

Creative Green Economy in Nepal

Policy Brief

The Creative Green Economy (CGE) prioritises investments in Nepal's nature and culture-based sectors for an effective green transition towards net zero. This model encapsulates major exports/imports and high-value goods amounting to a significant portion of Nepal's annual GDP.

CGE advances the 'made in Nepal' cause with a focus on products inspired by the country's nature and culture. Operationally it promotes people-centered business models that are capable of producing uniquely Nepali products and services through creativity and innovation, and development of sustainable business ideas that not only generate profits but also realise environmental, cultural and locality benefits.

Research indicates a burgeoning national and international market for many of Nepal's creative and natural products. But supply chains are fickle and current policies are not supportive. Recent developments across the education, industry and development sectors indicate a favorable environment to consider the impact of alternative models like the Creative Green Economy which are more effective at bridging multiple sector priorities and to add value, as well as support sustainable growth.

Background

The Creative Green Economy (CGE) was conceptualised through Nepal-UK exchanges focusing on craft, climate change and intergenerational empowerment. It was developed with a consortium of partners representing academic, civil society and private sector expertise and initiatives.

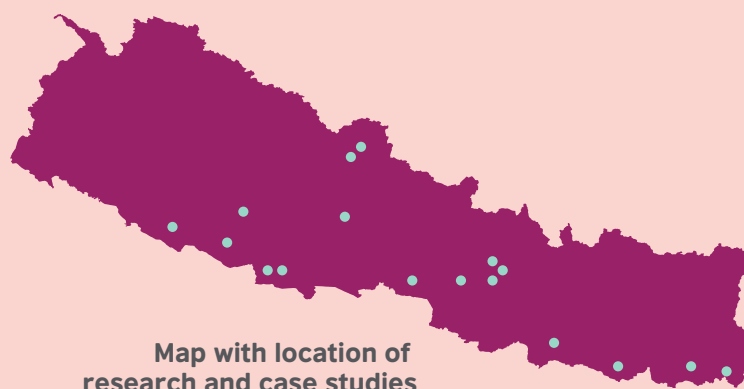
CGE is defined by the 'quintuple bottom line', People, Planet, Profit, Purpose and Place. This business evaluation framework is well suited to ideas at the intersections of nature and culture - to deliver greater economic benefits across the supply chain. It grounds business inputs in local knowledge and communities - preferring smaller operations and growth through replication instead of scale. Therefore, it is better able to capitalize Nepal's diversity and address its complex socio-cultural structures that are intrinsically tied to vocations and livelihoods.

Youth play an important role in the CGE. Their digital and narrative skills, motivations and creativity fuel the model. To support youth action in climate change, the British Council has both culture and education sector programmes - including a Kathmandu University accredited incubator that provides research and development grants for businesses to enter and thrive in the CGE.

Since 2019, the British Council has initiated and conducted multiple research activities to strengthen the community of practice within the CGE. This policy brief summarises lessons and findings from five years of cross-sector collaborations.

Policy Review

The CGE is impacted by policies from multiple sectors. But its foundation lies in the constitutional guarantees of rights to culture and identity. And it is driven by Nepal's long term climate change goals, specifically its goal to become a net zero economy by 2045.



Our studies show

- The policy environment for the CGE can be receptive. In fact, long term strategies for a future green economy are ambitious and expansive. Implementation and transparency are lacking. There are multiple stakeholders with overlapping jurisdiction which can lead to contradictory or redundant decisions.
- Policy updates are being outpaced by social and technological developments. Most policies concerned with green economic growth are focused on large-scale businesses and therefore do not provide for small-scale efforts which are more important for local communities, their economies and natural resources.
- There are fiscal policies to enhance access to resources (like startup grants, low interest loans, tax concessions, etc.), awareness of which is low amongst youth entrepreneurs.
- Policies around nature conservation do not align with local knowledge and practices. Instead they further marginalise communities previously dependent on protected areas, which also hurts their income prospects and leads to loss of their identity and culture. There are additional economic and knowledge costs to excluding indigenous from environmental management.
- With no geographical indications, no definition of intangible culture and limited trademarks, Nepal is presented with risks around intellectual property and inconsistencies in quality from missing standardisations.
- Strategies related to promotion of domestic products / services do not address Nepal's import dependencies, even for materials that can be secured nationally.
- Research and development has been established as a domain of science, technology and engineering, thus undervaluing contributions of non-technical sectors, such as arts, culture and heritage, to innovation, creating perceptual barriers which hinder wider participation
- Youth leadership is mentioned in government action plans, however skills and knowledge outside of urban centres are limited. Youth engagement from a policy point-of-view is mostly related to advocacy and there are no institutional programmes dedicated to preparing them for the (creative) green economy.
- There are many missed opportunities to acknowledge the economic contributions of culture and heritage, which are integral to top industries like agriculture, tourism, craft and related manufacturing sectors.

Lessons and Findings



People

- Indigenous communities play an active role in safeguarding against permanent loss of traditional knowledge and expressions around nature. Removing policy and legal hurdles for such communities to access local resources can help diversify products, revive heritage and generate more revenue from tourism and global markets
- Academic and non-formal development opportunities are critical support systems. Such avenues can help adapt traditional knowledge for modern challenges, promote refinement and challenge value systems where traditions and heritage are not considered essential. It can also support the development of the community of practice for people within the relevant ecosystem.



Planet

- Nepal has a long history of self-sufficiency however in recent decades the country's dependency on imports have grown exponentially. Imported raw materials tend to be cheaper because they have a higher environmental cost.
- Material innovation can be an important field for green growth. More incentives are necessary to encourage youth and stakeholders to consider the many materials that have been historically used / identified across Nepal's immense geographic and cultural diversity.



Purpose

- Nepal's rich heritage is experiencing a disruption in the intergenerational transfer of knowledge and skills. Climate change, migration, changing lifestyles are some of the factors contributing to this trend. Bringing heritage into the market economy can provide better sustainability. However, risks of cultural dilution and tokenism are likely and need to be managed with empathy and sensitivity.
- Social cohesion and prosperity are interdependent. Enabling communities to be enterprising with their heritage can be a strong platform for individual and collective empowerment.



Profit

- Fair and minimum wages still define most social enterprises. Profit sharing models are much more effective at ensuring equitable benefits for people involved in the business.
- Semi-mechanisation can keep carbon footprints down while redirecting labour into more important processes like creativity and innovation.
- Nepal needs to prefer volume over scale. Micro to medium industries can create shorter supply chains and cost-efficiency. It can build community ownership and produce greater returns.



Place

- For centuries, there have been hubs of production across Nepal specialising in natural and cultural products. These hubs almost always settled around the availability of the raw materials and benefitted from state intervention. Modern logistics has displaced such hyperlocal practices.
- Use of international trade tools can enhance the income generated from place-based products through brand identity and standardisation - local governments can strategise around these products/brand identities to develop their constituency.

Policy Recommendations

1. Undertake nation-wide creative economy research to reveal the true contributions of culture and natural resources to the country's economy. Nepal's calendar of diverse festivals can serve as an effective platform to conduct the study across the country. This can allow for the adequate registration of informal economic activities in overall assessment and provide links between creative sectors and future green economy
2. Use recent and upcoming academic developments to congregate experts to develop a vision for the arts / culture industry. This exercise can consolidate work currently existing in silos and push for contributions towards a unified goal.
3. Revisit past and historical arrangements around access to materials for artisanal and indigenous communities. Conduct access audits for most common raw materials (clay, metals, timber, plant fibers) and promote coordination between government agencies where multiple stakeholders are involved in such management.
4. Put in place geographic indications for place-based products - establish protocols and requirements to assure. Trademark 'Made in Nepal' and institute requirements to assure that at least half or a majority of input is domestically supplied.
5. Move conversation away from digital access to digital equality - focus on developing competencies to use free digital tools and platforms to access larger national, regional or global markets. Link Internet use with social benefits by promoting digital marketing and narrative skills.

Learn more about
the Creative Green Economy:



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