

Yearly Distribution of Articles

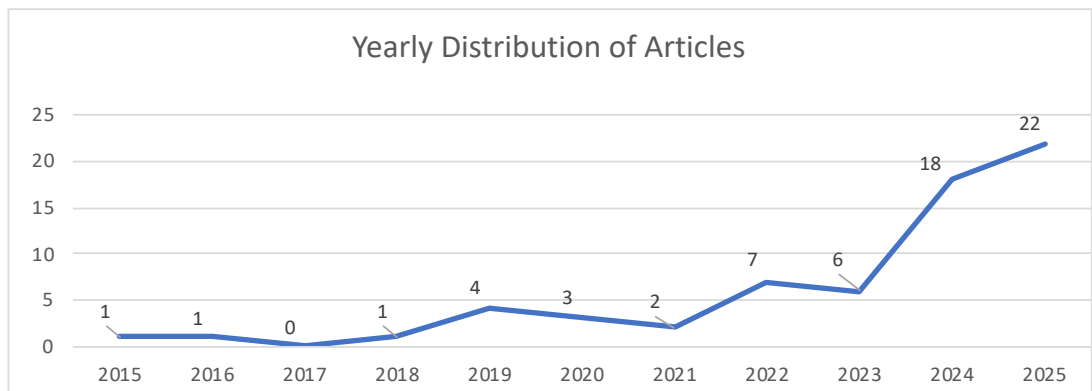


Figure 2 shows the clear rise in research on green marketing, consumer purchase decision and circular economy from 2015 to 2025. In the early years, only a limited number of studies existed: just 1 article in 2015, 2016, 2018 but no any article in 2017. After those 4 articles in 2019, 3 articles in 2020 and 2 articles in 2021 confirming that the topic was being introduced.

Research activity increased noticeably in 2022 with a total of 7 publications and 2023 with 6 publications, further peaking in 2024 and 2025 to record 18 and 22 articles, respectively, reflecting wider academic interest in the field.

Figure 3

Types of Articles

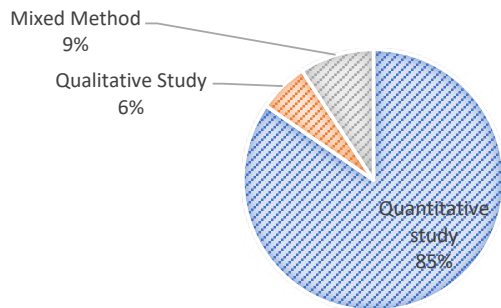


Figure 3 presents the distribution of articles with respect to their types. From the reviewed articles, 85% are quantitative study, indicating that most of the researchers depend on quantitative analysis of data. 9% of the articles have used both quantitative and qualitative study and only 6% of the articles are qualitative study. It is observed that most of the research in the reviewed literature preferred primary data analyzed through different analysis tools and techniques.

Table 2

Country Wise Distribution of Articles

Country	Frequency	Percent	Country	Frequency	Percent
China	14	12.96	Macao	2	1.85
United Kingdom	8	7.41	Saudi Arabia	2	1.85
India	7	6.48	Thailand	2	1.85
Malaysia	7	6.48	Viet Nam	2	1.85
Indonesia	6	5.56	Austria	1	0.93
South Korea	6	5.56	Belarus	1	0.93
Australia	4	3.7	Cyprus	1	0.93
Portugal	4	3.7	Finland	1	0.93
Hungary	3	2.78	Germany	1	0.93
Italy	3	2.78	Iran	1	0.93

Norway	3	2.78	Ireland	1	0.93
Poland	3	2.78	Jordan	1	0.93
Spain	3	2.78	Kazakhstan	1	0.93
Taiwan	3	2.78	Lithuania	1	0.93
UAE	3	2.78	New Zealand	1	0.93
Brazil	2	1.85	Russia	1	0.93
Colombia	2	1.85	South Africa	1	0.93
Ecuador	2	1.85	Turkey	1	0.93
Greece	2	1.85	United States	1	0.93

Table 2 shows the distribution of studies by country. We can see that China has the highest number of contributions of 14 studies that means China is more concerned towards green marketing and circular economy. Likewise, United Kingdom have 8 studies, India and Malaysia each account 7 studies show a strong presence in these regions. Indonesia and South Korea each account for 6 studies reflecting moderate representation. Australia and Portugal show 4 studies each. Similarly, Hungary, Italy, Norway, Poland, Spain, Taiwan and United Arabs Emirates each shows 3 studies. Brazil, Colombia, Ecuador, Greece, Macao, Saudi Arabia, Thailand and Viet Nam each shows 2 studies and Austria, Belarus, Cyprus, Finland, Germany, Iran, Ireland, Jordan, Kazakhstan, Lithuania, New Zealand, Russian Federation, South Africa, Turkey and United States 1 studies. Thus, the research related to green marketing and circular economy has been widely spread in different countries.

Table 3

Publications per Journal

Source	Frequency	Percent
Sustainability (Switzerland)	26	40
International Review of Management and Marketing	3	4.62
Journal of Cleaner Production	3	4.62
Business Strategy and the Environment	2	3.08
Cogent Business and Management	2	3.08
Environment and Social Psychology	2	3.08
Journal of Infrastructure, Policy and Development	2	3.08
Psychology and Marketing	2	3.08
Other journals having 1 article each	23	35.42

Table 3 is about publication per journal. It shows that research on green marketing and circular economy is spread across various journals, reflecting the multidisciplinary nature of

the topic. The Journal of Sustainability (Switzerland) have the highest number of publications of 26 articles, representing 40% which shows that strong academic interest in green marketing and circular economy. In the same way International Review of Management and Marketing and Journal of Cleaner Production each shows 4.62% of articles, while Business Strategy and the Environment, Cogent Business and Management, Environment and Social Psychology, Journal of Infrastructure, Policy and Development, and Psychology and Marketing each shows 3.08% of articles indicating a close connection between green marketing and circular economy. Likewise, 35.42%, of the articles are published in just 1-1 journals, which indicates the broad and growing scholarly interest in the subject area.

Citation Analysis

Citation analysis shows the number of citations a document or an author or a journal etc. has received during a certain period. This paper includes citations by country, citations by journals, and citations by articles.

Table 4

Citation by Country

Country	No of Articles	No of Citations
United Kingdom	8	760
Hungary	3	440
Norway	3	353
Portugal	4	331
Australia	4	288
Malaysia	7	277
South Africa	1	225
China	14	169
New Zealand	1	139
Austria	1	90
Turkey	1	90
Taiwan	3	87
India	7	71
Colombia	2	67
Germany	1	43
Ireland	1	43
Indonesia	6	36
Finland	1	29

United Arab Emirates	3	28
Poland	3	26
South Korea	6	23
Viet Nam	2	20

Table 4 shows the country-wise citations of the documents with the numbers of the document cited. For this study articles are studied from 38 different countries, but 22 countries met the threshold of at least 20 citations, highlighting their significant contributions to the field. Here The United Kingdom ranks highest with 760 citations from 8 documents, indicating the high influence of its research. Hungary follows with 440 citations, while Norway 353, Portugal 331, and Australia 288 driven largely by highly cited individual papers. China has produced the highest number of articles but received only 169 citations, this shows high productivity of China but comparatively lower citation impact than other countries. Countries like Malaysia, India, Indonesia, and South Korea show moderate article counts but fewer citations, suggesting that research from these regions is still growing in global visibility. In general, the data reflect a diverse global contribution in the field of green marketing and circular economy.

Table 5

Citations by Journals

Source	No of Articles	No of Citations
Sustainability (Switzerland)	26	492
Journal of Cleaner Production	3	375
Technological Forecasting and Social Change	1	225
Journal of Marketing Management	1	139
Psychology and Marketing	2	133
International Journal of Environmental Research and Public Health	1	62
Journal of Consumer Marketing	1	49
European Journal of Marketing	1	35
Journal of International Consumer Marketing	1	29
Cogent Business and Management	2	22

Table 5 shows the number of citations by the journal with at least 20 citations. The Sustainability Switzerland has got the highest no of citations of 492 indicating high influence in the field. After that the Journal of Cleaner Production has got 375 citations and Technological Forecasting and Social Change with 222 citations, and Technology in Society, with 143 citations, thus revealing their great scholarly impact. Other influential sources include Journal

of Marketing Management with 139 citations, Psychology and Marketing with 133 citations, and International Journal of Environmental Research and Public Health with 62 citations. Journals such Journal of Consumer Marketing, European Journal of Marketing, Journal of International Consumer Marketing, Cogent Business and Management have their citations falling within the moderate level. In general, citations reflect a heterogeneous set of journals contributing to green marketing and circular economy.

Table 6

Citations by Articles

Articles	No of Citations
Finisterra Do Paço (2019)	296
Nekmahmud (2022)	225
Nekmahmud (2020)	215
Mcdonald (2015)	139
Essiz (2022)	90
Chamberlin (2018)	85
Chen (2020)	62
Prieto-Sandoval (2022)	60
Laheri (2024)	49
Lu (2022)	45
Rowe (2019)	43
Yuan (2022)	35
Rahman (2021)	29
Lopes (2023)	27
Tseng (2021)	21
Zhang (2019)	21

Table 6 presents the citations of various papers used in this study with at least 20 citations. Among the 65 papers used for the study, only 16 papers have more than 20 citations. The most highly cited paper is Finisterra Do Paço (2019), with 296 citations, which shows a very strong academic impact and contribution in the subject area. After that by Nekmahmud (2022) with 225 citations, Nekmahmud (2020) with 215 citations and Mcdonald (2015) with 139 citations also shows their important contribution in the field. Mid-level citations stand for works of Essiz (2022), Chamberlin (2018), Chen (2020) and Prieto-Sandoval (2022) having citations of 90, 85, 62 and 60 respectively. These show the growing importance of these works. The rest of the documents of Laheri (2024), Lu (2022), Rowe (2019), Yuan (2022), Rahman (2021), Lopes (2023) and Tseng (2021) have 21 to 49 citations, which shows a moderately relevant

recognition within the academia. Thus, the table shows that researcher and academician are actively involved in research related to green marketing and circular economy

Keyword Co Occurrence

Figure 4

Keyword Co-occurrence

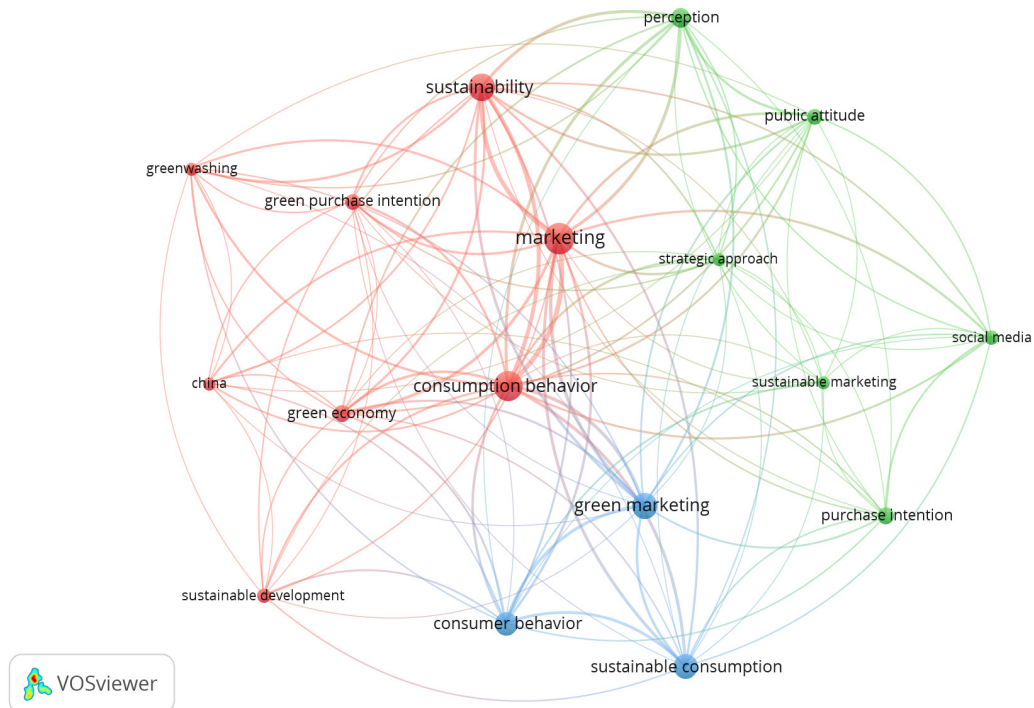


Figure 4 is created with VOS viewer software which shows the keyword co-occurrence map of the main keywords used in the selected studies, we included only keywords that appeared at least 5 times. Out of 396 keywords there are only 17 major keywords that meet this criterion. Major keywords are consumption behavior, sustainability and marketing which appears most frequently and co-occurs with the highest number of related terms so these keywords show central focus in this field. The next key terms are green marketing, sustainable consumption and consumer behavior which highlights the major concern on green marketing strategies. And the keywords like green washing, public attitude, social media, China, strategic approach, sustainable development and green economy focus on sustainability and communication tools.

Themes

Sustainability, Marketing and Consumption Behavior

Sustainability principles have integrated into modern marketing practices. Evidence shows that companies increasingly use sustainability-oriented strategies to build brand value to influence consumer decision (Di Pillo et al., 2025). Consumers prefer brands that shows environmental commitment, and when sustainability messages are aligned with real corporate behavior, then consumer trust towards brand increases (Nekmahmud & Fekete-Farkas, 2020; Finisterra do Paço & Reis, 2019). Here green washing is a major concern because it may lower brand credibility and thus reduce purchase intention (Essiz & Mandrik, 2022; Di Pillo et al., 2025). Consumers evaluate product quality and environmental impact through the lens of sustainability as well which affects product's overall value (Yuan et al., 2022; Prieto-Sandoval et al., 2022). Despite this, practical barriers such as higher prices and limited convenience might also restrict on sustainable consumer choices, which then contribute to the well-known attitude–behavior gap in green consumption (Rowe, 2019).

Consumer Attitude, Perception and Digital Influence

Consumer attitude and perception influence how people respond to sustainability claims. Many studies show that when consumers perceive green messages as credible and easy to understand, then their purchase intention increases (Apostolopoulos et al., 2025; Rahman et al., 2021). in the same way, digital platforms provide opportunities to communicate sustainability in more engaging ways, and therefore are recognized as important tools for influencing consumer purchase decisions (Wong et al., 2025; Suhud et al., 2025). Trust in digital sustainability content is essential for strengthening green purchase intention. Public attitudes also shape consumer behavior therefore when sustainability becomes a social or community norm then only individuals may choose eco-friendly products (Yuan et al., 2022; Rehman et al., 2025).

Green Marketing, Consumer Behavior and Sustainable Consumption

Green and sustainable marketing might help to increase consumer's awareness and knowledge about environmental benefits. So, when green claims are clear and reliable, then consumers will choose sustainable products. People who give priority to environmental responsibility tends to respond more positive about green marketing messages (Apostolopoulos et al., 2025; Yuan et al., 2022). But their purchase intention still depends on product quality, convenience, and functional value (Essiz, 2022; Rahman et al., 2021). Green marketing can also promote

long-term sustainable habits such as reuse, recycling, and mindful consumption; thus, this will support the goals of a circular economy (Prieto-Sandoval et al., 2022; Chen, 2020).

Discussion

This study tries to show how green marketing, consumer behavior and circular economy are interconnected within the existing literature. This study shows that green marketing emerges not only as a marketing strategy but also as a behavior-shaping factor influenced by consumer attitudes, digital communication, and the credibility of environmental claims. To attract environmentally conscious consumers, companies try to integrate sustainability as part of their brand identity (Di Pillo et al., 2025). A common issue is the tension between sustainability efforts and existence of green washing. Research shows that misleading environmental claims decreases trust and reduce consumer willingness to support green products (Essiz, 2022). This aligns with the findings of this study, where “green washing” appeared as a key term within the sustainability cluster. Similarly, although consumer’s express positive attitudes toward sustainable consumption, many exhibit a persistent attitude–behavior gap in which environmental concern does not always translate into eco-friendly purchases (McDonald, 2015; Rowe, 2019).

In the same way, consumer attitudes and perceptions toward sustainability are shaped through digital communication channels. Studies show that digital platforms play an essential role in influencing consumer trust and shaping green purchase intention (Wong et al., 2025; Suhud et al., 2025). This is consistent with the co-occurrence analysis, where terms related to “perception,” “attitude,” and “intention” were closely linked.

Authenticity of sustainability messages is also shown in the literature. When consumers perceive authentic and reliable information, their trust increases, in turn increases consumer’s intention of choosing sustainable products (Apostolopoulos et al., 2025; Rahman, 2021). Conversely, unclear or exaggerated messages create suspicion, limiting the effectiveness of green marketing. Yuan et al. (2022) emphasize that individuals’ environmental attitudes can predict their behavioral outcomes, but this relationship is moderated by information quality, perceived risk, and cultural norms. The ability of digital tools to personalize content also strengthens consumer connection with green brands. These concise with the findings that consumer perceptions are shaped not only by product features but also by how sustainability messages are communicated across online environments.

Similarly, there is a connection between green marketing, consumer decision, and sustainable consumption patterns. Studies shows that green marketing serves as an important driver of consumer awareness and purchase intention, at that time when environmental benefits are clearly presented (Laheri et al., 2024; Zhang et al., 2019). Likewise, Prieto-Sandoval et al. (2022) highlight that green marketing influences purchase intention along with encouraging sustainable habits such as recycling and reuse. Therefore, marketing has both immediate and long-term behavioral impacts. Yuan et al. (2022) found that consumers with strong pro-environmental values respond more positively to sustainability messages. So, this study shows that sustainability-oriented consumer behavior is influenced by marketing strategies along with digital communication, individual attitudes, and message credibility. The literature supports the idea that sustainability has become central in modern marketing but still facing challenges because of inconsistent consumer behavior, varied perceptions, and ongoing concerns about trust.

Conclusions

In order to comprehend the growing notion of green marketing, consumer purchasing decisions, and the circular economy, this study reviewed 65 studies from Scopus published between 2015 and 2025. This study shows that there has been a significant increase in scholarly interest in this field due to growing environmental concerns, along with shifting consumer expectations, and pressure from international policy. Sustainability has developed from a peripheral marketing idea to a strategic pillar directing customer behavior and corporate operations.

The yearly distribution of articles shows that after 2019, research in this area has increased which shows growing trend of researcher interest in this subject area. According to researchers such as Finisterra do Paço (2019), Chen (2020), and Nekmahmud (2020), businesses and consumers all over the world are becoming more aware of how their choices affect the environment, thus this is generating high amount of academic interest.

The country-wise distribution shows that research is geographically diverse, covering 38 countries. Where, China shows strong engagement in environmental management and circular economy initiatives; but, countries such as the United Kingdom and Hungary have higher academic influence, with 760 and 440 citations respectively. This indicates that while China shows high productivity, Western countries still dominate scholarly influence and global citations. The journal distribution similarly shows that Sustainability (Switzerland) is the leading journal in this area. Other journals such as the Journal of Cleaner Production

and Business Strategy and the Environment also contribute significantly, reflecting that this domain spans marketing, environmental management, psychology, and business strategy.

Numerous studies argue that consumers expect companies to demonstrate genuine environmental commitment, and this expectation influences how they interpret marketing messages (Finisterra do Paço, 2019; Chen, 2020). Yet, despite rising environmental awareness, the attitude–behavior gap remains a major challenge (McDonald, 2015). Likewise, there is an important role of online platforms in shaping sustainability perceptions. Credibility, message clarity, and perceived usefulness of information determine whether consumers trust green claims (Apostolopoulos et al., 2025). Effective green marketing can encourage both immediate purchase decisions and long-term sustainable habits, and clear communication, environmental labeling, and value-based messaging positively influence behavior (Laheri, 2024; Zhang, 2019). Yet, greenwashing remains a major barrier, weakening the impact of marketing efforts and reducing consumer confidence (Essiz, 2022; Rahman, 2021).

So, more qualitative and mixed-method research could capture deeper consumer motivations because current studies mainly rely on quantitative surveys. Comparative cross-country studies are also needed because sustainability behavior varies by culture, economic development, and policy context. Thus, sustainability, green marketing, and circular economy models continue to receive significant attention in the literature. Understanding consumer behavior and creating trustworthy, transparent marketing strategies are essential for advancing sustainable markets. The findings of this review integrate descriptive patterns, thematic structures, and citation trends to provide a thorough understanding of how sustainability-driven marketing is still developing and influencing consumer choices.

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