

Proceedings Report

An International Take on Nepal's Transition

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Speakers:

Can Atacik, Co-Founder/Managing Director of Shine Angel Fund, Istanbul, Turkey

Andrea Albornoz, Marketing Manager, Medtronic Diagnostics, Switzerland

Suman Shakya, Managing Director, One Planet Solution, Nepal

Moderator:

Blair Glencorse, Executive Director, Accountability Lab.

As Nepal moves into the realm of economic development, entrepreneurship is the call of the hour. In addition to identifying its own issues and challenges, Nepal must look to international experiences, which can provide tremendous learning opportunities. In this regard, in association with The Accountability Lab, Nepal Economic Forum (NEF) organized its 13th edition of neftalk to share relevant experiences of entrepreneurship from Latin America and Europe. This is another step to further NEF's effort in bringing international expertise and promoting knowledge sharing in Nepal, as well as Bhutan and Rwanda.

Having worked in countries such as Chile and Brazil where there are large disparities in terms of resources that people can access, Andrea Albornoz, currently the Marketing Manager of Medtronic Diagnostics, Switzerland highlighted the importance of social empowerment and social engagements in every society. According to Andrea, the best way to solve development issues is through diversity; not only in terms of gender, but also culture.

She went on to say that for entrepreneurship and innovation to thrive, it is essential that developing economies nurture an ecosystem that support and facilitate it. It is also necessary to have the support of the private sector and academia to push the government to forge such an eco-system. She drew on her experiences in Silicon Valley to showcase the importance of cultivating a culture of innovation and entrepreneurship among the young population, encouraging them to be involved in the creation of something from the ground up, rather than focusing on getting employed by a big corporation. This startup period according to her is crucial in determining the outlook of young professionals, from understanding the importance of having a clear business plan to being resourceful with finances. An example is the Start-Up Chile initiative, where international entrepreneurs are encouraged to make Chile their base for innovation.

Can Atacik, Managing Director of the Shine Angel Fund in Turkey went on to talk about how Nepal is like a wound spring waiting to be unleashed. According to him Nepal has the cultural advantage of interacting with huge markets like India and China. While innovative ideas are springing up in emerging markets like Turkey and elsewhere, he noted that the youth in Central Asia have given up on change. He was however inspired by the Nepali who he noticed still retained the hope in terms of their ability to make a change and work towards it.

He went on to say that as the entrepreneur versus employee debate gradually boils down to the issue of security versus risk, it is therefore essential to highlight success stories of Nepali individuals that have succeeded in the business world to facilitate entrepreneurship and innovation within the country. He emphasized on one potential challenge for fledgling entrepreneurs, which is to convince investors that they are no longer the decision makers. It is important to understand that the role of the investor is to mentor and guide the enterprise to succeed, and not to be the decision maker.

The key factors for foreign investors looking to invest in Nepal according to him were profitability, a young and growing demographic to ensure a growing potential market, political stability, ethical business conduct and transparency laws, conditions for bringing in investment and repatriation laws, and a solid banking system.

Suman Shakya, Managing Director of One Planet Solutions then went on to provide his insights and to substantiate the extent to which the above observations held true for Nepal. He stated that while Nepal has progressed amazingly in terms of social indicators, and at par with the developed world, the only area that it lacks in is entrepreneurship and business development. If these areas are not allowed to thrive Nepal will face issues in its long term of economic growth.

Nepal has a very young demographic, with 65% of the country's population under the age of 35. The impediments however lies within the education system, which only teaches students to follow rather than lead. The youth should therefore be brought up to be leaders to unleash the much talked about potential of the country. However with the emergence of technology and satellite television in Nepal, more and more people are getting acquainted with the wireless world, and individuals are emerging more informed and empowered than ever.

While there are restriction on foreign investment for entrepreneurs, the ecosystem for entrepreneurship has grown the past three years, with the IT sector in particular doing very well in Nepal. He however stressed on the need for education systems to focus on relevant Nepali case studies rather than just on international ones, for students to understand the local business environment. He also highlighted the importance of soft skills using the example of a research done on Stanford graduates, wherein 82% of them identified soft skills as one of the major reasons behind successful initiatives.

In conclusion Andrea went on to identify the shift in target markets for major corporations, which are now looking to expand into developing markets. It is therefore essential that these markets undergo transformation in terms of improving transparency and ethical standards to attract investments. Can provided some concluding statements on how Turkey has been working towards changing tis constitution. Nepal on the other hand he said has the opportunity to get its constitution right, right from the beginning. Sujeev Shakya, Chairperson of NEF stressed on the need to privatize the private sector, and remove cartels to promote entrepreneurship in Nepal.

Nepal Economic Forum is a not-for-profit organization initiated by beed and aimed at becoming Nepal's premier private sector led economic policy and research institution.

Neftalk is a platform for policy discourse and discussion on pertinent economic issues