

MANPOWER NEEDS OF NEPAL : A REVIEW AND SYNTHESIS OF THE LITERATURE

EXECUTIVE SUMMARY

1995

Assessment of Tertiary Education

A HMG/Tribhuvan University/UNDP/World Bank Project

NEP/91/011

Kathmandu, Nepal

List of the Studies Conducted by the Project

1. Manpower Needs of Nepal: A Review and Synthesis of the Literature
2. A Study on Current Tuition-Fee Waivers and Scholarships in Tribhuvan University
3. A Study on Financing of Higher Education in Nepal
4. Decentralization of the Management of Higher Education in Nepal
5. A Study on Regionalization of Higher Education in Nepal
6. A Study on Internal Efficiency in Tribhuvan University
7. A Study on Instructional Process in Tribhuvan University
8. An Inventory of Tribhuvan University Real Estate
9. Facilities Rationalization in Tribhuvan University
10. Space Survey in the Secondary Schools of Nepal
11. Teacher Availability Study
12. Feeder Schools Survey
13. Civil Works for Higher Secondary Schools
14. Facilities Required for Secondary Schools Upgradation
15. The Transition Plan for the Implementation of Higher Secondary Reform
16. Continuous and Comprehensive Evaluation for Higher Secondary Education
17. Curriculum Framework for Higher Secondary Education
18. SLC Results (1982-1991) Data by Districts and Projections for the Coming Decade

PREFACE

This Executive Summary consists of the findings and recommendations made by a team of specialists who were commissioned by this project to undertake the study at the request of His Majesty's Government and Tribhuvan University to help the university as well as the Government to initiate institutional reforms and policy changes in tertiary education. This is one of the several policy-related studies sponsored by the project.

The Terms of Reference as well as the team of experts who conducted the study are given at the end of this publication. The full text of the report is, of course, voluminous and much longer than this summary. Those who are interested in the complete report may find copies of the report with the Planning Division of Tribhuvan University, the Higher Education Project, Tribhuvan University, Kirtipur, the Resident Mission of the World Bank in Nepal at Kathmandu and the United Nations Development Programme Library at Pulchowk.

10 December 1995

Kamal P. Malla
National Project Coordinator

**MANPOWER NEEDS OF NEPAL :
A REVIEW AND SYNTHESIS OF THE LITERATURE**

FINDINGS AND RECOMMENDATIONS

1. FINDINGS

Major findings of the study are as follows:

1. The overall unemployment is increasing and it has reached 650 thousand in 1991/92. A study conducted in 1989 has indicated that 46 percent of persons with educational level of S.L.C. or higher are not gainfully employed. In recent years the competition for employment even for technical manpower is increasing due to low production and productivity, lack of capital and technology, increase in labour force due to higher population growth rate and internal migration and immigration. The recent retrenchment policy of the government strictly limits the employment opportunities in the government sector and the privatization of the Public Enterprises checks employment opportunities in the Public Enterprises.
2. During the last four periodic plans, the demand for and supply of technical manpower shows a shortage of varying degrees in all fields and levels with only a few exceptions. If private sector demand could be included, the shortage of skilled manpower appears more acute. But, in reality, there is some sort of mis-match since the manpower included in the shortage category is unemployed particularly in the urban areas.

Tribhuvan University and different universities abroad are the major sources of the skilled manpower supply in the country. But the types and kinds of manpower supply trend show inefficiency in the manpower plan of the country. The pattern of the TU enrolment shows nearly 80 percent of the SLC completers join different Campuses. The enrolment pressure in the three faculties/ institutes namely Institute of Science and Technology, Faculty of Management, and the Faculty of Humanities and Social Sciences account for more than 80 percent of the total enrolment. This kind of enrolment skewed manpower supply mostly for white-collar job.

The total number of T.U. supplied technical manpower during 1984 to 1992 are 6,258 persons with certificate or Intermediate level education and 1,744 persons with Bachelor level of education. As there is no reporting system for the students returning back with degree from abroad, their exact number is not available. In recent years, the number of students going abroad for study, especially in the countries like Russia, India and Bangladesh indicate increasing trend under self-finance.

3. The field survey findings of the newly expanding sectors of the economy show that the people with tertiary education are proportionally more employed in the service sectors, like consulting services, news-media, financial institutions and tourism. On the other hand, majority of the literate people with training are working in the production sectors, like garment, carpet and handicraft.

The opinion collection about the quality of the tertiary education at present as compared to five years back shows that 46 percent indicated 'same' while 28 percent cited 'decreased' and 17 percent cited 'increased'. In response to the follow-up question, 28 percent opined that the curriculum is not relevant. Therefore, they have suggested to increase quality of education by making timely revision in the curriculum, higher

participation of the employing agencies in the curriculum development process, diversifying people in the technical stream, increasing the physical facilities in the Campuses and so on.

4. A review of job vacancy as advertised in the Gorkhapatra and the Rising Nepal for the years 1991,1992 and 1993 shows a total demand of 5,024 posts in officer or equivalent posts requiring a minimum educational degree of BA or equivalent and 2,586 posts for non-gazetted Class I level or equivalent posts requiring a minimum educational degree of IA or equivalent in the technical or non-technical field. The job openings were higher in the private sector, government, public enterprises and INGOs (refer Tables 4.19 and 4.20). By discipline, the job openings were higher in general administration, education, engineering, medicine and trade and commerce (refer Tables 4.21 and 4.22).

The limited job opportunities in the last three years indicate that the problems of educated unemployment, both in the urban areas and rural areas, have increased. The 33 percent of the vacancies in the technical field indicate imbalances between the manpower demand (technical) and the supply (more than 80 percent of the TU output). As recommended by various education commission reports in the past, the diversification of the students enrolment from the general and liberal arts education to the vocational and technical education is very urgent.

5. The review of literature on manpower studies in Nepal shows that different studies related to manpower need assessments were made mostly in the micro level, concentrating on the needs of studied organization and certain specific objectives. Many studies have pointed out the shortages of trained manpower and the resultant impact made in their programme. Therefore, those studies have suggested the ways of manpower development in their field of study. Accordingly many studies on education have recommended the need to increase technical study enrolment by decreasing the non-

technical enrolment, but in reality, this kind of recommendation is still not properly implemented.

6. There is no critical thinking about the need of manpower planning in the general education and in the private sector of the economy. Besides, there is lack of consistency between education streams and the manpower demand and supply needed in the country. The supply of technical manpower is always less than the demand, yet the supplied manpower had to remain unemployed. The manpower supply of the TU is skewed towards white-collar jobs and their competitiveness with the foreign product is less due to various reasons.

Thus, it can be concluded that though the need for manpower planning in Nepal has been emphasized in the four Five Year plans, the actual supply of skilled and semi-skilled manpower (trained from various educational and training institutions) has, in most cases, been discouraging compared to the estimated demand. It is very difficult to obtain exact and reliable manpower need assessments in Nepal, and especially in the non-technical areas as well as technical manpower need assessments of the private sector.

In fact, many efforts were made in the process of manpower planning by opening up various vocational and manpower development institutions, including TU, but there could not be coordination between the training institution and the employing agencies. So, the locally produced manpower could not be fitted into the job-market needs.

It can be concluded that despite a significant growth in the quantity in higher education there has always been concern for quality and relevance of education. In fact, quantitative growth is one of the major factors of quality erosion due to physical and financial constraints in the higher education. Such an unplanned manpower supply led to the problems of educated unemployment, not only of the general education graduates but also the technical skilled

graduates. According to an informal source there are more than 500 engineers unemployed. This kind of problem has been further aggravated by their preference to work particularly in the Kathmandu Valley and generally not in the rural areas. Therefore, a serious thinking is needed to make use of the trained manpower, on the one hand, and motivate them to work in the much-needed rural areas, on the other.

In the Eighth Five Year Plan there is no manpower projection at all. It shows that the NPC at present either does not have the technical capability to undertake macro level manpower planning or it does not feel the importance of the manpower planning in Nepal.

During the last two decades many good plans have come but due to softness of the state, almost all of them have met miserable fate. It seems that the government is still not much serious about the importance of manpower planning and the recommendations of the Higher Education Commission reports. For example, in the last three years, in the name of privatization, many private campuses have been approved for the study of general and liberal arts education except one for nursing education at Butwal. Therefore, there is an urgent need for re-orientation of the manpower and the education planning in Nepal.

2. RECOMMENDATIONS

General Recommendations:

1. A more comprehensive manpower plan at the macro level has to cover the public and the private sector as well as skill categories in technical and non-technical education. Therefore, strengthening the capability at the NPC for macro level manpower planning is urgent.

2. In Nepal there are many vocational training and manpower development institutions but there is lack of coordination. So, the CTEVT and the MOE must play a crucial role to integrate the manpower development activities.
3. In many jobs the minimum educational degree and discipline prescribed has been based on crude estimate. Therefore, a study has been suggested in order to review the existing minimum education and skill required for a specific job so that the educational efficiency could be increased further.
4. The recent policy of economic liberalization and privatization may call for more quality education to increase the employability and competitiveness of the job-seekers, so the quality and relevance of education should be increased by modifying curriculum as per the job-market needs as well as by improving teaching/learning environment.
5. Communication skills should be increased in order to cater the manpower needs of travel and tourism sector, news- media, and consulting services. For this purpose a number of training packages can be introduced, e.g. a) Computer literacy, b) Fluency in English and ability to draft in English/Nepali, c) Ability to organise/conduct meetings d) Typing/shorthand skills, e) Handling telephone, photocopy, fax, etc., f) Filing of the office documents, g) Ability to interact in groups and with grassroots level people, h) Interaction with expatriates, i) Time management. j) Travel planning, and k) Office management.
6. Many school still lack subject-teachers in such subjects as English, Mathematics and Science which impedes the quality of the SLC completers making those students less able to cope with the standard of the tertiary education. Therefore, there is a need to increase the number of qualified and trained subject-teachers in the schools.

7. In order to make manpower production more employable, a pragmatic job-orientation programme (e.g. Income generating, Self-supporting and Labour-intensive) from the school level should be introduced so that the high school students can choose their future career in time. Such an approach might motivate a larger number of young people to join technical education and reduce the existing pressure on liberal arts enrolment of the T.U.
8. Attrition rate of the trained manpower should be reduced by providing better facilities and introducing certain scheme to upgrade basic and middle level manpower through advanced training.
9. Self-employment capabilities of the technical manpower should be enhanced by certain schemes of soft loan and tax rebates, particularly in the semi-urban and rural areas.
10. Further research studies are suggested on "Educated Unemployment" and "Income Generating Activities".

University Specific Recommendations:

1. University education should be visibly responsive to the national manpower needs, i.e. educational programmes of the University should emphasize more on the vocational and technical streams as well as on the needs of the emerging areas of employment.
2. University should enhance the capability of its technical and vocational institutes, and promote diversification in course offerings.

3. TU should decentralize the technical and vocational educational programmes to improve access to such streams of education at different parts of the country.
4. TU should introduce programmes e.g. a) Training courses/programmes (Non-academic) b) Technical Education leading to a University degree (Academic), and c) Vocational courses (Academic as well as non academic and formal as well as non-formal) to cater the needs of the market forces as well as pressing demands of the rising modern sectors of the economy with clear goals of increasing income, jobs and promotion.
5. Enrolment pressure in the TU is very high since nearly 80 percent of the SLC completers are enrolled at different Campuses, which is rare in the World education system. Therefore, the enrolment should be selective by strict eligibility measurements or by introducing entrance test.
6. While framing the new proposed 3 years' Bachelor's level curriculum, vertical and terminal goals of education should be clearly spelt out and courses be adequately linked with them. This is also advisable while revising the Master's level curriculum as well.
7. Curriculum should be improved with adequate involvement or feed back of the employing agencies so that the TU education could be more job-oriented.
8. TU has to make effective teaching/learning environment in order to increase internal efficiency.
9. TU examination system should be thoroughly reviewed and improved.
10. TU should conduct tracer study of its graduates in selected areas of learning or selected faculties/institutes so that TU can introduce short-term pre-service, in-service and refresher training courses in order to increase employability, competitiveness and efficiency of its graduates.
11. TU should make an intensive plan to increase employability and competitiveness of its graduates in the days ahead. For this purpose, the TU Planning Council should be duly equipped and activated for more research and action-oriented programme.

**Research Team and Budget for the study on
Review and Synthesis of the Literature on Manpower Needs of Nepal
Executed by Centre for Economic Development and Administration**

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STUDY TEAM

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Assessment of Tertiary Education is a project sponsored by UNDP under a grant signed with HMG in August 1992 and executed by the World Bank in collaboration with HMG and Tribhuvan University. It is designed as a self-study focussed on five major areas: structure, management, financing, quality and the physical facilities of tertiary education. Its main objectives are:

1. to make tertiary education cost-effective and relevant to the national goals of development of human resources and macro-economic growth.
2. To prepare a policy framework for the next decade for tertiary education sector in Nepal, including affordable and alternative financial and policy scenarios for implementation by HMG and the universities

The self-study is designed to address specific policy-related issues and deliberate on and disseminate their findings among the policy-makers, planners, the university faculty and management.

All the studies are conducted almost entirely by national experts from the Tribhuvan University faculty.

The list of major studies sponsored by the project is given in the inside front cover.