

# Scenario Of Financing Secondary Education In Nepal

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## INTRODUCTION

School education in Nepal is a very large enterprise. Lately, this sector has absorbed 138499 teachers, 4883513 pupils and 2,35,00,00,000 rupees. (MOF 1998 ) Not only it is a large public employment generation sector, but it is also growing very rapidly after 1970s. The present trend seems to continue for few more years though there are signs that the rate of growth will slow down 2010 onwards (MOE 1997).

By tradition, school education in Nepal has been highly decentralised. In those days, the role of government was quite limited to granting authority to open a school and providing minimum support to the school. Each community named School Management Committee (SMC) exercised sole authority to run the schools. Each community raised funds to finance its services, and essentially all types of economic burden were localised within its boundaries.

With the changing concept of education brought by industrialisation and urbanisation, that education being conceived as public good that should be made available to everyone regardless of his income and geographical location, the dimension of school financing has undergone a dramatic change. The traditional sources of school financing have almost ceased to operate. The local community is no more providing any significant financial support and also the government has not been able to resume its role.

## HISTORY

The development of modern secondary school education in Nepal has a short history. Durbar school is the first secondary school established in the kingdom of Nepal in 1854. Set up of few Sanskrit schools followed during 1950s.

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A large number of secondary schools came into existence with the declaration of democracy in 1950 in Nepal. Realising the planned development of the school and implying the expansion of education facilities, HMG/N formed several committees in different time periods. The first of its kind, the Nepal Education Planning Commission was announced in the year 1954, likewise the All Round National Education Committee was formed in 1961. The former proposed 5 + 3 + 2 structure of school education, whereas the latter attempted to reform the existing education system.

A breakthrough in public education system appeared with the implementation of the National Education System Plan in 1971. It replaced earlier school structure to 3 + 4 + 3. National goal of education was clearly defined. Hereafter HMG/N assumed its full role and shouldered all types of financial responsibilities. The traditional SMCs were abolished and local resource mobilisation ceased to work.

## PROBLEMS

Following the restoration of multiparty democracy in 1990, HMG/N declared: (a) compulsory primary education, (b) free secondary education. In this regard, school education is taken completely as government responsibility, however, the traditional role of cost sharing which is being eroded, has not fully been replaced by the government, and in spite of evident willingness of the government, fiscal capacity does not let it go much beyond its present level.

In this context the public school education, basically, secondary one, is passing through a rigorous process under a climate of change in Nepal, which is seriously underfinanced and running inefficiently while compared with Private Secondary School.

A study carried out by METCON (1999) had strongly concluded that major hindrances to increase internal efficiency in public secondary school is lack of fund devoted to teaching. Such schools spend 82 percent in teacher's salary and a minimum portion on teaching, and on investment pattern on education it is suggested that government grants contributed as a major portion of source of school finance obtained by Public Schools. Tuition fees and other charges were next important sources, but the act of collecting of tuition fees has been ineffective in public school since 1996.

## PROSPECTS

A limited study seems to have done in financing secondary education. METCON, consultant to a micro study on school finance to HMG/N (1996) has chosen a sample of twenty-seven secondary schools out of that eight were private. The study had a large coverage of four ecological zones, five development regions from urban and rural areas. The study found that most of the public school had an annual income of little less than one million rupees and most private school had an annual income of little over than one million. The source of income of public school was government, 48 percent, followed by parents, 35 percent. Parents however, were the main source of income for the private schools.

The study also noted a variation in student unit cost. It computed Rs. 2460 as per student unit expenditure in public school and the amount for private school was Rs 8114 for the year 1994/95. Unit expenditure per student varied showing higher expenditure in urban public school than in rural public school. Likewise, unit expenditure in urban public school was higher than rural private school. The report concluded that a higher per student unit expenditure has a causal link to improve the quality of education in private school.

Another similar study in cost sharing was carried out by METCON in 1999. This time the study had a large coverage of samples comprised of seventy-six schools. It also interviewed four households associated with each sampled school. Though, the study has covered many aspects of school financing, the outcomes seem analogous to that of earlier study. The study computed a bit higher in remote public school. It was also stated in the report that quality education is directly linked with higher fees and similar charges. Choosing SLC performance as a measure of quality, the study computed average per student total expenditure of best performing student as Rs 3443 and the same for the worst performing student was Rs. 1464. However, the study revealed very little in the field of exploring cost sharing opportunity by local government and community parents.

## CONCLUSION

To raise the quality of secondary education, it is required to create a strong financial base. But financing education is a controversial subject as to who should bear the burden. It is either the state or local government or the local guardian or the community that should be prepared to accept burden, or it is a combined effort of all groups to share the burden in relevant ratio. The government seems reluctant to bear the full extent of school funding. However, the growing demand for private education among

parents gives a positive way that if quality education is given, parents are willing to bear some burden, though to substantiate parents' eagerness to finance quality secondary education indepth study has to be conducted, because the present studies in this regard do not cover the universe.

#### SELECTED REFERENCES

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## Book Review

Joshi, Shyam (1998) *An Introduction to Nepalese Economy*,  
Nabin Prakashan, Kathmandu, pp. 175. Price NRs. 85.00

The textbooks written by Nepalese writers are increasing during the past few years in the market. But, the books written in English are still few. In this context Shyam Joshi's *An Introduction to Nepalese Economy* fairly fulfills the need of books for the students with English medium. The author of this book is an experienced teacher of economics and has written a number of books on the subject for different levels.

This book not only fulfills the need of the students of Higher Secondary Level and Class XI but also meets the need of PCL, IA and ICom of Tribhuvan University students. It could also simply be helpful to SLC students to understand the subject economics. Interested general readers would also find the book useful and easy to understand the subject matter of Nepalese economy.

The book has been developed into two parts. The first part covers the Nature of Economics, Basic Economic Issues, National Income Accounting and Economic Development under the main title of basic Economic Concepts.

In the nature of economics the writer has dealt with various definitions of economics covering wealth, welfare and scarcity. A concept of micro and macroeconomics and also their importance in policy formulation has also been discussed to give an idea of economics to the beginners. Relating to the basic economic issues, scarcity, choice, allocation of resources and concept of production possibility curve are discussed briefly. Some more examples in the discussion of production possibility curve would have, perhaps, given clear understanding of the concept.

The second part under Nepalese Economy includes Introduction, Natural Resources of Nepal, Human Resource, Agriculture, Poverty, Industry, Transport and Communication, Foreign Trade, Banking, Government Finance and Development Planning highlighting the Ninth Plan 1997-2002.

Physical feature of Nepal has been discussed briefly and the country has been divided into river-based divisions and administrative divisions. Attempt has been made to discuss the characteristics of Nepalese economy from physical, economical, demographic and social aspects. In different chapters the author has mentioned the example of other countries too. For

example Arabian countries are rich merely due to the existence of huge oil wells.

The author has explained the above basic economic concepts very clearly. However, it would have been more useful if author had included value-added method in National Income Accounting to enable the students to comprehend the very concept of the system, which has generated both negative and positive concern in the country.

In the concept of economic development the author has explained different criteria of development including Human Development Index (HDI). This is very useful considering the importance of wider use of HDI concept. HDI is based on three indicators of human life i.e. income for decent living, educational attainment and life expectancy. It ranks each country from 0 to 1 scale on the basis of three indicators of development. According to HDI indicator Nepal ranked 152 among lowest HDI countries in 1998. The value for all developing countries is 0.563 and Nepal's HDI value is only 0.332.

Poverty is a burning problem in Nepal. According to Family Budget Survey of Nepal Rastra Bank (NRB) in 2042 BS, 41.5 percent of the people live below the poverty line. While the Eighth Five Year Plan estimated the people below the poverty line to be 49 percent. The author has dealt in this chapter the concept clearly so that students can understand one of the critical issues facing the country.

In the last chapter, development planning, the author has focused on the concept of planning very briefly. This portion would have been clearer if he had explained a little more in details. However, the pointwise brief discussion of topics make it easy for the students to understand the issues.

Considering the need of books for English medium students of higher secondary and PCL, the book is one of the very useful and affordable one.

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