

Green Entrepreneurship: Role of Entrepreneurs in Energy Economics in Nepal

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ABSTRACT

Purpose: *The Purpose of this paper is to put light on the role and opportunities for Green Entrepreneurs in changing energy economics in Nepal.*

Background: *Purely landlocked country like Nepal is dependent on other countries for its energy requirement. The energy economics is entirely dependent on the traditional energy supply system like imported fossil fuel and imported technology for hydropower generation. The decentralized and sustainable energy supply system is a dire need of Nepalese population. This paper aims to put forward the opportunities available for entrepreneurs in sustainable development of energy resources in Nepal.*

Methodology: *This paper is purely based on secondary qualitative data.*

Findings: *The research reveals that there is a mounting scope for Ecopreneurs or Environmental entrepreneurs in Nepal to lead its sustainable development in coming years. Few government initiatives*

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are helping to trigger the growth of entrepreneurs in this field but there are few policies which should be made to boost the growth.

Significance: *The research will significantly contribute to streamline the renewable energy and environmental entrepreneurial sector and to help the Ecopreneurs grow in organized manner and also help government policy makers design policies for the growth of Environmental Entrepreneurs and Ecopreneurs thus boosting the Nepalese economy.*

Keywords: Ecopreneurs, Environmental Entrepreneurs, Green Entrepreneurs, Renewable Energy, Sustainable Development, Nepal

Background

There is a general consent that entrepreneurs are generally driven by a special motivation and acts on a valuable opportunity (Miller 2003). The creation of new organizations that includes certain innovation is called Entrepreneurship. This creation occurs as dependent social and economic process (Thornton1999).

Berle (1991) first adopted the notion 'Green Entrepreneurship' in his book "*The Green Entrepreneur: Business opportunities that can save the earth and make you money*". Green Entrepreneurs are the entrepreneurs making use of opportunities and starting business for sustainable development which is structure transforming, socially devoted and technologically advanced generally based on eco-friendly process and Environmental product (Walley & Taylor, 2002). Green Entrepreneurship is generally taken as technological innovation that mitigate the human impact on environment and address the problems regarding environment and address the problems regarding environment in the present scenario such as global warming, biodiversity loss, etc. (F. Farinelli, M. Bottini, S. Akkoyunlu and P. Aerni, 2011).

Green Entrepreneurship is a process of pursuing a business with a new innovation mandatory to address the problem of the society and solve it completely or up to a certain extent along with taking care of environmental condition and its maintenance. This type of business basically does not only seek for profit but tends to conserve and improve

the present condition of the environment and also providing something new and eco-friendly to the society.

Research is surprisingly thinner in the Green Entrepreneurship field although there is an abundant prospect of sustainability in this area for the country like Nepal given its geological position. Green Entrepreneurship has been established in the other parts of the world and many have innovated several eco-friendly ideas and technologies which are very economic but these cannot be practiced in the country with low economy like Nepal. Countries like Nepal need region based ideas and technologies and that's why they need more number of entrepreneurs working in this field.

Objectives

1. To study the green entrepreneurship in Nepal. About the establishment of this in Nepal, how it emerged in Nepal and what is its present scenario and how can it be developed and sustained keeping in mind the economy of the country.
2. To gauge the opportunities for Environmental entrepreneurs in the energy sector in Nepal.

Research Methodology

This research paper is principally based on secondary data which has published in various research journals, leading magazine, websites and government reports.

Green Entrepreneurship in Nepal

In Nepal there is the huge chance of sustainable development and improvement of Green entrepreneurship but it has not been discussed as in the other regions of the world. As compared to other countries; Green/ environmental entrepreneurship is still at its nascent stage.

Nepal

Nepal is a landlocked country between India and China in the lap of

Himalayas with the population of 26,494,504 (Census 2011). Among these population 17% of the population lives in urban areas (Census 2011). The basic mode of fulfillment of the energy requirement of the people in Nepal is the fuel, i.e. Oil or petroleum product which is not available in Nepal. It is landlocked country without any source of organic fuel or energy such as petroleum products and crude oil and that's why it has to import fuel from other countries. As the majority portion of import of Nepal comprises of petroleum products it is always bearing losses in International trade or foreign trade.

Energy Economics and Green Entrepreneurship in Nepal

As per a report by SARI (South Asia regional Initiative for Energy Integration), Feb 2002, "Biomass and hydropower are two native energy sources in Nepal. Fuel wood is the prime source of energy which fulfills almost 80 percent of total energy demand. It is a non sustainable way of extraction of energy which is resulting in deforestation. Electricity being a secondary source supplies only 1 percent of total energy consumption."

It was confirmed by the author of the book "*Nepal in Crisis: Growth and Stagnation at the Periphery*" that Nepal is in crisis and it will face and currently faces serious challenges when it comes to economic development.

In Nepal, the generation and use of alternative source of energy took place long back in 1930 with the establishment of Pharping Hydro power project. This hydroelectricity was 2nd of its kind in Asia. Before that the source or energy used to be wood and coal. After the revolution of hydroelectricity in Nepal, electricity became one of the major sources of energy in Nepal after the establishment of several hydroelectric projects. But in the present scenario, the demand for electricity is more but the production is very less and hence, there is opportunity for the renewable forms of energy other than hydroelectricity and with this comes the opportunity for green entrepreneurship.

Green Entrepreneur does not only means the entrepreneur work related to renewable energy but any entrepreneur work that promotes the environment and works toward the welfare of society and environment hand to hand. There are many importance of green entrepreneurship. In context of Nepal, there is huge opportunity too. Nepal is an agricultural

country with more than 75 percent of its population relied on the agricultural work. So the organic farming and agriculture can also come under green entrepreneurship. Green entrepreneurship is one of the hot topics in the whole world to be discussed and adopted. Several large commercial companies are adopting the concept of eco-friendly and greenery. The marketing strategy of the companies has also shifted from price and power to energy efficient and eco-friendly.

Green entrepreneur work in the context of Nepal will be more effective as many entrepreneurs have been involved in renewable form of energy like solar energy, biogas energy, wind energy, etc. Also few of the entrepreneurs have been involved in recycling work like recycling of plastic products and papers that can conserve the environment by reducing the cut down of trees on earth.

The Current Scenario

Green entrepreneurship in Nepal is at the phase of its establishment. Many of the youth in Nepal has now been attracted towards entrepreneurship and mostly in the environmental sector. So this type of field has still to do a lot for its sustainability and proper development in Nepal. The main field where Green Entrepreneurship can be practiced in Nepal is energy sector, agricultural sector and recycling sector.

There are many companies working towards the production of energy through different means of renewable energy other than hydroelectricity like biogas, solar and wind. Hydro electricity in Nepal was first established by Government of Nepal and it used to be built by several private contractors under Nepal Government through the investment by Nepal government or any other aids like foreign investment. But now the Government of Nepal has come with different plans and policies through which the private sector can also come up with project and invest in hydropower project under construct, use and hand over basis.

The policy of Nepal Government of micro and Pico hydropower projects has provided some opportunity to the green entrepreneurship in Nepal. Another policy which Nepal Government has come up with is PPP (Private Public Partnership). Under this policy, any hydroelectricity project

can have the ownership of the Nepal Government, Private sectors and Public who will buy shares.

Nepal's micro-hydropower system programme places a strong emphasis on community involvement. It works to ensure that systems are installed by community teams, in collaboration with District Development Committees and Village Development committees. Local NGOs are engaged to act as support organizations and carry out the process of community mobilization.

Within the MHS programme, the process of community mobilization is guided by six basic principles (the 'Mul Mantras'). These principles include organizational development, skills enhancement, capital formation, technology promotion, environmental management, and empowerment of vulnerable groups and communities.

The support organizations work with villagers to establish community organizations, and ensure that at least one male and one female from each household are members of this community organization which can make strategies for regional development. (UNDP, APEC 2005)

Due to lack of proper electricity and availability of other energy sources in the whole country especially in the rural areas the solar power has got an enormous opportunity. Many private companies are working in this sector. The government is also providing the subsidiary for the establishment of Solar plants in rural areas in order to attract more people willing to establish solar power. The other form of renewable energy in Nepal is Biogas Plant. Biogas plant is extremely helpful in country areas as these rustic areas are mostly agricultural and animal husbandry based which can supply the material required for the generation of energy through biogas plant. Nepal government has established itself several biogas plants in its rural areas in order to fulfil the demand of electricity in that place. Besides some of the community in Nepal collects the drainage waste and has established a system of biogas production which is a community based initiative.

Nepal is suffering from load shedding regularly. Thus several green entrepreneurs have come up with the idea of solar lamps (saurian liting in Nepali) which work on the principle of renewable low cost energy generation. They make solar panels and solar lamps. They put this on

the market for the load shedding affected rural population of Nepal and gain profits from their innovative business and serve the people as well and establishes example of green entrepreneurship.

Opportunities

There are several private as well as community based hydropower project like micro and Pico hydropower plant which work on the community investment and government subsidy and sell the produced energy to the local residence and industries and thus earn profits.

There are numerous hydropower projects built and many are lined up. These kind of projects further the development of the place and also increase the living standard of the people and become a windfall for the education of the children of the local residence. Many organizations are operational in solar and wind energy sector. They help establish solar plant at every household in the rural as well as urban areas.

Although the solar plant is very expensive for the people of Nepal, Government of Nepal supports purchasing the solar equipments and provides assistance to the people of rural area so that they can use solar energy and improve their living standard. Various financial institutions are also helping out through financial aids to the people who wish to start ventures in the green/renewable energy sector.

Green Entrepreneur has a great opportunity of growth and establishment in energy sector in Nepal. All the discussed factors explain the need of Entrepreneurs in energy sector that can help boost Nepal economy and help Nepal be self sufficient in energy needs.

Role of Government

The Government of Nepal has been playing a pioneer role in the establishment of green entrepreneurs in Nepal. It has been providing subsidies for the import of energy producing equipments and technologies that are likely to resolve the problem of people of Nepal; especially in the rural areas where the living standard of the people is much lower.

But as discussed above, Nepal is the country with lower economy; people and government as well cannot bear the costs of such expensive materials

on its own and hence depends upon the donations. Hence government should support the innovators in the country and let them create new innovations which are practical and economic so that the people can bear the expenses. This is the condition of most of the South Asian countries. The innovations in the developed countries are somehow economic to them and they can afford it too but lower economy countries cannot. Hence initially government should praise the work of innovators and not let them leave the country and take their help for the promotion and development of the people and the country.

Role of Common People

Every citizen of a country has certain responsibilities towards the country and its people. The main role of common people in developing the green entrepreneurship is to praise the local innovation and use it. Whereas they should also help the innovators in different aspect as much as they can so that the country can be economically stable.

Role of Entrepreneurs

The role of entrepreneurs can be providing the green products in more cheap and economic rates. Also promoting the local innovation and investing on the ideas to make it practically possible to provide cheaper energy options to all and find out solutions to the present problems which can be more economic and practical and relevant in the low economic countries.

Result and Discussion

The Government of Nepal is promoting the green entrepreneurship concept and providing the subsidies to the entrepreneurs working in green energy sector. Government, rather than importing the ideas and techniques from the other countries which is neither practical and nor economical, and should accentuate the innovation and production of such ideas within the country which might be economic and can be practiced easily. It should promote Entrepreneurship Development Programs for budding entrepreneurs to boost creativity and innovation.

Suggestions

- For the promotion of green entrepreneurship in Nepal, Nepal government can provide financial support to the entrepreneurs as well as to the customers.
- In Nepal, several incentives are provided by government, such as custom duty reductions for imported small hydropower related machinery or equipment, VAT exemption and income tax exemptions for the first 10 years from the date of plant commissioning, thereafter 50 percent for the next five years.
- The government should make the process of trading the materials required for the establishment of the renewable energy source easier.
- Government should support the innovators and their innovations in the country and provide them financial support as well as friendly environment where they can improvise some more ideas and techniques.
- The government should provide the employment opportunities in the country itself and praise the quality of its citizens so that they won't leave the country and their ideas and young minds can be utilized for the promotion and development of the country.

Conclusion

Hence we can conclude that there is the massive competence of establishment of green entrepreneurship in Nepal. After a long struggle and huge support from government this field is finally in its pace of development and sustainability. It's now time for young entrepreneurs to make use of the opportunity to utilize their young and powerful minds within the country for the people for a sustainable development of the economy. In house production of energy through renewable resources by Entrepreneurs will be an implausible sustainable strategy as compared to the traditional system which will save upon capital in all senses.

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