

A Political Economy Analysis (PEA) of Education in Nepal

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EXECUTIVE SUMMARY

1. This report provides a political economy analysis of the education sector in Nepal. Political Economy Analysis (PEA) is *concerned with the interaction of political and economic processes in society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time.*¹ The purpose of this particular study was to understand how political and economic factors affect the implementation of the School Sector Reform Plan (SSRP) 2009-15.
2. The study was commissioned by the Delegation of the European Union to Nepal. The international consultants were funded by DFID and the EC and the findings will also inform a larger EC PEA study of education in a number of countries. Funding for the national consultants was provided by UNICEF and transport during field studies was provided by the World Food Programme (WFP) and Rural Reconstruction Nepal (RNN).
3. Nepal has experienced a number of significant political changes since the signing of a Comprehensive Peace Agreement in 2006 which brought to an end the decade-long 'People's War'. The ending of the monarchy led to multi-party elections in 2008 and has seen the United Communist Party of Nepal (Maoists) (UCPN-M) elected as the largest political party in a new Constituent Assembly. However, uncertainties about the stability of the interim coalition government continue and it seems unlikely that agreement will be reached on arrangements for a new federal constitution before the current extended deadline of 28 August 2011.
4. Education policy has been developed within this uncertain and changing political context. The SSRP was developed by the Ministry of Education (MoE) as a long-term plan to improve the quality of basic and secondary education. It builds on previous programmes such as Education For All (EFA), the Secondary Education Support Program (SESP), and Teacher Education Project (TEP). The cost of the SSRP over the first five years was estimated to be \$2.6 billion. The Government of Nepal has committed over \$2 billion and development partners have pledged \$0.5 billion.
5. The SSRP has a number of elements, including reforms to the structure of schooling and movement towards decentralised management of schools, changes to the training, recruitment and professional development of teachers, and a range of measures to increase equitable access and participation. Problems in implementation are well-known, but one reason for this PEA study is that, 'There is increasing recognition that blockages for effective reform at the sectoral level (including for delivery, planning and procurement) can be political and that technical solutions alone may not be enough.' (Joint Donor Workshop DFID, EC, UNDP, World Bank, 2009).
6. The literature suggests that PEA can be conducted at three levels (macro-level country analysis, sector-level analysis and problem-driven analysis), but ideally the three levels should be examined together. The study therefore included analysis at each of these

¹ See www.oecd.org/dac/governance/politiceconomy

levels. The macro-level analysis used the DFID Strategic Conflict Analysis as a methodology to identify the dominant political economy drivers in Nepal. The education sector analysis identifies structural issues, institutions and actors operating within the sector from a political economy perspective and how these influence policy implementation. However, the main approach of the study is problem level analysis.² The starting point is the identification of problematic aspects of SSRP, followed by more intensive engagement with a range of stakeholders to better understand the political economy dynamics that are making implementation difficult.

7. There are a range of methodological challenges associated with this approach, not least the sensitive and often hidden nature of the information being sought. The approach is also dependent on a highly developed understanding of political context and the interpretation of perceptions and motivations of various agencies and actors.
8. The initial plan was to focus on three specific areas of SSRP policy. These were governance (political influence, decentralisation, school management committees); identify factors (gender, language, inclusion of indigenous groups); and teachers (training, recruitment, employment and professional development). Whilst these were indeed important issues from a political economy perspective, it soon became clear that the use of more open-ended questions about perceptions of educational changes had a number of advantages. In particular, it meant that respondents were able to identify the issues most relevant to themselves and provided an insight into the different priorities of various stakeholders.
9. The study was completed in three phases (Jan-Mar 2011). Phase 1 was a desk-based study of the political economy of Nepal (macro-analysis) and a preliminary description of the education sector (sector analysis). Phase 2 was a process of corroboration and deepening the analysis with stakeholders in Kathmandu and focusing the questions for field research. Phase 3 involved field work in each of the five development regions of Nepal (Central, Eastern, West, Mid-West and Far-West).
10. Field visits were made to 27 schools (21 government and 6 private) across 10 Districts: *Kathmandu* and *Dhanusha* (in the eastern Terai), *Sankhuwasabha* (in the eastern hills), *Kapilvastu* and *Rupandehi* (in the western region), *Banke* and *Rolpa* (in the mid-western region where the armed conflict originated), *Dadheldura* and *Kailali Districts* (in the far west, the most remote and impoverished region). Altogether the study involved consultations with approximately 50 people during meetings in Kathmandu and 225 stakeholders during the field visits.

² World Bank (2009) *Problem-driven Governance and Political Economy Analysis*

MAIN FINDINGS

11. **The macro analysis** highlights the importance of centralisation of power, political patronage based on political affiliation, and economic motivations due to poverty as the main political economy factors influencing the development of education in Nepal. These factors explain most of the reasons why education policies to promote equality and inclusion are undermined in practice.
12. **An analysis of the education sector** highlights the extent to which these macro drivers impact on education provision. Since the Comprehensive Peace Agreement (CPA), education has become even more politicised and an arena for political struggles. In particular, education policy has become an area where political parties have declared ideological commitments without considering the practical implications in terms of implementation. School Management Committees have become more politicised, and political parties have mobilised support for elections to these bodies based on ideological commitments rather than education policies that serve the best interests of children.
13. **The value of a problem-based approach** to political economy analysis is that it takes the practical challenges of implementation as the starting point. This means that various stakeholders identify the problems of education provision and this becomes the starting point for further enquiry into the political and economic motivations underlying systemic problems, rather than looking only for technical solutions. Through a process of open-ended enquiry with stakeholders this study has identified the following as problematic areas related to the implementation of the School Sector Reform Plan (SSRP) in Nepal.
14. **Structural Issues.** Geopolitical factors make it unlikely that there will be any significant change from the current situation of weak government and this leads to populism by political parties and compromise in policy making. Excessive centralisation remains a key feature of governance, inhibiting local engagement and control. Politicisation is greatest in the Terai and varies through the hill districts. It will become an increasing problem if policies only take account of the interest of elites based in Kathmandu.
15. **Decentralisation.** Little account has been taken of the likelihood of the implications for education of a new federalist constitution. There is uncertainty in the Districts about what this would mean for political control of education, the governance of schools and authority over decision making such as employment of teachers, content of the school curriculum and quality control of examinations and assessment. At the heart of this uncertainty is whether federalism will mean greater autonomy for federal states based on ethnic identity or whether federal autonomy will be subject to promoting a common national identity. The balance between these will be crucial in determining a role for the education system in the new Nepal, but no clear direction is currently being set by the interim coalition government.
16. **The Role of District Education Officers (DEOs).** The influence of political parties on education issues means that DEOs are in a difficult position. The fieldwork suggests that their time is preoccupied with responding to complaints, rather than taking a lead in implementation of education policy in the local district. Whilst they are secure in the sense that their employment is supported centrally, their actions are constrained by the

need to negotiate sensitivities in the local political environment. The result is that DEOs are unable to implement the monitoring and accountability required within local schools, and they are subject to local political and economic pressures that negate any leverage they might have on quality improvements within schools.

17. **Private Schools.** The choice of private schools is driven by issues of social status as much as by other concerns. Remittances from migration are fuelling a trend towards private education based mainly on preference for English medium and status issues. English-medium is viewed both as a status issue and as a possible route to employment. The success of private schools derives primarily from stronger control of teachers even though the quality of teachers and infrastructure may often be lower in private schools than in government schools. The predominance of rote-learning methods in private schools derives from a focus on exam success. Parents are more likely to engage in private schools than in government schools because they feel that payment gives them the right to assert their concerns. Parents treat education as an economic investment and may pursue different strategies in relation to different children. Overall they are more likely to invest their resources in boys than in girls. Education officials and teachers generally send their children to private schools and this undermines their commitment to the public system.
18. **Politicisation of School Management Committees.** While political and economic motives for becoming SMC Chair predominate in the Terai, issues of status may be important in other areas, as in Doti for example. Decentralisation in education particularly through the policy of community management of schools has provided SMCs with increased authority to recruit teachers locally and autonomy to manage school funds. Lack of teachers through central recruitment has forced schools to employ more local teachers. Public demand for education through higher Grades including 11&12 has fuelled school expansion and also attracted further political involvement. Funds from VDCs are sometimes used for recurrent costs, creating concerns about long-term sustainability. Parents do not feel able to engage in school management because of status issues in relation to teachers and members in the SMCs. Student unions are inactive at local level and students rarely challenge the deficiencies of teachers. Youth organisations at local level are engaged more with political, cultural and sports-related issues and hardly question the problems in schools. In current circumstances the roles of the SMC Chair and Head Teacher are crucial. Both lack appropriate support and training and are often overridden by local politics.
19. **Teachers and Teaching.** The current rigidity in deployment of permanent teachers is the key weakness of the government school system and the situation is protected by unions and political parties. Teachers who are centrally employed enjoy security of employment and pension rights that create a sense of impunity for their actions in terms of accountability to local populations. This is reflected in high levels of teacher absenteeism, poor timekeeping and the common practice of teachers having second jobs. However, the remuneration of Head Teachers does not reflect the difficulty of their current tasks especially in expanded schools. Many of the older permanent teachers are now ineffective and demoralised. Schools face a particularly serious problem in relation to Science, Maths and English. There is an acute shortage of teachers and these are the

subjects in which students are most likely to fail the SLC examination. The direct recruitment of teachers by schools has provided some opportunity for tighter management but also raises issues of financing. Although the number of women teachers has risen they mainly occupy posts in the lower grades, especially Primary and ECD and have little influence on school management.

- 20. The Role of Education in Identity Development.** One implication of federalism is greater local autonomy over content of the school curriculum that are not clarified through SSRP. One key issue concerns education in 'mother tongue'. There is currently confusion as to whether such a commitment in the 1990 Constitution refers to a right to language of instruction in mother tongue (and from what age and to what level), or the extent to which it refers to education that reflects the language, culture and traditions of minority language groups. There is confusion between arguments for mother tongue language of instruction based on preservation of minority languages and educational arguments about mother tongue as an entry point for effective learning. The motivations of political parties may be as much about the symbolic value of supporting language rights (which is consistent with the international norms promoted by development partners) and securing the votes of indigenous groups, whilst the more pragmatic concerns of local parents are often about the value of language in providing access to employment. In this respect many parents see little value in committing their children to education in a mother tongue that excludes their children from employment that requires Nepali or an international language such as English. This issue is largely irrelevant for elite groups that subscribe to private schools where the medium of instruction is English.
- 21. Education Standards and Examinations.** The political economy dynamics related to assessment and examinations operate at a number of levels. At the international level the focus on improvements in the quality of education usually measure examination results as the key indicator. This indicator drives monitoring and places pressure on development partners and governments alike to demonstrate improvements in quality. In Nepal there are currently additional pressures for government schools to expand into higher grades, especially Grades 11 and 12. Another factor is the expectation of many parents that their children access higher education. Such expectations align different interests to cite examination results to demonstrate rising standards. However, the reality in Nepal seems to be that cheating in annual assessments and SLC exams has become institutionalised, probably to give DPs and parents a more positive impression of educational performance, but with a risk of de-motivating students and teachers and ultimately undermining credibility in the educational standards of the Nepali education system. This appears to be a vicious spiral that will be difficult to halt. In addition, primary education has received attention in terms of increasing access only and the need for quality education at primary level has received less attention. This, combined with liberal progression, has resulted in overall loss in the quality of education in schools.
- 22. Technical and Vocational Education.** Like many education systems, Nepal faces a challenge in determining the balance between academic and technical education that will best serve the future social and economic development of the country. Part of the historical legacy may be a preference amongst parents for academic education that leads to professional employment, but economic success is likely to depend just as

much on the development of technical skills. A significant challenge is to develop a system for technical and vocational education that matches the economic vision of the country.

23. **Pro Poor Policies.** Three main points arise in terms of the extent to which the SSRP is likely to reduce inequalities within Nepali society. Firstly, issues of social exclusion based on caste and ethnicity have significantly reduced. This appears to be because of the Maoist challenge and vigorous action by NGOs. Secondly, the representation of girls in public education has significantly improved but this can only be attributed to scholarships to a limited extent. The current pledge of universal distribution of scholarships to girls does not efficiently target support to those that need it. To an extent the improved ratio of girls in public education is attributable to a decline in the number of boys because they are being sent to private schools. Thirdly, the division of schools between private (English language) and government (Nepali) creates the risk of increasing the class barrier related to wealth.

RECOMMENDATIONS FOR DEVELOPMENT PARTNERS

24. **Development Partners should adopt a stronger role in challenging government.** This PEA study highlights how the macro level drivers of social development in Nepal (centralization, politicisation and patronage) are extremely powerful forces that appear to override declared ideological commitments in policy documents. Policy commitments to decentralisation, for example, may not be carried through in practice when there is uncertainty about political control and a perceived need to consolidate power centrally. Similarly, competition for electoral strength may lead to the adoption of populist policies irrespective of whether there are sufficient resources to introduce or sustain such policies in practice. This suggests that Development Partners have a very important role to play in challenging government concerning proposed education policies in terms of their likely impact, their sustainability and government's commitment to implementation in practice. This is a supportive and constructive role, but a demanding one, given the need to also maintain good working relations. It is particularly important for DPs to pay attention to ground realities and local detail because the SWAp mechanism has an inherent tendency to reinforce centralisation, which is a key source of tension and conflict in Nepal. By putting their weight behind the central bureaucracy, DPs may reinforce a tendency that is regarded as one of the main causes of conflict in the past. Although the international norm is to move away from project to budget support, DPs should recognise that in many ways Nepal is a fragile state, requiring solutions based on specific context rather than international aspirations.
25. **Development Partners should prioritise a number of key areas that promote systemic change and pro-poor development.** DPs should recognise that the SSRP was not developed through a democratic process and has not been sufficiently debated even by the current political parties. They should therefore adopt a more cautious approach to SSRP in order to avoid strengthening centralised bureaucracy in Nepal. The most important contextual change that the Comprehensive Peace Agreement (CPA) created was a recognition that there is a need for a change in power relations in Nepal that will benefit the most marginalised and poor members of the society. Education

clearly has a role to play in such a social transformation, but this will only be possible if government is sufficiently committed to implementing the key policies that are likely to bring about systemic changes that lead to improvements in the quality of education. Rather than unqualified support for every aspect of the SSRP, Development Partners might exercise a more focused challenge function by concentrating on those aspects of education policy that are crucial to the achievement of the type of social transformation envisaged by the CPA. There is clearly a challenge in terms of reaching a common agreement amongst DPs on what aspects of policy these should be, but previous donor coordination in Nepal in line with the Paris Declaration has been positive. The findings from this particular study suggest that some or all of the following areas could be potential focal points for development partners:

- i. **Decentralisation and SMCs.** Policy commitments to decentralisation are not being achieved in practice and this is evidenced most clearly in the continued concentration of decision-making, expertise and resources for education within the Kathmandu valley. There are legislative changes that could be pursued within the context of the new Constitution and budgetary decisions need to reflect greater commitment to devolution of power. Similarly, strategies to strengthen the District Education Offices and School Management Committees need to be found that do not fall foul of local politicisation and rent seeking. Development Partners could play a very constructive role in challenging government to address these issues seriously and could even offer additional support for tackling these issues.
- ii. **Growth of private schools and quality of education in government schools.** The SSRP makes little reference to private schools apart from the need for partnerships with the private sector to expand delivery of services. It generally takes a positive view of private sector development and provides no analysis of the implications of the growth of private schools on government schools. This study encountered arguments for private schooling that included the general perception that quality of education and examination results are better. There was also the suggestion that parents are more motivated to challenge school practices if they pay for services and that government commitment to provide free education is not sustainable from the revenue available for this policy. However, more critical perspectives on private education were also encountered, particularly in terms of the social outcomes of a 'two-tier' system of private and government schooling. Parent motivation to send their children to private schools can also be understood in terms of social networks that provide access to greater opportunities. There were also concerns that growth of private schools draws pupils away from government schools making their task of improving standards more difficult. The situation is further complicated by private schools use of English medium, rather than Nepali; the fact that private schools are accessed more by high caste groups; and the fact that few civil servants send their children to government schools. This is a complex area where there may be considerable divergence amongst development partners from an ideological perspective. Despite this, these factors raise questions about the extent to which government's current policies in relation to private schools need more attention in terms of their likely impact on social inequalities. Disaffection with unequal access to, and the social outcomes of state

services was a contributing factor in the conflict in Nepal, so DPs could have an important role in pressing government to maintain a focus on this important issue.

- iii. **Teacher education, employment, deployment and monitoring.** There is a substantial body of research that highlights the central role of school leadership and teacher effectiveness as the main factors contributing to improvements in the quality of education.³ This study encountered a number of systemic issues related to teachers that require urgent attention and the solutions are likely to require radical reform, rather than technical adjustments since the problems are compounded by political economy factors. Even with the impressive statistic of trained teachers (76 percent), the quality of teaching and learning does not seem to have improved in schools. Relevant and inter-related factors include, different terms and conditions between teachers in private and government schools, and between centrally appointed teachers and locally appointed teachers, including pension entitlements. Absenteeism and unprofessional practices when teachers have no local accountability and are protected by political patronage; lack of flexibility in the deployment of teachers and lack of proper monitoring of teacher attendance and pedagogy. Again, the solutions need to be more than technical adjustments that do not take account of the complex political and economic motivations involved, but rather initiatives that bring about more fundamental changes to the politicised culture that has developed. Development Partners could play a constructive role by challenging government to initiate more radical reforms, but also through support for particular initiatives, for example, by stating that until the current rigidity in teacher deployment is addressed they will not increase funding, or by providing additional funding outside the SWAp, for reform of teacher employment terms and conditions or to strengthen local school management, possibly through independent channels that better support Head-teachers.
- iv. **Assessment of learning, examinations and maintaining standards.** The study encountered surprisingly open discussion of the prevalence of routine cheating as a feature of the assessment and examination system in Nepal. This might appear to be a simple technical issue of introducing more robust procedures, but once again it is underpinned by political economy factors that pervade the education system. Some of these are related to the impunity that teachers may feel about their non-attendance which leads to poor coverage of the curriculum. There is also the exploitation of teacher weakness by pupils who feel protected by political patronage and inevitably, an economy which surrounds the leaking of papers or the willingness of those supervising examinations to ignore cheating. The consequence is that, what may appear to be a relatively minor transgression becomes the accepted norm and the motivation to achieve results the honest way is removed. Ultimately, this undermines the credibility of the whole system and confidence is lost in the authenticity of qualifications which also has an impact on how academic standards within Nepal are regarded internationally. This is potentially an area that DPs could raise as clearly damaging to Nepal.

³ For an overview see Harris, A. and Muijs, D. (2011) *Teacher Leadership: A Review of Research* accessed at www.teachers.org.uk/files/word/t-leadership-review.doc

26. Development Partners should analyse the impact of their own actions. One of the advantages of Political Economy Analysis over technical policy analysis is that it must also take account of the factors that influence Development Partner (DP) motivations. The study encountered a number of issues that respondents felt had been influenced significantly by DPs:

- i. In Nepal, DPs have arguably focused heavily on achievement of the EFA goal related to access to education. This has undoubtedly led to increased enrolments, but may have encouraged government to be driven more by the need to demonstrate progress on this measure rather than improvements in quality of education.
- ii. DPs have undoubtedly contributed to an increased awareness of the importance of girls' education and this has been reinforced by the provision of scholarships and bursaries. However, there is also a need for DPs to promote the provision of needs-based scholarships by SMCs and challenge the current common practice of providing scholarships for all girls irrespective of economic circumstances.
- iii. The complex relationship between development partners and government is reflected in government responses to DP concerns. For example, field interviews suggest that the introduction of 'liberal promotion' (the opportunity to re-sit examinations for SLC) was largely in response to DP concerns about low levels of achievement, dropout, repetition and SLC pass rates in government schools. It is clear that liberal progression has contributed significantly to improvements on these measures, but there is widespread scepticism within the system about whether this reflects any actual improvement in the quality of education and some suggested that it may have even contributed to the increased prevalence of institutionalised cheating.
- iv. DPs should be extremely cautious about identifying and promoting specific aspects of educational practice. In the current context this could easily lead to donor-driven policy-making and allocation of resources. As a specific example, DPs need to be cautious about the issue of instruction in the 'mother tongue' which seems to be regarded as a DP imposition. Although it is consistent with international norms on the right to education in mother tongue, field interviews suggest that such a policy will impact most adversely on those indigenous groups who already have least access to employment opportunities, whilst it will largely unaffected elite groups who send their children to private schools for English language education.
- v. DPs should be commended for a strong focus on developing good relations with government counterparts which is consistent with the Paris Declaration. However, this should not negate the need to provide constructive challenge to government. For example, the decision to terminate the practice of independent monitoring of the SWAp has weakened the DPs' ability to challenge gaps between policy and implementation. DPs are too dependent on centralized statistical analysis and this has in turn led to a lack of robust engagement between government and DPs. Development Partners should reinstate the practice of independent monitoring of a sample of schools (formerly called flash reports) and include additional issues related to teacher attendance and the issue of cheating.

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Acronyms

CPA	Comprehensive Peace Agreement
DDC	District Development Committee
DEO	District Education Officer
DEO	District Education Office
DFID	UK Department for International Development
EC	European Commission
MoE	Ministry of Education
NCED	National Centre for Educational Development
PCF	Per Capita Funding
SIP	School Improvement Plan
SLC	School Leaving Certificate
SSRP	School Sector Reform Programme
UCPN-M	United Communist Party of Nepal (Maoist)
VDC	Village Development Committee
WFP	World Food Programme

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Introduction

Purpose and Process

The Government of Nepal (GoN) has introduced a School Sector Reform Plan (SSRP) 2009-2015. The purpose of this Political Economy Analysis (PEA) study is *'to contribute towards achieving Education For All and related MDGs in Nepal and specifically to achieving improved education quality as envisaged in the SSRP'* by:⁴

1. Analysing the context of the SSRP
2. Mapping out stakeholder interests
3. Analysing obstacles to the SSRP
4. Considering the role of development partners (donors)
5. Making proposals regarding the SSRP

The study was completed in three phases. Phase 1 was a desk-based study of the political economy of Nepal (macro-analysis) and also a preliminary description of the education sector (sector analysis). Phase 2 was a process of corroboration and deepening the analysis with stakeholders in Kathmandu and focusing the questions for field research. Phase 3 involved field work in selected Districts of Nepal. The process was iterative, so that results from the field work and Kathmandu consultations fed back into the initial desk-based study to make it sharper and more relevant. In parallel with this process the team has gathered together relevant documents which are now held on a web platform.

In this report Section One presents a political economy analysis of the wider context of Nepal drawing primarily on published sources including conflict studies. It draws particularly on recent reports by the International Crisis Group and also a series of political economy studies recently conducted by Development Partners (DPs) for the health, power, agriculture and police sectors and brought together in a synthesis document (Jones, 2010).

The detailed history and recent political developments in Nepal are presented in these and many other documents. Therefore we do not repeat this in the main text. For readers less familiar with the background, some key facts and a very brief recent history are presented in Annex 2). Section One ends with a summary of points from the wider analysis which are likely to have an impact on policy-making and on education in particular.

Section Two provides a detailed analysis of the education sector, including key educational statistics and highlighting some of the essential elements of the SSRP. It emphasises some of the realities and tensions in the education sector and discusses these aspects from political and economic perspectives. It identifies key issues from the existing literature.

Section Three presents the main outcome of the field studies in Nepal in the form of a problem-level analysis. This focuses particularly on what was observed to be happening in contrast with what might be expected according to formal policies and regulations.

Finally, Section Four considers the role of Development Partners (DPs) and concludes with some options and possibilities for their future work on the sector.

⁴ This is a summary of the objectives list in the TOR p2. See Annex 1

Political Economy Analysis

OECD (2008) defines Political Economy Analysis (PEA) as *concerned with the interaction of political and economic processes in society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time.*⁵ The literature suggests that PEA can be conducted at three levels (macro-level country analysis, sector-level analysis and problem-driven analysis), but ideally the three levels should be examined together and in relation to each other. As DFID observes, *'sector-level and problem-driven analysis pre-supposes that a satisfactory macro-analysis has been completed.'*⁶ DFID also notes that the macro-analysis should start with a broad view including regional and global factors.⁷

Accordingly Section One presents a comprehensive analysis of current factors relating to conflict, tension and state fragility in Nepal including international dimensions. It presents a picture of contemporary Nepal but reflects the tensions that became apparent during the decade of violent conflict ending in 2006 and persist in the current period of political uncertainty and weak government. This could have been based on a governance or conflict-analysis model. We chose to use the Strategic Conflict Assessment (SCA) method devised by DFID⁸ both because this was suggested in the TOR and also because it presents a neutral, mapping approach which can be easily adapted to our ultimate focus on the Education Sector.

Both the World Bank⁹ and the DFID¹⁰ approaches to political economy analysis identify three kinds of driver: *structures, institutions and agents*. According to DFID¹¹, *Structures* are *'long-term contextual factors..... not readily influenced.'* Most of the macro-analysis falls into this category. Using the DFID method we divide the *structures* into political, security, economic and social categories. *Institutions* are taken as dynamic factors arising from the role and interests of organisations, notably education offices and School Management Committees. DFID divides these into 'formal institutions' (supposed to happen) and 'informal institutions' (what really happens). In effect, the sector analysis focuses on formal institutions while the problem-level analysis focuses on informal institutions. Problem-driven analysis also gives more attention to *agents*. These include smaller organisations (such as NGOs) and individuals within the larger institutions and structures who may pursue personal interests and concerns, notably teachers, students, parents etc. A difficulty of PEA analysis is that there is overlap between *structures, institutions and agents* and the main points of interest often lie in their interaction. The focus is ultimately on dynamics within the sector, especially its institutions and how these interact with structural factors and actors to affect implementation of policy.

⁵ See DFID (2009) p4. For a wider review of PEA methodologies see GSDRC (2008).

⁶ DFID (2009) p8

⁷ DFID (2009) p14 This has been vindicated in the current study: the impact of geopolitical factors can be clearly traced to the education sector

⁸ DFID (2002)

⁹ World Bank (2009) see diagram on p42

¹⁰ DFID (2009) see diagram on p9. The EC approach is consistent with this. See European Commission (2008).

¹¹ See DFID (2009) p9

Methodological Challenges

The timing of any political economy analysis (PEA) is an important consideration. The ideal is in a consultation period leading to new policy initiatives, but these are often rare windows of opportunity. The school sector reform process in Nepal has been underway since 2009 but it still lacks legal status, even though some of its provisions are being put into practice. In this fluid situation there are opportunities through review meetings between the government and development partners to influence how policy implementation is carried forward.

The literature also highlights the sensitive nature of PEA since it necessarily attempts to make more explicit those factors that are part of an unofficial discourse and normally less visible. People may find it uncomfortable to speak about these issues, especially in large groups or public fora. Others may consider such issues to be part of a local discourse and not easily shared with international organisations and observers. Successful PEA is likely to be dependent on access to 'local knowledge' and the involvement of experienced national consultants. A main consideration is whether the PEA is undertaken in an open partnership with government. Where possible, this is recommended in the literature, but there may be situations where donors or government do not wish to share sensitive data and information.

PEA is also highly dependent on the different perceptions of various stakeholders and actors, and for this reason it is extremely important to triangulate data to check for reliability and consistency of perceptions. In broad terms the proposal for this study is to triangulate perceptions between three main constituencies (DPs, government and civil society) – both for consistency and diversity of perceptions *between* them, and for consistency and diversity of perceptions of groups and individuals *within* these broad constituencies.

The main challenges lie in the problem-level analysis. In order to identify underlying problems that may be sensitive by nature, the approach to PEA must be flexible and focus on perceptions. On a number of occasions, the researchers were asked to abstain from taking notes whenever the interviewees felt that they were providing sensitive information. In general, interviewees were willing to talk about distortions within the system, but avoided any direct criticism of government or government policy. The comparison of areas and schools is useful for a PEA approach because it leads directly to questions of why systems operate differently under different conditions. Throughout this analysis we are careful to recognise that simply increasing the quantity of educational inputs is not enough because education can have both positive and negative impacts.

The following is a summary of the approach at the three levels of analysis:

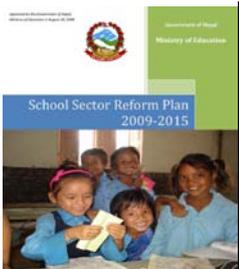
Macro level analysis was carried out using Strategic Conflict Analysis based on the DFID approach. The focus is on identifying the *structures*, especially political structures, which dictate the nature of governance and thereby influence options in the education sector.

	Security	Political	Economic	Social
International				
National				
District/Federal				
Local				

Sector level analysis carried out with a focus on formal institutions and current policies.

Education sector - History - Current Statistics - SSRP - Policy Issues	Structures	Factors
	Institutions (formal)	Factors
	Actors	Factors

Problem level analysis identifies factors influencing implementation of specific policies.

 School Sector Reform Plan (2009-15)			
	Governance - Political influences - Decentralisation - SMCs - Public - private	Identity factors - Gender - Language - Indigenous - Bursaries	Teachers - Recruitment - Training - Employment - Practices
Institutions and actors International <ul style="list-style-type: none"> • UN institutions • Neighbour countries • DPs, INGOs 			
National, ed. sector <ul style="list-style-type: none"> • Political parties • Media • Govt of Nepal • Dept Education • Institute Statistics • CDC (curriculum) • Examinations • NCED • Teacher Education • Teacher Unions • Media 			
District, local community <ul style="list-style-type: none"> • DEOs • Private schools • SMCs, local schools • PTA, parents • Teacher unions • Head Teachers • Teachers • Children, child clubs 			

Fieldwork

In Nepal the first week (14-19 Feb 2011) was spent in meetings and interviews with development partners and stakeholder consultations. During this period two extended consultation meetings were held. The first was a meeting with representatives of development partners and the second involved a presentation on SSRP by a representative of the Ministry of Education followed by small group discussion with academics, and representatives of local NGOs. Individual interviews were also held with representatives of political parties and development partners (ADB, UNICEF, World Bank). The second two weeks involved field visits. Nepal has five development Regions made up of 75 Districts. Field visits were made to the following districts in each region over a two-week period (21 Feb – 5 Mar 2011):

1. **Central Region. Kathmandu District** includes the capital and has the highest concentration of private schools. Three schools were visited in Kathmandu district (2 government and 1 private¹²). In-depth interviews were carried out with the DEO (1), MoE officials (2), NCED officials (2), representatives of Teachers' Unions (2), DPs (3) and SMC Chairs/ members (3). Formal meetings were held with head teachers (2), teachers (8) and students (25). Several informal meetings were also held with a number of individuals involved in the educational sector.
2. **Eastern Region. Dhanusha District** (in the Terai) and **Sankhuwasabha District** (in the mountains) were visited. Three schools were visited in Dhanusha where head teachers (2), teachers (15), students (20), SMC Chairs/ members (6), university lecturer (1) and politicians (6) were interviewed. In Sankhuwasabha, a hill district with Rai and Limbu indigenous communities, three schools were visited (2 government, 1 private) plus a technical training centre with 40 students enrolled. During the school visits interviews, focus groups and less formal meetings were held with meetings were held with head teachers (3), teachers (20), students (12), SMC members (3), representatives of teacher unions (2) and DEO (1).
3. **Western Region. Kapilvastu and Rupandehi Districts** were visited where meetings were held in three schools (2 government and 1 private) with head teachers (4), teachers (6), students (2), SMC Chair (2), DEOs (2) and politicians (3).
4. **Mid-Western Region. Rolpa** is a mid-western hilly district where the armed conflict originated and **Banke District** was visited en route. Six schools were visited in Rolpa.
5. **Far-Western Region. Doti** is a far western district remote from power and central politics. **Dadheldura** and **Kailali Districts** were visited en route. In the Far West and Mid-West the original plan was to focus on the hilly Districts of Rolpa and Doti respectively, but the scope of study was increased partly because of necessary travel through other Districts. In total, 15 schools (12 government and 3 private) were visited in these Districts (Doti 6, Dadheldhura 1, Kailali 2, Rolpa 6). Formal meetings were held with VDC Secretaries (2), DEOs (4), Resource Persons/Supervisors (2), SMC Chairs (5),

¹² Private schools are often referred to as 'boarding' schools although they do not actually provide boarding facilities. Government schools are commonly referred to as public schools.

head teachers/teacher groups (15), teacher unions (1), students (3), parents (2), INGOs (1-CARE), NGOs (4) and Development Partners (1, WFP). Many other meetings took place informally in tea shops and while travelling on the road.

Tejendra Pherali conducted the field work in Kathmandu, Kapilvastu, Dhanusha and Rupandehi Districts. In Dhanusha, Tejendra was accompanied by Louise Banham and Ajit Karna. Alan Smith travelled to Sankhuwasabha and was accompanied by Shradha Rayamajhi. In the West, Tony Vaux was accompanied by Yogendra Bijukchhen, a former teacher and head-teacher, for visits to Doti, Dadheldhura, Kailali and Banke Districts. For travel in Rolpa District he was then joined by Shradha Rayamajhi.

In total 27 schools were visited (21 government and 6 private) across 10 Districts. Those interviewed are summarised below.

	Regions and Districts Visited During Fieldwork					
Region	Central	Eastern	Western	Mid-West	Far-West	Totals
Districts visited	Kathmandu	Dhanusha Sankhuwasabha	Kapilvastu Rupandehi	Rolpa Banke	Doti Dadheldhura Kailali	10
Govt officials	4	-	-	1	1	6
DEOs	1	1	2	2	2	8
Private schools	1	1	1	1	2	6
Govt schools	2	5	2	4	8	21
SMC members	3	9	2	2	3	19
Teacher Unions	2	2	-	0	1	5
Head Teachers	2	5	4	3	5	19
Teachers	8	35	6	2	5	56
Pupils	25	32	2	1	2	62
Parents	-	-	-	-	2	2
NGOs	-	-	-	1	4	5
Dev Partners	3	-	-	1	-	1
Others	2	7	3	1	2	13

In general the views of DEOs, SMC members, Head Teachers and Teachers are well represented. In the field it was difficult to secure interviews with parents, although more than suggested may have been represented in meetings with members of SMCs. Pupil voices were represented mostly in group discussion since it was often difficult to secure privacy for individual interviews without teachers present. This may have influenced the opinions that pupils felt free to express.

Altogether the study involved consultations with approximately 50 people during meetings in Kathmandu and 225 stakeholders during the field visits.

Section One: Macro-level Analysis

Summary

This Section of the research is intended to set out the underlying factors causing tensions and limitations of governance in Nepal. These may be regarded as relatively fixed because they arise from fundamental structural characteristics that have developed through history and persisted over long periods of time. They provide the context within which the education sector operates and help to indicate what may be less susceptible to change and by implication where there may perhaps be greater scope.

	Security	Political	Economic	Social
International	<p>India/China tension leads to increased security concerns for both neighbouring countries.</p> <p>The following three factors provide 'legitimate' cause for India to be anxious about Nepal's security situation: a) longstanding India-Pakistan tensions, b) Nepal's independent relationship with Pakistan and c) Nepal-India open border.</p>	<p><i>India has an interest in weak governance in Nepal</i></p> <p><i>Nepal's geopolitical position (sandwiched between two large nations that are becoming stronger political and economic powers in global terms) makes it a strategic location for the US in South Asia.</i></p>	<p><i>Aid challenges coherence in national policies;</i></p> <p>Overreliance on remittance from foreign employment particularly young men working in the Gulf countries.</p> <p>Economic disparities are perpetuated by INGOs that offer much higher pay than other employers. English, needed for INGO employment, is linked with economic status and privileged educational background, creates unequal employment opportunities across social class.</p>	<p>Westernisation of social values due to increased involvement of INGOs in local communities.</p> <p>Going abroad for employment or study and social status puts pressures on young people and parents.</p>
National	<p>History of conflict;</p> <p>Continued access to weapons;</p> <p>Weak police force and rule of law;</p> <p>Culture of impunity in relation to human rights;</p> <p>Emergence of armed groups in the Terai and Eastern hills</p>	<p>Weak government asserting centralised control;</p> <p>Strong socio-political divisions¹³;</p> <p><i>History of rent-seeking by political leaders;</i></p> <p><i>Unions linked to political parties make excessive demands;</i></p> <p><i>Weak influence of civil society;</i></p>	<p><i>Wealth focused in Kathmandu;</i></p> <p>Policies restricting business;</p> <p>Dominance of business by a few individuals;</p>	<p>Divisions of ethnicity, caste, religion mobilised around federalism and political agendas;</p> <p>Issues of social status now associated with private schools and English medium;</p>

¹³ There is a deep divide between those living in the hills, especially those in and around Kathmandu, with those living away from the capital, including the large numbers of people living in the Tarai (plains) and under strong influence from India. The exact lines of this division (broadly referred to as Pahadi versus Madhesi) are difficult to define. Indigenous tribal groups, notably the Tharus of the Tarai (Plains) are technically excluded from the Madhesi category but may be considered as Madhesi in relation to Pahadis. See Miklian, J (2008).

District/Federal	Ethnic armed groups;	<i>Centralised control but promise of federalism;</i>	<i>Remittances from migrants create pockets of wealth outside Kathmandu;</i>	<i>Language issues mobilised around political agendas;</i>
Local	History of conflict; Ongoing political and criminal violence;	Lack of elected representation in VDC and DDC; Reliance on direct action (bandhas etc); Politicisation of community-based organisations (SMCs, Community Forest Users' Groups, development committees)	Extortion by armed groups; Unresolved land issues; Corruption in community-based organisations	<i>Social exclusion against dalits, women and other marginalised groups;</i> <i>Shifts in power dynamics and tensions due to women's empowerment</i>

Note: The most important factors are in bold; those especially relevant to this study are in italics.

Key Factors relating to conflict and state fragility in Nepal

Over the last decade a considerable number of studies have been conducted into the background to the conflict that ended in 2006. These documents show considerable agreement about the fundamental factors contributing to conflict and state fragility in Nepal. There is rather less agreement about their relationship to each other and relative importance. Commentators give different weightings to security, political, economic and social issues. Using the Strategic Conflict Assessment (SCA) approach¹⁴ the factors may be categorised as follows based on a synthesis of published sources (see References at the end of the report).

1.1 Security Factors

The security interests of the regional superpowers provide an overarching framework for Nepal, tending to prevent the emergence of strong and stable governments. Details of the methods used to undermine government in Nepal are difficult to verify but the existence of this important geopolitical factor is widely acknowledged. It has one very important implication for our study. If the likely prognosis is continued political uncertainty it will be difficult for any government in Nepal to push through fundamental reforms that would tackle the vested interests that have built up, particularly around teachers' deployment.

Issues relating to the security forces are highly politicised. The Nepal Army is closely associated with conservative or moderate political forces such as the Nepali Congress and CPN-UML and generally antagonistic towards the Maoists. The assertive role played by the Nepal Army since the peace agreement exerts a generally conservative impact on politics and on reform processes. Without the promised amalgamation of Maoist forces into the army and/or other security forces, the security situation remains precarious and the threat of violence in political negotiations carries credibility. This adds to the general level of uncertainty and the likelihood of weak government. Even though the command of the

¹⁴ An SCA was first conducted in Nepal in 2000 and revised in 2002. The analysis became integrated into DFID Country Strategy from 2005.

People's Liberation Army (PLA) was handed over to the government-led Special Committee in January 2011, in reality, it leaves the Maoists with the responsibility of the PLA which still remains in cantonments. The government has taken over responsibility for supporting this force from the UN. The maintenance of this force together with a very large army is a major drain on state resources. Arguably, lack of resolution of this issue is only possible because foreign aid fills gaps in other government activity, notably services.

With regard to the police service, the situation is similar. Historically the police service has been aligned particularly with the Nepali Congress and recruitment has been biased towards their party cadres. The recent PEA focused on Policing and Public Safety notes that the legal and institutional framework for policing, exacerbated by the uncertainties of the unstable coalition government, leaves police vulnerable to direct political interference at all levels.¹⁵ ICG concludes that, '*The involvement of mainstream parties, police and administration officials in profiting from violence and offering protection is becoming institutionalised.*'¹⁶ Long-term efforts by aid agencies to tackle this problem and increase the public accountability of the police have shown little progress. The PEA notes that these efforts have been particularly unsuccessful because of a lack of a coordinated sector-wide approach, but arguably this alone would not have solved the problem since the politicisation of government structures would require more radical solutions. The implication with regard to the present study is that DPs must assume a context of politicisation of government activity, meaning that the interests of political parties (individually and collectively) will take precedence over national interests. No party is in a position to take up the national interest because they will not be in power for long enough to see through the change to the point at which political benefits begin to accrue.

Analysts consider that none of the major actors has an interest in returning to war but the incidence of violence is high and possibly rising.¹⁷ Individual killings are widespread although the more intensive violence arising from the activities of armed groups is mainly concentrated in the Terai (plains adjacent to India). Much of this current violence is plainly criminal but it also arises from competition over state and criminal resources protected by patronage networks.¹⁸ Many of the political parties have strong links with armed groups and retain their own capacity for armed violence at the local level. Because the police and judiciary cannot contain the violence (and may even exacerbate it) violence has a tendency to escalate. The political system itself is resilient to peaceful means of change. When political interests are threatened, violent means may be deployed to address the threat. Accordingly, low levels of violence can be expected to continue and there is a danger, especially in the Terai, that disputes over school management may become embroiled in wider patterns of violence.

1.2 Political Factors

The recent PEA studies give prime importance to the issue of centralised control. The roots of this phenomenon go back to the history of the monarchy and the assertion of central rule over disparate elements initially by conquest and later reinforced through total concentration

¹⁵ Jones, S (2010) p12

¹⁶ ICG (2010) pi

¹⁷ ICG (2010) p13

¹⁸ See ICG (2010) p19

of power at the political centre. Since the peace process began, the Maoists have entered into the state apparatus and appear to have no objection to this tradition of centralized power so long as it leads to their own dominance. As ICG observes, *'They believe in authority and occasionally indulged their authoritarian streak once in government, stressing the need for order and discipline.... The Maoists want to control the state: they do not want it to wither away.'*¹⁹

An important legacy of centralization is a tendency towards strongly hierarchical structures within institutions, especially political parties and the civil service. Lack of democracy has emerged as a strong cause of discontent within the Maoist party, leading to fractures.

Indeed, centralization based on an oligarchy of leaders appears to be as prevalent as ever. It is reflected in all institutions associated with governance, notably political parties and government Ministries. Lack of democratic process within political parties is widely noted as a serious problem, allowing the perpetuation of rent-seeking behaviour and short-term approaches. Despite legislation intended to prevent it, political leaders maintain tight control over party finances. Efforts by aid agencies to change political behaviours have generally proved unsuccessful. The dominance of a small group of political leaders dis-empowers other political actors and also opens the way for corrupt practice.²⁰ Political party leaders maintain their position through strong central control over the selection of candidates for election and therefore have little interest in change. Local party members have little independence and therefore the actions of local politicians are often seen to represent remote and elite interests rather than local pro-poor concerns. This has a bearing on issues of representation in government services, such as School Management Committees in the education sector.

Even during the monarchy the central political authority was contested between elements of the ruling group. The same situation persists except that the ruling group is now made up of political parties that do not compete for absolute power but instead use competition as a way of bargaining for concessions (particularly the control of lucrative Ministries) from the other parties. Instead of competition between the parties which might present voters with a chance to favour more honest behaviour, the parties collude in dividing up the political spoils.²¹ This happens at different levels and has affected the education sector because, at least in some areas, the unions representing the parties have come together to preserve their collective interest.

In such a situation it is easy for one party to blame another for any shortcomings when in fact they are colluding in the general arrangement. Thus there is a strong tendency to talk principle and act out individual interests. The Maoists have developed a further excuse for any shortcomings which is to make a distinction between long-term strategic objectives (often very radical) and short-term tactical actions which may be almost the opposite. This enables the Maoist leaders to exploit short-term gains while telling its supporters that they still plan to deliver on their fundamental purposes and promises. The Maoists engage in the same way as other parties in a politicised struggle for control of resources. As ICG notes, School Management Committees (SMCs) for example have become simply *'ways to retain*

¹⁹ ICG (2010) p8

²⁰ Transparency International (2010)

²¹ ICG (2010) p2, p5, p19

*loyal cadres and provide secondary opportunities for corruption and patronage.*²² This makes it very difficult for SMCs and Head teachers to do their job. School management is viewed by all concerned as a political process. Political parties and affiliated unions line up against each other according to their allegiance, disregarding the facts.

Lack of serious engagement by the parties and lack of any real accountability to the electorate reduces the ability of governments (in so far as they mushroom into existence for short periods of time) to identify problems, correct mistakes through consultation and reduce tensions through discussion and negotiation. It also means that there is little scope for such issues to be addressed at local level because decisions are likely to be taken at the top level, far distant from the problem. Added to this, the context of weak governance encourages politicians to make short-term promises and pledges that they know they will be unable to fulfil but which challenge other political leaders to do any less. The result is an abstract world of promises and policies that bears little resemblance to reality. In the case of education, examples include ever-extending political promises of scholarships and free education.

Perhaps the most important outcome of weak governance is the continuation and spread of short-term and rent-seeking behaviour. Politicians ultimately have to pay to occupy positions of power and there is little certainty how long these positions will last. Costs have to be recouped rapidly, leaving little room for long-term planning or ideological commitment. This has degenerated and spread to the point that, according to the ICG, the state does not exist to deliver public services but for the informal distribution of state resources through political patronage networks: the *raison d'être* of the state, ICG says, *'is not serving citizens so much as servicing the needs of patronage networks and keeping budgets flowing and corruption going. The state is dysfunctional by demand. It is slow to reform because elite incentives are invested in the status quo and public pressure is rarely acute.'*

Civil servants may be compelled to be politically aligned and are dependent on political patronage both for their formal advancement and in order to pursue corrupt practices with impunity. This is not only because state salaries have never been sufficient, but also because issues of recruitment, promotion, transfer etc are politicised. Consequently, civil servants are likely to view any process of reform from the perspective of job security, likelihood of transfers and opportunities for illegal gain.²³ At senior levels such changes present major opportunities for patronage, or risks of losing patronage. Hence processes of consultation at all levels may be unreliable guides to what is needed to achieve development goals. Public engagement with the state is limited not only because of a history of centralized control but also because very few citizens pay direct taxes and therefore may not regard themselves as true stakeholders in state services. Those who can afford to do so turn to private services. The state is widely viewed primarily as a provider of jobs and patronage for those within its inner circles. The provision of services is sometimes regarded as the role of DPs rather than the state.²⁴

²² ICG (2010) p20

²³ Generally the objective is to remain in Kathmandu or at least in a major town. Transfers to remote areas denote punishment.

²⁴ ICG (2010) p42

The most important development since the peace agreement in 2006, and almost the sole source of political fluidity, may be the emergence of regionally-based alternatives to the national political parties. The promise of federalism in the interim Constitution, acknowledged by all the main political parties, directly challenges centralized control. But analysts point out that within these sub-national groups there are the same centralizing tendencies.

The unification of Madhesi²⁵ parties into the United Democratic Madhesi Front (UDMF) may appear to create a serious challenge to centralization but there is a question whether Madhesi leaders are aiming to pursue a more genuine form of decentralisation or simply to use federalism as a local platform to achieve national recognition and a seat in government²⁶ and to create another layer of rent-seeking opportunity for politicians at regional level that is disguised in the form of federalism. The threat of secession is generally regarded by analysts simply as a bargaining position. In this context, it seems unlikely that any significant devolution of education services will occur within the foreseeable future.

In general civil society reflects the same weaknesses as public bodies. Politicisation, centralisation, short-termism and rent-seeking are widespread. The dominance of the Pahadi elite within NGOs and excessive focus of activity in Kathmandu are longstanding weaknesses. The Agriculture PEA, for example, notes that NGOs are vulnerable to political interference and rent-seeking²⁷ and finds that they are poorly coordinated and, together with farmers' organisations, lack influence on policy and planning. A key exception to this gloomy picture is the success of Forest Users Groups. This seems to show that where communities can be mobilised around a task that they understand and without bureaucratic interference the result can be effective management of community resources but the capture of the Group by elite and political elements.

NGOs have played a significant role in local development but have been less successful in attempts to influence government policy. Although some NGOs take a rights-based approach it is very difficult to achieve significant progress in relation to a political system that is replete with promises and commitments but very short on action. Profound weaknesses in the judicial and police services make it difficult to apply legal pressure on the state. The news media sometimes expose weaknesses in government but there is no mechanism to bring about corrective action. Accordingly, civil society engagement in issues such as education remains weak and is to some extent compromised by dependence on government support and cooperation.

1.3 Economic Factors

International aid provides most of Nepal's non-recurrent development budget and has been influential, especially in influencing policy and supporting new programmes and projects. An SCA analysis in 2000²⁸ was among the first studies to draw attention to the risk that international aid could be a cause of problems as well as a solution. For many years, aid has been widely co-opted by the Pahadi elite at all levels and, by reinforcing the dominance of this elite, may have exacerbated political and economic inequalities.²⁹ Until DPs began to

²⁵ Broadly this term refers to people of the plains who are outside the dominant 'Pahadi' group

²⁶ Maklian (2008), ICG (2010).

²⁷ Ibid p8

²⁸ Goodhand, J (2000)

²⁹ For a detailed analysis see Bonino, F and A Donini (2009)

seriously examine the root causes of the conflict, relatively little aid reached the poorest areas and poorest peoples. The staffing of aid programmes was predominantly drawn from the elite groups. Although DPs are now much more aware of these problems, there is a continuing risk that aid will add to tensions and even to possible future conflict.

Not only is Nepal a country dependent on aid, but officials have also become dependent on the opportunities that arise through aid budgets. Work attached to aid budgets may offer different terms and conditions from government service and also opportunities for patronage through contracts.³⁰ This situation often leads to excessive zeal in complying with donor agendas and requests.

Centralization includes a tendency for the state to dominate and control (rather than facilitate and support) economic activity in the private sector. The PEA study of the power sector, for example, found that the political system is failing to deliver either an effective government response or an environment of sufficient stability and predictability to encourage private investment.³¹ The study concludes that *'progress is dependent on the achievement of a greater degree of political stability and the establishment of a government that is able to pursue coherent policies and institutional reforms, and in particular to find a way of isolating priority areas of policy making from domination by short-term considerations of rent-seeking and political advantage'*.³²

Despite all these negative factors, the incidence of poverty has been falling in all groups over a number of years.³³ This seems to be attributable mainly to the impact of remittances from migrant workers. Although many areas are devoid of young men, there is clear evidence of these remittances in the form of motor-cycle purchase, house construction and payment of fees for private education. Investment in productive activity is much less in evidence. The Pahadi culture (with its dependence on government jobs) has become accepted as the mark of a superior way of life and there is a strong preference for status symbols and this strengthens the demand for private education and for formal education rather than vocational training. The remittance economy may have boosted a status-focused culture that regards education as an end in itself.

1.4 Social Factors

DPs have been particularly concerned about social inclusion in Nepal, particularly in relation to dalits³⁴, women and girls.³⁵ A factor driving this concern is the evidence that these groups in particular have been drawn into conflict and violence as supporters of the Maoists. DPs have developed indices and monitoring systems for social inclusion and encouraged special programmes. An extensive recent study³⁶ indicates that there has been a significant improvement in relation to social inclusion especially in the case of dalits and girls. During the present study, respondents confirmed that in the hilly areas direct discrimination against

³⁰ See Shukya, S (2009) pp94-107

³¹ Jones, S (2010) p10

³² Ibid. The same view is put forward by Shakya, S (2009)

³³ Jones, S (2010) p3

³⁴ Hindus outside the caste system – former 'untouchables'

³⁵ There are many forms of inclusion/exclusion. For a summary see Jones, S (2010) p3 and for a full analysis Bennett, L (2005)

³⁶ Sharma, R J and A Donini (2010) *Towards a Great Transformation..* Tufts University

dalits was now very unusual in schools although in relation to dalits' participation in religious practice there remained some opposition. Dalits in Silgadi (Doti District) had faced violence from upper castes when they sought to enter the temple, but with support from the police they were able to do so in a large group. But it was still considered risky for small groups of dalits to enter the temple. However, in the rural Terai caste-based discrimination is still prevalent. Poor dalit families are often accused of being witches and publicly ridiculed.

There has been a marked increase in the willingness of parents to send girls to school, although still a preference for boys when it comes to paying for private education. This had led to a trend of boys going to private school and girls to public schools. Nevertheless the general trend is positive. DP policies and NGOs have played a significant role and the study points out that mobilisation by the Maoists and ultimately violent resistance on the part of dalits, was also a key issue. But the study concludes that education was also a key factor in the general process of social change- *'Education was perhaps seen as the most important factor in bringing about transformation in Nepali society. People again and again emphasized the role of education in making them 'aware' and building up their confidence.'*³⁷ In the long term this might even begin to reverse the limitations of Nepali democracy.

Implications for Education

Geopolitical factors and persistent historical trends combine to lock Nepal into a permanent state of weak governance. Added to this, elite groups have developed a strong focus on personal rather than national interests. Even those who might oppose such a system are forced to comply with it or risk economic and social ruin. Rent-seeking rather than state-building has become the national focus. As ICG concludes, *'large sections of Nepal's economy and political system rest on the solid foundation of state non-delivery and would be greatly disturbed by a dramatic improvement in efficiency.'*³⁸

The pursuit of personal interest has extended into institutions. As an example from the education sector, students who have failed their exams put pressure on the Principal who requests education officials to become involved and this will draw in political parties. The issue may be resolved by dividing up the passes for failed students between the political parties according to an agreed formula.³⁹

Without a personal interest in education (their children go to private schools) the interest of officials lies not in improving the state education system but in maximizing opportunities for rent-seeking and patronage. For this the input from the DPs is very important. Accordingly the education system is aligned towards meeting (or appearing to meet) the interests of DPs. Nevertheless the spread of education, both private and public and fuelled by remittances, has contributed to increased awareness and reduced social divisions. This is expanding the demand for the benefits of patronage and for government jobs. The inability of the state to meet these expectations may be the cause of crises yet to come. By supporting an education system that is focused largely on the interests of teachers rather than students, DPs may be postponing such a crisis but not tackling its cause.

³⁷ Op cit p21

³⁸ ICG (2010) p43

³⁹ ICG (2010) p5

Section Two: Sector-Level Analysis (Education)

In this section of the review, we highlight some of the realities and tensions in the education sector and analyse these aspects from political and economic perspectives. The School Sector Reform Plan (SSRP) will be briefly discussed in the changing political context of the country and then potential implications for the plan are analysed. The key stakeholders of education are then identified and their political-economic interests and influences are discussed. Finally, a methodological plan is proposed in order to examine these political economy drivers at micro level through a series of field-based consultations proposed to be carried out in six different districts in Nepal.

2.1 The Education Sector: Historical Legacy

Nepal's modern education system has a history of just over six decades. The end of the Rana oligarchy in 1951 and the beginning of an egalitarian political system created an opportunity to introduce universal access to education. Education was then perceived to be the right of independent people and therefore a Board of Education was established in 1952 to initiate educational development in Nepal. The National Education Planning Commission (NEPC), with financial and advisory support from the United States, was tasked to study then existing educational initiatives and propose a homogenous national education system that would promote unity, democratic values and national pride.

The first *Five Year Plan for Education in Nepal* (1956 – 1961) emphasised 'national' characteristics in the education system by adopting a national curriculum for primary level; compulsory teaching of the Nepali language in all schools, and categorically barring the teaching and learning of other indigenous languages in the schools. The NEPC report recommended that Nepal's education be geared towards restoring historically ignored 'essential characteristics' – 'national pride, virility and individuality'.⁴⁰

The royal coup of 1960 and the establishment of the Panchayat system added a new theme of *rajbhakti* (service to monarchy)⁴¹ to education and placed a greater emphasis on national unity and solidarity. The New Education System Plan (NESP) was announced in 1971 with an aim to meet social, political and economic needs of the nation and again to solidify the project of nation building through the educational process. The main objective of the NESP was to produce the citizenry loyal to the Crown and the Panchayat political system as well as develop scientific and technical human resources.⁴² All schools were nationalised under the Ministry of Education and a national curriculum was made compulsory to enforce Panchayati values through teaching and learning across the country. The US and other donors viewed this plan as a 'ploy' by the palace to legitimise royal supremacy and solidify the Panchayat system. As a result, the education sector lost substantial international funding.

The expansion of education during this period was said to be a 'psychological adornment' rather than a national strategy to produce citizens capable of contributing to the economic development of the nation.⁴³ Hence, the education system was developed as a tool for nationalising the diverse Nepali society, favourably disposed to the monarchy and the ruling

⁴⁰ See Pandey et al. (1956, p.74)

⁴¹ See Onta (1996) for an analysis of making of the national history in Nepal

⁴² See HMG (1971) National Education System Plan for 1971-76

⁴³ Ragsdale (1989, p.15)

elite (mainly representing hill high castes)⁴⁴ who were in control of the state apparatus. Even though two major political changes have occurred since, the legacy of the Panchayat education system still prevails. Therefore, it is important to analyse these historical antecedents in order to fully understand why, despite a huge amount of investment, Nepal's education has failed to produce intended outcomes.

The Nepalese school system has two types of schools: community schools (supported by government, but may be aided or unaided financially by government), and institutional schools (supported by parents and trustees and privately managed). Community schools have three sub-categories: community-aided (fully supported financially and managed by the government), community-managed (supported and funded by the government fully but managed by the community) and community-unaided (getting either partial or no funding from the government). In addition, there are 766 religious schools (Madarasa, Gumba/Vihar and Ashram/Gurukul)⁴⁵ that receive support including funding and curriculum materials from the government once they are recognised by the Department of Education. The following summarises current changes to the overall structure of schooling:

Age	Grade	Types of Schooling System	
		Old System	New System
16	12	Higher Secondary Education (Grades 11-12)	Secondary Education (Grades 9-12)
15	11		
14	10	Secondary Education (Grades 9-10)	
13	9		
12	8	Lower Secondary Education (Grades 6-8)	Basic Education (Grades 1-8)
11	7		
10	6		
9	5	Primary Education (Grades 1-5)	
8	4		
7	3		
6	2		
5	1		
4	Pre-Primary Education/		
3	Early Childhood Development		

⁴⁴ Lawoti (2007)

⁴⁵ DoE (2010b)

2.2 Schools during the armed conflict

The *People's Movement I* replaced the Panchayat system in 1990 with a multiparty democratic polity, but subsequently elected governments largely failed to address people's aspirations. Some notable improvements in the education sector had taken place by the 1990s, for example, a dramatic increase in the number of schools, increased net enrolment rate and more equitable access to education across socioeconomic groups. However, in reality education and economic development were disconnected. The long-standing people's discontents and the increasing disappointment with elected governments were again politically collectivised by the then CPN-M to declare the 'People's War' in 1996.

Involvement of teachers and students in political movements is not a new phenomenon in Nepal, but the emergence and expansion of the Maoist rebellion engaged both teachers and young people in the Maoist movement in different ways. School premises provided shelters for the rebels, young recruits (students) for their militia⁴⁶ and a large group of educated people (teachers) who believed that the 'People's War' was the only way of bringing about social and economic change in Nepal.⁴⁷

Schoolteachers and young students were often caught in the middle of conflict between security forces and the Maoist rebels. By 2004, an estimated 3,000 teachers had been displaced from schools in the rural areas, directly impacting on an estimated 100,000 students' education.⁴⁸ A significant number of displaced teachers are still based in district headquarters and some of them still cite security reasons for their inability to return to their designated schools. However, for a few who have now lived in town for several years with their families, moving back to a village is neither socially viable nor economically motivating. A large number of school children as well as teachers were kidnapped to attend political training programmes or mass gatherings of the CPN-M. A significant number were forced to join the war. Nearly 3,000 minors were released from the People's Liberation Army in February 2010, after four years of the CPA.⁴⁹

It was reported that more than 79 schools, one university and 13 district education offices were destroyed by the Maoists between January 2002 and December 2006, of which 32 involved bomb explosions and at least 3 schools were caught in crossfire between the rebels and security forces.⁵⁰ Teachers suffered a two-way dilemma of whether to implement the 'Maoist curriculum', or the 'national curriculum' at school. Schools were also targeted by security personnel who arrested, tortured and even killed teachers and school children suspected of being Maoist activists or sympathizers.⁵¹ A total of 145 teachers were killed by the warring parties during the conflict.⁵² However, the attacks on teachers during the conflict and the impact of direct or symbolic violence on school education have largely been ignored in the postaccord policy framework.

⁴⁶ Watchlist (2005)

⁴⁷ Pherali (2011)

⁴⁸ Thapa and Sijapati 2004

⁴⁹ UN (2010)

⁵⁰ INSEC (2007)

⁵¹ Amnesty International, 2005; Child Workers in Nepal Concerned Centre, 2006; Dhital, 2006

⁵² INSEC (2007)

2.3 Structural Factors

2.3.1 Education reproduces caste-based disparities

Despite the significant expansion of education during the last few decades, there exist ethnic and caste-based disparities in access and attainment. Even in 2001, a full decade after multiparty democracy was restored, equal rights were spelled out in the new Constitution, and educational 'development' efforts intensified, disparities still existed. Literacy rates among Brahmins, the upper caste was 70 percent as compared with 10 percent among the several low-status caste groups that constituted 9 percent of the country's population.⁵³ Socioeconomic status is strongly correlated with access to private education: 44 percent of students from the richest quintiles are enrolled in private schools as compared to 7 percent from the three poorest quintiles.⁵⁴ Those who have access to English medium education in private schools are more likely to succeed in the modern job markets such as the business sector and the ever-growing number of non-governmental organisations. The wealthiest quintile benefits from the social and political networks of the privileged, and is likely to gain easier access to economic opportunities. This kind of social reproduction is difficult to break through project-based interventions and perpetuates the caste-based social order in Nepali society making upward social mobility difficult for the least advantaged.

2.3.2 Education has poor alignment to the economy

Even though education is valued, it is not necessarily perceived as a tool for guaranteeing a secure economic future for the majority of rural populations. Employment opportunities are scarce and nepotism and favouritism are rampant. Almost one third of the Nepalese youth population is currently employed in unskilled jobs in the Gulf States, Malaysia and Korea and approximately 400,000 Nepalese go abroad in search of employment or better life prospects every year.⁵⁵ This has resulted in precarious economic growth dependent on foreign employment without proper economic structures within the country. Therefore, educational development needs to relate more to local level economic activities in order to better establish the relevance of education in young people's lives. The impact of remittances has so far been mainly felt in a desire for private education as a mark of social status. However, remittances have also led to a boom in construction at least in some areas. This could provide the basis for greater demand for skilled workers. The education system remains very weak in relation to vocational skills. Some educationalists argue that vocational training options should be introduced from Grade 8 and that after passing the SLC exam students should have access to vocational training in 11 and 12 Grades. Currently these Grades are almost entirely focused on training in education for prospective teachers who are unlikely to find jobs. There is a need for an informed national debate about the function of education and in particular the place of vocational training in the system. DPs could usefully promote such a debate by conducting research and engaging with civil society.

2.3.3 Significant improvements in enrolment and equity

There has been significant progress in access to and equity in education over the last 60 years. The literacy rate among the adult population (15 years +) has increased to 57.9% and

⁵³ Central Bureau of Statistics (2003)

⁵⁴ Central Bureau of Statistics, (2004)

⁵⁵ The Himalayan Times (2010)

80.8% of the youth population are literate.⁵⁶ From the situation in 1951 when there were 8,505 students in 321 primary schools and 1,680 students in 11 secondary schools, currently there are 4,951,956 students studying in 32,648 primary and 1,130,336 students in 7,559 secondary schools across the country. In the last 60 years the numbers of primary and secondary schools have increased approximately by 102 and 661 times respectively. The primary net enrolment rate has increased significantly reaching 93.7 percent in 2009.⁵⁷

Gender-based disparity in terms of access to education has almost ended with an average of 50.1 percent girls enrolment at all levels.⁵⁸ However, assessing this improvement in the new structure of the school system, the NER in basic education (1 – 8) is approximately 83.2 percent while the secondary (9 – 12) enrolment is only 23.9 percent. This indicates that the vast majority (76.1 percent) of secondary school age children are out of school. There is still a large gender disparity in the teaching workforce, of which less than 24 percent are female teachers. A significant improvement in *dalit* and *janajati* participation in education has been achieved with an average of 15.2 percent *dalits* against their total population of 12 percent and 40.27 percent *janajatis* against their total population of 40 percent. The following table presents a summary of key educational statistics:

1. The average Gross Enrolment Rate (GER) in ECD/ PPCs is 70% with 69.2 for girls and 70.9 for boys. (SSR target: 72%)
2. The proportion of students in grade 1 with ECD/PPC experience is 52.1%, with 52.4% girls and 51.9% boys. (SSR target: 45%)
3. Out of the total 33,160 schools 32,684 are primary, 11,939 are lower secondary, 32,685 basic, 7,266 are secondary, 2,564 higher secondary and 7,559 secondary (grade 9-12) level.
4. On average, the school student ratios are 1:152 at primary, 1:142 at lower secondary, 1:202 at basic (grade 1-8), 1:112 at secondary, 1:124 at higher secondary and 1:150 at secondary (grade 9-12) levels.
5. The total number of students at primary, lower secondary and basic level is 4,951,956; 1,699,927; and 6,651,883 respectively; these numbers are an increase by 3.5% at primary and 2.7% at lower secondary level from the previous school year. Of total primary, lower secondary and basic enrolment, 88.1%; 86.4% and 87.7% are in community schools and 11.9%; 13.6% and 12.3% are in institutional schools. This shows that the institutional schools serve around 12% of children in basic education.
6. The total number of students at secondary, higher secondary and secondary (grade 9-12) level is 811,910; 318,426 and 1,130,336 respectively; of total secondary, higher secondary and secondary (grade 9-12) enrolment, 83.7%; 87.0% and 85.0% are in community schools and 16.3%; 13.0% and 15.3% are in institutional schools. This reveals that the institutional schools serve around 15.0% students in secondary education.
7. Of the total enrolment at school, girls' enrolment constitutes almost 50.1% at all levels i. e. 50.5% at primary level, 49.9% at lower secondary level, 50.2% at basic level, 48.8% at secondary level, 50.7 at higher secondary level and 49.3% at secondary (grade 9-12) level.
8. In comparison to their share in the total population at around 12%, the share of Dalit enrolment is 21.5% at primary level, 14.2% at lower secondary, 10.0% at secondary and 6.3% at higher secondary level.
9. In comparison to their share in the total population at around 40%, the share of Janajati enrolment is 38.2% at primary level, 41.8% at lower secondary, 40.8% at secondary and 31.0% at higher secondary level.

⁵⁶ UNESCO Institute for Statistics (2008)

⁵⁷ DoE (2010a)

⁵⁸ DoE (2010b)

10. GIR and NIR in grade one is 142.4% and 89.0%. Compared to the previous school year the GIR is decreased by 1.6 per cent points and the NIR is increased by 2.6 per cent points in the current school year. (SSR target: 140 GIR and 86% NIR%)
11. The GER at primary, lower secondary, basic, secondary, higher secondary and secondary levels are 139.9%, 94.5%, 124.4%, 66.3%, 26.0% and 46.2%. The GER at primary has decreased as compared to the previous school year. (SSR target: 128 for Basic education and 47% for Secondary education)
12. The NER at primary, lower secondary, basic, secondary, higher secondary and secondary levels are 94.5%, 69.3%, 86.0%, 46.5%, 7.8% and 27.1%. The NER at all levels has increased as compared to the previous school year. (SSR target: 96 for Primary level, 77 for Basic education and 23% for Secondary education)
13. The gender parity in school education has significantly improved. The GPI in NER at primary, lower secondary, basic, secondary, higher secondary and secondary levels is 0.98; 0.98; 0.98; 0.98; 1.04 and 0.98 respectively.
14. The promotion and repetition rates in grade 1 are 69.1% and 22.6%. The promotion rates in the upper grades are better as compared to the grade 1. (SSR target: 8% in Grade 1 and 7% in Grade 8)
15. The repetition rate in grade 8 is 6.6%. (SSR target: 7%)
16. The overall survival rate to grade five is 80.6%, with 80.4% for boys and 81.2% for girls. (SSR target: 65%)
17. The overall survival rate to grade eight is 66.0%, with 65.2% for boys and 67.2% for girls. (SSR target: 49%)
18. The overall Co-efficient of efficiency at Primary and Basic levels is: 73.4% and 65%. (SSR target: 55% for Primary and 39% for Basic levels)
19. The proportion of female teachers by level in all types of schools is: 42.2% at primary level, 25.9% at lower secondary level and 17.3% at secondary level level.
20. The proportion of female teachers by level in all types of community schools is: 37.5% at primary level, 19.0% at lower secondary level and 13.2% at secondary level.
21. The proportion of Dalit teachers at primary, lower secondary and secondary levels are: 4.4%, 2.6%, 2.7% respectively.
22. The proportion of Janajati teachers at primary, lower secondary and secondary levels are: 29.8%, 17.2% and 12.7 respectively.
23. The percentage of fully-trained teachers in all types of schools is 80.7% at primary level, 63.6% at lower secondary level and 85.1 at secondary level respectively.
24. The percentage of fully-trained teachers in all community schools is 82.9% at primary level, 65.2% at lower secondary level and 87.9% at secondary level
25. The student-teacher ratios (based on the approved positions of the teachers) in community schools are 43:1 at primary, 57:1 at lower secondary and 35:1 at secondary level respectively.
26. The number of primary level grades used a local language in the teaching and learning process as a transitional language to make better interpretation of the subject matters at primary level is 17,273.

Table 2: Educational Statistics of Nepal⁵⁹

2.3.4 Quality of education remains low, whilst repetition and dropout rates are high

Even though the primary Net Enrolment Rate has increased remarkably to 93.7, almost 22.6 percent of these children fail to make satisfactory progress resulting in repetition in grade 1. This statistic is significantly more than the SSRP target of 8 percent repetition at primary level. More than one-third of children (34 percent) drop out by the time they reach grade 8 and the repetition rate in grade 8 is 6.6 percent.

⁵⁹ DoE (2010b)

The quality of education is low. A 24 percent pass rate in the SLC examination in 1991 has now reached 68.67 percent in the year 2010. While this exceeds the SSRP target of 64 percent, whether the overall quality of education has improved is debatable. Discussions with teachers and students in rural districts revealed that the SLC results can be questioned due to poorly managed exams and irregularities such as external cheating, guidance by teachers in the exam halls and copying is pervasive in most SLC exam centres in rural areas.⁶⁰ While there is a drive to improve education statistics, the focus on standards, quality and relevance of education seems to have received less attention. Therefore, the education system is blamed for not serving the labour market. A World Bank report noted that 3.9 percent of the wage labour force is under-educated and the social return is less than 10 percent for secondary and higher secondary graduates in employment.⁶¹

2.3.5 Reliability of educational statistics

There is a serious issue with the reliability of educational statistics. The enrolment rate reported by the DoE does not necessarily reflect the realities in the field. There are political and economic motivations for over reporting school-based statistics. Per capita funding, scholarships and other grants are associated with the number of children enrolled in the school. Therefore, there is a clear economic advantage for reporting an increased student enrolment. In Dhanusha, it was found that out of a reported enrolment of 510, only 205 children were present on a typical school day. One head teacher reported that the DEO provides much less funding than the number of children reported. This is because the DEO is aware of the practice of over reporting, so schools respond by over reporting even more. Additionally, DPs and other international agencies are keen to see educational improvement in statistical terms which the government experiences as a pressure to demonstrate improved enrolments and higher achievement. Such pressures create disincentives to scrutinise the reliability of data too closely at local, national and international levels which means that the process of educational development driven by international development goals may have produced unintended outcomes in relation to the reporting of data.

2.3.6 Ethnic and indigenous groups

It has been argued that the post-Panchayat period has been an era of 'ethnicity building'⁶² as opposed to the nation building movement (1960–1990) during which discussion of ethnic difference and inequality was viewed as threatening national unity. While Nepali is still the official language, the Constitution of Nepal 1990 restored the right to have primary education in mother tongue. The Curriculum Development Centre (CDC) has developed curricula in various local languages for example, five books for Grades 1 - 5 have been developed in the Maithili, Bhojपुरi, Awadhi, Tamang, Limbu, Bantawa Rai, Chamling Rai, Sherpa, Gurung, Magar and Nepal Bhasha languages. However, there has been a lack of meaningful engagement with local communities in the design and development of mother tongue materials and more importantly, the limited capacity of the existing workforce to teach in local languages has not been fully recognised. This suggests that the process is a top-down intervention without adequate preparation of the beneficiaries.⁶³

⁶⁰ This theme emerged during fieldwork in schools in Doti, Rolpa, Kapilvastu, Udaypur and Sankhuwasabha.

⁶¹ World Bank (2001)

⁶² Gellner (2007, p.1823)

⁶³ Shields and Rappleye, (2008, p.269)

The forty-point demand of the CPN-M before the declaration of the 'People's War' included a point on education in mother tongue, 'all languages and dialects should be given equal opportunities to prosper. The right to education in the mother tongue up to higher levels should be guaranteed'.⁶⁴ An ethnic and indigenous right was one of the prominent slogans and a uniting force of the Maoist movement that expanded its power base among the ethnic minorities, *dalits* and indigenous populations. Therefore, not surprisingly, the majority of Maoist activists and *People's Liberation Army* are represented by young people from 'indigenous nationalities', lower castes and marginalised ethnic groups.⁶⁵ During the conflict, the Maoists also structured their 'new state'⁶⁶ based on ethnic dominance and they still advocate for state restructuring along ethnic lines within a federal state.

The twenty-one day long Madheshi movement in January 2007 revitalised the politics of ethnic identity, indigenous culture and local languages. A separate Madheshi state along the southern Terai region has been demanded by all Terai-based regional parties. While most political analysts view this as a political bargaining stance, there will be broader implications of the politics of identity and ethnicity for educational reforms in the post-conflict Nepal.

2.3.7 Private versus government schools

Even though the vast majority of Nepalese children attend public education, 12.32 percent in basic education (1 – 8) and 15.3 percent in secondary level (9 – 12) are currently receiving education in privately managed schools. Recent statistics shows that 15.14 percent of basic education schools and 33.8 percent (one-third) of Nepal's secondary schools (9 – 12) are under private management. Private schools in Nepal do not receive government funding, nor are their teachers trained or monitored by any state mechanism. These schools charge fees to parents and offer the curriculum in the English medium. Private schools generally perform significantly better than government funded schools in the SCL examination. Almost 70 percent succeed in the SLC and almost 90 percent get through in the subsequent SLC second chance exam. The pass rates of private schools in the SLC are over 80 percent, whereas less than 30 percent in government schools succeed in the same exam.⁶⁷

The general perception that all private schools in Nepal have a sound financial situation is debatable. A large number of private schools outside the Kathmandu valley struggle to survive, teachers prefer to work in the capital and more importantly, affordability of private education in smaller towns and rural areas is questionable. However, there is a widespread perception that private schools exploit their teachers by ignoring government regulations. Even though the government regulation requires independent schools to spend a minimum of 60 percent of their total income on teachers' salaries. A recent evaluation conducted by the Department of Education shows that teachers in some private schools are paid up to 75 percent less than the basic salary fixed by the government.⁶⁸

⁶⁴ Maoist Statements and Documents (2003)

⁶⁵ Lawoti (2005)

⁶⁶ The CPN-M used the term the 'new state' to refer to their political control and the 'old state' to the existing state mechanism. They were still running their own judicial system, education, taxation, and traffic registration in some rural parts of the country before these structures were dissolved in 2008.

⁶⁷ SLC Results 2063, Available from <http://www.soce.gov.np/perf.php>

⁶⁸ Nayapatrika, 06 February 2011

Despite this, private education, particularly in higher secondary level is growing rapidly. There is very little or no control over the fees charged by private institutions, whose 'quality' and 'standards' are heavily publicised in both print and electronic media. As there is no 'general consensus regarding what constitutes quality',⁶⁹ these institutions have created a public perception that quality is determined more by modern infrastructure than by improved teaching and learning. It also creates economic pressure on parents whose children see their educational future only in expensive institutions. Many graduates from these institutions go abroad for further education or better life prospects and are unlikely to return home for professional careers. While there may be indirect benefits of such a 'brain drain' problem, the social returns from Nepal's private education system can be questioned. The private-public divide is further widened due to English language being the medium of instruction in private schools. For parents, English medium education costs much more than public education but is instrumental for increasing employment opportunities for their children with international organisations and the private sector job market. This suggests that private education contributes to the reproduction of existing socioeconomic structures in Nepali society, which are often argued as the major causes of the communist rebellion. Many educated parents including school teachers, government employees, businessmen, politicians and social workers can afford to send their children to private schools. For these groups the poor quality of public education is not necessarily a matter of personal concern.

The Maoists argue that private education is a consequence of the underperforming government education system where the majority (86 percent) of Nepalese children are being educated.⁷⁰ During the armed conflict, the Maoists were critical of commercialisation of education and demanded the abolition of the private education system. Several private schools were forced to close down resulting in an unexpected influx of students into government schools that were already struggling to physically accommodate students in the class. The state versus private education dichotomy is still a contentious issue.

The majority of teachers in private schools are not formally trained so this also raises questions about how the quality of teaching differs government schools. The SLC exam, which is the key indicator of government versus private school success, largely assesses students' ability to memorise or reproduce answers during examinations. Students mainly focus on examination preparation rather than engaging in a meaningful learning process. This is re-emphasised by a growing business in selling examination papers, model questions and readymade answers that are easily available at bookstores so, even if students secure good results, this might not necessarily reflect the quality of learning.

2.4 Institutional factors

Since the establishment of an education ministry in 1951, bureaucracy has expanded substantially through the creation of additional education structures and organizations such as the Department of Education, District Education Offices, National Centre for Educational Development (responsible for teacher training) and Centre for Curriculum Development. Since the restoration of multiparty democracy in 1990, most educational programmes have been financed, supported and influenced by international development partners working on

⁶⁹ Bhatta (2009, p.4)

⁷⁰ DoE (2010b)

a global education agenda.⁷¹ The global thrust for rapid progress in education means that local stakeholders are under some pressure to meet international standards. In general, programmes have either produced unsatisfactory results (e.g. CSSP) or generated impressive quantitative outputs without producing meaningful outcomes (e.g. 77 percent teachers in basic education and 84.3 percent in secondary level are fully trained, but there is a real concern about transferability of these skills into classroom practice.⁷² Due to the lack of a proper classroom monitoring system, it is difficult to establish how teaching practices have improved, but it is generally accepted that no substantial change has occurred in the pedagogical culture of most schools). This suggests that the policy level interventions alone do not achieve positive outcomes.

The nature of the education system in 'new Nepal' is yet to be visualized. As the country awaits a new constitution, the goals of education are yet to be identified in line with new political structures. What is already known is that Nepal will almost certainly adopt federalism and education is likely to be the responsibility of federal states. Current political discourses in these potential states constitute the revival of ethnic identity, indigenous nationalism and primary education in mother tongue. These elements are being pushed hard by politicians as important ingredients of the new education system. However, these will have serious financial implications in terms of preparing appropriate resources and more importantly will impact on the existing workforce, yet little preparatory work has been initiated.

Curricular reforms have taken place with an aim to integrate new content related to emerging social and political changes both in the local context and globally. For example, the Curriculum Development Centre has revised curricula at basic education level by incorporating local content as well as topics on civic education, democratic principles, lessons on human rights, inter-caste/ethnic tolerance, respect for multiculturalism, peace building and so forth.⁷³ However, teachers have not been trained properly to deal with these sensitive issues. The post-conflict communities in Nepal are highly politicised and ethnically divided, which means that teaching these issues to young children requires proper training rather than simply reliance on the formal guidelines disseminated to schools.

There is also a growing concern about effective implementation of education policies. A report published by the National Centre for Educational Development reveals that around 60 percent of teacher development policies were unimplemented or partially implemented. However, 'resource-tied policies, provisions under training curriculum and legally obligatory policies were found implemented in the majority cases'.⁷⁴

An amendment to the Education Act in 2001 provided a policy framework for the government to transfer the management of public schools to local communities. This initiative was further implemented by the Community School Support Project (CSSP) launched in June 2003 with financial assistance from the World Bank. The government intention was to transform the role of the State from 'manager to facilitator' and enhance the community's role in the

⁷¹ Bhatta (2011)

⁷² DoE (2010b)

⁷³ NCED has produced a teacher-training manual and has reported trained 144 master trainers who are expected to train more trainers in the future. These trainers will then train over 200,000 teachers in basic education level.

⁷⁴ NCED (2063 B.S.)

management of Nepal's school system that constituted over 26,000 schools.⁷⁵ The CSSP 'financed social mobilization and a menu of grants as incentives for school committees to accept formal management of their schools'.⁷⁶ Under this programme, over 2,000 schools were handed over to communities. However, the project was implemented without proper consideration of political factors, community capacity and piloting the initiative. Moreover, there was a significant gap in broader community and school level engagement in the process of planning and implementation.⁷⁷ A recent evaluation report on the CSSP indicates that the overall outcome of this project was 'unsatisfactory' – 'implementation suffered from fiduciary challenges and resistance by teachers' unions and insurgents. Deficiencies in the evaluation design impeded formation of the knowledge base needed to learn what could help communities manage schools effectively'.⁷⁸ The report further notes that the objectives of SMC were found to be 'unclear' and this initiative, even though it surpassed the target of the World Bank in the number of schools transferred to community management, does not seem to have made much effect in schools.⁷⁹ Monitoring and supervision of instruction by SMC members, who would not necessarily have an understanding of pedagogy but would wear the empowered 'SMC hats', could be argued as inappropriate and problematic.

2.5 The School Sector Reform Plan (SSRP)

The School Sector Reform Plan 2009-15 (SSRP) was introduced in 2009 as a key policy document of the Ministry of Education and designed with the active involvement of Nepal's development partners. The plan is currently being implemented and the progress is being monitored annually. The government has implemented the plan as 'a continuation of the ongoing programmes such as Education for All (EFA), Secondary Education Support Programme (SESP), Community School Support Programme (CSSP) and Teacher Education Project (TEP). Building upon the lessons learnt and gains made in the sector, the SSRP also introduces new reforms characterised by strategic intervention such as the restructuring of school education, improvement in the quality of education, and institutionalisation of performance accountability'.⁸⁰ The plan integrates 'key policy goals and values, including the right to education, gender parity inclusion and equity' through a wide consultation with educational stakeholders at different levels.⁸¹

The cost of the SSRP over the first five years is estimated to be \$2.626 billion. The Government of Nepal has committed \$2.002 billion and development partners have pledged \$0.5 billion. 'The Government expects that the funding gap can be closed by employing a resource mobilisation strategy, targeting non-pooling development partners, I/NGOs and the Catalytic Fund from the Fast Track Initiative (FTI)'.

The SSRP has set baseline indicators for monitoring purposes. The following table provides a summary of the indicators:

⁷⁵ Carney et al. (2006)

⁷⁶ World Bank (2010, p.vii)

⁷⁷ Edwards (2011)

⁷⁸ World Bank (2010)

⁷⁹ Ibid

⁸⁰ SSRP, p.1

⁸¹ Ibid

Indicators	Unit	Base Years		Targets						
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
1. Share of Education Budget in										
GNP	%	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.5
GDP	%	3.5	3.6	3.6	3.7	3.7	3.8	3.8	3.9	4.0
2. Share in Education Budget										
Basic Education	%	70	71	71	72	73	74	74	75	76
Secondary Education	%	9	9	9	9	9	9	9	9	9
3. Enrolment at Grade 1										
New entrants with ECED experience	%	33	36	41	45	51	57	64	71	80
Gross Intake Rate	%	141	148	144	140	137	133	130	127	123
Net Intake Rate	%	78	81	83	86	88	91	94	97	100
4. Gross Enrolment Rate										
ECED/Pre primary	%	60	63	67	72	77	82	87	93	99
Basic Education (1-8)	%	116	123	125	128	130	132	132	131	131
Secondary Education	%	36	40	43	47	52	58	66	75	83
5. Net Enrolment Rate										
Primary Education	%	89	92	94	96	97	98	99	99	100
Basic Education	%	71	73	75	77	80	82	85	87	90
Secondary Education	%	20	21	22	23	24	26	27	29	31
6. Teachers with required qualification and training										
Basic Education	%	62	66	70	74	79	83	88	94	100
Secondary Education	%	74	77	80	83	86	89	93	96	100
7. Teachers with required Certification										
Basic Education	%	90	91	92	94	95	96	97	99	100
Secondary Education	%	90	91	92	94	95	96	97	99	100
8. Pupil Teacher Ratio										
Basic Education	Ratio	44	43	41	40	39	38	37	36	34
Secondary Education	Ratio	42	39	37	34	32	30	28	26	25
9. Repetition Rate										
Grade 1	%	28	18	12	8	5	3	2	1	1
Grade 8	%	13	11	9	7	6	5	4	3	2
10. Survival Rate by cohort method										
Grade 5	%	54	58	61	65	70	74	79	84	90
Grade 8	%	37	41	45	49	54	60	66	73	80
11. Coefficient of Efficiency										
Basic Education	Ratio	0.46	0.49	0.52	0.55	0.59	0.62	0.66	0.71	0.75
Secondary Education	Ratio	0.30	0.33	0.36	0.39	0.42	0.46	0.50	0.55	0.60
12. Learning Achievement										
Average Score of students in core subjects in grade 5 and 8										
Grade 5	%	50	53	56	60	63	67	71	75	80
Grade 8	%	44	46	48	49	51	54	56	58	60
13. Pass Rate										
Percentage of students passed in the SLC and HSE National Examination										
SLC	%	60	62	64	65	67	69	71	73	75
Higher Secondary	%	23	25	28	31	34	37	41	45	50
14. Literacy Rate										
Percentage of literate people										
Age Group 15-24	%	73	75	78	80	83	86	89	92	95
Age Group 6+ years	%	63	69	76	78	80	83	85	88	90
Age Group 15+ years	%	52	56	60	62	64	67	70	72	75
15. Literacy GPI (15+)										
	Ratio	0.61	0.74	0.90	0.92	0.93	0.95	0.96	0.98	1.00

Source: SSRP, p.2

Development partners and government officials strongly support the idea of decentralisation in education. Although the plan was not developed by the political parties it is difficult for politicians to reject ideas such as free basic education, instruction in mother tongue, technical and vocational education to better equip young people with employment skills, empowering local communities to take ownership of the school, integrating local content in the curriculum to enhance relevance of their education and focus on quality education. The officials argue that the SSRP is a technical plan and therefore would fit in any kind of political structure that Nepal might adopt in the future.

'The SSRP is not a revolution but continuity of previous educational programmes. It has three key themes: inclusion, restructuring and decentralisation. The provision of scholarship and other grants are aimed at enhancing educational opportunities for marginalised groups. The educational restructuring is intended to improve the quality of education and student retention as well as to secure funding for basic education (grades 1-8). Decentralisation has no alternative other than developing capacities of people to take extended roles in this process. However, it faces a number of risks including resistance from politicians who intend to control the system from the centre rather than devolving power to the local levels.'

Senior Official, Ministry of Education

However, in practice the reform plan of the SSRP has been hindered by the lack of local government, contentious transitional politics and a politicised teaching workforce. As there is no elected government at local level, the initiative lacks a responsible local body for the implementation of the programme. Most importantly, the SSRP has not been effectively communicated to educational stakeholders at local level. Most head teachers and teachers in the rural areas are ignorant about the aims of the plan and see it as another government initiative that will be talked about until the DPs' funding runs out. They continue with what they have been doing and report to DEO as required.

The annual budget allocated for the education sector in the Fiscal Year 2009/2010 was 46.61 billion rupees out of which one-third was expected from development partners. A large portion of the annual budget (67 percent) was allocated for basic education (1 – 8) whereas an 18 percent allocation was made for secondary education.⁸² The Status Report 2010-011 shows good progress towards achieving its targets by 2015/16, particularly the Early Childhood Education and Development (ECED) sector has shown remarkable improvement. However, there are issues around availability of learning materials, sufficient budget and effective strategies to retain ECED facilitators.

There has been a significant improvement in enhancing functional literacy among youth and adults. The situation of 30 percent adult literacy in 1990 increased to 46 percent in 2001 and Nepal is aiming to achieve 75 percent adult literacy by 2015. However, availability of learning materials and allocation of sufficient funding to support the adult literacy programme has generally become a hindrance in achieving this target. The real challenge to successful implementation of SSRP may lie in motivating the teaching workforce to transform their pedagogical practices, instructional supervision and monitoring of programmes at local level.

Teachers' unions fear that the state is gradually withdrawing from its educational responsibility and therefore oppose the transfer of school management to the community. More importantly, they fear that their 'rights and status' will not be secure if the schools are managed by politically divided communities.⁸³ As teachers' unions are affiliated to political parties, their interests and positions are not dissimilar to what their parent parties advocate. The UCPN-M's policy is to have the education system under state control and therefore it is against the transfer of schools to the community and the provision of private education.⁸⁴

⁸² DoE (2010a)

⁸³ Vaux and Smith (2006, p.25)

⁸⁴ Caddell (2007, p.15)

The government claims that the provision of scholarships for *dalit* children and girls for basic education has contributed to greater participation of these groups in education. However, the structural factors that prevent these groups from attaining education are much more powerful and resistant to change through scholarships alone. For example, the current economic situation means that unemployed parents are still highly dependent on their children's contribution to the home. Similarly, scholarships for martyrs' children, Kamlaris and victims of conflict have been implemented, but criticised as being inadequate and often delayed in reaching the beneficiaries.

The SSRP also aims to ensure that all school teachers possess the necessary knowledge and skills to facilitate teaching and learning effectively. Teacher training and professional development are not well integrated. The overemphasis on a 'delivery model' of teacher training is likely to ignore other critical aspects such as the sociopolitical context, critical appraisal of the content, motivation and trainee's willingness to transfer skills into practice, which are also important in enhancing the impact of training.⁸⁵

Although the SSRP gives a priority to technical education and vocational training, there is the perennial problem of matching the supply of skills with economic opportunities. The backbone of the present Nepalese economy is remittances, which are mainly received from an unskilled workforce working in India and Gulf countries. There is a general consensus that education needs to be skill-based and employment oriented in order to contribute to the national economy. However, the expansion of technical and vocational education does not seem to be driven by a clear vision of the economic future and the skills it will require.

2.6 Stakeholder Analysis

Political and economic factors significantly affect relationships between schools and communities. SMCs have strong political characteristics, most of its members having close affiliations with political parties. In many schools the SMC Chair and the head teacher may have conflicting political views that could prevent common understanding of the school management issues. There are also political pressures on DEOs when recruiting the relief quota teachers, distributing scholarships, school auditing and school upgrading. In many schools in Terai politics and crime often intersect and schools have not been able to form SMCs due to threats from armed groups. This all occurs at the cost of quality education which is the main goal of the SSRP. Local level party organizations have close links with school management committees. In most cases, local party leaders are members of SMCs so working effectively in the school requires the government or other development partners to liaise with local party leadership.

The leadership and management capacity of head teachers was weakened significantly during the armed conflict. Maoist pressure for mandatory donations, compulsory attendance at their political programmes, intimidation and potential physical assaults left head teachers and teachers demoralised. During the emergency period, mutual trust amongst teachers eroded considerably. The fear of violent attacks has reduced significantly since the CPA, but the relationship amongst educational stakeholders has been weakened.

Teachers rely heavily on textbooks. Lecture methods and rote learning dominates. Opportunities for continuing professional development or the provision of ongoing support

⁸⁵ NCED (2063 B.S.)

are virtually non-existent. Professional rewards for teachers are negligible. The chances of promotion in the teaching profession are poor and permanent positions are very secure. This leaves teachers in a stagnant career without much hope for upward mobility. Therefore, teachers in villages are often involved in some local businesses or involved in farming.

Many parents cannot afford to send their children to secondary education or higher education due to their poor economic conditions. While the scholarship programme is positive, the amount (RS.350 – 1000 per year) is not attractive when they need their children to support them at home. The consequences of this include continued marginalisation of many of the country's poor and disadvantaged groups.

Most school children are involved in community-based organizations such as children's clubs, youth clubs and cultural groups. These are supported by NGOs working in the community and they organize a wide range of capacity building activities. However, there is a lack of school-community partnership in these initiatives. Teaching and learning in the school could benefit substantially from partnerships with these organizations and vice versa. Some young students are organized under student unions affiliated to political parties. There is a significant presence of students' political organizations in the school, but community-based social organizations have negligible presence.

2.7 Implications of the education sector analysis

- Educational reforms in the transitional period have been affected adversely both at policy level and in the implementation process. In the absence of a powerful government, the vision for educational development is unclear creating uncertainty among development partners as well as policy makers. The SSRP is essentially a technical plan designed collaboratively by bureaucrats and development partners while the political parties are mostly focusing on the peace process and drafting of a new constitution. As a result, there is a dilemma in implementing some of the key changes proposed by the SSRP in the absence of an appropriate Education Act.
- Policy implementation is always a challenge in the context of weak governance, widespread corruption and politicisation of state apparatus. The SSRP is likely to face these problems in the present political circumstance which will put its effective implementation in jeopardy.
- The political restructuring of the Nepali state will have broader implications for educational reconstruction. Political discourses, particularly on the issue of federalism and ethnic rights are likely to impact on SSRP. The uncertain political structure makes planning for difficult. There is a lack of debate on setting up educational goals for a multicultural, ethnically diverse and politically sensitive Nepal.
- The education sector has made significant progress over the past two decades. However, the main concern is to what extent these quantitative outputs have produced real improvements in the quality of education and social returns for marginalised people.

- There is an increasing divide between private and state education, yet there seems to be little reference to the implications of this in the SSRP and little account taken of how the education reforms will play out across these different school environments.
- More sustainable interventions are necessary to bring out change in education. Increased participation of teachers, local communities and other stakeholders is vital in identifying problems and in designing and implementing effective programmes. Programmes originated in the centre are less likely to succeed.
- School culture is heavily influenced by politics, and political interests often override the teaching and learning processes.
- Teacher unions are affiliated to political parties and operate as a sister organisation rather than dealing with issues relating to their profession only.
- It has been widely recognised that the transferability of pedagogical knowledge and skills into practice is a real issue in teacher development. Teachers lack opportunities for continuing professional development. An effective monitoring body particularly with the capacity of instructional supervision is lacking.
- While several NGOs conduct educational programmes around and within schools, there is a lack of working partnership between government agencies and NGOs working in the education sector.

The political economy relationships between structures, institutions and actors are complex. Poverty and lack of economic opportunities act as dominant drivers whilst the motivations of individual actors are also heavily influenced by transitional politics. Excessive politicisation of educational institutions has seriously damaged professional integrity thereby increasing educational actors' dependency on political patronage. The following is an attempt to represent the relationships between various stakeholders within the education system.

Political Economy Network of School System in Nepal

Section Three: Problem-Level Analysis

Introduction

The preceding sections have focused on structural factors at the macro and education sector levels. Section Three analyses problems relating to education policies and focuses on the perceptions and influence of individual actors, notably DEOs, Head-teachers, SMC Chairs, parents and children. It draws on the field visits, focus groups and interviews.

3.1 General Structural Constraints

The field studies provided extensive evidence of the structural problems identified in Section One. As an example of the collusion of political parties in 'dividing up the spoils', in Doti they have created an 'association' of teacher unions to negotiate education issues collectively. The representative of the association sits in the District Education Office. This is not an attempt to keep politics out of education or reduce political influences but instead allows the parties to decide on their own solutions and present them to the DEO for implementation. The arrangement allows the parties to manage the appointment of teachers and allocation of funding in their own interests. This not only dis-empowers the DEO but also reduces the influence of SMCs. It reflects a national agreement among the parties but whereas it appears to work quite smoothly (from the parties' perspective) in Doti, the struggle for resources is much more intensive in the Terai where cooperation gives way to open violence and intimidation in many cases.

A factor underlying the political arrangements in Doti is the availability of substantial funding for education through the District Development Committees (DDCs) and Village Development Committees (VDCs). People and parties in the District have shown a very strong interest in educational expansion, especially formation of Higher Secondary (Grades 11 and 12) 'colleges'. In Doti District, VDC Secretaries have bowed to pressure mobilised by the political parties, not only to allocate the full amount permitted for education but to transfer funds from other purposes (notably road-building) into education. In the absence of elected VDC and DDC representatives, the collective action of the political parties is the decisive force in the District – but strongly influenced by the central policies of the parties rather than by local democratic pressures. It appears likely that the parties use their power primarily to mobilise support and funding from teachers. Non-compliance to requested financial or political support from political parties could result in the teacher's transfer or non-renewal of the teaching contract if they were not in a permanent contract.

In Rolpa the situation appeared to be the reverse, with very limited funding for education, little political interest and a focus on road-building rather than education. It seems likely that the difference arises from a much higher general level of development in Doti (dating back to early efforts under the monarchy) and a long history of communication especially with India, whereas Rolpa was isolated until very recently. As a Maoist base area, Rolpa has received national and international support for road-building, but ethnic and cultural factors may also be a cause of this variation. The predominantly Magar population of Rolpa has shown less inclination to education than the heterodox and upper caste population of Doti. A comparison of the two Districts suggests that multiple factors affect educational preferences and outcomes.

Strong variation between adjacent schools in the same District suggests that human agency also plays an important role in educational outcomes. Despite the structural constraints described in Section One, SMC Chairs and Head-teachers do seem to make a difference (see below). Thus, although generalisations at national level can be made, they must be qualified by local knowledge. Equally, a national policy is likely to produce different outcomes in different areas.

3.2 Education Policy in Practice

An earlier review of EFA in Nepal (Vaux, Smith and Subba, 2006) noted that inefficiencies in teacher deployment arose mainly from an imbalance between hilly areas, where there were too many teachers, and the Terai, where there were too few. Since then the expansion of private schools has added to imbalances, drawing students away from government schools even in hilly areas, but because of the political power of teacher unions, teachers could not be redeployed to the areas where they were needed. This is still the case today. Over the course of time, the pattern of teacher deployment has remained rigid while the spread of students has changed, and continues to change, rapidly.

Over the last five years, the overall rate of enrolment has increased dramatically. Recognising the problem of teacher deployment, the government has not recruited more permanent teachers but instead recruited staff without permanent contracts, referred to variously as temporary, relief or *rahat* teachers. These teachers receive the same salary as permanent staff but do not get other benefits such as pensions. The third main category is staff recruited locally to fill gaps and it is this group that has attracted political parties as it is an opportunity to place their cadres into government jobs as teachers. In the 15 schools visited in the West, the typical pattern of staffing was 40% from the permanent government cadre, 30% as 'relief' teachers and as many as 30% of teachers locally employed.

The problem of insufficient teachers is not only one of numbers. Teachers of Science, Maths and English are often lacking and these are the subjects at which students most commonly fail in the SLC exam. The exam success of private schools arises largely from emphasis on these subjects and particularly because they do much better in English, the language of instruction in private schools. Except when local VDCs offer to cover the costs, state schools are obliged to raise funds from parents to cover the deficit of teachers. In spite of government promises of free education, parents do not complain about this and officials turn a blind eye, acknowledging that there is no other way of addressing the problem. Schools typically recover the cost of additional teachers as annual fees to students in the Grades where extra teachers are employed. In effect, education remains largely free in Primary Schools (1-5) but charges are introduced in Secondary Grades, and schools are practically self-financing in Grades 11-12.

The review of EFA in 2006 noted that while enrolment rates were steadily rising (and this trend has continued) the rates for retention and repetition were very high and, in particular the rate of pass in the SLC exam at Grade 10 was very low (under 30%). These concerns, emphasized by DPs, have led to corrective action by the Education Ministry but although the figures now look better (see Section Two) the educational outcomes are not necessarily as much improved as might appear. Head-teachers reported that since 2006 they have been under considerable pressure through the DEO to move children forward through the grades. This has led to a relaxation of the internal exam and assessment processes that determine

whether students moved forwards. The Ministry has decided that children falling short in their assessments should be awarded 'grace marks' to move them up to the pass level. The degree of flexibility seems to be gradually increasing with originally 7 extra marks allowed but now more than 10 becoming normal.

It appears that these changes in student performance have been largely managed by DEOs but the compliance of Head-teachers and SMCs may also arise from concern to maximize the Per Capita Fund (PCF) which is based on the number of children in school. Head-teachers also have an interest in higher student numbers in order to maintain or increase the quota of teachers. Even though students may attend very few classes, they remain on the books in order to keep up the PCF. There are reports of large numbers of 'ghost' students in some schools with names of children invented or retained after they have ceased to attend (see Section Two).

These changes have resulted in students moving forward when they are not ready with the potential that they will ultimately fail in the critical SLC exams. This in turn may have contributed to the spread of cheating in SLC exams. This now takes two forms. Firstly there are cases of help to individual students by friends who may even sit the examination on their behalf. The second type is systematic cheating organised by teachers who commonly give out model answers in advance of the exam or writing up key points on a board.

These practices appear to be condoned by officials but there is also an institutionalised form of cheating directly managed by officials. At the time of the 2006 Review, a failure in any of the eight subjects in the SLC exam led to failure overall and the necessity of retaking the entire exam a year later. Since then the rules for the exam have been relaxed. Failure in up to two subjects can be remedied by retaking the exam a few weeks later. This has undoubtedly increased pass rates but may not fully account for the doubling of pass rates that has been recorded. The explanation put forward quite openly in interviews is that cheating takes place 'en masse' in the SLC retakes. These exams are usually taken at the District HQ and managed in such a way that practically all the candidates pass. A significant factor may be that, according to local reports, DEOs receive an incentive of Rs 1,00,000 if the SLC pass rate exceeds 50%.

Because exams are normally held in government schools it might be expected that the system would benefit students from those schools rather than private schools but, because practically all government teachers put their children into private schools, cheating often takes the form of government teachers cheating on behalf of private pupils. This may significantly contribute to the very high pass rates of private schools. It also highlights the problem that the interests of teachers in government schools do not coincide with those of their students.

For the individual cheating is about getting jobs but for the education system cheating arises at least partly because of external pressures from DPs who are in turn influenced by global agendas, notably targets derived from MDGs and elsewhere. The negative impact is serious, as several Head-teachers pointed out. The SLC pass may lose its value but more importantly students lose the incentive to study and teachers lose the incentive to teach. Students observe that cheating is part of the prevalent system and take this lesson forward into their lives.

Nevertheless, despite systemic cheating, SLC pass rates show a surprising amount of variation (from under 20% to nearly 80% in schools close to each other in Rolpa, for example). Why do some schools not cheat as much as they can? A few Head-teachers said that they did not feel able to encourage cheating; the impact was so negative in terms of teacher and student motivation that they had decided to keep it tightly under control. It seems possible that the focus of attention on SLC pass rates lies with the DEO (under pressure from the Ministry and in turn from DPs), but in some cases the pressure is not passed on to schools. Head-teachers showed surprisingly little interest in SLC pass rates and often could not say what the rate was without referring to documents. The rates that they presented were usually for the initial exam before the retakes, whereas the figures passed on through the Ministry to DPs reflect the final pass rate after retakes. It appears that the retakes are the crucial mechanism for 'adjustment'.

A second strong trend in the education sector is the expansion of schools (both public and private) to include higher Grades. The SSRP encourages this but does not appear to be the real driver of change. There is a general increase in demand for education and remittances provide the capacity to invest. The objective is to secure a government job, with a strong preference, especially among girls, for teaching. The SSRP itself is generally regarded as an idea circulating in Kathmandu that has only an indirect influence in the Districts. The prospective division of Primary and Secondary schools at Grade 8 (instead of Grade 5) was not a serious issue for most respondents. The SLC exam at Grade 10 remains the crucial issue determining the structure of education. They expect that schools will add classes if they can but it depends on local finances rather than a Kathmandu directive. The real factors driving school expansion seem to be availability of funding, primarily from VDCs, and secondly rising public demand for education. These interact with the interests of the political parties which, as noted already, support any activity that may provide opportunities to extend their influence and funding.

There was much evidence of Secondary schools increasing their range of classes but it is very difficult (despite the new provisions of the SSRP) for Primary Schools to become adopted by the government as Secondary Schools (with the implied responsibility to provide teachers etc). A Primary School in Silichool has operated as a Secondary School for nearly a decade without being adopted by government. It receives informal help from government in terms of 'relief' teachers and some buildings but is left with a substantial deficit on running costs. The SMC Chairman said that he was reluctant to charge fees because he wanted the school to be adopted by government rather than go private. This left the school in an extremely tight financial position (especially as the VDC offered little help). Nevertheless the SLC pass rate was very high and there seemed to be none of the usual problems of teacher discipline. Without adoption (and control) by government, the SMC was able to discipline the teachers and run the school efficiently. This example clearly illustrates that the fundamental problem of the government system is the deployment of teachers and the profound negative influence of the union/political nexus.

In conclusion, three major structural factors (see Macro Analysis) drive education practice. In order of importance, firstly there is the inability to tackle problems of teacher deployment and discipline which arises from union links with political parties and ultimately from weak government. Secondly, there is Nepal's dependence on aid which translates into pressure to adjust the perceived outcomes in order to meet DP expectations. Thirdly there is a public

expectation that education will result in government jobs. This makes it necessary to cheat to get SLC passes, favours academic subjects and particularly English. Private schools have picked up on these preferences and taken them further.

3.3 Private Education

Over the last decade, private schools have extended their presence from the Kathmandu Valley and major towns (where they were limited during the conflict) into small towns and along the main roads. Occasionally private schools are also found in remote villages. Teachers in the public sector are generally better qualified and better paid than those in the private sector, the infrastructure of government schools is generally better and the curriculum is more sophisticated, at least in terms of learning for life.⁸⁶ Government schools are largely free of charges, but private schools charge for what they provide and seek to make a profit. A number of factors have contributed to the success of private schools, but the main factors cited are as much to do with failures of the public sector such as:

- frequent absences of teachers in government schools;
- rigidity in covering for other teachers in government schools;
- high SLC pass rates in private schools compared to government schools;
- willingness to set and mark homework in private schools;
- textbooks available at the time needed in private schools (unlike government schools)⁸⁷;
- expectation of increased job prospects from English-medium education;

Where SMCs exist in private schools they seem to be dominated by the owners. Unions are excluded and teachers are subject to a 'hire and fire' system which enables the school management to control them very tightly and make them work harder than is generally the case with teachers in the public sector. Costs are driven down by paying teachers much less than government teachers (commonly about two thirds and without any perks) and demanding more regular attendance, willingness to cope with large amounts of homework and more intensive teaching schedules.

The use of English medium is seen as essential for jobs in government and in organisations connected with aid. It also helps with migration for work abroad. The second key quality of the private schools is their very high pass rate in SLC exams. This is achieved largely through a stronger focus on exams and greater use of rote-learning than in government schools. Underlying these reasons is another, simpler and more basic one. Parents interviewed for this study freely admitted that the real reason for sending children to private schools was 'keeping up with the neighbours'. The importance of status in parental choices was confirmed by many teachers and DEOs, as well as by parents themselves. A major reason why social status has taken its current form is the availability of money from remittances and the desire of migrants for their relatives to be demonstrably doing well even though the migrant may suffer all kinds of indignity abroad. Minor emblems, such as ties, denote the status of children attending private school (and have been mimicked by some

⁸⁶ In Kathmandu there are a few elite schools with much better facilities than government schools. We are talking here about the general mass of schools outside Kathmandu.

⁸⁷ A long-standing weakness of the public system is that textbooks are commonly distributed far into the study year or sometimes not at all.

aspiring government schools). What DPs might regard as indicators of quality education, such as qualified teachers and safe buildings do not appear to count highly with parents.

Although there are private schools with excellent facilities, especially in Kathmandu, elsewhere private schools are dominated by issues of cost and profit. The infrastructure of private schools observed during this study is generally worse than that of government schools. While most government schools have added several earthquake-resistant modern buildings since the end of conflict in 2006, some private schools operate in appalling temporary buildings and others are poorly maintained.

The issue of social status

A private school housed in tin shacks in a remote part of Rolpa District was drawing students away from a nearby government school with new buildings and well qualified and committed government teachers. The teachers attributed this trend to parents' desire for status. They noted that several children had come back to the government school because their parents ran out of money. In another case a private school had opened near another very good government school but later closed down again. Head-teachers in these schools were, however, considering the possibility of opening up English-medium streams in their Primary Schools.

While status is a general incentive to private education, individual parent choices are made on the basis of what is in effect a market-place for education services. Parents investing in the education market make different choices for different children, with particularly strong variation between girls and boys. This has led to a preponderance of boys in private school and an increasing ratio of girls in government schools. Parents with similar incomes may make different choices depending on the position of education within other priorities such as funding a migrant or building a house. Changing economic circumstances may result in children switching from public to private education and back again. This is particularly difficult because of the change from one language of instruction to the other. A parent in Silgadhi lamented that he could not put his daughters into private school (although he could now afford it) because they were too old to start in English medium.

Parents appeared more confident about challenging teachers in private schools (where they were paying) but diffident about complaining to government schools where they perceived themselves as recipients of a free service (for which they should be grateful). If there is something that parents do not like in a government school often their first option is to withdraw their children and send them to private school. The divide between private and government schools in the Kathmandu valley is increasing. Most private schools in Kathmandu charge between RS1,000 and RS50,000 per month. These schools have a range of modern facilities, which generally reflect the amount of fees they charge. The modern infrastructure including furniture, computers, laboratory, library, playground, and so on help schools to justify their tuition and admission fees. Most parents regard these facilities as a symbol of quality education. However, some teachers in government schools in Kathmandu did not agree with the perception that private schools offered a better quality education. Apart from a very few schools operated by foreigners or elite groups, the majority of private schools depended on rote learning and taught children how to do well in the exam only. One of the teachers from the government school in Kirtipur argued that producing high

pass rates in the SLC exams did not necessarily prove what young people of Nepal should be learning. He pointed out that the private school graduates have very little knowledge and understanding about Nepali society, culture and politics as compared to those who graduate from government schools. A deputy-head teacher from a private school argued that private schools were contributing to the national economy by educating children from economically privileged families who would otherwise have sent their children to schools in India. They provide value for the money invested in the education sector and provide employment to a large number of an educated workforce. He argued that there is a better professional practice in private schools where teacher absenteeism is not an issue.

In Kapilvastu, there is a clear divide in terms of who attends public or private school. In the government school 95 percent of children are Tharu and it is often referred to as the 'Tharu school' whereas, the private school next door was attended predominantly (96 percent) by children from Pahade background and known colloquially as the 'Pahade school'.

Although most private schools are secular, profit-making institutions there are other categories including various kinds of non-nationalised community and religious schools. In Nepalganj (Banke District) the DEO drew attention to the specific problem of Madrassa (Muslim) schools. Although in the past these schools have remained separate from the government system they now seek integration. According to the DEO this may have arisen because, with large families, Muslims are finding it too expensive to maintain the Madrassas and hope to secure access to government funding. Government policy allows that even after such schools are adopted, religious education can continue. A problem for the DEO is that although some government schools in the area are half-empty because of the shift towards private education, it would be difficult to transform these into government-supported Madrassas.

We also observed children of a Hindu 'Pandit' school in which children are trained to be priests. The children claimed that they were following the government syllabus as well as their religious studies which consisted mainly of learning long prayers and chants. Clearly government policy allows for a multiculturalist approach in which groups are not only free to pursue their own identity but may do so with state support.

A point made by a wide range of respondents is that those with a permanent job, including most government employees, send their children to private schools. In particular, government teachers and Ministry officials have no personal interest in the state system. Collusion in relation to cheating has been noted above, but otherwise there were no clear examples of any distortion of the system because of this division except perhaps that private schools are only very lightly supervised and monitored by the state and have been able to escape any significant degree of taxation.

3.4 School Management

The position of SMC Chair provides a significant opportunity to control resources and extend patronage networks. While the SMC Chair may have strong political links, this is not nearly so evident in the case of Head-teachers many of whom claim that apart from the necessary formal affiliations they keep clear of politics. This arrangement makes it possible for the two key figures to work together. In theory the SMC Chair focuses on funding issues and external relations while the Head-teacher focuses on teaching issues and the internal

management of the school. In practice one or other is dominant. In general, SMC Chairs take the lead in the (highly politicised) Terai while Head-teachers appear more likely to take the lead in the hilly areas.

Why are SMCs politicised?

- There is a political vacuum at local level due to the absence of local government. As government institutions schools provide a platform for exercising local level political power. Political parties endeavour to maintain their local profile through representation on the SMCs.
- Holding SMC positions, particularly the 'Chair' provides social and political status which contributes to a political career in the party.
- Schools have become places for expanding political ideologies. SMCs can influence teachers, students and parents to pursue their political agendas.
- Schools receive direct funds from government and the SMCs have influence on how to manage those funds. Supporting investment in school development (e.g. building classrooms) helps political representatives gain social credibility.
- It was a centrally designed idea that SMCs would manage schools more effectively than the government. However, they are not clear about their roles and do not receive any training.

In many ways, SMC Chairs and Head-teachers are not empowered by the system to be the leaders that their positions might suggest. They cannot tackle the key problems of teacher deployment and discipline. Even in a hilly District such as Doti, the collusion of political parties and 'capture' of the DEO present a formidable political bloc. But it does appear from observation that the close collaboration of the SMC Chair and Head-teacher can mitigate these problems and establish a level of discipline in the school that contributes to a high quality education. Apart from personal motivation that is evident in some cases, a driving force especially with SMC Chairs, is the social status attached to the position.

Competition for the SMC Chair post arises from a number of other, more pecuniary reasons:

- The increasing practice of imposing charges for public education. This is probably only a minor attraction to predatory political involvement because the sums remain quite small;
- The current expansion of schools into higher Grades presents rather greater opportunities especially if building work is involved;
- The Per Capita Fee (PCF) paid to the school by the Ministry can be directed by the SMC but is relatively small;
- Resources from VDCs are increasingly directed towards schools, especially for building and sometimes for teacher recruitment;
- Opportunities for teacher recruitment are particularly attractive to political actors because they allow party cadres to be passed off as teachers and paid;
- Opportunities to dispose of or manage school lands and property.

Especially in the Terai, securing the position of SMC Chair has become the subject of intense political competition especially where there are school lands and properties. In the absence of elections for DDCs and VDCs, the election of SMC Chairs presents practically the only opportunity for political parties to measure their strength. The ferocity of these elections may arise from this factor rather than from any concern for education.

Public Education in the Terai

A government school in Kailali District had experienced a loss of more than half of its students over three years. The number of teachers had remained the same because (according to the clear voice of SMC Chair, Head-teachers and teachers present) teacher unions and political parties had connived to protect them from transfer.

In spite of this excess of teachers, nearly half the classes in the schools were observed to be lacking a teacher. The teacher was reported to be absent but no work had been set for the children and no other teacher had made any effort to cover. Instead the teachers were chatting in the sun while students sat in the classroom with nothing to do. Two primary classes had been merged into one presenting a difficulty for the teacher that might have been avoided by better deployment of the teachers. In another class a boy described as a trainee teacher was standing in front of the class uncertain what to do and lacking any support or supervision from the other teachers. The Head-teacher said he was unable to manage the teachers because of political involvements and the power of the unions.

In this school, a recent dispute about the SMC Chair election had escalated into stone-throwing. A group of parents interviewed separately said that they were well aware of these failings and disturbances but could do nothing about it. The DEO said that the most he could achieve was to prevent any escalation of violence by mediating with the SMC Chairman and political parties but he lacked any powers of enforcement.

DEOs are clearly unable to stand up to the teacher unions and this undermines the work of the Supervisors who are supposed to monitor the schools and enforce the regulations. Unable to do so, most Supervisors remain in the District office. By contrast, the work of Resource Persons was much more evident. Since their task is to provide resources for teachers and training courses (for which allowances are paid) they get good cooperation from teachers. In Rolpa, a Resource Person based in a local cluster appeared to be actively engaged in his work and genuinely concerned to raise standards.

A particular challenge of school management is the chronic lack of teachers. Schools commonly have to recruit teachers and pay them directly. In subjects such as Science, Maths and English they may have to pay extra even to retain teachers recruited by government. In a few cases, VDCs have stepped in to finance teachers' pay but this raises questions of sustainability.

The expansion of schools into Grade 11 and 12 'Colleges' normally requires full finance from the school but the cost of new buildings may be avoided by running the classes early in the morning before other classes begin. This practice also allows students to take up jobs during

the rest of the day. DEOs acknowledge government pledges of free public education but turn a blind eye to the practice. Although this creates a possibility that poorer students might be disadvantaged this was not raised as an issue. It appears that the fees are still too small to make an appreciable difference except in Grades 11 and 12.

In theory the SMC should reflect a range of stakeholder interests, including representatives of women and dalits. In practice the SMC is only the SMC Chair. We came across no example of an SMC in which there was any degree of democratic functioning and therefore the interests of poorer groups are not directly represented. This cannot be attributed simply to prevalent cultural norms. Forest Users Groups have shown that more democratic forms of management are possible and that communities are capable of managing complex operations. The reason why this has not been transposed into education may be, as some respondents stated, that parents feel that they understand forest issues and everyone is equal, indeed the poorest people may know the most, but in education it is the reverse. People feel inhibited by the authority of a teacher and feel unable to challenge school practices. This task is then delegated, in effect, to a powerful local figure.

This may be a factor that has prevented further devolution of power to SMCs as envisaged in the World Bank's CSSM Project, for example. Not only did the CSSM approach face opposition from vested interests including teachers, unions and political parties but also it lacked active support from the community. Casting back to the origins of 'community schools', it may be observed that in most cases they were sponsored by leading local figures and aristocrats rather than by the community as a whole.

In general students were also found to be docile even in the face of flagrant abuse by teachers such as long absences and late arrival in class. In only a few cases were students willing to go and call teachers who were loitering in the staff-room. The Maoist legacy in Rolpa may be detectable in an unusual degree of student activism: we witnessed the lock-out of a head-teacher followed by a complaint from students in the open assembly that a teacher was absent without notice at a crucial stage of exam preparation. The Head-teacher's assurances that the teacher would rapidly return appeared to be accepted. But there is little evidence of student organisation or activism on a significant scale. Although politicised student unions are active in Kathmandu colleges no evidence of their activity was found in the field.

In conclusion, the current situation is one in which the public education sector is beginning to hybridize with the private sector. Increasing application of fees and an increasing ratio of teachers employed directly by schools create more space for SMCs. Some are using this to expand into higher levels of education, to introduce English-language medium and even to introduce ties, the symbol of the private school. But school management is also affected by the structural feature of centralization. The degree of power vested in the SMC Chair makes the post one that political parties are willing to fight over. In many cases, especially in the Terai, this is to the detriment of the school. But the centralizing influence of the Ministry is weak, leaving schools to hire teachers and add classes, turning to local VDC funds rather than the Ministry. A negative aspect of this is lack of supervision of schools but a more positive feature is that strong local leaders, whether as SMC Chair or Head-teacher, can exert a degree of discipline and develop the school in response to local aspirations.

3.5 Teachers and Teaching

The practice of rote-learning, which is particularly strong in private schools, appears to be less of a reflection of teaching methods than a response to an exam system that makes rote-learning a successful strategy. This suggests that modifications to the exam system might help to promote educational methods that encourage the development of thought processes rather than memory of information.

The crucial role of the Head-teacher gets little recognition from the education system. One Head-teacher told us that he is paid the same as a Higher Secondary teacher except for an extra allowance of just Rs500 (less than \$9) per month. This does not adequately reflect the increasing responsibilities of Head-teachers coping with current complexities of politicisation, competition with private schools, charging and expansion.

Although the issue of English as the medium of instruction is being addressed seriously in a number of government schools, the issue of education in 'mother tongue' was regarded as problematic by many respondents. The General Secretary of an NGO based in Kathmandu representing the interests of Limbu people and promoting Limbu culture, considered that education in the 'mother tongue' was a political ploy intended to reassure leaders of ethnic groups and secure their support. He said that people were more interested in the need to know a 'lingua franca', either Nepali or English, but once a political party promised education in the 'mother tongue' others could not oppose it. There was no real intention to put this into practice but, along with other respondents, he expressed concern that DPs were disproportionately concerned with this issue. Teachers and Head Teachers generally argued that it was useful for teachers in the lowest Primary Grades to understand the local language in order to help children who had no knowledge of Nepali but the objective was to help them reach an acceptable level of Nepali rather than persist in the 'mother tongue'.

Parents in Kapilvastu agreed that the primary level children were ignored because there was no real pressure from anywhere to enforce quality teaching at that level. It was not unusual to find children in grade 5 (9 - 10 years) of government schools struggling to read and write Nepali. Unlike secondary level students, they could not raise voice against teacher absenteeism or put pressure on the management to ensure that their course is delivered properly. The authority including DEO and SMC cared about good results in the SLC exams and paid little or no attention to children's achievement at primary level. Teachers also agreed that learning outcomes at primary level are not achieved at all. This situation significantly caused poor quality students at secondary level who would have to resort to cheating in order to pass the national level SLC exam.

3.6 Poverty and Social Inclusion

As noted in Section One, according to recent studies, exclusion based purely on gender, religion, ethnicity and caste has reduced considerably.⁸⁸ This was generally confirmed by our field studies but the issue remains a concern in parts of the Terai. Although the main reasons for the change are the Maoist influence and work by NGOs, schools have generally played a positive role. Discrimination was not raised as a serious issue by parents or students.

⁸⁸ Sharma, J R and Donini, A (2010) *Towards a Great Transformation –the Maoist insurgency and perceptions of social transformation in Nepal*, Tufts University

Increasing public demand for girls' education has encouraged political parties to promise scholarships for all girls and it is now difficult for any party to go back on this. The problem is that the money has to come from other educational needs. In practice the amount of money reaching schools is typically 50% of what is required and a process of selection takes place, generally focusing help towards poorer families but there are sometimes abuses. The rate of girl enrolment in schools has increased considerably (although as noted above the increasing proportion of girls in government schools is largely because more boys are going to private schools). Special efforts to support girls' education by UNICEF, WFP and others have undoubtedly contributed to these positive developments but it may now be time to focus on the quality of education that girls receive rather than enrolment rates.

In Dhanusha, scholarship money was spent on the purchase of school uniform for all school children rather than disseminating to girls or children from dalit families. Secondary school children felt that it was unfair to provide scholarships to some but not others when all children lived in similar economic conditions. The female students reported that early-age marriage was the biggest challenge for their educational future. Out of 13 girls consulted in a secondary school, only two thought they would go to higher secondary school and all expected to be married before the age of twenty. This expectation is generated by social factors that undermine small incentives such as a scholarship as a motivation for girls in the Terai to continue their education. For example, extreme poverty encourages early marriage of girls to relieve the demands on family resources and the dowry system generates higher wedding expenses for educated girls.

Education has not necessarily served the purpose of marginalised groups. In Kapilvastu, where the majority of the population are from Tharu and Muslim ethnic groups, there is a clear divide between Pahade and Madhesi/Tharu people in terms of educational attainment and employment. This suggests that bursaries along are unlikely to change deeply rooted patterns of structural inequality.

Does education improve opportunities for minority groups?

My father spent most of his life as a 'haruwa' (bonded labour) working for a landlord. He did not want me to live the hard life he did so, he sent me to school hoping that I would be able to get a professional job and improve the economic standard of our family. I completed my school and gained a BEd thinking that I would become a teacher. I have also obtained teaching licence for both primary and secondary level. Many *rahat* quotas and temporary teaching posts come up in different schools but I have no links or political connections. I have tried everywhere but it has become impossible to find a job. Even though they say that there is an equal opportunity, you have to be clever enough to 'snatch' or 'steal' the opportunity by using all kinds of strategies. I don't have that slickness to steal opportunities because I am a Tharu boy and my community and people have always been marginalized in the past. My father does not have any good contacts or network of socially and politically influential people.

I live in a Tharu village and I am the only educated person in my community but I do exactly the same kinds of jobs (manual work, farming, daily wage labour work, etc.) that other uneducated people do. So, I am no different from other young people who did not complete their school. It feels like I wasted my time by going to college. Education has made me more conscious than those who are uneducated in my society but economic conditions of my family remain the same and my father still works as a poorly paid labourer. So, being educated does not really make me any better.

Interview, Kapilvastu

Section Four: Implications for Development Partners (DPs)

4.1 The current role of DPs

By drawing attention to *structures* that arise from deep forces in society and are unlikely to change, PEA should help to identify where there is scope for positive (and negative) change through institutions and *agents*. By identifying the underlying realities PEA narrows down the focus of aid policy to what is practical and likely to succeed rather than what is theoretical.

Our structural or Macro analysis (Section One) indicates that the present fundamental problem of teacher deployment is unlikely to change both because of the self-interested rent-seeking that characterizes party politics and because Nepal is subject to weak governance because of its geopolitical position. Failure to tackle the teacher deployment issue leads directly to the spread of private education and the emergence of a two-tier system. Remittances from migrants abroad have created an expanding market for education: if this income could be directed towards improving government schools, rather than leading to profits for private schools, a more cohesive and educated society would be likely to emerge. This also raises questions about the sustainability of free education favoured by DPs.

A second important finding is that international aid is *structurally embedded* in the sense that it has an inherent tendency to support and strengthen centralization. Indeed, SSRP itself could be regarded as an example of centralization: there has been no proper process of public consultation and it is largely the creation of civil servants who have no personal experience of state education if they and their children studied in private schools. The bureaucracy tends to focus on satisfying donor concerns and demands. Thus, the spread of cheating in exams has become institutionalised. This addresses DP concerns about dropout, repetition and exam failure rates but not in a way that adds value to the quality of education.

On a more positive note, changes in society have reduced the incidence of discrimination along lines of identity and led to greater demand for education especially for girls. DPs have contributed to higher enrolment rates, especially for girls, through specific programmes. But these advances will not lead to positive outcomes unless the quality of state education improves. There is a risk of learning being replaced by manipulating the existing system. Teachers report that children often disappear from classes after they have collected their incentives (scholarships etc) because they can progress through the school by cheating in exams. There are also reports that children may be registered in government schools to get scholarships but actually attend private schools⁸⁹ and in some cases, scholarships have not been distributed or misused by SMCs or Head teachers.

There is a risk that DPs may base their conclusions on official statistics, rather than cross-checking the reality, for example by instituting systems for monitoring. Until recently this was done through the process of independent monitoring commissioned by DPs (and managed by TRSE). This annual process provided a cross-check on official statistics based on a sample of schools and had the advantage that it was produced much faster than the government's analysis. At the time of the EFA Review in 2006 the results were significantly different and the Review advised that this independent monitoring was essential for the effective management of the SWAp. But after 2006 the figures converged more closely and

⁸⁹ Private schools also distribute scholarships but it may be easier to collect them from government schools.

donors decided to rely only on the government figures. While this may better reflect the Principles of the Paris Declaration, it opens the possibility of a widening gap between what is supposed to happen and what does actually happen. Independent monitoring should be reinstated and focused on areas of concern highlighted in this report.

DPs should also be careful about expressing preferences and interests that may then be mirrored back to DPs, not because there is genuine enthusiasm for them, but in order to get further support. The recent interest in education in the 'mother tongue' is attributed, at least by some commentators, to DP enthusiasm.

The government has now interpreted 'basic' education (which must be free according to the Constitution) to extend to Grade 8 and this is reflected in the restructuring described in the SSRP. The Supreme Court has recently delivered a judgment that in order to meet this Constitutional requirement the government must increase spending on education by more than 20%. This has led to pressure on DPs to fill the gap. But the problem is not the lack of finance but the nature of the pledge. It is not based on an increase in government revenue or strong economic growth but is simply a populist promise by political parties.

The main implication is that DPs should be very circumspect about demands for more educational support. Until the issue of rational deployment of teachers is tackled the state education system cannot make much progress and if cheating continues to be condoned the quality is likely to decline. These two concerns should take precedence over other issues and until they are resolved DPs should not be drawn into providing additional support or diverted into side-tracks such as education in the 'mother tongue'.

At a more fundamental level DPs should perhaps question whether the approaches suggested in the Fragile States Principles may be better than the simple 'alignment' of the Paris Declaration. Since the government has failed to tackle the problem of teacher deployment, DPs may be justified in focusing their attention on strengthening local school management in any way possible as a counterweight to the corrupting influence of the political system. While always keeping a focus on state-building, DPs should support inclusiveness and pluralism rather than centralized control.

In theory, decentralization through greater autonomy at regional level represents a step in the right direction, but our Macro-analysis indicates that there is no serious move towards such decentralization and that it may complicate rather than resolve the current problems. Instead DPs should focus on the long-term need for greater community involvement in educational processes. In the current system, SMC Chairs and Head-teachers may be autocrats but they represent a counterbalance to the much greater threat of centralized control through the nexus of political parties. Because the SWAp creates a bias towards central control, DPs should make strategic adjustments in favour of local control, including at least protection for DEOs from the dominance of the political nexus.

It is important to recognise that the SSRP is only a plan and has no formal status in law. It may be reversed by the new Constitution or by future political leadership. The SSRP has no real democratic mandate, so the DPs may have a crucial role in being critical of it. The primary role of DPs in this situation is to keep drawing the focus back to fundamentals, notably teacher deployment and the prevalence of cheating that will undermine the credibility of the public education system.

4.2 Recommendations for Development Partners

4.2.1 **Development Partners should adopt a stronger role in challenging government.**

This PEA study highlights how the macro level drivers of social development in Nepal (centralization, politicisation and patronage) are extremely powerful forces that appear to override declared ideological commitments in policy documents. Policy commitments to decentralisation, for example, may not be carried through in practice when there is uncertainty about political control and a perceived need to consolidate power centrally. Similarly, competition for electoral strength may lead to the adoption of populist policies irrespective of whether there are sufficient resources to introduce or sustain such policies in practice. This suggests that Development Partners have a very important role to play in challenging government concerning proposed education policies in terms of their likely impact, their sustainability and government's commitment to implementation in practice. This is a supportive and constructive role, but a demanding one, given the need to also maintain good working relations. It is particularly important for DPs to pay attention to ground realities and local detail because the SWAp mechanism has an inherent tendency to reinforce centralisation, which is a key source of tension and conflict in Nepal. By putting their weight behind the central bureaucracy, DPs may reinforce a tendency that is regarded as one of the main causes of conflict in the past. Although the international norm is to move away from project to budget support, DPs should recognise that in many ways Nepal is a fragile state, requiring solutions based on specific context rather than international aspirations.

4.2.2 **Development Partners should prioritise a number of key areas that promote systemic change and pro-poor development.** DPs should recognise that the SSRP was not developed through a democratic process and has not been sufficiently debated even by the current political parties. They should therefore adopt a more cautious approach to SSRP in order to avoid strengthening centralised bureaucracy in Nepal. The most important contextual change that the Comprehensive Peace Agreement (CPA) created was a recognition that there is a need for a change in power relations in Nepal that will benefit the most marginalised and poor members of the society. Education clearly has a role to play in such a social transformation, but this will only be possible if government is sufficiently committed to implementing the key policies that are likely to bring about systemic changes that lead to improvements in the quality of education. Rather than unqualified support for every aspect of the SSRP, Development Partners might exercise a more focused challenge function by concentrating on those aspects of education policy that are crucial to the achievement of the type of social transformation envisaged by the CPA. There is clearly a challenge in terms of reaching a common agreement amongst DPs on what aspects of policy these should be, but previous donor coordination in Nepal in line with the Paris Declaration has been positive. The findings from this particular study suggest that some or all of the following areas could be potential focal points for development partners:

- i. **Decentralisation and SMCs.** Policy commitments to decentralisation are not being achieved in practice and this is evidenced most clearly in the continued concentration of decision-making, expertise and resources for education within the Kathmandu valley. There are legislative changes that could be pursued within the context of the new Constitution and budgetary decisions need to reflect greater commitment to devolution of power. Similarly, strategies to strengthen the District Education Offices and School Management Committees need to be found that do not fall foul of local politicisation and rent seeking. Development Partners could play a very constructive role in challenging government to address these issues seriously and could even offer additional support for tackling these issues.
- ii. **Growth of private schools and quality of education in government schools.** The SSRP makes little reference to private schools apart from the need for partnerships with the private sector to expand delivery of services. It generally takes a positive view of private sector development and provides no analysis of the implications of the growth of private schools on government schools. This study encountered arguments for private schooling that included the general perception that quality of education and examination results are better. There was also the suggestion that parents are more motivated to challenge school practices if they pay for services and that government commitment to provide free education is not sustainable from the revenue available for this policy. However, more critical perspectives on private education were also encountered, particularly in terms of the social outcomes of a 'two-tier' system of private and government schooling. Parent motivation to send their children to private schools can also be understood in terms of social networks that provide access to greater opportunities. There were also concerns that growth of private schools draws pupils away from government schools making their task of improving standards more difficult. The situation is further complicated by private schools use of English medium, rather than Nepali; the fact that private schools are accessed more by high caste groups; and the fact that few civil servants send their children to government schools. This is a complex area where there may be considerable divergence amongst development partners from an ideological perspective. Despite this, these factors raise questions about the extent to which government's current policies in relation to private schools need more attention in terms of their likely impact on social inequalities. Disaffection with unequal access to, and the social outcomes of state services was a contributing factor in the conflict in Nepal, so DPs could have an important role in pressing government to maintain a focus on this important issue.
- iii. **Teacher education, employment, deployment and monitoring.** There is a substantial body of research that highlights the central role of school leadership and teacher effectiveness as the main factors contributing to improvements in the quality of education.⁹⁰ This study encountered a number of systemic issues

⁹⁰ For an overview see Harris, A. and Muijs, D. (2011) *Teacher Leadership: A Review of Research* accessed at www.teachers.org.uk/files/word/t-leadership-review.doc

related to teachers that require urgent attention and the solutions are likely to require radical reform, rather than technical adjustments since the problems are compounded by political economy factors. Even with the impressive statistic of trained teachers (76 percent), the quality of teaching and learning does not seem to have improved in schools. Relevant and inter-related factors include, different terms and conditions between teachers in private and government schools, and between centrally appointed teachers and locally appointed teachers, including pension entitlements. Absenteeism and unprofessional practices when teachers have no local accountability and are protected by political patronage; lack of flexibility in the deployment of teachers and lack of proper monitoring of teacher attendance and pedagogy. Again, the solutions need to be more than technical adjustments that do not take account of the complex political and economic motivations involved, but rather initiatives that bring about more fundamental changes to the politicised culture that has developed. Development Partners could play a constructive role by challenging government to initiate more radical reforms, but also through support for particular initiatives, for example, by stating that until the current rigidity in teacher deployment is addressed they will not increase funding, or by providing additional funding outside the SWAp, for reform of teacher employment terms and conditions or to strengthen local school management, possibly through independent channels that better support Head-teachers.

- iv. **Assessment of learning, examinations and maintaining standards.** The study encountered surprisingly open discussion of the prevalence of routine cheating as a feature of the assessment and examination system in Nepal. This might appear to be a simple technical issue of introducing more robust procedures, but once again it is underpinned by political economy factors that pervade the education system. Some of these are related to the impunity that teachers may feel about their non-attendance which leads to poor coverage of the curriculum. There is also the exploitation of teacher weakness by pupils who feel protected by political patronage and inevitably, an economy which surrounds the leaking of papers or the willingness of those supervising examinations to ignore cheating. The consequence is that, what may appear to be a relatively minor transgression becomes the accepted norm and the motivation to achieve results the honest way is removed. Ultimately, this undermines the credibility of the whole system and confidence is lost in the authenticity of qualifications which also has an impact on how academic standards within Nepal are regarded internationally. This is potentially an area that DPs could raise as clearly damaging to Nepal.

4.2.3 Development Partners should analyse the impact of their own actions. One of the advantages of Political Economy Analysis over technical policy analysis is that it must also take account of the factors that influence Development Partner (DP) motivations. The study encountered a number of issues that respondents felt had been influenced significantly by DPs:

- i. In Nepal, DPs have arguably focused heavily on achievement of the EFA goal related to access to education. This has undoubtedly led to increased enrolments, but may have encouraged government to be driven more by the need to demonstrate progress on this measure rather than improvements in quality of education.
- ii. DPs have undoubtedly contributed to an increased awareness of the importance of girls' education and this has been reinforced by the provision of scholarships and bursaries. However, there is also a need for DPs to promote the provision of needs-based scholarships by SMCs and challenge the current common practice of providing scholarships for all girls irrespective of economic circumstances.
- iii. The complex relationship between development partners and government is reflected in government responses to DP concerns. For example, field interviews suggest that the introduction of 'liberal promotion' (the opportunity to re-sit examinations for SLC) was largely in response to DP concerns about low levels of achievement, dropout, repetition and SLC pass rates in government schools. It is clear that liberal progression has contributed significantly to improvements on these measures, but there is widespread scepticism within the system about whether this reflects any actual improvement in the quality of education and some suggested that it may have even contributed to the increased prevalence of institutionalised cheating.
- iv. DPs should be extremely cautious about identifying and promoting specific aspects of educational practice. In the current context this could easily lead to donor-driven policy-making and allocation of resources. As a specific example, DPs need to be cautious about the issue of instruction in the 'mother tongue' which seems to be regarded as a DP imposition. Although it is consistent with international norms on the right to education in mother tongue, field interviews suggest that such a policy will impact most adversely on those indigenous groups who already have least access to employment opportunities, whilst it will largely unaffected elite groups who send their children to private schools for English language education.
- v. DPs should be commended for a strong focus on developing good relations with government counterparts which is consistent with the Paris Declaration. However, this should not negate the need to provide constructive challenge to government. For example, the decision to terminate the practice of independent monitoring of the SWAp has weakened the DPs' ability to challenge gaps between policy and implementation. DPs are too dependent on centralized statistical analysis and this has in turn led to a lack of robust engagement between government and DPs. Development Partners should reinstate the practice of independent monitoring of a sample of schools (formerly called flash reports) and include additional issues related to teacher attendance and the issue of cheating.

<p style="text-align: center;">PEA DRIVERS</p> <p style="text-align: center;">Centralisation of power and resources</p> <p style="text-align: center;">Politicisation of the education sector and schooling</p> <p style="text-align: center;">Patronage based on political affiliation, social status and wealth</p>			
SSRP Policy Area	Perceived problems and some technical solutions that have been suggested	PEA explanation	Advice to DPs?
Decentralisation	The education system is operating as if federalism will not happen. No real power or resources have been devolved to District level. DEOs with political connections seek appointments in Kathmandu and those in local Districts feel isolated and subject to local political and economic influences. DEOs are moved at least every two years to 'widen experience' but this just creates a further political economy around such transfers.	DEOs recognise that power and resources lie at the centre, so there are no incentives to be posted to rural areas. Nor do they have credibility to undertake monitoring and accountability of teachers and school practices	Given the existing PE dynamics, might there be ways of increasing the status and incentives for DEO positions in the Districts?
SMCs	Many responsibilities have been devolved to SMCs, but the perception is that capacity is weak and there is a need for more technical training.	Appointments are political because SMCs represent an alternative political space to local government structures, so technical training may not necessarily lead to better outcomes.	It may be that SMCs will not function well in the absence of local government structures and it is these that need to be established first.
Private schools	People see these schools as the most desirable, but fees required are prohibitive for majority and the highest concentration of schools is in KTM. Legislation provides government with powers to control and inspect private schools, but SSRP makes no reference to private schools. Private schools are required to provide scholarships to 10% of their enrolment, but these do not seem to reach the most disadvantaged.	Enrolment is as much about access to high social status networks. Those in the public service mostly send their children to private schools and have no stake in the public system. Scholarships seem to become further ways for patronage via private schools.	Government needs to be pressed more on the role it sees for private schools within the overall system. Will it permit unlimited expansion and what impact would this have on government schools?

<p>Teachers</p>	<p>Permanent teachers are difficult to manage, particularly in rural areas. Teacher absenteeism is a big problem. No new permanent teachers are being appointed. Temporary teachers are paid by local funds and have no security of employment.</p>	<p>Centralisation drives appointments and once appointed local communities have little control over permanent teachers who are protected by political patronage.</p>	<p>Teacher monitoring and accountability systems will be easily subverted because of local PE dynamics, yet this seems to be a crucial area that DPs need to press government to tackle.</p>
<p>Language of instruction</p>	<p>Government has committed to providing language of instruction in mother tongue, but there is much confusion about what this means in practice.</p> <p>Government needs to be challenged on the boundaries it will set for this policy and the plans it has to bridge from mother tongue to national language instruction, at what age and how</p>	<p>Central political parties have expressed support for this since they wish to appeal to the votes of as broad a range of voters as possible, but they may have little commitment to how it can be implemented and perceive it as applying to indigenous groups in rural areas, rather than elites in KTM with access to English.</p>	<p>Donors may need to consider whether they are distorting education policy – it would be helpful to consider the extent to which , mother tongue will genuinely empower the most disadvantaged and marginalised or whether it will widen the gap between indigenous people and those who already have access to Nepali and English.</p>
<p>Education standards and examinations</p>	<p>Children in private schools have higher success rates (80%) at school leaving than government schools (20%). Government has introduced a policy of ‘liberal progression’ (LP) which allows children to repeat examinations. This has raised the numbers passing examinations, but this may not be because education is any better. Cheating is prevalent and widely accepted, but difficult to eradicate.</p>	<p>Government motivations are partly driven by a desire to demonstrate improvements in quality to DPs in the statistics.</p>	<p>Challenge the extent to which LB is really improving quality. Public examination centres have not provided a solution because they are just as susceptible to political economy influences as schools.</p>

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