

**Constraints on Public Schools from Instituting
Changes to Compete with Private Schools: Evidence from Nepal**

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Abstract

Private schools are an accepted reality in most low- and middle-income countries, especially in urban areas. While competition from private schools is theoretically expected to motivate public schools to improve, analysis of the effects of competition on public schools is virtually absent in low- and middle-income countries. Using a mixed methods analysis of public secondary school principals' perceptions, I investigate what motivates and constrains public schools from reforming to compete with private schools in Nepal, a low-income country. I find that the mere presence of private schools is not enough to change public school realities. The obstacles to improvement and competition include not only institutional factors such as bureaucratic and financial constraints, but also lesser-recognized systemic impediments such as direct political influence on the education sector and long-term stigmatization of public schooling. The perception of barriers to reform are especially heightened in public schools that are in areas with a high concentration of private schools, and schools that are less selective.

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Introduction

In principle, open competition can be a good thing – it can motivate individuals and organizations to put their best foot forward. In an economics-centric worldview of education, competition between schools – supported through parental choice policies and a diverse supply of privately managed or financed providers – should incentivise bureaucratic, monopolistic public schools to productively compete for students and provide the highest quality educational experience (Chubb and Moe, 1990; Friedman, 1962). While a compelling theoretical argument, the realities of education systems are nowhere near idealized market conditions (Hirschman, 1970; Abrams, 2016).

There is scant research regarding the degree to which public schools compete with private schools and what barriers they encounter when doing so. Such research is especially absent in the contexts of lower-income countries. Much of the research concerning such competition deals with the United States, involving charter schools and vouchers.(Jabbar et al., 2022). In countries like Nepal, the situation is quite different. There are public schools. And there are private schools, which vary widely in cost. But there are not government-funded private schools in the form of charter schools or voucher schools. An understanding of impediments and supports to public school efforts is vital for their long-term survival since private schools of all price ranges are ever growing in popularity in Asian and African countries (Härmä, 2020).

In this paper, I address the following research question: what are the factors that mediate how public schools respond to competition? I tackle two related issues—what motivations and constraints school leaders face in instituting reforms; and how perceived difficulties faced by public school officials vary by the extent of private schooling competition they face. I analyse these issues in the context of a low-income country with a sizeable private market share in

enrolment, Nepal. Through a mixed-methods analytical approach, the paper's strategy represents an attempt to provide suggestive evidence on the consequences of private school growth on public schools in a data-constrained environment and may be relevant for other low-income contexts that lack rich longitudinal information.

I find that public schools suffer from significant political interference, insufficient parental engagement and community support, and inadequate government monitoring. These deficiencies impede their ability to effectively compete with private schools. Principals of public schools that are surrounded by private schools, in particular, are more likely to highlight poor government monitoring and insufficient parental engagement.

Unpacking the complexity of experiencing and responding to school competition: a literature review

The theoretical expectation and appeal of school choice is that it will allow parents to better match their children with preferred schools; and that these competitive pressures will incentivize improvements in public schools (Friedman, 1962; Chubb and Moe, 1990). Improved alignment between parents and schools' objectives, reduced information asymmetry, strengthened accountability are expected to improve the functioning of the overall system, incentivize innovation, and result in better student outcomes and parental satisfaction.

The empirical focus of analysis on competitive effects is on estimating the effects of competition measures on student outcomes, controlling for a variety of school and community covariates. The main measures used to operationalize the extent of competition faced by the

schools include measures that compute the concentration of enrollment (the Herfindahl index¹), count the number of choice schools that are in close proximity (geographic proximity), and compute the share of choice schools in overall enrollment (market share) (Austin, 2020). The systematic review by Jabbar et al. (2022) of competitive effects in the United States—based on a meta-analysis of 92 studies—finds primarily mixed results and an overall small positive outcome. Again, this analysis concerned competition from charter schools and voucher-funded private schools. Of the 686 effect sizes, 378 were positive, 300 negative effects and eight had null effects. A predominant focus in other countries has been on whether increased choice and competition incentivizes segregation and sorting. Hsieh and Urquiola’s seminal initial analysis of the universal voucher experiment in Chile utilized community-level measures to find that communities with higher private school enrolment also had lower public school test scores, higher gaps in test scores between elite private and public schools, and higher socioeconomic gaps between public and private school parents (Hsieh and Urquiola, 2006). In this case, Hsieh and Urquiola were examining competition specifically from voucher-funded private schools.

The experience of competition and the introduction of competitive policy responses depends on whether the competition is viewed as a threat that requires a response, whether personnel are incentivized to respond, and whether there is the capacity to respond (Mohrman and Lawler, 1996; Hess et al., 2001; Mohrman and Lawler, 1996; Zief et al., 2005). While school choice is meant to strengthen accountability implicitly (through the invisible hand of the market),

¹ The Herfindahl index is computed as the sum of the squares of the enrollment share of all the schools. A higher index suggests less competition. This index allows one to incorporate all schools and not just private schools as competition measures.

in many countries school choice is accompanied by specific accountability mechanisms, rewards and sanctions.

A key focus has been on understanding whether schools that have faced significant losses in enrollment are the ones that step up their efforts for improvement. In New Orleans, most school principals felt strong competition for students due to the large number of charter schools – over half of the principals reported competing with private schools (Jabbar and Li, 2016). Schools were found to be instituting a range of strategies, such as changing operations to improve quality and functioning, changing programming or extracurriculars, emphasizing recruitment and marketing, and in some instances, trying to cream-skim or attract students.

Holley and others (2013) analysed thousands of media reports and district documents to find that several district officials' awareness of competition was initially quite low, but then linked strongly to a loss of enrolment. The competitive responses included constructive, productive responses; obstructive responses; or non-responses, if the competitive threat was viewed as negligible (Holley et al., 2013). Carpenter (2018) focused on the superintendents of four of the ten public school districts on Cape Cod, Massachusetts, from 2005 to 2010, where the school districts were losing students to charter schools and other districts through choice policies as well as demographic declines. All of the districts in this study tried to retain their resident students while actively recruiting choice students from other districts; some districts were more successful at maintaining and even increasing enrolment. The districts experiencing the least competitive pressure did not appear to innovate in the face of competition, whereas the other three districts appeared to respond to improve their programs in hopes of retaining and recruiting more students. The negative consequences of the competitive experience were a diminished

sense of community support, and a disproportional loss of involved parents in some districts and a lack of collaboration amongst the region's school districts.

Lubienski's work has critically documented the unintended consequences of marketization, such as the overuse of promotional strategies (Lubienski, 2005). The presumed expectations of choice and competition in fostering innovation are undercut by the accountability pressures (Lubienski, 2003). In fact, Lubienski and Perry's more recent analysis of the involvement of business and non-profits confirms that schools often respond to competitive incentives through school marketing rather than instructional improvement (Lubienski and Perry, 2019). Further, it upends the innovation arguments, and argues that there is evidence that the sector has rather adopted innovations developed in the public sector.

A critical challenge in executing any policy change is that any motivation to respond to competition is additionally determined by whether there is capacity to respond, and the school personnel's expectations of success in overcoming obstructive factors from these responses. As argued in the 2017/18 GEM Report on Accountability in Education, 'no accountability approach can succeed if actors lack an enabling environment or are ill-equipped to meet their responsibilities' (UNESCO, 2017, p. 34). The GEM Report framed the enabling characteristics in terms of (1) access to clear and adequate information on their responsibilities; (2) resources necessary to complete their tasks; (3) individual, group and institutional capacity; and (4) motivation to fulfil their responsibilities. The motivation includes trust in the accountability approach, inclusivity in the approach, as well as the personal and political will to complete these tasks (Fullan, 2000; Olsen, 2014), and depends on the contextual economic, political and social realities. Without these enabling conditions, accountability pressures are likely to have adverse effects. For instance, the implementation of the No Child Left Behind act has been heavily

critiqued for the unintended consequences that resulted from the high-stakes accountability system pressures, such as an overemphasis on tests, narrowing of the curriculum, cheating strategies, and exclusion of marginalized groups (Ravitch, 2010; Abrams, 2016).

Translating these ideas, most robustly developed, discussed and complicated in the United States and other OECD countries, to poor country contexts further highlights the implausibility of the market-based expectations from achieving desired results. Many low-income countries lack government-financed school choice policies. What exists in the name of choice is a range of private school providers— often faith- or community-based schools or small-scale proprietorships—that are only loosely regulated by the government and dependent on parents’ ability to pay school fees. Further undermining the relevance of competition among schools in developing countries is the appallingly poor foundational conditions—a lack of minimum inputs, qualified teachers and safe school infrastructure, poor learning levels in public and private schools, and complex and fragile political climates (Novelli et al., 2014). However, the long-reaching influence of multilateral institutions and policy-borrowing strategies has led to the substantial spread of these ideas of choice and competition (Verger et al., 2016). Yet there is a glaring research gap concerning how the market works for schools in the resource-challenged and politically fragile context of poorer countries..

Research Questions

Thus far, studies that have investigated the factors that may mediate school-level policy changes by looking into the “black-box” of education production process have determined that the actual response to competition is determined by a complex process. It is therefore critical to understand

context-specific experiences while discussing what happens as a result of growing competition (Zief et al., 2005).

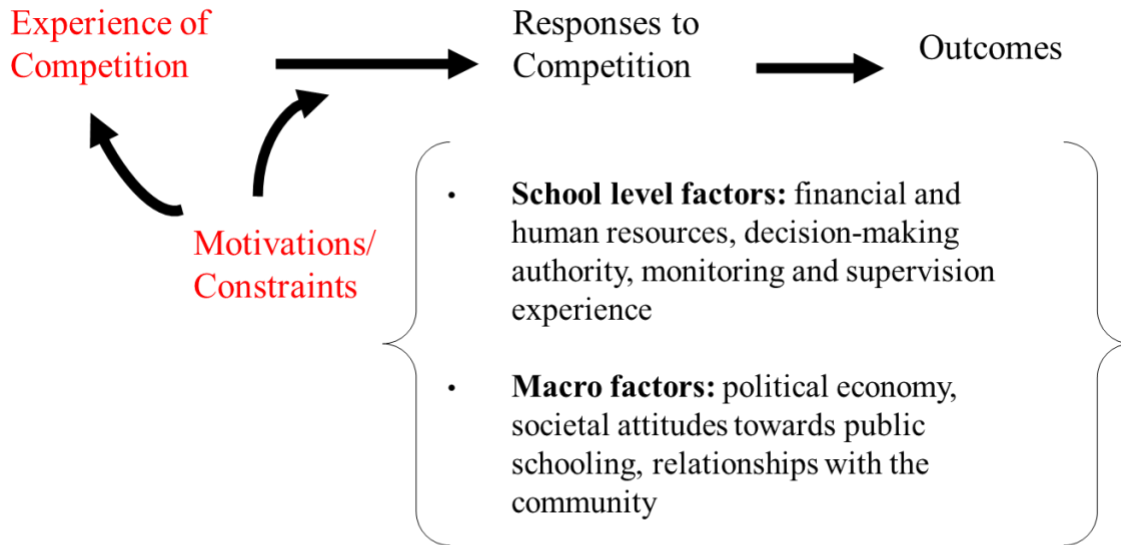
Figure 1 presents a conceptual framework that informs the larger study on the relationship between the experience of competition, responses to competition and outcome. This paper focuses on the broad array of enabling environmental conditions—viewing them as motivations and constraints to reform that shape these competitive experiences and responses.

The key school climate-related factors are the engagement and characteristics of teachers, parents and students who make up the school community, the financial resources, the extent of decision-making autonomy, and monitoring and supervision experiences. The contextual factors of relevance include the political economy context, societal attitudes towards public schooling, and the school authorities' relationships with the community. I analyse these enabling conditions first, and then quantitatively analyse the association between these enabling conditions and the extent of competition they face.

Specifically, I address the following research questions:

1. What are the barriers and supports faced by public schools in instituting reforms and responding to competition?
2. Do principal perceptions of the key barriers and supports to reform differ by the extent of private competition faced by the school?

Figure 1. Conceptual Framework



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Context

Nepal’s recent political history has been defined by upheaval. A violent Maoist insurgency rocked the country in 1996, leading to a long civil war resulting in the murder of the king and crown prince in a massacre at the royal palace in 2001 (Riaz and Basu, 2007). A peaceful democratic revolution followed in 2006, paving the way to a federal republic in 2008. Following political turmoil as well as a devastating earthquake in April 2015, a new constitution was ratified in September 2015. Local government elections were finally held for the first time in 2017. The establishment of three tiers of government (federal, provincial, and local) represent the most dramatic effort to decentralize functions in the country (Acharya, 2021).

The country’s education system can be characterized as one that has gone from relatively limited access between 1950 and 1990 to a parallel surge since in growth of private and public

schools. Some of the most important policy developments in this period—as in the rest of the developing world—focused on allowing private schools to exist; and also a policy to support decentralisation of power from central to local levels. Private enrolment has increased rapidly, especially in urban areas, built on perceptions of public school failure and, in some contexts, lack of adequate public school options. The situation has deteriorated substantively, causing middle-class flight from public schools, leading to substantial enrolment losses (Author, 2016; Author 2018).

The choice context in Nepal amounts to an almost unregulated market, which includes public schools, non-profit institutions, and private providers charging a wide range of fees. With respect to regulations around school entry and practices, existing regulations are quite limited in their efficacy. Private schools are at best ‘loosely’ regulated for entry or school fee practices, even though there are some regulations on these matters officially (Bhatta and Pherali, 2017; Author, 2019). Similarly, there are no specific zoning policies for children since the link between education and taxation-based financing of education is not localized. Therefore, while parental decision-making of schooling can be linked to geographic proximity for a variety of safety and convenience reasons, parents are not obliged to send their children to school in their neighbourhood. As a result, the key factor in choice of schools is the ability to pay for school fees and additional charges (Author, 2014).

The discourse around education quality in Nepal mirror focus on learning quality and the challenges that have resulted from political fragility. The post-conflict education system in Nepal has been characterised by informal governance and patronage (Pherali, 2011)—with evidence that school management committees are captured by elites, and teacher hiring and transfers are linked to personal and political connections (Edwards, 2011). Scholars writing from critical

perspectives on Nepal's political economy argue that learning failures-focused narratives and decentralisation reform in Nepal constituted a donor-supported, technocratic project that failed to appreciate the socio-political inequalities that led to the Nepal conflict. Pherali (2013; 2017) contends that an emphasis on learning outcomes ignored the many ways in which the conflict period affected the system. Some teachers and students protested against education's role in reproducing existing inequalities, and schools were pivotal points of the political resistance. Teachers were caught in the crossfire between the Maoist and security forces—thousands were displaced and feared for their safety in case their actions were interpreted as pledging allegiance to either side. Consequently, their professional motivation plummeted due to psychological stress. Postconflict, issues of security and reconciliation took centre-stage, pushing educational challenges to the margins.

Data and Methods

Data

The analysis utilises a mixed-methods approach building on primary quantitative and qualitative data collection.

For the quantitative analysis, the dependent variables are principal perceptions of the barriers and supports to reform. The primary survey questionnaire was developed through an iterative process. I drew on existing research, including a study of Florida's accountability pressures (Rouse et al., 2007); and an exhaustive questionnaire of a comprehensive Nepal school-leaving examination study (MoES, 2005). I developed additional perception questions on public-private differences and motivations and expectations from competing with private schools

based on my contextual knowledge and initial qualitative fieldwork from Summer 2010. The instrument was finalized after discussions with key school principals and a formal pre-testing in June, 2011. The survey was then administered by 20 enumerators from a contracted firm. The survey was completed by all public secondary schools and a sample of private secondary schools in Kathmandu and Chitwan. The principals were asked questions pertaining to the extent of decision-making control, the stigmatization of public schooling, school climate and political interference, public-private differences, and the expectations and motivations to compete. School principals were asked these questions on a 4-point ordered scale. The majority of the statements were phrased in a manner that if they agreed to the statement then that would imply that the public school faced barriers to reform. For instance, if public schools agree that they face more political interference than private schools, then it would be construed as a significant barrier for the public school in implementing any kind of systemic reform. By contrast, if the principals agreed that the parents were actively involved in the school or that the teachers were of high quality, then that would suggest that the school has important supports that would facilitate their efforts. Data on the key independent variables—measures of the extent of competition, and school and community covariates—also come from the primary survey data collection.

For the qualitative analysis, I drew from a larger data set of 80 interviews conducted with principals, education officials, teachers, and school management committee members conducted between 2010 and 2011, covering a broad range of issues, including the experience of competition. I specifically analysed interview data from 30 public and private school principals that provided a sense of the public schooling and sector challenges; and an understanding of their constraints and supports when specifically aiming to compete with private schools.

Empirical Strategy

I first analysed the qualitative interviews and the descriptive data on the barriers to reform. Then, I conducted logistic regression analysis on the perception indicators on the key barriers to reform. To address Research Question 1, the identification of the key constraints faced by public schools, I coded all interviews for stakeholder views on motivations and expectations, and the main supports and constraints available to function effectively or encountered while responding to competition. I highlighted the key supports and constraints, and also discuss how perspectives on these key factors vary by district, urbanicity, and by types of stakeholders. To complement the qualitative analysis, I descriptively analysed the differences between public and private school principals' perceptions on the political, social and policy environment barriers to reform. In the analysis, I transformed the Likert 4-scale perception questions to binary data.

To address Research Question 2, whether perceptions vary by the extent of competition, I quantitatively analyzed some key principal perceptions on barriers to reform. My hypothesis was that the constraints faced by public schools will be heightened in high privatization (primarily urban) regions as they may experience a more intense lack of community support and political pressure, as documented from parent perspectives in Nepal (Author, 2014). Therefore, I expect to find that principals of public schools in high competition regions are more likely to perceive severe constraints and limitations than public schools in low competition regions.

Model

The cross-sectional model for the logistic regression analysis is of the following form:

$$P_i = \alpha + \beta_1 C_{thirds2} + \beta_2 C_{thirds3} + \delta Z + \varepsilon \quad (Model 1)$$

I also disaggregate the perceptions of principals by school selectivity and the extent of private competition they face. I conduct analyses of the perception questions with interaction effects between the geographic proximity competition measure and school selectivity. They take the following form:

$$P_i = \alpha + \beta_1 \text{select} + \beta_2 C_{\text{thirds}2} + \beta_3 C_{\text{thirds}3} + \beta_4 \text{select} * C_{\text{thirds}2} + \beta_5 \text{select} * C_{\text{thirds}3} + \gamma P + \delta Z + \varepsilon$$

(Model 2)

Where P_i is the perception of a public school principal of perception question i , discussed in Research Question 1; $C_{\text{thirds}2}$ and $C_{\text{thirds}3}$ represent categorical indicators of competition² - the medium and high number of private secondary schools in geographic proximity (the omitted category is low competition, i.e. low number of private secondary schools in geographic proximity); and Z includes explanatory and control variables such as the selectivity, school fees, and enrollment levels of the school, and community characteristics such as literacy rates and urban context. The key parameters of interest are β_1 and β_2 , which measure the effect of competition on the principal perceptions of key constraints. The variable definitions and descriptive statistics on the explanatory and control variables are listed in Table 1.

I include community characteristics, and school-level explanatory variables and other control variables in the empirical specifications. The important explanatory variable is whether the school is selective (requires an entrance examination test). While it would have been ideal to

² The continuous variable that measured the geographic proximity measure of competition was converted to a categorical variable that took three values (low, medium and high competition for the analysis). I decided to use a categorical transformation into high, medium and low competition because I felt that it would be better for interpretation, because competition may not have a linear relationship with perceptions of challenges to reform. On the other hand, I felt that a binary transformation (1 = at least one private school) would not capture the variations in the competitive environment.

have more indicators describing student and teacher backgrounds, the variable selection was based on data availability and quality.

It should be noted that the analysis of factors mediating competition is not a quantitative causal analysis. That is, one cannot argue that the principal perceptions of various challenges was caused by the extent of competition or any other specific reform such as decentralization without better data documenting the perceptions of principals before or after a reform, or before or after rapid private expansion. Furthermore, the conditions that aid or impede their ability to function are also linked to those that affect their ability to respond to competition. However, the correlational analysis helps detail the systemic challenges faced by public schools.

Explanatory variables: Competition measures

The measure of competition used here is a geographic proximity definition³, which was derived from the principal survey question that asked school principals to list the number of schools within one kilometer of the school. The descriptive statistics suggests that on average, there were four private secondary schools in close geographic proximity to the public schools in 2011-12. Beyond averages, there is wide variation in the extent of competition in the localities in the districts; and between districts. That is, along with growing private competition, there continue to be regions that have few or no private schools in the locality, which is likely linked to population density differences within districts.

³ The geographic measure may more accurately represent the extent of competition experienced by the private school than the private school market share measure because parents are not restricted by zoning regulations in their choice of school. The private market share definition of competition is time-varying, and thus useful for fixed effects estimation.

Dependent variables: Perception measures

The dependent variables are a selection of the following perception questions. I only quantitatively analyzed the perceptions on the barriers to reform that had substantial variation, that is, where public school principals did not universally agree or disagree to the perception statements. While the analysis focuses on public schools, I also present some descriptive data on the responses by private school principals to showcase how public school environments are viewed to differ from private schools.

Table 1. Descriptive statistics

Variable description			
Competition Measure: <i>List the number of private secondary schools that are within one kilometer of the school, 2011</i>			
Low competition	0 (Chitwan)	; 0 – 2 (Kathmandu)	
Medium competition	1 – 2 (Chitwan)	; 3 – 5 (Kathmandu)	
High competition	3 – 9 (Chitwan)	; 6 – 25 (Kathmandu)	
	Mean	St. Dev	Median
Explanatory variables			
Community characteristics			
Literacy rate, 6 years and older, female population, 2001	60.9	11.7	60.8
District dummy (percentage Kathmandu schools)	68.4		
Urban dummy (percentage urban schools)	42.9		
School-level variables			
Whether the school requires an entrance examination for grade 6 admission, 2011-12 (percentage selective)	49.1		
Total fees, grade 9, 2010-11 (in U.S. dollars)	18.9	19.3	15.0
School age, 2010-11	49.1	15.0	49.0

Source: Author’s calculations based on Combined Quantitative Dataset - School-level sample and Combined Quantitative Dataset - locality-level sample.

Limitations

All public schools require supportive conditions to be able to function well and to be able to respond to competition. A limitation of the study is that when officials and parents talk about school responses, they are generally referring to school functioning overall and not exclusively about their ability to respond to competition. However, the conditions that aid or impede their ability to function are also linked to those that aid/impede their ability to respond to competition.

There are some instances when they discuss specific changes they made in a desire to compete, for instance, by transitioning to English medium of instruction. While these comments were limited, they were useful to paint a picture of how schools view their challenges as they make improvements keeping in mind the perceived competitive advantage of private schools. Through the quantitative analysis, I try to link the extent of market pressure to principal perceptions on key issues that are essential for good school functioning – parental involvement and an enabling systemic environment.

Results

What are the barriers and supports faced by public schools in instituting reforms and responding to competition?

This section provides some descriptive statistics on a larger set of perception questions on the roles played by politicization, policy and financing constraints, and extent of community support in motivating public school reform.

Autonomy in decision-making is argued as being a key factor in helping school-level officials institute reforms (Chubb and Moe, 1990; Baum et al., 2014). With respect to appointing teachers, 73% of public school principals in Kathmandu and 55% in Chitwan agreed that the

school management committee has either major influence or complete control in appointing teachers (Table 2). While district education officers play a substantial role in public schools in appointing teachers, their role is unsurprisingly non-existent in private schools.

Public school officials perceive that they are facing more challenging circumstances compared to private school officials, which may affect their motivation and expectations. Almost all public school officials agree that public schools experience more political pressures, are less able to select students, have less education-conscious parents, and have to combat low social prestige. While almost all private school principals agree that parents are highly involved in schooling activities and communicate their academic concerns to the school, less than half of public school principals confirm the same.

Table 2. Perceptions on school climate differences

(% principals who agree to the statement)

	Public school principals			Private school principals		
	Kathmandu	Chitwan	All	Kathmandu	Chitwan	All
Decision-making: The stakeholder has a lot of influence/complete control in appointing teachers						
• District Education Office	40	31.3	37.3	1.7	0	1.2
• School Management Committee	73.1	55.2	67.5	56.9	34.8	50.6
• Principal	70.3	32.8	58.5	89.7	78.3	86.4
Differences in other characteristics						
• Political Interference: There is more political influence among teachers in public schools compared to private schools	89.7	95.5	91.5	94.8	100	96.3
Demographic differences						
• Compared to public schools, private schools can select the schools the students they take in	85.5	95.5	88.7	74.1	87	77.8
• Most of the parents do not understand the importance of education	49.7	80.6	59.4	19	21.7	19.8
Parent involvement						
• Parents are highly involved in school activities	51.7	35.8	46.7	84.5	65.2	79
• Parents monitor the academic progress of their children closely	69.7	56.7	65.6	96.6	91.3	95.1

Public school decay and stigmatization

Over time, there has been an erosion of community support since few community members with historical ties to the community send their children to local public schools. An expert traced this to a historic decay in public education with a specific example –

'Back in the day, in order to go study at the local public school, you needed a high-level politician's recommendations. Now, you still need his recommendation, but it is to enrol the servant who cooks in that person's house... just by knowing the name and caste of the people who attend there, you can understand where they are (come from).'

A teacher from Kavrepalanchowk described the issue of public school stigmatization as a cultural issue in Nepal, using his personal experiences with transferring his son:

'I have experienced it myself. My child was studying in a private boarding school. But he couldn't read Nepali even though he had passed 6th grade. And I was alarmed by that and brought him here (to the public school I was teaching in). In the two years he was here, there were just so many people who yelled at me – you couldn't even keep that one son in boarding school?...

Since it's a question of a need for a cultural change, it's not something that we can do all by ourselves.'

Besides general indifference, a higher level of friction between the community and school existed in urban areas where the community actively resisted the schools because it did not serve their self-interest. The school officials from a historically important all-girls' school illustrated the hostility they experience:

'In our school, all our neighbors are thinking about is how to take over our land holdings. When you have a situation like that, it becomes self-explanatory how involved they will be in helping the school. For us, it has been difficult just maintaining the school.'

In a scenario with major challenges faced by the public school system, a private school principal from Kathmandu poetically compared public schooling to a dying tree:

'The plant is dry – it's not dead yet. But it has nothing – the leaves have fallen. You cannot give it too much water or fertilizer. You have to protect it from sun and water damage, and slowly improve its situation so that the new leaves emerge again.'

Motivations and Expectations of School Principals

In Nepal, media reporting has regularly documented enrolment losses in public schools, as parents shift to private schools. Perhaps not surprisingly, principals perceived facing a lot of

pressure to reform, especially in districts like Kathmandu and Chitwan, due to these perceptions of a system near crisis. Virtually all surveyed public school principals (95%) believe that their school has to make changes in order to survive and compete with private schools (Table 3). They universally agree that their own efforts can help improve schooling quality. Consistently, over 80% disagree, with many strongly disagreeing, that schools do not need to make changes because of an adequate number of students, lack of competition with private schools, or parental non-academic preference for private schooling.

Table 3. The need to reform

(% of public school principals)

	strongly disagree	disagree	agree	strongly agree
The school can improve its schooling quality with its own school level efforts	0.0	0.9	60.4	38.7
In order to survive and to compete with private schools, the school has to make changes.	1.4	3.3	42.0	53.3
This school does not need to make any private-like changes because we are getting enough students	22.2	63.2	12.7	1.9
This school does not need to make private-like changes because we are competing with other public schools and not with private schools	25.9	57.1	15.1	1.9
There is no use for public schools to make changes because parents have a preference for private schools that is not linked to education quality	15.1	71.7	12.3	0.9

Source: Authors' calculations based on the Principal Survey for Kathmandu and Chitwan districts.

However, a public school official who is expected to carry out reforms will base her decisions on the likelihood of success of these strategies given the enabling environment, and the accountability mechanisms that incentivise these efforts. A national official pointed to the inability to utilise school personnel's expertise as also limiting motivation and effort:

'There are not that many people who have had good experiences. Many of them are quite frustrated – they say, well they've never listened to what we have to say, let it just continue on as it is.... So, there are those people who think that 'it won't matter what I say, I should just finish the job and retire'. There are only a few who think that they need to struggle for the country. The person will have spent a lot of time gathering expertise and then he will retire and that expertise will leave with him.'

The descriptive statistics of principal perceptions on expectations and motivations from Kathmandu and Chitwan confirm these findings. As shown in Table 4, the majority of public school principals agree that there is lower motivation for public schools to improve because of insufficient monitoring, a higher number of politically appointed teachers, and because teachers don't send their children to their public school. Additionally, over four-fifths of the public school principals agree that public schools face systemic problems that cannot be fixed with school-level efforts alone.

There is nearly unanimous agreement that systemic changes are required, and that individual actions will not be adequate for transformative change. A public school principal from Kavrepalanchowk argued that since Nepal suffers from political instability, a lack of security, and a lack of a systematic approach, 'one person yelling and shouting about this won't really matter.'

Table 4. The enabling environment that affect motivation to reform

(% of public school principals that agree)

	KTM	CHW	All	
	<i>N</i>	145	67	212
There is less incentive to improve quality in public schools because no one is monitoring, or holding the schools accountable	57.9	44.8	53.8	
There are more politically appointed teachers who are not concerned with teaching in public schools	75.2	44.8	65.6	
The quality problems are systemic, and cannot be fixed by public schools alone	85.5	85.1	85.4	
The school officials' children do not study in public schools, so there is no incentive to try and improve the school	80.7	70.1	77.4	

Source: Authors' calculations based on the Principal Survey for Kathmandu and Chitwan districts.

An Example: Factors that Mediate the Implementation of English Medium of Instruction

There was unanimous agreement among public school principals and district officials that public schools needed to adopt English medium, since it was a consumer demand that public schools had to provide if they were to survive in the modern age. Thus, public school experiences with implementing education in English medium of instruction which is a major differentiator of public from private education (Author, 2016) can provide a more specific analysis of factors that mediate efforts to compete with private schools.

The public schools in the sample varied in terms of internal management and resource support, and hence had very different experiences with transitioning to English medium. In the best-case scenario, school principals who had efficient teams and strong reputations expressed

their confidence that they could implement English medium as the teachers were enthusiastic and highly qualified. Some schools mentioned that they had regained enrolment as the community acknowledged their efforts to improve by implementing English. Many public school officials also provided additional support for extra English classes and received district supports for English teacher training. These principals discussed the medium of instruction challenge as just one of the policies they needed to institute:

“It's ok, maybe there is an issue of medium of instruction and that not matching up (with private schools). If you have the will and capacity, then why not make them English medium then. That's the only shortcoming we have in comparison to them (private schools) – we teach in Nepali and they teach in English.” (personal communication, July 30, 2010)

However, the majority of the public schools faced myriad challenges in their implementation of English. The foremost amongst these problems were related to teachers. Firstly, most public school principals argued that the current teacher pool would have difficulty teaching in a new medium of instruction, given their lack of English fluency. The problem was exacerbated by older teachers' resistance to change, since unlike private schools they could not be compelled to exerting effort to improve their English medium teaching.

“Here, actually most of the teachers of Kathmandu don't have condition to teach in English medium. For me, for example, at this place if I tried to convert into English medium then it will be the greatest problem for me. I can't remove the existing teachers. I can't take it into totally English medium along with the existing teachers. So, my concept will remain in thought only.” (personal communication, July 9, 2011)

Other school officials highlighted a host of problems that plague public schools in Nepal. Firstly, some principals highlighted that the extremely disadvantaged home background of public school students would prevent them from realistically teaching in English.

“We have also said we have started it (English) from (Grades) 1 to 5 – but it remains as is, inconsequential. There is English medium I guess, but English won't just happen out of thin air – it needs an environment. We don't have the manpower that can teach English. There are children who come in here without shoes on their feet, and who are hungry in the afternoon because they can't afford lunch. You can't just force English to happen – it will be unnatural and artificial.” (personal communication, August 10, 2010)

Another school principal focused on the difficulty in implementing English medium due to student population volatility. Given the fact that the school was a public school, they lost students to better schools in the transition to secondary school and did not have the authority to deny admission to other students. As a result, public schools faced a lack of continuity in student populations to adequately continue providing English medium.

“In the lower grades, we teach Math and Science in English. We have a goal of teaching in English in Math and Science through 10th grade. But in order to be able to do that, we need continuity. In our school, the ones who we have taught with English medium in primary schooling leave for other schools. And the ones who come in towards the end of primary are those who have only learned in Nepali medium. So how do we get them to study in English medium then? That's been a big problem for us.” (personal communication, August 10, 2010)

Many teachers expressed concerns over their inability to teach well in English because of the poor learning levels. Many of the schools had to teach English mixed in with Nepali given the student's initial English backgrounds. In fact, one district local official suggested that even the best public schools were actually dealing with the transition by teaching one section in English and the other section in Nepali, thus sorting the student population by ability and capacity. To quote a teacher in a struggling school:

“I teach English, and there is variety within the classroom. For instance, some students understand and enjoy English speaking in the classroom. For another student, if you ask them to speak in English, they don't understand any of it. Even with just eight students there is that kind of gap. And the reasons for that is the family background and not being

able to give that kind of time afterwards. They are with us for six hours of the day after all.” (personal communication, August 2, 2010)

With regards to external supports, a principal in a remote district recounted that he had a particularly harsh experience implementing English since he received significant resistance from the local community, the management committee, and even the district education office. He recalled how he had very little bureaucratic help in implementing English medium and could not even get them to provide teacher training, and thus had to continue with the effort in a fairly isolated manner. His reform efforts were met with strong opposition, from the district education office and even members of the public school’s management committee. He later found an explanation for this reaction—the community members had invested in the local private schools, and were worried that the public school improvements would lead to a loss of students for the private school.

Given the fact that transitioning to English medium would require systematic efforts from the schools, some schools had also experienced a lack of funds, and the government’s rigid rules regarding fees made the costs prohibitive for them as they tried to institute English medium.

“We should teach in parallel, in both the English and Nepali medium but could not do so. Firstly we do not have necessary number of teachers and secondly we are not allowed to receive the school fees. Sometime back we started to receive a nominal amount of donation Rs.100-150 from each student but then we received the letter from the DEO office to return it. We tried to do something but we were not allowed to do so.” (personal communication, September 4, 2011)

Another teacher pessimistically highlighted that even if they taught in English medium, the parents would not trust their ability to deliver quality English since they were perceived to be inferior.

“In order to stop the flow out from here to boarding school as much as possible, we have said that we will teach in English medium in 1-2 grades. With that English medium, some of the classes have been operated in that way. But, even then, it's not like the parents are convinced that we will definitely do it in a competent manner. In boarding schools, they think that they will definitely do it – there is more trust in their competence.” (personal communication, August 10, 2010)

Do principal perceptions on the key barriers and supports to reform differ by the extent of private competition faced by the school?

In investigating the link between the extent of competition faced by public schools and some key perception questions that might motivate public school reforms, the logistic regression results reveal that public school principals located in regions with higher number of private schools are much more likely to express attitudes that suggest a challenging situation (Table 5).

With respect to the key professionals in the systemat public schools that are located in high competition regions were statistically significantly more likely to suggest that the District Education Office (DEO) had a significant role in appointing teachers than principals of schools from lower competition regions. Significantly, principals of public schools in higher competition regions were over three times as likely to say that they lacked the incentives to perform because of politically appointed teachers compared to principals of public schools in low competition regions. Both indicators suggest limited principal autonomy over teacher appointments or ability to manage teachers.

The challenge of parental involvement was also noted. For instance, principals of public schools located in medium or high competition regions were over twice as likely to suggest that public school parents were not very aware of the importance of education, which may suggest that these public school principals had to face a concentration of less educated parents. Similarly,

compared to schools in low competition regions, parents were less likely to communicate their academic concerns to the school.

They also highlighted monitoring and accountability challenges. Principals from public schools in high- and medium-competition regions were over three times as likely to agree that public schools lacked incentives to reform because of a lack of government monitoring; or conversely, much less likely to agree that the government did an adequate job of monitoring their school. While they were also more likely to suggest that the school lacks physical or financial resources, these relationships were not statistically significant even at the 10% level.

The ability to be selective—defined as public schools that had a 6th-grade entrance examination—was correlated with more positive perceptions. Tellingly, principals of more selective public schools were twice more likely to agree that parents were active in the school and that they monitored their children’s academic progress, and half as likely to agree that public school parents were not education conscious. These findings suggest that principals of selective schools, which are likely to have better resources and a higher calibre of students, encounter a different group of parents than principals of nonselective schools.

There are major differences between Kathmandu and Chitwan district principal’s perceptions – in Kathmandu, principals are more likely to mention challenges of teacher appointment, and much less likely to agree that parents lack education consciousness.

Table 5. Odds Ratios: Logistic estimation results of the factors that affect public school motivation to reform
(Dependent variable: Agree or strongly agree to the statement)

	Teacher appointment discretion		Parental role and composition			Monitoring and accountability		
	<i>DEO has a large role in appointing teachers</i>	<i>Public schools lack incentives to perform due to politically appointed teachers</i>	<i>Parents are highly involved in school activities at the school</i>	<i>Parents communicate their academic concerns at the school</i>	<i>Most of the parents of public school students do not understand the importance of education</i>	<i>The school cannot bring about required improvements because it does not have the physical or financial resources</i>	<i>Public schools lack incentives to perform due to lack of government monitoring and accountability</i>	<i>The government does an adequate job of monitoring the school</i>
Geographic proximity measure of competition								
medium competition	1.32	1.31	0.998	.559*	2.65***	1.08	3.84***	.489**
high competition	2.01**	3.43***	0.789	0.499	3.58**	1.11	3.61***	0.484
Selectivity Related								
Selective school	1.31	1.09	2.06**	1.98**	.512**	1.03	.466**	1.25
School fees	0.996	1.03*	0.997	0.999	1.01	1.03***	1.02**	0.999
Community characteristics								
District dummy (1 = Kathmandu)	2.01*	2.59*	1.21	1.15	.188***	1.39	1.63	0.938
Urban dummy (1 = urban)	0.826	0.81	1.42	1.29	0.981	0.0731	1.07	0.648
chi-sq.	27.3	51.2	33.5	27.7	51.0	45.2	29.4	29.9
Prob > chi2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00
with interaction terms								
Geographic proximity measure of competition								
medium competition	1.54	1.35	0.714	0.716	2.74**	1.18	4.83***	.456*
high competition	1.77	3.26**	0.611	.271**	4.89***	0.874	3.91*	.395*
Selective school medium competition*selective school	0.706	0.916	2.25	0.564	0.913	0.812	0.594	1.19
high competition*selective school	1.15	1.07	1.79	2.23	0.628	1.39	0.794	1.44
chi-sq.	32.0	60.5	36.4	41.8	73.2	61.1	29.4	36.1
Prob > chi2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00

Source: Authors' estimations based on the Combined Quantitative Dataset.

Note: *, **, and *** indicate significance at 10%, 5% and 1 % level respectively. The regressions include other explanatory and control variables.. The regressions were run on a combined sample and separately for the two districts, Kathmandu and Chitwan. The results broadly hold for the district specific analysis as well.

The analysis with interaction effects confirm that nonselective schools in high competition regions are relatively much more dissatisfied with the external policy, bureaucratic and political environment, and their ability to reform given these systemic problems. The principals of public schools located in high competition regions but are not selective are over three times as likely to agree that public schools have problems with politically appointed teachers, government monitoring, and parents who do not understand the value of education, compared to non-selective public schools that are located in low competition regions. Principals from nonselective schools in high competition regions are also substantially more likely to agree that the government does not do an adequate job monitoring their school's activities, compared to principals of nonselective schools in low competition regions.

Discussion

The use of school choice and competition to compel government schools to reform has been a major fascination in education policy circles for the better part of three decades. However, very few studies have examined the processes via which competition is felt and acted upon, especially in developing countries.

Through this paper, I have argued that the combination of the challenges public schools face led to a situation where school officials encounter tremendous pressures and have little motivation or capacity to initiate competitive reforms in the Nepal context. Public schools deal with bureaucratic inefficiencies, poor accountability mechanisms, difficulty in incentivizing personnel, and financial limitations that limit their ability to function effectively or implement competitive responses. As exemplified by the varied experiences with adopting English medium of instruction, there needs to be more recognition of the variation in personnel and financial

resources and motivation in the public schools in future research and policy analysis. Schools that have a strong reputation, good resources, and are able to ensure a stable student population appear to be at ease with initiating and consistently maintaining English language education to meet consumer demand. Other schools face difficulty in maintaining English medium education because of student backgrounds and learning levels, teacher quality and effort, and lack of funds. The least advantaged schools feel that they are in such an unfavorable position in terms of these inputs that they think it best not to try to institute the policy, despite the fact that it is highly valued. There is also great variability across districts. While English medium education is a known intervention and supported strongly in the capital, public schools that are in remote regions have to do a lot more to achieve such instruction. These findings call for more recognition of the variation in teaching resources and income sources in the public schools.

The regression results provide more crystallized evidence of the heterogeneity within the public school system in terms of competition and selectivity. Public schools that are surrounded by many private schools face heightened barriers to reform. The relatively favourable perceptions of selective public schools suggest heterogeneity in the schooling experience and parental involvement, which likely positively motivates school officials.

This analysis highlights the additional constraints that researchers need to be aware of while analysing obstacles to public school improvements in developing countries. Firstly, researchers should recognize that a significant additional impediment to competitive responses not highlighted in the school choice and competition literature, predominantly focused on higher income contexts like the United States, is the extent of direct political influence in decision-making, especially around teachers, in the public school system of conflict-affected developing countries. Secondly, researchers have to be aware that the lack of community ownership and

social stigma is a substantial hurdle to overcome for public schools as parents in developing countries (who do not have to pay direct taxes for education) may consider “fee-charging” private schools as an investment decision and may relegate “free” public schools provided by less trustworthy governments to second-tier status.

From a policy making perspective, the vast gulf between idealized views of school choice and the realities on the ground in developing countries warrants humility. Recognizing and delivering on the key components needed to make public school officials motivated to compete productively with private schools – such as the bureaucratic and financial resources, regular monitoring and supervision, efforts to improve the societal perception of public schooling and trust in public schools in general – are vital, deliberative efforts governments and other interested parties have to invest in to help realize the potential productive benefits of a competitive school supply environment.

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