EDUCATION IN NEPAL: DEVELOPMENT OF MANAGEMENT

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Abstract- Development of management education is fairly new phenomenon in Nepal. Within a life of about six decades it has witnessed many important developmental phases. As of 2009/10 a total of 568 institutions are providing higher education in management and the number is expected to increase further as Nepal has adopted multi-university policy and invited private sectors and communities to invest in education development. With the increasing global competitiveness because of globalization and technological advancement, management education in Nepal is struggling meet the standard. This paper analyzes status and spatial distribution of management institutions and gender diversity of management students in Nepal. The results conclude that management institutions are confined in the central region, dominated by private sectors in numbers of institutions while public institutions hold more than 80 percent students and gender disparity is decreasing but still males are dominating.

I. BACKGROUND

This paper primarily addresses four major objectives. First, it briefly summarizes the development of management education in Nepal. Second, it shades lights on spatial distribution of management education institutions. Third, it makes analysis of the involvement of public, community and private sectors. Fourth, it summarizes key status on gender diversity in management students.

Nepal's education system is comparatively less exposed to international market because of two major reasons. First, development of modern education system in Nepal is recent phenomenon, particularly in the second half of twentieth century only. Second, there are serious concerns on the quality of educational systems in Nepal. In the last half century Nepal witnessed remarkable quantitative growth in educational institutions but the quality could not accompany the quantitative growth. Nepal's education system also critically suffers from lack of innovation and more dependent to imitation, particularly with Indian system of education. For instance, the first modern higher education institution, Tri-Chandra College, was established in 1918 with affiliation to Calcutta University and later to Patna University. For number of years Patna University supported to develop curriculum and conduct final examinations.

This paper is an attempt to bring out some important aspects of Nepal's education systems and practices, particularly in the area of management education. Management education is one of the popular education streams. There is increasing interest of young generations in this field and as a response many management institutions are coming into market through government, community and private efforts. In the first section of this paper briefly summarizes the development of management education in Nepal. However, the focus is on the second part which highlights spatial distribution of management institutions in the context that Nepal has adopted decentralizing the education facilities and services. The paper further analyzes public, private And community participation in management education. The idea of this analysis is to find the key players in management education in Nepal and acknowledge their roles. In the context that Nepal has officially adopted social inclusion policy in every public affair, government is taking initiatives to reduce gender imbalance in higher education. This paper also offers some evidences on this regards.

II. MANAGEMENT EDUCATION IN NEPAL

Although, modern higher education in Nepal was started in 1918, the management education began only in September 1954 when Tri-Chandra College, the first college on the country, launched Intermediate of Commerce (I. Com) and Bachelor of Commerce (B. Com) with 27 and 4 students respectively (Acharya, 2011). However, the master level education in management was offered only in 1960 after establishment of Tribhvuan University (TU), the first university of Nepal. Establishment of TU in 1959 brought many hopes in development of higher education of Nepal. It opened avenues for public participation in home grown higher education system and was therefore important to note because, at that time, Nepal was recently freed from century long family dictatorship which used to see public education as threat for them.

As another milestone, the New Education Plan System (NEPS) 1971 strengthened the higher education development in Nepal. The NEPS revolutionized the higher education including management education by revising curriculum structure, examination system and quality enhancement. TU started expanding it coverage outside Kathmandu valley and different parts of country. The establishment of Faculty of Management (FoM) under TU in mid 1980s gave a new shape to development of management education in Nepal.

Compared to other South Asian countries, Nepal's management education is relatively new. It started in

mid 1950s and has particularly gained momentum after 1990s. The decade of 1990s was instrumentally important in education development of Nepal. The first elected democratic government in 1992, after restoration of multiparty democracy in 1991, opened up opportunities for private and community involvement in higher education through its new market-based economic policy. Thereafter, new universities and education institutions came into market to provide higher education in Nepal. In the country with 26.4 million population, crippled economy and gloomy business faces, history of management education has observed ups and down since its beginning. At present, Nepal has 8 universities and 2 higher education institutions of which 8 are functional, only 4 are providing higher education in management and 2 are planning to start soon. Besides, some institutions affiliated with foreign universities are also providing management education. Although there are differences in exact number of management education institutions, as of 2008/2009 University Grants Commission Nepal, there were 411 functional management education institutions affiliated to national universities of Nepal (University Grants Commission [UGC], Nepal, 2011) which constituted around 32 percent of total higher education institutions. The number of management institutions increased to 568 by 2009/10 comprising 37.2 percent of the total higher education institutions (UGC, 2012) [1], the
Largest proportion.

[1] In this analysis only those management education institutions that had student enrollment in the year 2009/2010 are included. The actual number of management education institutions may be higher by now. However, I assume that it will not affect analysis because the aim of this paper is to offer a broader picture of management education in Nepal.

In Nepal, higher education in management is provided through four levels- intermediate, bachelor, master, MPhil and PhD level. Recent education policy of Nepal has phased-out intermediate level from university education and merged with higher secondary education. Therefore, management education in university level is provided in three major levels. At the initial phase of management education, the course was merely confined in teaching of some theoretical issues of commerce and business.

The scope was narrow. However, with the increase of management institutions, the scope, nature, structure and coverage has increased remarkably. Now, management education does not mean only the theories of commerce and business, it is more about managing the enterprises, office, employees, human resources, finding innovation in economy and market. There are wide varieties of course depending on the market demands in each level and students are allowed to select the subjects of their interest. There are more than 20 management courses offered at bachelor and master level. There is growing strengths of management education institutions in terms of infrastructure, faculty, resources including library facilities and research activities and networks within and out-side county.

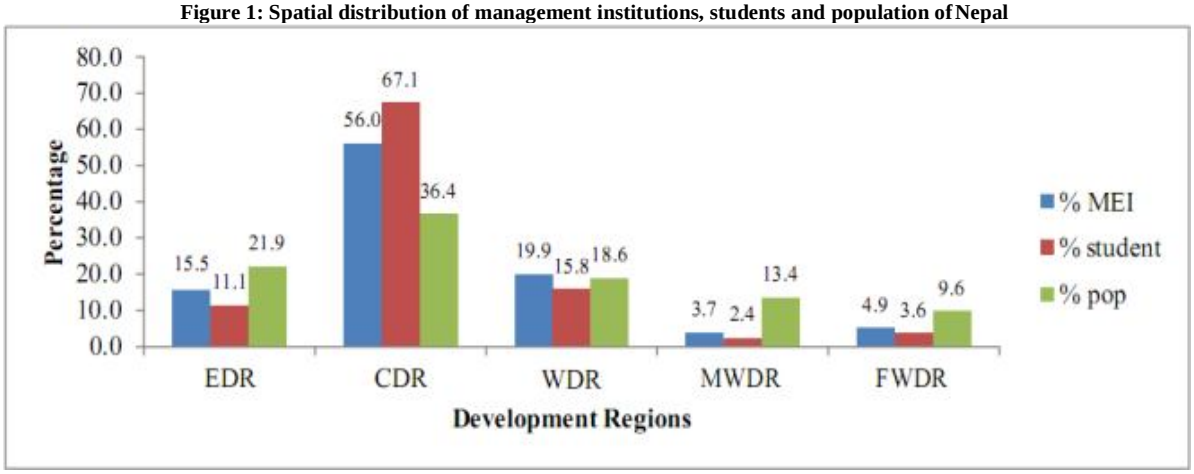
III. SPATIAL DISTRIBUTION OF MANAGEMENT INSTITUTIONS IN NEPAL

Despite having policy of decentralizing education institutions, Nepal's education system is highly centralized. This study is based on the 568 management education institutions affiliated to national universities of Nepal (as of 2009/10). It shows that 56.0 percent of management institutions are located in the central region, followed by western region (19.9%), eastern region (15.5%), far-western (4.9%) and the least in mid-western (3.7%). While in-terms of distribution of students, central region holds slightly more than two-thirds students, followed by western region (15.8%), eastern region (11.1%), far-western (3.6%) and mid-western region (2.4%) (Figure1). This distribution configures the domination of central region in both number of institutions and students. Within central region, Kathmandu valley alone occupies a large majority of management institutions and students. To some extent, it seems obvious because of three major reasons. First, Kathmandu is the capital city which is also the economic and political capital. Second, given the political, economic and social opportunities, Kathmandu valley remained safe place for the investment in education institutions. Third, it is also the result of unitary and centralized governance system. Although Nepal has principally and concretely adopted decentralization policy by adopting the Decentralization Plan 1965, it remained futile until recent (Dahal, Uprety, & Subba, 2001). Only some concrete examples were observed after 1990s. The state was inherently limited within the capital city and some other few major cities. It was discouraging factor for growth of educational institutions beyond Kathmandu valley.

Figure 1 shades more lights on the concentration of management institutions and students compared to population distribution in the respective areas. It is apparent that central region over-represents management institutions and students in comparison to population in that area, the difference is around 20 percent points, whereas in all other areas are underrepresented.

Interestingly, the proportion of students in central region is even higher than the proportion of institutions. This indicates that central region is popular education destination for students across Nepal.

Figure 1: Spatial distribution of management institutions, students and population of Nepal



Source: University Grants Commission [UGC], (2012); Central Bureau of Statistics [CBS], (2012)

Note: EDR= Eastern Development Region, CDR=Central Development Region, WDR=Western Development Region, MWDR=Midwestern Development Region, FWDR=Far-Western Development Region, MEI= management education institutions, pop=population.

Figure 1 generates three important messages on management education status in Nepal. First, there is high concentration of institutions and students in only central region creating an imbalance in distribution. This imbalance is a challenge for the government of Nepal to maintain regional balance. Second, such discrepancy challenges the quality of education. In some areas there is overflow of students whereas in others there is always shortage. The earlier has management problem while the later has sustainability. Third and important is increasing divide in the educational achievement of students. This is because institutions with better facilities, experienced faculties and opportunities are available only in central region, particularly in Kathmandu valley. Just opposite to this, the institutions operating in other regions are poorly managed, quality education is challenged and opportunities are limited.

As a matter of improvements, there are some important milestones in reducing regional imbalance in education facilities, particularly when the Government of Nepal (GoN) adopted multi-university concept and invited private sector to invest in education development. The GoN came up with the plan to open regional universities in order to reduce the imbalance and increase access of people in education within their convenient locality. As a landmark, Kathmandu University was founded in 1991 with private initiative as a first non-state university. This opened new avenues for involvement of private sector in higher education development. However, this university is also limited to provide service within Kathmandu valley and its nearest periphery.

Amidst growing demand of people for decentralization of education facilities, the GoN, for the first time, established Purbhanchal University in 1995 with a regional concept to provide quality education facilities to eastern Nepal. Following this, Pokhara University was established in 1996 to cater higher education facility to western Nepal. Recently, the GoN has opened three more universities (Lumbini Boudha University - western region, Mid-Western University, Far- Western University) with a regional concept in mid-western and far-western Nepal. Interestingly, the first choice of these universities is to provide higher education in management.

Despite the government's effort to decentralize educational services with establishing new universities at regional level, attraction to Kathmandu valley and some specific institutions within the valley remains unchallenged. And still it takes more time and efforts to develop management institutions outside valley to compete in national and international level.

IV. PUBLIC, COMMUNITY AND PRIVATE INVOLVEMENT

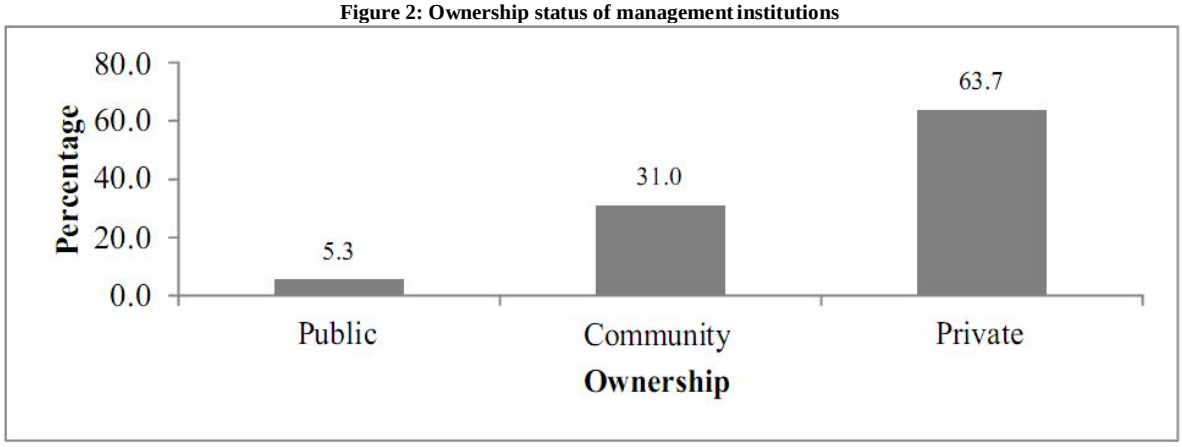
Higher education in management is provided by three types of educational institutions- public, community and private institutions. Public institutions imply the constituent institutions of universities and they receive substantive public funds. The ownership of such institutions is under government. Community institutions are owned by the community and are non-profit organizations. They receive small public funds for their contribution in educational development. Private institutions are owned by a person or a group of promoters and may operate for profit.

These institutions do not receive public funds. The classification of University Grants Commission Nepal 2011 is used throughout this paper.

Normally, education in Nepal was state controlled public services until recent. When the GoN adopted liberal mixed economy policy and allowed private sector to invest in higher education in early 1990s,

investment in education became an attractive opportunity. Figure 2 shows that in terms of number of management institutions, private institutions are fairly dominating (63.7%), followed by community campuses (31.0%) while the proportion of government funded management institutions in around five percent. Earlier state controlled higher education service is now slowly slipping into the hands of private sectors and community because of two major reasons. First, the GoN has adopted a policy to allow private sector involvement into education services which encouraged them to increase investment in education. Investment in educational institutions is considered as secure and it is easy to start with small investment. Second, the quality of government owned institutions is continuously deteriorating because of unwanted political interference and poor management. As a result there is always a demand of quality and well-managed institutions. Private institutions are harvesting this sentiment. The higher number of community institutions is also a part of government policy. Government is also promoting community involvement in education so that community becomes responsible for ensuring the accessibility of quality education.

Figure 2: Ownership status of management institutions



Source: UGC Nepal, (2012)

If we observe the distribution across the development regions, we find an interesting pattern. Private institutions are more concentrated in central development region, followed by western region and eastern region. Their existence in mid-western and far-western region is relatively low. Community institutions are wide spread all over the country followed by public institutions but their presence in mid-western and far-western is not encouraging. It shows an obvious nature of private and public investment. Private investors always look for profit while public investment is for providing service to people and does not look for profit and loss.

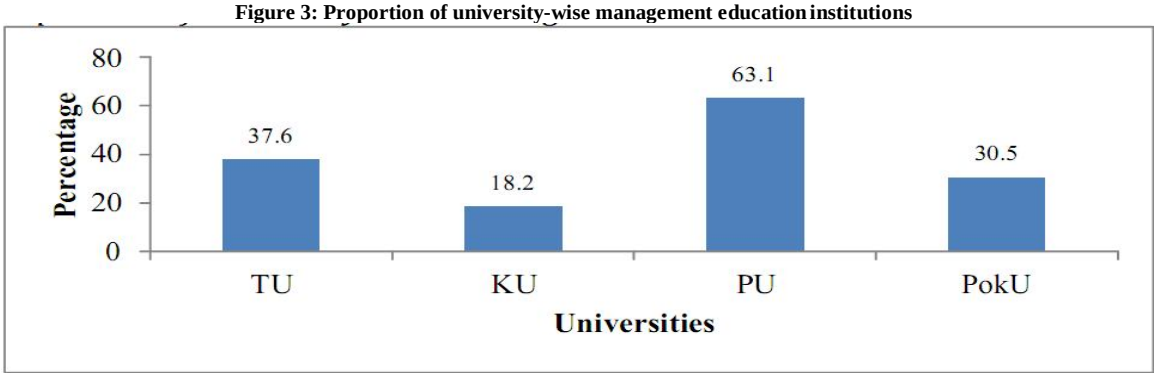
When we look in terms of student enrollment, the scenario is completely otherwise. The five percent public institutions hold about 41 percent of students while community institutions hold an equivalent proportion of students (34%). Private institutions only hold 26 of total students which is around 38 percent points less than their holding in number of institutions (UGC Nepal, 2012). This implies that although community and private institutions hold large share in management education institutions, their contribution in terms of number of students it still low. There is still large flow of students in public institutions because of three major reasons. First, private institutions are relatively expensive so that every one cannot afford it. In Nepal, large section of students come from low or lower middle economic class. Second, most of the private institutions are located in city, particularly in Kathmandu valley which is not accessible for all students from remote and distance area. Third, only a few private institutions are well known for quality education. These institutions have relatively small intake through competitive examinations. Except these institutions, student prefer to go either public or community institutions than other private institutions.

V. UNIVERSITY-WISE MANAGEMENT INSTITUTIONS

Only four universities of Nepal- Tribhuvan University (TU), Kathmandu University (KU), Purbanchal University (PU) and Pokhara University (PokU)- are providing higher education in management. There are two more home-grown universities - Mid-Western and Far-Western universities- established recently. These universities have just started their programme but we do not have concrete information. Therefore, in this analysis only four universities are included.

Among these universities, TU gets above 80 percent government subsidy and said to be state owned public university. Other universities, except KU, are designed to operate in cost sharing basis. However, KU was established in private initiatives and operating with self-revenue generation. Figure 3 shows distribution of management education institutions by universities.

Figure 3: Proportion of university-wise management education institutions



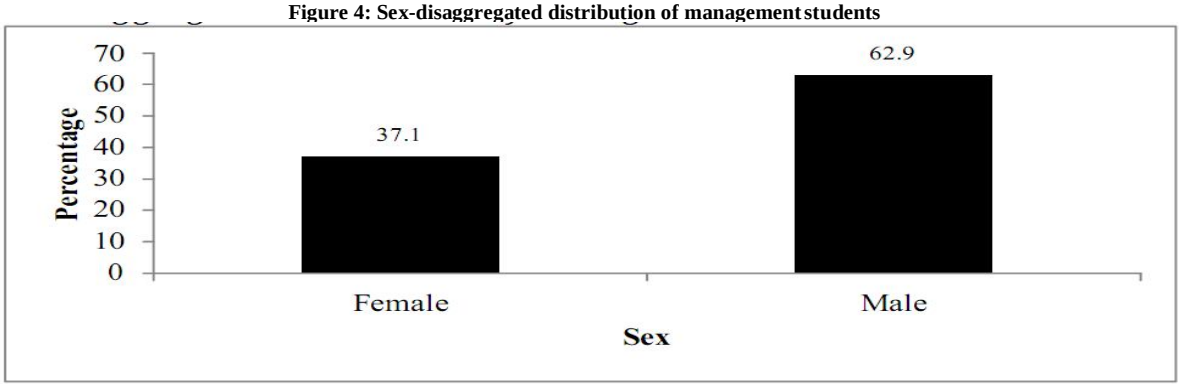
Source: UGC Nepal (2012)

More than three-fifths institutions of PU provide higher education on management followed by TU (37.6%), PokU (30.5%) and KU (18.2%). It shows that new universities have higher priority for management education. In terms of student number, TU is unabated since it alone holds more than 85 percent of students in management education (UGC, 2012). Among four universities, KU is established by private initiative. Therefore, all institutions under it are operated by private investment. Within other universities, PU and PokU have more than 90 percent private institutions while over half of the institutions with TU are private. The conclusion from this analysis is that management education is in priority for all universities. For promotion of management education role of private investment is inevitable. However, involvement of private sector is unable to significantly reduce burden in public institutions.

Gender Diversity in Management Education Students

Nepal has adopted inclusive development policy particularly after 1990s. Earlier education to females was restricted to a greater extent manifested by social, cultural, political and economic barriers and there was absolute domination of males in education. Now female participation in educational institution is cherished. Government has non-discriminatory but encouraging policy for increasing women participation in education. As one of the objectives of this study is to offer gendered analysis management students, female representation in management education is analyzed. Figure 4 broadly shows the sex-disaggregated distribution of management students. It reveals that still management education is under control of male students as male represent over three-fifths of total management students.

Figure 4: Sex-disaggregated distribution of management students



Source: UGC Nepal (2012).

Although, males hold a large majority of management students, female participation is remarkably increasing over the year. Management education is being popular among female students. In fact, management education comes into second choice after science and technology. However, for many bright students, management is becoming first choice. The UGC Report shows that the share of female students in higher education enrollment has increased from 35 percent in 2005/06 to 40.7 percent in 2009/10. However, it is not uniformly distributed throughout all level. As the level of education increases females' participation sharply decreases. For example, at the bachelor level the proportion of female is 38.4 percent which decreases to 31 percent at master's level to 14.6 percent at MPhil to 7.1 percent at PhD level. In terms of Gender Parity Index (GPI), management comes in third position with 0.6 after medicine and education faculty. However, it is still better than science and technology, law and engineering faculties (UGC Nepal, 2012) but not enough yet. To look from other perspective, females' participation in community institutions is better than public and private institutions. If we take community and private institutions together as non- state institutions, they dominate public institutions in terms

of percentage of girls' enrolment in management education. Nevertheless, that GPI is increasing gradually to reach 0.7 in 2009/10 from a low 0.5 in 2005/06 (UGC Nepal, 2012).

CONCLUSION

Management education in Nepal started in mid 1950s to produce qualified human resources for government organizations, financial companies and industrial sectors (Koirala, 2005). It gained momentum only at the last decade of 20th century. Nepal is characterized as a small country with small and sluggish economy and diverse population and geography, development of management education is surrounded by several challenges. Constrained in small domestic market size, management education in Nepal has to go a long way for quality and competitiveness (Rosenbloom & K.C., 2005). Despite government's policy to decentralize services and facilities including education, there is high concentration on central region, particularly in Kathmandu valley. It shows that educational facilities are not proportionately distributed across the country. There is not only quantitative discrepancy, qualitative differences are equally serious. Although, private sector involvement in management education is significant, it still largely remains under the purview of public institutions. However, emergence of community institutions is admirable for reducing the regional imbalance. Private sector involvement is significant in terms of number of institutions while their contribution in student size is still below the expected level. A new initiative is essential for bridging public, community and private institutions (Koirala, 2005) so that synergy effect can be sustained. Encouragingly, females' participation in management education is increasing but not equal to male counterparts showing a higher gender disparity.

This study has both academic and policy relevancies. In an academic domain, it provides a comparative and decomposed analysis that may be helpful for the students and researchers to understand the dynamics of management education in Nepal. It has policy input for the GoN for reviewing and assessing higher education policy in the present contested context of state restructuring where there are demands of decentralizing and devolving state services including education facilities in real terms. It also recommends for a policy initiative to create an environment for spatial and gender balance in management education. Private and community institutions need to think on increasing the coverage in terms of geography and students followed by quality and innovative management education. In this situation, Nepal should clearly spell out its strategic planning for the development of higher education (Khaniya, 2011) based on analysis of own experience.

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