

Higher Education in Nepal: Policy and Prospects

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ABSTRACT

The higher education system in Nepal faces significant challenges that hinder its ability to contribute effectively to national development. Despite over 1,400 institutions and 11 universities, issues like centralized governance, insufficient funding, inequitable access, and an increasing trend of student outmigration are pervasive. This paper examines the current higher education policies, highlighting the inadequacies in governance, resource distribution, and the alignment of curricula with labor market demands. The prospects for reform include decentralized governance, improved funding models, curriculum upgrading, and efforts to address brain drain. The paper emphasizes the need for systemic reforms to ensure that higher education is pivotal in fostering national growth and development.

KEYWORDS: Higher education, education policy, decentralization, governance, brain drain, equity, curriculum reform, labor market alignment, funding models.

1. INTRODUCTION

The higher education sector in Nepal is at a crossroads, grappling with a myriad of challenges that hinder its ability to contribute significantly to national development. Despite boasting over 1,400 institutions, including 11 universities, the system is hindered by centralized governance structures, an uneven distribution of resources, and a worrying trend of students seeking education abroad due to perceived quality issues at domestic institutions. A closer examination of this sector's current policies and prospects reveals the complexities involved in overcoming these challenges. Governance in higher education is primarily influenced by various governmental entities, most notably the Ministry of Education, Science, and Technology (MOEST) and the University Grants Commission (UGC). These bodies play a critical role in formulating educational policies to foster reform within the system.

One significant initiative in this endeavor is the "Higher Education Reform Project" (HERP), which has received funding from the World Bank. HERP's objectives include enhancing access to higher education, ensuring equitable opportunities for all, and improving the overall quality of education. The project has focused on increasing financial resources for institutions, refining governance structures to promote transparency and accountability, and building research capacities to uplift academic standards. Further, the 2019 High-Level National Education Commission report sets forth a comprehensive agenda for the trajectory of higher education in the country. Key objectives outlined in this report include improving accessibility for students from all backgrounds, particularly marginalized groups who have historically faced barriers to education. It emphasizes the necessity of aligning educational outcomes with the demands of the labor market to ensure that graduates possess the skills needed to thrive in an increasingly competitive and globalized economy.

Additionally, strategic plans such as the 15th National Development Plan (2019–2024) underscore the vital role of higher education in driving innovation and entrepreneurship. This document articulates a vision for higher education institutions to act as catalysts for economic growth, urging them to address the multifaceted challenges of globalization. As part of this, there is a call for curricula integrating practical skills and entrepreneurial thinking, enabling students to contribute effectively to the local and national economy. In summary, while the higher education sector in Nepal is faced with significant hurdles, concerted efforts are underway to transform these challenges into opportunities. By enhancing governance, ensuring equitable access, and aligning educational programs with market needs, Nepal can better position its higher education institutions as pivotal components of national development and social progress.

2. RESEARCH METHODOLOGY

This study employs a qualitative research methodology, incorporating a document analysis approach to review crucial reports, policies, and academic papers related to higher education in Nepal. Primary sources include government reports from the Ministry of Education, Science, and Technology (MoEST), the University Grants Commission (UGC), and international bodies like the World Bank. Secondary sources include scholarly articles, media reports, and institutional publications that provide insights into the higher education sector's current challenges and reform initiatives. Data on enrollment rates, graduation rates, and trends in outmigration were analyzed to identify patterns and inform the discussion on prospects. By triangulating these sources, the paper comprehensively analyzes the policy landscape and potential solutions for Nepal's higher education system.

3. RESULT AND DISCUSSION

The analysis reveals that Nepal's higher education system faces persistent challenges from centralized governance, insufficient funding, inequitable access, and misalignment between curricula and labor market demands. Centralized governance has limited university autonomy and stifled innovation, while political interference has further complicated effective management and policy implementation. Resource constraints disproportionately affect rural students, as institutions are concentrated in urban areas, leaving low-income students with limited access to higher education opportunities. The outdated curricula fail to prepare students for contemporary workforce demands, contributing to poor graduate employability and escalating rates of student outmigration, with over 63,000 students seeking education abroad in a single fiscal year.

Efforts to decentralize governance and enhance university autonomy could address inefficiencies, enabling institutions to develop tailored academic programs and partnerships with industries for practical learning opportunities. Increased government investment, needs-based scholarships, and private sector involvement are necessary to bridge higher education's financial and infrastructural gaps. Curricular reforms emphasizing technical and vocational education and partnerships with global institutions can equip students with relevant skills and foster innovation. Addressing outmigration requires improving educational quality and creating favorable employment opportunities within Nepal through public-private collaboration, incentives for entrepreneurship, and robust R&D initiatives.

The UGC's findings further emphasize disparities in enrollment and pass rates, highlighting the dominance of management studies and the poor performance in humanities and education disciplines, which demand urgent reforms. Aligning educational programs with labor market needs and fostering equitable access to quality education will be critical for reversing the brain drain and nurturing a skilled workforce. Such systemic reforms are essential for positioning Nepal's higher education sector as a driver of economic development and global competitiveness.

Analysis of Current Challenges

The challenges of over 1,400 institutions and 11 universities, issues like centralized governance, insufficient funding, inequitable access, and an increasing trend of student outmigration are persistent. This part highlights the current challenges of higher education policies, inadequacies in governance, resource distribution, and the alignment of curricula with labor market demands.

Governance and Centralization

The governance structure of higher education in Nepal is characterized by a high degree of centralization, which results in inefficiencies and delays in the decision-making process. Moreover, the over-politicization of academic and administrative positions further exacerbates the challenges of effective management. This governance model significantly impacts university autonomy and introduces hurdles that hinder innovation and flexibility in educational programs.

Funding and Equity

The government's current allocation for higher education in Nepal is inadequate in meeting the increasing need for better infrastructure, research facilities, and equal access. According to a report by the University Grants Commission (UGC), the gross enrollment ratio stands at a low of 14.42%, indicating a significant gap in access to higher education. Moreover, educational institutions are predominantly concentrated in urban areas such as Kathmandu, limiting accessibility for students from rural or low-income backgrounds. Consequently, these students face challenges affording higher education due to high costs and the lack of substantial scholarship programs.

Quality of Education

One of the primary challenges facing Nepal's higher education system is subpar education quality, as evidenced by dismally low graduation rates and a lack of harmony with both global and domestic labor markets. Tribhuvan University (TU), Nepal's largest university, only records an average graduation rate of approximately 26%. Moreover, there are concerns about the relevance of academic programs, with critics contending that many curricula are outdated and fail to address the demands of contemporary industries (World Bank, 2022).

Outmigration of Students

The growing trend of Nepali students pursuing higher education abroad has become a pressing concern in recent years. Prominent destinations such as Australia, Japan, the USA, and the UK have seen a surge in Nepali students seeking educational opportunities. In the fiscal year 2018/19, more than 63,000 students obtained no-objection certificates to study overseas. This substantial outflow of talented individuals deprives Nepal of valuable human capital and hinders the country's ability to foster and retain the talent essential for its development. This phenomenon is called "brain drain," its impact on Nepal's human resource development cannot be overlooked.

Prospects for Reform and Development

The prospects for reform and development based on decentralized governance, improved funding models, curriculum upgrading, and efforts to address brain drain are discussed.

Decentralized Governance

The decentralization of university governance is increasingly recognized as a critical factor in addressing the inefficiencies inherent in the current system. Granting universities greater autonomy and decision-making power can enable them to more effectively and efficiently respond to the specific educational needs of their local communities. Additionally, this autonomy can facilitate the implementation of more adaptable and personalized curriculums that better align with evolving industry requirements. Furthermore, enhanced collaboration with local and national industries can be fostered, leading to valuable partnerships and practical, real-world learning opportunities for students.

Improved Funding Models

The government must comprehensively reform its funding models to address the pressing need for equitable access to higher education. Such reform should expand opportunities for all, benefiting those from lower-income backgrounds. A multifaceted approach could include the introduction of needs-based scholarships, which directly support students whose financial situations may otherwise preclude them from pursuing higher education. Additionally, the educational loan system requires significant improvements to become more accessible and less burdensome for students post-graduation. It could involve lowering interest rates and extending repayment periods, making higher education more accessible to a broader population.

Encouraging private investment in education is another crucial step toward enhancing the system. Tax incentives or other benefits for corporations and private entities investing in scholarships, infrastructure, or educational resources could stimulate considerable advancements in the quality and reach of higher education. International funding and cooperation play a pivotal role in enhancing the education sector. The World Bank, for instance, has a history of contributing positively to educational reforms and infrastructure improvements across the globe. Its continued support, along with similar contributions from other international bodies, has the potential to drive significant growth and improvements within the sector. For instance, the World Bank reported in 2022 the tangible benefits that such international collaborations have brought to various countries, improving not only access but also the quality of higher education, thereby making a case for sustained and enhanced international support in this area. Implementing these strategies could significantly narrow the educational gap, ensuring that higher education becomes a realistic and achievable aspiration for students regardless of their economic background.

Curriculum Renovation and Research Focus

The pressing need for educational reform is incontestable, with an imperative focus on skill-based education, enhanced research capabilities, and fostering innovation. Traditional educational frameworks are increasingly seen as outmoded and fail to equip students with the practical skills and innovative thinking necessary for the modern workplace. It requires a substantial shift towards Technical and Vocational Education and Training (TVET) programs. Despite the proven benefits of such programs in bridging the skills gap, TVET currently engages a mere 23% of the student population. It starkly contrasts the demand for technically skilled professionals in various industries. Expanding the reach and accessibility of TVET programs can catalyze empowering a larger segment of the student community with practical skills and hands-on experience.

Moreover, the integration of partnerships with international universities and industries emerges as a strategic move to infuse the educational curriculum with new technologies, innovative research methodologies, and global best practices. These collaborations can expose students to cutting-edge technological advancements and real-world project experiences, preparing them for the worldwide job market demands. Through such partnerships, educational institutions can offer more diversified programs that are in sync with evolving industry trends and technological advancements, thereby enhancing the employability of graduates. In essence, transforming educational frameworks to emphasize skill-based learning, coupled with the expansion of TVET programs and strategic international collaborations, is pivotal for nurturing a future workforce that is innovative, technically skilled, and globally competitive. Implementing these reforms is crucial for aligning education with the rapidly changing demands of the 21st-century workplace and societal needs.

Addressing Outmigration

Addressing the issue of students leaving Nepal for educational opportunities elsewhere necessitates a multifaceted strategy. Firstly, enhancing the accessibility, quality, and relevance of education within Nepal is paramount. It involves updating curricula to reflect the current global and local market demands, investing in teaching resources and adopting new technologies and teaching methodologies to make learning engaging and effective. Moreover, providing scholarships and financial incentives for students pursuing high-demand fields can motivate them to study domestically. Secondly, forging a strong nexus between educational institutions and various industries is crucial. It can be achieved through internship programs, industry visits, professional guest lectures, and collaborative projects, which can equip students with practical skills and a better understanding of the workplace. By tailoring academic programs to meet the specific needs of the job market, institutions can ensure that graduates are not only employable but also prepared to excel in their respective fields.

Furthermore, improving the employment landscape within Nepal is essential to retain graduates. The government and private sector should work together to foster an environment conducive to job creation, particularly in sectors poised for growth. Streamlining business regulations, incentivizing innovation, and investing in infrastructure can attract investment and encourage entrepreneurship, creating more job opportunities for skilled individuals.

In addition, developing a robust ecosystem for research and development is vital to retaining highly educated individuals and stimulating economic growth. It includes increasing funding for research, encouraging public-private partnerships in R&D, and establishing centers of excellence in key industries. Such initiatives can offer enticing opportunities for graduates to engage in cutting-edge research, innovate, and contribute to solving national challenges. Lastly, a supportive environment for returned scholars and professionals can further enrich the domestic talent pool. Policies that facilitate the integration of these individuals into the Nepalese job market recognize their international qualifications, and leverage their global perspectives and skills can significantly bolster Nepal's socio-economic development. By implementing these multifaceted strategies, Nepal can not only stem the flow of outmigration for education but also build a resilient, skilled workforce that is well-equipped to drive the country's progress on the global stage.

Information Regarding Examination

Upon closer examination of the higher education data, it becomes evident that significant disparities exist in access to education and the quality of education provided. The UGC report for the academic year 2018/19 sheds light on the fact that almost half (46.37%) of students pursuing higher education are enrolled in management studies, with education, humanities, and sciences closely behind. Furthermore, the data reveals disconcerting pass rates in prominent universities such as Tribhuvan University, with management at 24.75%, humanities at 38.81%, and education at 16.65%. It signals a pressing need for targeted reforms to enhance access to education and the overall educational standards across all fields. It is crucial to address the drastic imbalance between the prevalence of certain majors and the quality of education being imparted. The data also underscores the urgency of realigning higher education institutions with the demands of the labor market. It is particularly salient given the substantial emigration of students seeking education opportunities abroad, as well as the concerning levels of unemployment among domestic graduates. Addressing these issues and fostering a closer alignment between educational offerings and labor market needs is imperative for the future of higher education.

4. CONCLUSION

A complex interconnection among various stakeholders, including government institutions, private entities, and international organizations, characterizes higher education in Nepal. Bolstered by international aid, government policies have played a crucial role in improving access to higher education nationwide. However, despite these advancements, significant challenges persist in several areas, including governance, equity, quality of education, and alignment with the labor market demands. One of the pressing issues in the sector is the centralized

governance structure, which often lacks responsiveness to local needs and conditions. Reforms aimed at decentralizing governance could empower local institutions to make decisions more reflective of community needs and aspirations. Additionally, enhancing financial resources for educational institutions is paramount. It includes increasing government funding and exploring innovative financing mechanisms, such as public-private partnerships, to create a more sustainable economic model for higher education.

Furthermore, the curriculum in many institutions is in dire need of modernization to ensure it aligns with current global standards and the evolving needs of the job market. This modernization should focus on integrating practical skills and critical thinking into the educational framework, preparing graduates to thrive in a dynamic and competitive workforce. Another significant challenge is the phenomenon of brain drain, where talented individuals pursue opportunities abroad. Addressing this issue requires developing incentives for graduates to remain in the country, such as offering competitive salaries, fostering a vibrant job market, and creating conducive working environments that value innovation. If these reforms are implemented effectively, they can transform higher education in Nepal into a powerful catalyst for national development. Graduates would emerge with strong academic credentials and the essential skills and competencies to tackle the multifaceted challenges of a rapidly changing global landscape. Ultimately, by prioritizing these reforms, Nepal can ensure that its higher education system contributes to sustainable growth and enhances the overall well-being of its society.

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