The monitoring mechanism for assessing the impact of the food, fuel and financial (3F) crisis on children’s education in Nepal is facilitated by RIDA, with support from UNICEF and in coordination with the Department of Education, District Education Offices, and schools. Monitoring takes place at three levels: (i) community (through focus group discussions (FGDs) with mothers, children and teachers); (ii) household (based on household survey data from the World Food Programme’s (WFP) quarterly Vulnerability Analysis and Mapping (VAM) of around 40 districts); and (iii) school (through monthly information collected from a sample of 22 schools in 11 districts). This situational analysis report covers the last quarter of 2009 (October–December).

**Highlights**

- The use of coping mechanisms that negatively impact on children’s education has remained more or less stable between the third and fourth quarters of 2009; however, there has been a slight increase in the practices of reducing educational expenses and sending children to school to benefit from incentives.
- Some 14 per cent of parents took their children out of school for work (mainly agricultural work) at least once during the quarter. Average monthly student attendance has decreased to 64 per cent this quarter compared to 67 per cent last quarter—this might be linked to an increased incidence of child labour for agricultural work, owing to the harvesting season.
- Dalit households, households in the Karnali region, households who reported food price rises as a major shock experienced in this quarter, large households, poverty-stricken households, and households using kerosene as a source for light are more likely to take education-related coping mechanisms to cope with the crisis. For example, 41 per cent of Dalit respondents reduced educational expenses in this quarter.

**OVERALL SCENARIO**

Foreign employment increased in the last two quarters of 2009 compared to the same two quarters of 2008. The total number of people migrating from Nepal for work during the last six months of 2009 was 126,081 compared to 122,081 in the same six months of 2008, giving an increase of 3.27 per cent.

The inflation rate, after showing a slight decrease in September and October, is again increasing (Chart 1). According to the Nepal Rastra Bank, food price rises have pushed inflation back up to double digits. Compared to 12 months ago, the price of black gram is up by 44 per cent, wheat flour by 25 per cent, musuro (broken lentil) by 25 per cent, and coarse rice by 14 per cent.

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1. A central level steering committee coordinated by the Department of Education has been formed to enhance sharing and utilization of findings at various levels. The project steering committee organized a wider sharing programme on 1 February 2010.
2. Econometric analysis has been conducted on the household-level monitoring dataset made available by the WFP by developing: (i) logit model, (ii) linear regression model, and (iii) chi-square tests.
3. VAM survey data for the fourth quarter of 2009 (October–December) was collected from 945 households from various districts.
4. In this quarter, school-level monitoring was conducted in 20 schools of 10 districts.
5. As reported by Kathmandu Post, 27 January 2010.
6. As reported by Kathmandu Post, 20 January 2010.
7. As reported by Kathmandu Post, 20 January 2010.
The petroleum oil price, which has decreased over last 12 months, saw a small increase in November 2009. The Nepal Oil Corporation (NOC) increased the price of diesel and kerosene by NRs 3 per litre\(^9\) to NRs 58 per litre for both. Although transportation fares have not been formally increased as yet, some transportation agencies have informally increased their fares already.

### VULNERABILITY PROFILE OF HOUSEHOLDS

**Educational expenses differ widely for different types of household, based on their socio-economic status and geographic location.** The average educational expense of households for 30 days in the last quarter of 2009 was NRs 343, ranging widely from NRs 0 to NRs 26,000.

<table>
<thead>
<tr>
<th>Category</th>
<th>Average expenditure (NRs)</th>
<th>Category</th>
<th>Average expenditure (NRs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households in Karnali zone</td>
<td>214</td>
<td>Extremely poor households</td>
<td>81</td>
</tr>
<tr>
<td>Households in non-Karnali districts</td>
<td>397</td>
<td>Poor households</td>
<td>289</td>
</tr>
<tr>
<td>Dalit households</td>
<td>98</td>
<td>Lower-middle households</td>
<td>245</td>
</tr>
<tr>
<td>Dalit households from Karnali zone</td>
<td>115</td>
<td>Middle households</td>
<td>668</td>
</tr>
<tr>
<td>Janajati households</td>
<td>357</td>
<td>Rich households</td>
<td>985</td>
</tr>
<tr>
<td>Janajati households from Karnali zone</td>
<td>584</td>
<td>Households depending on daily-wage labour</td>
<td>213</td>
</tr>
<tr>
<td>Other households</td>
<td>428</td>
<td>Households not depending on daily-wage labour</td>
<td>413</td>
</tr>
<tr>
<td>Others households from Karnali zone</td>
<td>207</td>
<td>Male-headed households</td>
<td>354</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female-headed households</td>
<td>227</td>
</tr>
</tbody>
</table>

Source: Household-level monitoring.

**Household head:** Female-headed households are more likely than male-headed households to take children out of school to send them for work: 22 per cent of female-headed households reduced their children’s attendance at school to send them for work compared to 13 per cent of male-headed households. However, a slightly larger proportion of male-headed households (32 per cent) than female-headed households (29 per cent) used reduction in educational expenses as a coping mechanism.

**Household size:** There is a positive relationship between family size and the probability of students being temporarily removed from school for work: 23 per cent of households with more than seven family members did so (Chart 2). Indeed, large households are more likely than other households to use all four coping mechanisms. Regardless of economic status, households with a greater number of children below 12 years of age are also more likely to take education-related coping measures.

**Wealth category:** The economic condition of the household is a key determinant in the choice of coping mechanism. Only a small percentage of rich households use education-related coping mechanisms (Chart 3). Households from the middle economic category tend to shift their children to a less expensive school, while poor households tend to reduce educational expenses or take children out of school for work (poor households may already have their children in

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\(^9\) As reported by Republica National Daily, 16 November 2009.
the cheapest schools). Households of all economic categories cope by sending their children to school to benefit from incentives. Households with poor hygiene and sanitation conditions (having no toilets and relying on unsafe drinking water) are more likely to send their children to work, affecting their attendance at school. Households with a higher number of livestock, although considered to be in a better economic situation, are also more likely to send their children to work.¹⁰

Caste/ethnicity of households: Of all households, Dalit households are most likely to use all education-related coping mechanisms (Chart 4). In this quarter, 32 per cent of Dalit households took their children out of school for work and 41 per cent reduced educational expenses. Janajati¹¹ households are less likely than Dalit households to use education-related coping mechanisms but more likely than households from other groups¹².

Education level of household head: This factor affects the household’s decision on how to cope with the crisis: as the education level of the household head increases, the household becomes less likely to take all education-related coping mechanisms. However, there was no significant difference between households with an literate or illiterate household head in terms of their probability for using detrimental coping mechanisms.

Households depending on daily-wage labour: As with findings from the second and third quarters of 2009, households that depend on daily-wage labour were more likely to take all education-related coping mechanisms (Table 5). In this quarter, around 27 per cent of households depending on daily-wage labour took their children out of school for work, while only seven per cent of other households did so. Households without land and reliable agricultural production are most involved in daily-wage labour and are more dependent on purchased food and, therefore, more vulnerable to food price increases.¹³

Households from the Karnali region: Households in the Karnali region are more likely than other households to take three out of four education-related coping mechanisms to cope with economic shocks. Around 46 per cent of households from the Karnali region reduced their educational expenses, while only 25 per cent from other regions did so. The proportion of households shifting their children to a less expensive school was also high (26 per cent) for households from the Karnali region compared to households from non-Karnali districts (six per cent). Surprisingly, households from the Karnali region are less likely than other households to send their children to school to benefit from incentives.

Source of light: Households using kerosene as a source of light were more likely than other households to reduce their children’s attendance at school and send them for work in this quarter, with 26 per cent adopting this coping mechanism. Dependence on kerosene and its increasing price has also reduced study hours for children and ultimately affected learning.¹⁵ For example, electricity costs NRs 80 per month; however, households with no electricity or those affected by load-shedding spend about NRs 350 per month on kerosene (5 litres at NRs 70 per litre). Students in these households are not able to study in the evening or have to use a flashlight to do so.¹⁶

Households reporting food price rises as a major shock: Households that perceived increases in food prices as the major shock in the last quarter of 2009 were more likely than other households to take education-

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¹⁰ In community-level monitoring, children were observed to be engaged in looking after cattle. Children from households with a greater number of livestock are more likely to miss school than other children, as they are required to look after the livestock.

¹¹ Janajati is defined as a community having its ‘own mother tongue and traditional culture, but not belonging to the Hindu caste system’, and is generally ‘socially backward in comparison to other caste groups’.

¹² Other groups include Brahmin, Chhetri, terai middle caste and Muslim.

¹³ As reported by mothers in Hairawa, Saptari district.

¹⁴ In this analysis, the Karnali region includes the districts of Mugu, Jumla, Humla, Kalikot, Dolpa, Bajura and Achham.

¹⁵ As reported by mothers in Rupnagar, Saptari district.

¹⁶ As reported by mothers in Rupnagar, Saptari district.
related coping mechanisms: 37 per cent of these households took their children out of school for work and 48 per cent reduced educational expenses (Chart 6).

Households spending a higher share of their income on food are more vulnerable to food price increases and have less available income for education-related expenses: a negative relationship was observed between the ratio of food to non-food expenses and household expenses on education. For a unit increase in the ratio of food to non-food expenses, there is a probability that households reduced their monthly expenses on education by NRs 26.

IMPACT ON EDUCATION

The crisis (food shortages, food price rises, increasing cost of educational materials, and loss of employment) has affected children through the coping mechanisms that households use to overcome the crisis. Households use coping mechanisms such as (i) sending children to work (affecting or not affecting attendance); (ii) increasing workload for adults; (iii) taking on debt to finance household expenses; and (iv) reducing expenditure on food or changing feeding habits17.

CHILD LABOUR

The proportion of households taking their children (aged 5–12 years) out of school for work has remained about the same as in the previous quarter (Chart 7). Around 14 per cent of households took children out of school for work at least once a month during the quarter, compared to 24 per cent in second quarter of 2009 and 15 per cent in the third quarter.

Parents are sending their children out to work to cope with price rises; however, the type and intensity of work depends on various factors such as the gender of the child, the season for agricultural work, and other work opportunities. Similar to findings in previous quarters, girls are more involved in household work than boys, while boys are more involved in paid work than girls18. The incidence of child labour was higher in Saptari district than Jumla district, where there are fewer work opportunities. The head teacher of Budheswori Primary School, Harirawa, Saptari district, reported that 50 per cent of students who did not attend school on the day the monitoring team visited were involved in agricultural work linked to the harvesting season. Mothers from Harirawa, Saptari district, said “We have to send our children to work for additional earnings to cope with price rises and food insufficiency.” In this community, children are paid in kind (with rice), which encourages households to opt for child labour as a primary coping strategy. Community monitoring in Jumla district found that working children are less likely to reduce their attendance, as they tend to work in the morning, evening and during holidays19.

Most children temporarily taken out of school for work in the fourth quarter of 2009 were involved in household work; this is similar to findings in the previous quarter. However, the proportion has decreased to 69 per cent compared to 74 per cent in the previous quarter. The tendency of out-of-school children to migrate has decreased slightly to 17 per cent in this quarter from 20 per cent in the previous quarter (Chart 8).

In all four communities visited in this quarter, occurrences of children involved in paid work (often affecting school attendance) were observed. The average age for children to be sent for paid work differs by district. In Jumla district, children aged over 10 years are involved in paid work, while in Saptari district, children aged over

17 As reported by mothers in Rupnagar, Saptari district.
18 As reported in six FGDs.
19 As reported by teachers in Shridhuska, Jumla district.
eight years are involved in paid work. Mothers from Rupnagar, Saptari district, reported that older children were involved in paid work to cope with price rises; consequently, households only had to manage educational expenses for younger children. In Saptari district, children utilize money from paid work to buy essential food items, clothes, and school stationery.

**REDUCED EDUCATIONAL EXPENSES**

The price of notebooks, school uniform and other educational materials has increased. According to school-level data, the average price of a notebook has increased to NRs 12 in fourth quarter of 2009 from NRs 8 in the first quarter. To cope with the increasing price of educational materials, households are: (i) purchasing cheaper food and other goods; (ii) increasing paid work for adults; (iii) reducing the amount of educational materials used; and (iv) sending children to work so that they can pay for educational materials themselves. In Kartik Swami Primary School, three brothers have started to use one notebook between them. A mother stated, “Children cannot go to school without notebooks and pencils, so we have to buy these even when our stomachs are empty.” Lower secondary and secondary students also need to purchase textbooks because, at these levels, they are not provided free of charge. Although scholarship amounts are low, they have helped to a certain extent; for example, Dalits use them to buy educational materials, especially school uniforms. Scholarships are not always being utilized for children’s education: some parents use them for other purposes, depending on household needs.

The proportion of households coping by reducing expenses on educational materials has increased to 32 per cent in the fourth quarter. In the second quarter of 2009, 50 per cent of households reduced expenses on educational materials, while in the third quarter, 29 per cent used this coping mechanism.

<table>
<thead>
<tr>
<th>Chart 9: Households sending children to a less expensive school</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Household-level monitoring</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Second quarter of 2009 (April-June)</td>
</tr>
<tr>
<td>Third quarter of 2009 (July-September)</td>
</tr>
<tr>
<td>Fourth quarter of 2009 (October-December)</td>
</tr>
<tr>
<td>Households shifting their children to less expensive school (%)</td>
</tr>
<tr>
<td>0 5 10 15 20</td>
</tr>
<tr>
<td>3 15 11</td>
</tr>
</tbody>
</table>

The tendency of households to transfer their children to a less expensive school was apparent in the last quarter of 2009. Around 11 per cent of households reported that they shifted their children to a less expensive school to cope with economic shocks (Chart 9) (compared to 15 per cent in the third quarter and three per cent in the second quarter). Additional income from remittances is often invested in education: a significant inverse relationship was observed between the share of remittances in household income and the probability of a household reducing educational expenses and shifting children to a less expensive school. Hence, the loss of migration opportunities can have a strong negative impact on the amount spent on education.

**In the fourth quarter of 2009, around 17 per cent of households sent their children to school to benefit from incentives such as food, cooking oil, etc.** This proportion has increased by two percentage points over the previous quarter.

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20 As reported by mothers from Gairigaun, Jumla district and Harirawa, Saptari district.
21 As reported by children from Shridhuska, Jumla district.
22 In Jumla district, the price of a notebook rose to NRs 10 from NRs 5 and a pencil to NRs 4 from NRs 2. In Saptari district, the price of a notebook rose to NRs 20 from NRs 15, a pen to NRs 10 from NRs 7–8, uniform to NRs 500 from NRs 300, and school bag to NRs 300 from NRs 150.
23 As reported by mothers in Gairigaun, Jumla district.
24 As reported by mothers in Harirawa Saptari district.
25 As reported by mothers in Rupnagar, Saptari district.
26 As reported by teachers from Kartik Swami Primary School, Jumla district.
**REduced Attendance**

Average monthly student attendance has decreased in this quarter compared to the previous quarter and is a cause for concern. On average, students' monthly attendance this quarter was 64 per cent (representing 12 days in school each month) compared to 67 per cent (15 days in school each month) in the third quarter of 2009 (Chart 10). The decrease in attendance during this quarter could be linked to an increased incidence of child labour for agriculture owing to the harvesting season, as well as the high number of festival days. For the last two quarters of 2009, terai districts have observed a lower level of attendance than other districts: the average attendance rates for Kapilvastu and Saptari districts were below 60 per cent in the fourth quarter. There was no significant difference in average attendance rates for girls (63 per cent) and boys (64 per cent).

The main reasons reported by schools for low student attendance in this quarter were domestic work, including agricultural work (21 per cent), followed by sickness (16 per cent), not having stationery (13 per cent), involvement in paid work (nine per cent) and hunger (six per cent) (Chart 11). The top three reasons were same as for third quarter of 2009, when 21 per cent of students were absent because of not having stationery.

Community-level monitoring found similar reasons for students' irregular attendance at school: the major reason was household work, mentioned in all FGDs. Other reasons included illness, not having stationery, involvement in paid work, and lack of food. Mothers from Harirawa, Saptari district, stated, “Because of price rises, we are facing difficulties in buying food. We do not send our children to school when they are hungry.” Some students are absent because their parents go to work early in the morning and return late and, therefore, cannot prepare food on time.27 Even if children go to school, children from poor families do not always attend all classes and tend to leave school after lunch.28 It was clear from community-level monitoring, as in previous quarters, that the school-feeding programme has a positive impact on student attendance.

**Drop Out**

The proportion of households who cope with the crisis by allowing their children to drop out of school has increased slightly in this quarter (1.6 per cent) compared to the third quarter of 2009 (1.2 per cent). A few dropouts were observed in all schools. Children dropped out because of (i) out-migration, and (ii) fulltime paid labour. Children from households not being able to meet educational expenses are also at higher risk of

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27 As reported by mothers in Shridhuska, Jumla district.
28 As reported by children in Gairigaun, Jumla district.
dropping out\textsuperscript{29}. Mothers also mentioned that incidences of dropout have decreased immensely since child-friendly initiatives were introduced to schools, making the learning experience more enjoyable\textsuperscript{30}.

**LEARNING ACHIEVEMENT**

Based on school-level data\textsuperscript{31} collected in the second, third and fourth quarters of 2009, 55 per cent of students who failed in their examinations did so because of low attendance. Other notable reasons were lack of stationery, involvement in paid and household work, and sickness (Chart 12). Analysis of school-level data found that there is a statistically significant relationship between student attendance and learning achievement. Low attendance was reported as a key barrier to learning in seven out of nine FGDs, followed by insufficient time for homework, lack of nutritious food, and lack of necessary educational materials (notebook, pencils, uniform, etc.). Parents also perceived that children’s irregularity in school is a key factor behind lower learning achievement\textsuperscript{32}. School-level examination results compiled from April to December 2009 show that the average learning achievement for all grades was 47 per cent. The average marks obtained by a student in a hill district were higher (50 per cent) than those for a student in a mountain (48 per cent) or terai district (45 per cent).

\textsuperscript{29} As reported by mothers in Harirawa, Saptari district.
\textsuperscript{30} As reported by mothers in Harirawa, Saptari district.
\textsuperscript{31} In this quarter, information on learning achievements was received from 10 schools of five districts (Humla, Kapilvastu, Mugu, Panchthar, and Tanahun).
\textsuperscript{32} As reported by mothers in Rupnagar, Saptari district.