

**National Campaign for Education Nepal**  
Report of  
**“Regional Level Policy Dialogue Program on Education Financing and Progressive Taxation”**

November 03 & 08, 2017

Parbat & Dhangadhi

National Campaign for education Nepal (NCE Nepal) in regards of strengthening public education system in the country has been long advocating through different campaigns, advocacy programs and creating pressures to the government. In reference to these contexts, NCE Nepal in collaboration with Action Aid Nepal and Norald have conducted policy level dialogue program on “Education Financing and Progressive Taxation” at the regional level in Parbat and Dhangadhi on November 03 and 08, 2017 respectively. The policy dialogue program have contributed in obtaining the commitments from the regional and local government for deliberating a linkage between education financing and progressive taxation as well as the resourcefulness of the local government to support the quality education of all.

The participants consists of a diverse group which included representatives from different government authority at the local level, I/NGOs, CSOs, journalist and other related stakeholders. The dialogue program was successful in gaining greater solidarity at the regional level in the area of tax justice for strengthening public education by creating a political space for CSOs and educators to contribute on education financing plans and strategies to be developed. The participants shared their views, ideas and experiences regarding the educational investment and tax allocation and expressed the need for advocacy and lobby on such crucial issues. Altogether 96 participants (Parbat-43 & Dhangadhi-53) attended the dialogue program at the regional level.

The educational budget in Nepal is in decreasing trend from 11.6% in 2016 to 9.91% in 2017 which is against the commitment made by the government at various national and international forums on allocating 20% of the total national budget and 4-6% of the total GDP. Hence, the decreasing budget status showcases that government does not have education as its major priority of concerns. Apart from the budget allocation, the other issue is the efficient and effective utilization of the allocated budget where a large chunk remains unspent resulting in budget freezing which ultimately ends up to be spent in lesser or unproductive sectors. For the least developed nations like Nepal, Tax revenue is a sustainable source of financing the key public sources such as education. With the structural transformation of the nation from central to federal and local, the local governance are now responsible to develop an efficient and effective planning of the tax revenue for education financing. Hence, in this context, the “Policy Dialogue Program on Education Financing and Progressive Taxation” was organized at the regional level with the following objectives:

- To discuss and analyze the budget spend and allocated in the education sector
- To analyze the achievement of the education sector

- To discuss on the ideas of progressive taxation system
- To explore new innovative ideas on strengthening and improving public education system of the country
- To hold the local government units accountable for progressive tax reforms that lead to progressive spending in education

Mr. Rajendra Pahadi, Board Member NCE Nepal presented a paper on “*Progressive Taxation and Progressive Spending in Education*” where he provided an insight to the major possible alternatives for progressive taxation and progressive spending in education in the local level government. These alternatives includes levying educational tax in every tax revenue that the local government collects, ensuring the educational tax as the compulsory one, levying educational tax in the wealth, private educational institutions, providing facilities and incentives to a child at once only, providing special tax exempt to the weak local government, ensuring at least 20% of the total revenue of the local government in the educational sector etc.

The President of Modi Village Committee, Parbat, Mr. Prem Prasad Sharma mentioned how the data are manipulated by the schools of which DEO are unaware. Mr. Sharma briefed about his plan at the local level that “a group of team is ready to look after the issues of education sector in the Village Committee with plan to allocate 5% of the total tax revenue for the betterment of education, regular monitoring and also to make the well known social people aware to enroll their children for public education”.

“The ball of education is now in the hands of the local units, the matter is how to accomplish the goal”, says Mr. Lajuram Chaudhary, Chairperson, Kailali Municipality. He further states “as a single good player could not make the team win, likewise, only initiation of the local government units will not improve the status of community schools. For that team work and support from all local stakeholders including parents, teachers, HTs, SMCs, CSOs and others are must”. Explaining about the problem of human resource at the local units he highlighted about his plan to develop one model school in each ward for which he had also allocated required budget. He further highlighted on the necessity of bringing together the overall package of basis requirements such as health, education, etc. together as only focusing on one aspect will not resolve problem and no outcomes will be achieved.

Likewise, Mr. Subash Acharya, ward member, Kushma Municipality-7 mentioned about the loopholes that exists within the emerging concept and monitoring phenomenon of the system. Mr. Acharya shares his views on monitoring and investigating the mismanagement of existing budget rather than imposing separate tax for education. He further suggested that degrees should be provided on the basis of technical skills, entrepreneurship and professional knowledge and priority should be given for technical knowledge and entrepreneurship development.

Mr. Manohar Bishwokarma Poudel, Coordinator, District Coordination Committee, Parbat states that politics is not only the matter of concerns when it comes to education but other social

norms and barriers such as cultural, religious, economical, gender inequality are also major reasons for creating the misbalances in education system. In consideration of the time, context and necessity, it's high time to invest in technical and professional education with high priority, added Mr. Poudel. He further stated that the discourse on educational zoning system may be a way out to resolve such issues. Also now the government both at the central and local level must clearly indicate their investment plan for education sector, concluded Mr. Poudel.

“As the roles, responsibilities and duties of the newly elected local representatives are not clear, the local government units are in dilemma, thus, improvement of public schools at the present context is not possible”, says Mr. Mata Prasad Chaudhary, Chairperson of Ghodaghodi Municipality, Dhangadhi. Reflecting his views on progressive tax, he believe this is the right time for local government units to increase the areas of progressive tax and allocate certain tax percentage for the development of education sector. He also highlighted the possibilities of local government for allocating certain percentage of their revenue earned from the tourism industry for betterment of education sector.

“Not all public schools are weak and poor but some are also good and exceptional”, mentioned Mr. Ram Krishna Chaudhary, Chairperson, Joshipur Gaupalika, Dhangadhi. He stated that though it has already been four months as the local government units have been developed but still there are no any forms of coordination between DEO as the roles and responsibilities regarding the education sector are not cleared and well defined.

Representation of Teachers union, NGO Federation, PABSON, local media, CSO groups and other stakeholders focuses on the need of local government to prioritize progressive and priority based spending in education sector. The ideas, opinions and comments made by the participants during the floor discussions could be concluded into the following:

- Investment made by the state in education sector is one of the most important investments in terms of development activities.
- The role, responsibilities and duties of the local government units must be clearly defined and dedicated.
- The decreasing trend in education budget is very disappointing and thus should be high matter of concern to the government.
- It is prerequisite to define the terms of free education as provisioned by the state constitution.
- The state government is the first responsible authority body for improving education system of the country, therefore the two principles of providing education should be discouraged. At the same time, providing awareness to the community people for improving the existing educational context in the country is a must.
- It is important and crucial to define the clear roles, responsibilities and rights of the government at state, province and local level.
- The local governance should now be highly concern and accountable for improving public education at the local level.

- Until and unless the monopoly of private schools in terms of financial charge and public schools in terms of irregularities are controlled, the system will not be improved.
- It is important to make mobilization strategies of the existing resources and budget before stepping towards new initiatives. Therefore, rather than levying a separate education tax, it would be more appropriate to allocate certain percentage for education sector from the existing tax system.
- The concept of developing education zoning and local curriculum based on the availability of local resources, technical and professional usages is a must to showcase the way ahead.

The attempt of NCE Nepal in bringing together the local government units, CSOs, educationalist, media and other local stakeholders in a common platform for joint discourse in regards to the progressive taxation and investment in the sector of public education for the educational transformation of the were acknowledged by the participants in both the districts/provinces. The overall coordination and facilitation of these events at Parbat and Dhangadhi were performed by NCE Nepal's District Coordination Committee, Parbat and Member organization, BASE Kailali respectively.