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An Assessment of Neoliberal Policy in Higher Education in Nepal: Political Economy Perspective

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Abstract

Nepal has adopted neo-liberal policy framework in education sector since 1997, just seven years of journey of free-market economic policy. The capitalist economy was modified by Washington Consensus which was based on financial instruments. Later, major policy framework adopted by Nepal is SDGs, which prescribed by neoliberalism, is more equitable, productive, environment friendly, inclusive and people empower friendly. The research question is whether WB funded educational reform project yields positive impact in socio-economic sector in Nepal. The objective of the study is to assess the overall impact of neoliberalist policy framework adopted in higher education in Nepal and to forward policy prescription. The secondary data has been gathered between the period 1997-2020 and analysed descriptively. Post positivism research paradigm is adopted. Explanatory research design approach has been used and data is analysed descriptively. The validity and reliability issue of the study is addressed with sufficient data and appropriate data analysis techniques. The conclusion: the existing neoliberal policy framework needs to reevaluate since its delivery measured in terms of inequality, unemployment, poverty, NOC, and capital flight for higher education in foreign university shows poor performance.

Key words: Neoliberalism, SDGs, NOC, policy prescription, Washington Consensus

1. Introduction

Neoliberalism is an ideology that places emphasis on the principles of a free market, privatization, deregulation, and a reduced role of the government in economic affairs (Khanal et al., 2005). When applied to higher education, neoliberal policies typically involve reforms that align with market-oriented principles and prioritize economic efficiency and competition. While Nepal has undergone changes in its higher education system, including the influence of neoliberal ideas, it's important to acknowledge that the education sector in Nepal is also shaped by local cultural, social, and political factors.

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A significant aspect of neoliberal policy in Nepal's higher education is the promotion of private institutions. Over the past few decades, there has been a rise in the number of private colleges and universities in Nepal, driven by the belief that the private sector can contribute to expanding and improving higher education. These institutions often charge higher tuition fees and operate with a profit-oriented approach. However, concerns have been raised about the quality and standards of education in these institutions, as some have been accused of prioritizing profits over educational excellence. Another feature of neoliberal policy in Nepal's higher education is the focus on a market-driven curriculum and vocational education (Regmi, 2019). There has been an effort to align higher education programs with the demands of the job market, emphasizing skills development and practical training. This approach aims to produce graduates who are easily employable and can contribute to economic growth. Consequently, there has been a proliferation of programs in fields such as business, engineering, information technology, and other areas perceived to have better employment prospects. Moreover, neoliberal policies have led to the establishment of autonomous regulatory bodies and the introduction of performance-based funding mechanisms in higher education. These changes aim to enhance accountability and efficiency in the sector. The University Grants Commission (UGC) has been the primary regulatory body responsible for overseeing and coordinating higher education institutions in Nepal. As a statutory and autonomous apex body of the higher education institutions in Nepal, University Grants Commission (UGC) makes justifiable allocation and disbursement of the grants to the universities and higher education institutions to strengthen their smooth operation and academic excellence. UGC sets academic standards for higher education and formulates plans and policies to foster quality education. It also facilitates to establish good rapport and coordination among the universities in the country (UGC, 2020).

The year 2021-2022 was particularly notable for UGC in terms of its accomplishments. During this period, UGC implemented various programs and activities with a focus on infrastructure development in higher education institutions, faculty capacity building, fellowships and scholarships, research and innovation, quality assurance, and accreditation, as well as fostering excellence in higher education through the Nurturing Excellence in Higher Education (NEHEP) initiative. In the fiscal year 2021-2022, UGC provided support to 201 graduate students for their master's thesis and 14 students for their MPhil thesis. Additionally, 50 students received support for PhD fellowships and research, while 52 were supported for MPhil fellowships. Under the faculty research grant, 50 grants were awarded for small-scale research, development, and innovation projects,

along with 35 faculty research supports. Furthermore, seven collaborative research grants were provided across four different programs, and 11 selected applicants received travel grants. In terms of institutional research support, six higher education institutions received assistance under the categories of Technical Innovation, Scientific Investigation, and Research Lab support. A total of 472 community campuses received regular grants, while 269 campuses received development grants for various purposes such as building construction, book purchases, furniture and equipment acquisition, and procurement of materials for extracurricular activities. UGC also prioritized capacity development by supporting 216 employees for general capacity development and 200 employees for technical skill development. As part of academic leadership sensitization and training, 61 campus chiefs received training on higher education planning and administration(UGC, 2021).

The educational policy recommendations put forth by the World Bank are influenced by certain underlying neoliberal assumptions, particularly marketization, privatization, and decentralization. The neoliberal approach to education is largely inadequate in addressing Nepal's developmental challenges. The educational policy documents issued by the World Bank, primarily spanning the period from the mid-1980s to 2010, aimed to implement major educational projects in Nepal(Regmi, 2017). Scholarly publications [(Bhatt, 2011);(Caddell, 2007); (Carney, 2003); (Edwards, 2011)] focus on Nepal's educational development have shed light on the limitations of the World Bank's approach, particularly its lack of consideration for the contextual realities of the country when formulating policy recommendations. These publications provide valuable insights into the complexity of Nepal's education system and the roles played by various state and non-state actors. However, there is a lack of literature examining how Nepal's educational policies and practices are shaped by the neoliberal assumptions embedded in the key policy documents produced by the World Bank, a major actor, and how these assumptions have had a hegemonic influence on Nepal's educational policies and practices.

The education system in general and higher education system in particular is designed by the political framework since the restoration of democracy in Nepal in 1990. There is much more debate in Nepal whether the entire education system adopted by the changing political equilibrium resulted to more productive, employment oriented and equitable society. The present paper tries to analyse implication of the entire neoliberalist policy framework.

2. Objective of the study

The specific objectives of the study are:

- to assess the overall impact of neoliberalist policy framework adopted in higher education in Nepal.
- to forward key takeaways for convergence to the constitution of Nepal 2015.

3. Theoretical Discussion

Harvey (2005) defines neoliberalism as a theory of political economic practices that emphasizes the liberation of individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. This ideology originated in the field of economics and gained prominence during the 1970s, exerting influence over various disciplines, including education. The Nobel Prize-winning economists Fredrick Hayek and Milton Friedman are considered pioneers of the neoliberal school of thought. They built upon the ideas of classical economists such as Adam Smith and David Ricardo . The early 1980s marked the peak of neoliberal capitalism, as leaders like Ronald Reagan in the US and Margaret Thatcher in the UK, both enthusiastic proponents of neoliberal economic policies, accelerated the implementation of free-market capitalism. Additionally, China embraced neoliberal market principles under the leadership of Deng Xiaoping, further solidifying the global influence of neoliberalism(Hyslop-Margison & Alan, 2006).

The role of government should be limited, with its primary responsibility being the protection of individual freedom through the promotion of competitive markets(Friedman, 1962). Friedman argued that economic and political freedoms are contingent on the existence of market freedom. This conception of freedom heavily influences major supranational organizations like the World Bank, the International Monetary Fund, and the World Trade Organization(Harvey, 2005), which advocate for free trade as a means of connecting nations globally. However, the notion of freedom within the framework of neoliberalism is narrowly defined. Positive freedom involves securing various liberties within a society, such as freedom of conscience, speech, assembly, association, and the ability to choose one's occupation. On the other hand, negative freedom focuses solely on individual freedom to accumulate wealth and possess private property. It is this negative conception of freedom that the World Bank promotes in the context of neoliberal globalization(Harvey, 2007). Consequently, individuals are constrained to seek their freedom within the parameters dictated by the neoliberal framework.

According to Harvey (2005), neoliberalism posits that educational policies concerning investment in higher education should be supported by certain prerequisites, including "strong private property rights, free markets, and free trade." If a country's system imposes any barriers to the promotion of these conditions, then the state must intervene to create them (Harvey, 2005). Habermas suggests that within a capitalist system, individuals are expected to pursue instrumental actions guided by "technical rules" in order to achieve success and enhance efficiency (Habermas, 1987). Building upon the critiques of neoliberalism and instrumental rationality, Giroux (2014) argues that neoliberal instrumentalism, which advocates purely instrumental and anti-intellectual agendas, has supplanted the true purpose of higher education, which is to educate young individuals as reflective, critical, and socially engaged agents (Giroux, 2014).

4. Methodological Discussion

Secondary data from 1977- 2020 is taken from various sources like UGC, Ministry of Education and MoF Nepal and Nepal Rastra Bank(NRB). Post positivism research paradigm is adopted where researcher aim to balance objectivity and subjectivity to gain a deeper understanding of the phenomena. Explanatory research design approach has been used and data is analysed descriptively. Total budgetary support to HE from Government of Nepal ,WB and IMF is included in the analysis. Poverty, inequality, unemployment, no objection certificate(NOC), foreign exchange facility to Nepali students is taken as control variables to explore neoliberalist policy implication in Nepal. Variables observed are inequality, unemployment, poverty, no objection certificate(NOC), and capital flight for higher education in foreign universities.

5. World Bank in Nepal's Higher Education

The World Bank's financial assistance in Nepal increased alongside the implementation of Structural Adjustment Programs (SAPs), which were enforced in partnership with the International Monetary Fund (IMF), another financial institution based in Washington (Stiglitz, 2002). Nepal received a two-phase structural adjustment loan. The initial SAP loan, granted in 1986, focused on areas such as macroeconomic management, effective handling of public finances, trade liberalization, and reforms in public enterprises (IEG-WB, 2012). The second SAP loan of \$60 million was provided in 1989 to revamp the tax system, streamline development expenditure management, restructure two major state-owned Banks, and open up the financial sector (IEG-WB, 2012). Throughout the provision of SAP loans, the World Bank heavily relied on neoliberal market principles: (a) economic

growth was seen as best achieved through the functioning of free markets with minimal government intervention; (b) the issue of promoting equal income distribution through growth was not considered important; and (c) the role of education in social development was deemed irrelevant (Hasan, 2012). The report from the Independent Evaluation Group on Nepal's SAPs highlights that these programs were launched without a proper understanding of Nepal's specific problems, leading to the imposition of conditions and reforms that had a mixed track record of success (IEG-WB, 2012).

5.1. Education Marketing in Nepal

The World Bank recommended changes to national policies that involved reducing government expenditure on public services like healthcare and education. These recommendations were justified as necessary steps to stimulate national economic growth and enable Nepal to repay its debts. Upon closer examination, these recommendations seem to prioritize economic growth not as a means to address Nepal's problems such as poverty reduction, but rather to repay loans to the World Bank and the IMF. The World Bank urged for the acceleration of economic growth through cost reduction and increased efficiency (WB, 1984). Neoliberal policy called for increased private sector involvement in agriculture, manufacturing, trade, tourism, construction, education, health, and transport. The World Bank emphasized the need for Nepal to generate additional foreign exchange through export promotion and efficient import substitution in order to sustain and further develop its economy.

This justification for economic growth through marketization was reiterated in a 2001 report, where the World Bank highlighted Nepal's slow economic growth and high population growth as factors leading to a low per capita income growth rate, leaving nearly half of the population below the poverty line. In this context, the World Bank recognized education as a crucial policy instrument for stimulating economic growth. The World Bank's calculations demonstrated that investing in education, particularly primary education, yielded high rates of return. The World Bank asserted that investment in education in general was necessary to propel traditional Nepalese societies toward modernity. The World Bank's approach in Nepal has largely been guided by modernization principles, such as the law of comparative advantage championed by classical economist Ricardo (Ricardo, 1891).

5.2. Privatisation of Education

Following the 1990s, the World Bank consistently advocated against the provision of free

education. In 2001, the World Bank reiterated its previous assertions, stating that "free education policies have been partly counter-productive." According to the World Bank, due to insufficient public funding for schools, these policies unintentionally resulted in a decline in the quality of education received by low-income children (WB, 2001). The World Bank's rationale for promoting privatization in education extended beyond the idea of compensating for resource constraints in public schools alone. A more compelling argument arose from the comparative outcomes of the School Leaving Certificate (SLC), which was a mandatory requirement for all students, both from private and public schools, seeking higher education enrolment. It was that the result of the then SLC was fabulous in private schools whereas the same was disappointing in the government run schools.

In 2001, the World Bank put forth the argument that if public schools were to continue existing, they needed to compete with the emerging private schools. Comparisons were made at the primary level regarding enrolment and completion rates. The report stated that the low rates of completion in primary schools and the substantial increase in enrolments in private educational institutions over the past decade indicated the urgent need for significant improvements in the outcomes of the public education system (WB, 2001). The World Bank has consistently advocated for privatization in education, but it has neglected to address a crucial issue: why did public schools underperform in comparison to private schools? Based on previous studies' empirical findings (Somers et al., 2004), it can be argued that private schools in Nepal demonstrated better performance due to several factors. Students from lower-class families had limited or no access to these schools, and even parents who could afford private schooling faced significant economic challenges. Furthermore, while endorsing privatization, the World Bank has failed to consider the issue of inequality that privatization has created in Nepalese society. Scholars have argued that to promote educational equity, "the public sector should expand to replace the private sector" [(Hasan, 2012); (Klees, 2008)]. However, as the World Bank, a major supranational actor influencing educational activities in Nepal (Regmi, 2015), adheres to neoliberal principles, it not only promotes the private sector but also adopts its management methods as guiding principles for managing the public sector.

5.3. Decentralisation of Education

The Poverty Reduction Strategy Paper (PRSP) identified decentralization as a key strategy, advocating for the transfer of local school management to school management committees at the community level, while redefining the roles of district and central level agencies as facilitators (NPC, 2002). The World Bank lauded the goal of transferring

management responsibilities of 8,000 schools to communities by mid-2007, considering it a fundamental strategy of the Tenth Plan (WB, 2003). The process of school transfer was negotiated between the World Bank, Ministry of Finance, and the National Planning Commission, excluding the Ministry of Education (MOE), the primary authority overseeing Nepal's education system. This exclusion reveals that the policy shift towards school transfer aimed to channel a significant portion of project funds directly to schools, minimizing the role of the central government to promote neoliberal principles in education. Furthermore, the document attributes the failure to the alleged inability of the "poor" and "illiterate" community members to implement complex schemes developed by the World Bank. It portrays community members not only as impoverished and uneducated but also unaware of their rights, implying that they may lack the capacity to engage in meetings or understand the World Bank's initiatives (WB, 2010). This reveals that the World Bank's rhetoric on decentralization in Nepal lacked thorough analysis of the local context. If the World Bank considers the "poorest" individuals incapable of comprehending its complex schemes, then the transfer of school management to these "poor" and "illiterate" communities becomes questionable (Regmi, 2017).

5.4. Donor Funding in Higher Education in Nepal

Since the 1990s, the World Bank (WB) has played a significant role as a major external funder for higher education (HE) in Nepal. In the past, projects implemented before the 1990s had limited impact as they primarily aimed to improve technical education within the relatively well-structured faculties of TU (WB, 2002). However, HE projects designed after the 1990s, namely HEP I (1994-2001), HEP II (2007-2014), and HEP III (2015-2020), have had a substantial influence on Nepal's HE policies and practices (Regmi, 2019).

The launch of HEP I was driven by the argument that the university faced political and financial challenges that deterred other donors from engaging in large-scale support. Consequently, the WB deemed it necessary to help Nepal's HE (WB, 1993). The rationale behind HEP II was based on the belief that the HE system in Nepal was open to change (WB, 2007). The WB had gained credibility by supporting various reforms in the education sector, possessed a deep understanding of the local context, and had valuable international experience in facilitating reforms in Nepal. Similarly, for the launch of HEP III, the WB asserted its unique position to support the reform agenda of the Government of Nepal due to its extensive global knowledge in the field of HE (WB, 2015). The status of foreign funding in Nepal is presented in table 1.

6. Discussion

Initially, the UGC's mandate was focused on coordination and managing financial resources for all universities (GoN, 1992). However, within the framework of new public management (Gibson, 2011), the UGC's division of labour and responsibilities (GoN, 1992) is now defined based on the requirements of project implementation. Under this arrangement, the UGC is made responsible for overseeing small universities and community campuses, while TU is responsible for its constituent campuses (WB, 1984). Community campuses affiliated with TU follow TU-prescribed curricula, examinations, and certifications. They must compete for reform grants managed by the UGC (WB, 2014).

6.1. Policy Analysis

The concept of competition was not emphasized in HEP I, but both HEP II and HEP III have highlighted two types of competition. Firstly, financial support for students, teachers, and HE institutions should be based on competition to enhance performance and achieve results. Secondly, the HE sector should produce competitive human resources, not just within the country but also in the global job market. For instance, HEP II explicitly aimed to promote competition within private provisions and between private and public provisions (WB, 2007). The WB argued that the successful implementation of competitive grant provisions in previous projects, such as the Community School Support Project and HEP I, served as a basis for this approach. During the launch of HEP II, the WB (WB, 2007) argued that granting funds on a competitive basis would aid the growth of the most promising institutions. The initially selected institutions adhered to these requirements for fund disbursement, while new institutions began to adopt them in order to qualify for competition. This approach, driven by neoliberal instrumentalism, generated a "demand" among community campuses to obtain reform grants (WB, 2014).

The HE policy implemented by the World Bank has encouraged self-interested actions driven by instrumental motives, particularly through the promotion of competition at both institutional and individual levels. In the HEP II period, the maximum grant and loan amounts available to bachelor's level students ranged from US\$540 to US\$135 (WB, 2007). Under HEP III, the objective is to provide support to 2,000 higher secondary students from the Science stream and 7,500 bachelor's degree students from the lower two consumption quintiles, selected through competition. The scholarship amounts for these groups would be US\$653 and US\$290, respectively (WB, 2015).

The notion of competition, promoted under the guise of neoliberal instrumentalism, assumes that Nepal's higher education should primarily focus on preparing graduates for global competition (WB, 2007). These projects operate under the assumption that in order for Nepal to effectively compete in the global economy, its entire education system needs to align with the characteristics of the new global environment. The rationale behind continuous reforms is often driven by the aim of increasing economic growth and competitiveness (WB, 2014), with the objective of enabling Nepal's participation in the global economy. However, this instrumental rationality of competition can be seen as either naively utopian or as a deliberate obfuscation of processes that ultimately concentrate wealth and reinforce existing class power dynamics, benefiting those who are already well-off or competitive (Harvey, 2005). The following table concisely present the aid funded by the WB led donors in Nepal's education (USD million).

Table-1: Present the aid fundel by WB

<i>Project names</i>	<i>Duration</i>	<i>World Bank</i>	<i>Others</i>	<i>Total</i>
Technical Education Project	1977–1985	\$5.70		
Western Region Campus Project	1979–1987	\$12		
Engineering Education Project	1989–1996	\$10		
HE project (HEP I)	1994–2001	\$20 (Loan)	\$6.10	\$26.10
Second HE project (HEP II)	2007–2014	\$60 (Grants)	\$19.61	\$79.61
HE Reform Project (HEP III) ^a	2015–2020	\$65 (Loan)		

Source: (Regmi, 2019)

The table I shows that Nepal received aid from the WB and donor institutions in different phases in the name of education sector reform. In phase-I total aid received was USD 26.10 million. Similarly, total grant received in phase-II was USD 79.61 million and in the phase-III USD 65 million loan assistance was provided. It is notable that the entire loan and grant assistance are subject to certain conditions that are to be abided by Nepal. Obviously, the conditions are developed as per neoliberalist framework designed by WB and IMF. Before initiation of neoliberalist policy regime in Nepal, Nepal received support from the World Bank since 1977 in the humanitarian ground. Since 1977 to 1996 Nepal received the aid worth USD 27.70 million. Major policy departure of neoliberal framework has been initiated in Nepal since 1997 under the direct support from the World Bank and IMF. Total assistance in the period is recorded USD 198.41 million.

Table-2 Budgetary Allocation of UGC

Regular Program Budget (In Thousand)							
S.N	Description	Source	Actual Income for 2077/78	Actual Expenditure for 2077/78	Estimated Income for 2078/79	Last Year's Payments Balance	Total
1	Current	Nepal Government	11,704,900	11,349,252	10,502,500	3,000	10,505,500
		Government of Nepal/Internal Debt			2,196,100		2,196,100
2	Capital Grant Government of Nepal	Government of Nepal	3,616,500	3,399,490	3,047,600	90,000	3,137,600
		IDA/WB Concessional Loan			1,440,000		1,440,000
		A direct payment of the Chinese government			1,000,000		1,000,000
Total			15,321,400	14,748,742	18,186,200	93,000	18,279,200

Source: UGC, 2021

The UGC Board meeting approves the annual budget . The program budget of UGC for the year 2021/2022 was allocated NPr 18279,200.00 thousands. The budget comprised current budget and capital budget for the year. NPr 12701600.00 thousands was allocated for current expenditure. The government provided NPr 10,505,500 thousand and remaining amount NPr 2196100 was managed from internal debt to support current expenditure of the UGC. The amount allocated for capital expenditure was NPr 5577600.00 thousands. Out of the total budget, NPr 1440000.00 was the estimate income from WB concessional loan and NPr 10,000,000.00 from the assistance of Chinese government. The total NPr 2440,000.00 was separated for capital grants comprising 30.52 percent of total capital budget. The total amount allocated for current expenditure constitutes 69.48 percent of the total budgetary provision. The following table 3 shows the budgetary allocation of UGC clearly.

Support to Higher Education Projects

Out of the resource managed from domestic and external sources, the UGC provides supports to different eleven universities and other educational institutions. The

universities in operation in the country are mentioned from serial number 1 to 11. The support constitutes recurrent and capital expenditure budget of the concerned institutions. In the year 2021/22 the UGC has provided total aid NPr 15073826 thousand. The aid comprises gross recurrent and capital aid. The gross recurrent aid disbursed in 2021/22 was NPr 11318826 thousand ie. 75 percent of the total amount dispersed and NPr 3755000 thousand ie. 25 percent of the total dispersed amount goes to the heading of capital aid. Being the largest university in terms of student enrolment and physical and human resources, TU received the largest fund as grant for the year 2021/22. The amount was NPr 9551318 thousand which comprises 63.36 percent of the total budget allocated. Nepal Sanskrit university received the second largest budget from UGC. The amount was NPr 823116 thousand which comprises 5.46 percent of the total budget allocation. Similarly, Purvanchal university stood third largest budget recipient. The amount was NPr 230000 thousand which constitutes 0.152 percent of the total budgetary disbursement from the UGC in 2021/22. The more detail report of the allocation of the budget from UGC to different institution is shown in the table3 below.

The aid provided to Nepal is never sufficient until we are capable of utilizing our own resources and frame the development model in our own interest. The performance of domestic real sector is gradually declining and its contribution to GDP reached to 5.3 (MoF, 2023). In the initial phase of structural adjustment policy (SAP), many commitments of socio-economic transformation was made (Acharya, 2021) but after completion of 30 years of neoliberal journey, Nepal's real sector performance is discouraging. So, a major concern here is that Nepal is craving for foreign aid to run universities and educational institutions even now. Then how long shall Nepal need to continue it. The budget distributed by UGC is still insufficient for overall transformation of Nepal by means of educating its people. Very insignificant amount is allocated under the topic of research, scholarships, and efficiency development heading. Proper need assessment and delivery of public choices has not been made. With a limited assistance, UGC cannot carry on such a huge responsibility of socio-economic transformation of society. Table 4 reflects that total Rs 15073826 thousand was allocated to different universities in 2021 out of which Rs.11318826 thousand went for recurrent heading and remaining Rs. 3755000 was allotted for capital expenditures. Total 19 educational institutions received the fund under the designed topic. Out of which Tribhuvan university received to most. Total Rs. 9551318 thousand was allotted to the TU that comprised Rs.8911318 thousands as recurrent expenditure and Rs. 640000 thousand as capital expenditure. The next huge amount was given to Nepal Sanskrit university Rs.823116 thousand that comprised Rs.

668116 thousand and 135000 thousand for recurrent and capital expenditure respectively. Similarly, Purvanchal University got Rs.230000 thousand comprising Rs. 100000 thousand to recurrent expenditure and Rs. 130000 thousand to capital expenditure. The least amount was released to Nepal university totalling Rs. 13000 thousand comprising Rs.3000 thousand for recurrent expenditure and Rs. 10000 thousand to capital expenditure. All the detail of support from UGC is shown in the table 3.

Table-3 : Fincial support by UGC

S.N.	Name	Annual Budget 2078.079 (In Thousand)		Total 2078/79
		Gross Recurrent Budget26412	Capital-26422	
1	Tribhuvan University	8,911,318	640,000	9,551,318
2	Nepal Sanskrit University	688,116	135,000	823,116
3	Purvanchal University	100,000	130,000	230,000
4	Pokhara University	100,000	10,000	110,000
5	Kathmandu University	100,000	180,000	280,000
6	Lumbini Boudha University	63,300	200,000	263,300
7	Far Western University	281,000	150,000	431,000
8	Mid Western University	274,889	250,000	524,889
9	Agriculture And Forestry University	508,783	470,000	978,783
10	Nepal Open University	84,000	10,000	94,000
11	Rajarshi Janak University	75,020	10,000	85,020
12	Geta Medical College infrastructure development project	50,000	860,000	910,000
13	Surkhet Medical College infrastructure Development Project	6,000	20,000	26,000
14	Butwal Medical College infrastructure Development Project	6,700	60,000	66,700

15	Bardibas Medical College infrastructure Development Project	6,700	60,000	66,700
16	Madan Bhandari Technological University Development Board RC Sir	5,000	50,000	55,000
17	Madan Bhandari University of Science & Technology Development Board, 2075(RD Joshi Sir)	50,000	500,000	550,000
18	Bidushi Yogmaya Aayurved University I C D C	5,000	10,000	15,000
19	Nepal University	3,000	10,000	13,000
	Total released	11,318,826	3,755,000	15,073,826

Source: UGC, 2021

6.3 Implication of the Aid in Nepal

Unemployment status of Nepal

The population of Nepal above ten years of ages is 2,39,58,868 . Among them 15689777 people(ie. 65. 5 percent) population is economically active and 8211012(ie.43.3 percent) are economically inactive. Out of economically active population, 11038105 (ie.70.35 percent) population is generally economically active and remaining 4651672(ie.29.65 percent)people are generally economically inactive. Again, out of 11038105 economically active population, 10270447(ie.93.05 percent) population is employed remaining767658 people(ie.6.95 percent)people are generally unemployed (GoN, 2023).The historical unemployment in Nepal since 2001 is represented in the table 5 that alarmed the highest unemployment rate was 11.4 in 2017. The latest report shows it to be 6.95 percent.

Table-4 : Unemployment Statas of Nepal

Census/survey	Total	Male	Female
2001 census	8.1	7.0	9.2
NLFS 1996	4.9	5.6	4.1
NLFS1998	5.2	4.1	6.3
NLFS2008	2.1	2.2	2.0
NLFS2010	2.2	3.2	1.5
2011 census	1.48	2.0	0.85
NLFS 2017	11.4	10.3	13.1

Source: (CBS, 2017)

Inequality level in Nepal

The available evidence suggests that income inequality is experiencing significant growth in Nepal (Pandey, 2022). In 2010/11, Nepal ranked among the countries with the highest Gini coefficients globally, reaching 49.42(Chancel et al., 2021). The analysis of the Palma ratio, which measures the income share ratio between the top 10 percent and the bottom 40 percent, confirms this trend. The Palma ratio has shown a consistent increase from 2.28 in 1995/96 to 2.65 in 2003/04, and further to 3.32 in 2010/11 (OXFAM, 2019). This indicates that the income of the wealthiest 10 percent is over three times higher than that of the poorest 40 percent. Over a span of 15 years, the income share of the bottom 40 percent has declined, dropping from 15.3 percent in 1995/96 to 11.9 percent in 2010/11. Wealth inequality is also a significant issue in Nepal, with the richest 20 percent possessing 56.2 percent of total wealth, while the poorest 20 percent share only 4.1 percent. Recent reports indicate substantial wealth accumulation by one of the richest individuals in Nepal, as listed on the Forbes billionaire list. In 2018, his fortune increased by \$200 million, representing a 14.5 percent rise from 2017, bringing his total net worth to \$1.5 billion. This increase in wealth alone could cover more than half of Nepal's social protection expenditure, and it would take an impoverished Nepali over 100,000 years to earn the same amount (Pandey, 2022). Wealth inequality is even more pronounced than income inequality in Nepal. The Gini coefficient for household wealth distribution is 0.73, and for per capita wealth distribution, it is 0.74. The Palma ratio for wealth also reveals an extensive wealth gap. Nationally, the richest 10 percent possess over 26 times the wealth of the poorest 40 percent. Both the Gini and Palma indicators identify urban areas and the Hill region as the epicentres of wealth inequality in Nepal. For instance, in urban areas, the top 10 percent holds over 29 times the wealth of the bottom 40 percent, and in the Hill region, it is even higher, reaching 33.64 times (OXFAM, 2019)

Poverty level in Nepal

Nearly five million people are considered multidimensionally poor. Among them, 28 percent reside in rural areas, while 12.3 percent live in urban regions(NPC, 2020). It is noteworthy that over half of Nepal's impoverished population resides in rural areas. Examining different provinces, the highest proportion of multidimensional poverty, at 39.5 percent, is found in Karnali Province, followed by 25.3 percent in Sudurpashchim Province and 24.2 percent in Province 2. In contrast, Gandaki Province has a lower rate of 9.6 percent, and Bagmati Province stands at 7.0 percent. However, in terms of the sheer number of poor individuals, Province 2 has the highest count, followed by Lumbini Province and Province 1(Pandey, 2022).

Among the various demographics, children are the most vulnerable, with 21.8 percent of those under 18 years old classified as multidimensionally poor, compared to 15.1 percent of adults. Notably, children constitute 44 percent of the total poor population, making them crucial focal points for policy considerations. Additionally, households including a member with a disability experience an increased overall poverty rate of 18.3 percent, compared to the 17.4 percent rate for households without such a member(NPC, 2020).

The overall incidence of multidimensional poverty in Nepal decreased from 30.1 percent in 2014 to 17.4 percent(CBS & OPHI, 2021). The MPI value also dropped from 0.133 to 0.074. In human terms, this signifies that within a five-year period, 3.1 million individuals successfully escaped poverty, leaving approximately five million individuals still in poverty. Moreover, the intensity of multidimensional poverty reduced from 44.2 percent to 42.5 percent (CBS & OPHI, 2021).

In the three decades of journey to neo liberalisation policy in Nepal, the poverty level is improved sluggishly. There is massive inequality and frightening unemployment. The limited high-income groups, bureaucrats, politicians, businessmen, brokers are benefitted from the neoliberalist regime in Nepal. The huge mass is forced to leave the country for jobs. Still basic needs are not availed. The constitution of Nepal has taken momentum to proceed towards social justice, but institutional arrangements are not developed accordingly. Ethical norms of the state machineries buried under soil. The entire constitutional bodies are made unfair(Sharma, 2023). Now a layman question is -whether neoliberalist enjoy by disrupting the entire statecraft so that more intense role it can play in future in their favour.

NOC recipient students

Ministry of Education, Science and Culture has been providing no objection certificate(NOC)to the students who are willing to study abroad. In the year 2013/14, the number of students taking NOC from ministry of Education was 28126 who took foreign currency worth NPr 15.22 billion. In the year 2014/15, total 30797 students got NOC and took NPr 17.06 billion for education. Similarly, due to COVID-19 global impact, very few students got NOC ie. 33196 and 28833 in 2019/20 and 2020/21 respectively. At the same time NPr 25.81 billion and NPr 24.95 billion has been taken ways by the students. In 2021/22, the highest number of students received NOC ie 102504 and received foreign convertible facility worth NPr 67.70 billion. In this way, in the past 10 years, 513062 students received NOC and capital outflow during the period for foreign education accounted NPr 357.49 billion.The table 6 shows the facts in detail.

Table-5: Status of providing NOC by education ministry.

Fiscal year	NOC Recipients	O/W Education (in NPr billion)
2013/14	28126	15.22
2014/15	30797	17.06
2015/16	37148	20.13
2016/17	50796	35.02
2017/18	58758	38.08
2018/19	63417	46.32
2019/20	33196	25.81
2020/21	28833	24.96
2021/22	102504	67.70
2022/23	79737*	67.19*
Total	513062	357.49

Source: MoF, 2023, NRB, 2022

*Data coverage of the first nine month of the year 2022/23

This is a clear indication that the education system prevailing in Nepal is under question. The present generation is not satisfied with the educational outcome of Nepal. Millions of USD injected in Nepal in education sector but why Nepal could not contain new generation in the country. Can we say WB failed in Nepal ? or WB became successful in failing Nepal? I wonder, the WB is successful in its mission to support neoliberalist

framework. Guardians of Nepal now understood the value of education and are ready to convert their physical assets into human assets. The table indicates the alarming fact, if this trend persists, future generation may not be ready to stay in Nepal so far as their assets allows them.

7. Conclusions

Nepal has adopted free market policy since 1990s. Nepal's recent development policy guideline is SDG. The SDG model is the improved version of acute neoliberalist framework. Due to the neoliberalist policy, over concentration of financial capital exacerbated inequality in the globe. Unemployment and poverty issue could not be solved as envisaged. The Washington prescription-based neoliberalism got abated until arriving at SDG. Now the third world is still suffering from the issues of poverty, inequality, and unemployment. Additionally, neoliberalism focused Nepal's education and health sector for its reform. Thematically the slogan sounds sweet. Developing countries like Nepal cannot bear the huge burden of educating its people. It is not bad when it is marketized. In terms of resource utilization and self-motivation this framework is unparalleled. But when we delve into social welfare through equitable distribution of resources by providing employment opportunity, the result is painful. Constitutionally, the general roadmap of democratic socialism must be approved by the parliament and implemented as the country's master plan (Acharya, 2021). The rare foreign exchange is being sent out for education in the foreign universities. More than 5 lakh students in last 10 years left for higher education taking more than NPR 290 billion. It is abnormal situation. Nepal is producing such human resources that can support as unskilled labour in the foreign land at the cost of heavy burden of conditional foreign debt. Before the inception of SAP in Nepal, there was worsening plight of inequality, poverty, sluggish growth and huge unemployment rate that opted for WB funded neoliberalist SAP implication. After implementation of this framework, the basic socio-economic scenario is not drastically changed in proportion to the foreign debt of Nepal. The present widening debt burden, evacuation of youths and dismal socio-economic scenario has created a thrust of revaluation of the neoliberalist prescription in Nepal. Now it is high time to pave a way through higher education which would be compatible to the preamble of constitution of Nepal 2015 i.e. socialist oriented democratic policy regime.

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