3F CRISIS: IMPACT ON EDUCATION

QUARTERLY MONITORING REPORT, APRIL - JUNE, 2010

With a secondary focus on student learning

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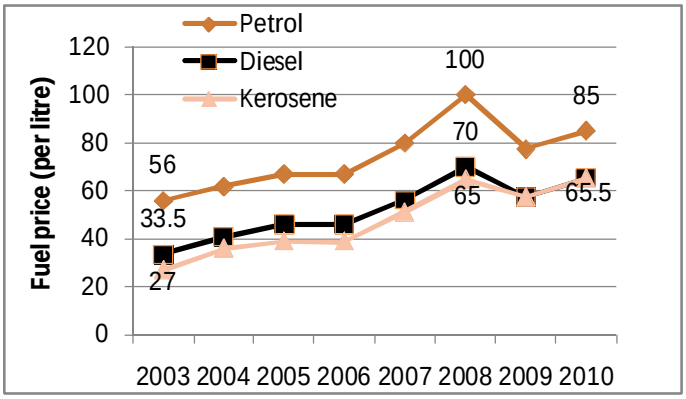
Research Inputs and Development Action (RIDA) is facilitating a monitoring mechanism on the impact of the food, fuel and financial (3F) crisis on children's education in Nepal, with support from UNICEF and in coordination with the Department of Education (DOE)[1]. This report covers the second quarter (April – June) of 2010 and focuses on the 3F crisis's impact on learning. This quarter, the monitoring mechanism included community level monitoring conducted in two districts (Dhankuta and Rolpa)[2], household level monitoring of 1094 households from 48 districts[3], and school level monitoring covering 22 schools from 11 districts.

Highlights

- During the second quarter of 2010, normal winter crops improved the food security situation compared to the previous quarter. However, food prices have continued to rise. Overall, every price index, including fuel prices, has increased compared to the previous quarter, while remittance growth has remained relatively stable.
- The severity of education-related coping mechanisms adopted by households, which had decreased during the last four quarters, increased this quarter in response to the deepening crisis, particularly to cope with food and fuel prices.
- The main coping mechanisms adopted by households this quarter were sending children to work, and therefore making schooling irregular, taking children out of school, reducing educational expenses, and moving children to less expensive schools.
- Like in previous quarters, dalit households, displaced families, households experiencing the rise in food prices, households with illiterate HH head, poverty-stricken households, and households using kerosene are more likely to use education-related coping mechanisms.

Overall Scenario

Chart 1: Trend of fuel price (2003-2010)
Source: The Kathmandu Post, July 7, 2010



Petroleum product prices have increased continuously over the years (see Chart 1). The annual growth rate for kerosene (13%), the most significant among fuel products, increased from Rs. 27 per liter in 2003 to Rs. 65.50 per liter in 2010. Petrol prices increased by six percent and diesel prices rose by 10 percent during this timeframe[4].

Food prices have increased more steeply than non-food items. When the market forced consumers to bear a 13 percent rise in food prices in 2007/08, prices for non-food items had risen by only nine percent; a year later, food prices jumped by 19 percent. Year-on-year data illustrates that food inflation remained high, at 11.3 percent in mid-June 2010, whereas non-food inflation stood at 7.3 percent during the same period[5].

[1] The core study team included Yagya Raj Pant, Uttam Prasad Upadhyay, Resham Bahadur Thapa and Jeevan Raj Lohani.
[2] Dhankuta is an economically resourceful eastern district, whereas the western district of Rolpa was severely affected by Nepal's 12-year conflict.
[3] The VAM survey included 493 Hill households, 370 Mountain households and 231 Terai households, sampled during April-June 2010 as part of the Nepal Food Security Monitoring System (NeKSAP).
[4] Kathmandu Post National daily, July 7, 2010.
[5] The Republica National Daily, July 29, 2010

Mothers have reported that the rise in expenses and decreased food production are making livelihood choices more difficult. Although food prices have reportedly increased in Dhankuta and Rolpa[6] this quarter, the perceived extent and resulting difficulties differed. Parents perceived an increase in the prices of agricultural and other commodities, along with a yearly decline in agricultural production[7], whereas the few households with land, production and livestock had benefitted financially from the amplified value of food and livestock[8].

Overall Impact on Education

As in previous quarters, the food, fuel and financial crisis is influencing student attendance, involvement in child labour, educational expenses, and thereby, student learning. Compared to the same period last year, the proportion of households moving children to less expensive schools has risen, but children's attendance in school has remained relatively identical, and the share of households who have diminished education expenses has even dropped (see Chart 2). This quarter, many districts in the mid and far west, and some districts in the eastern region, were more likely to sacrifice education than districts in the central and western region (see Chart 3).

Chart 2: Trends of education-related coping compared to last year
Source: WFP – Household Level Monitoring

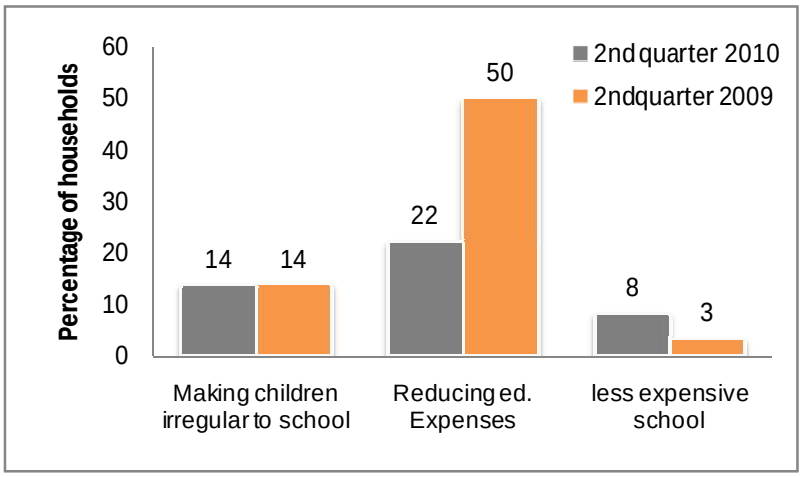
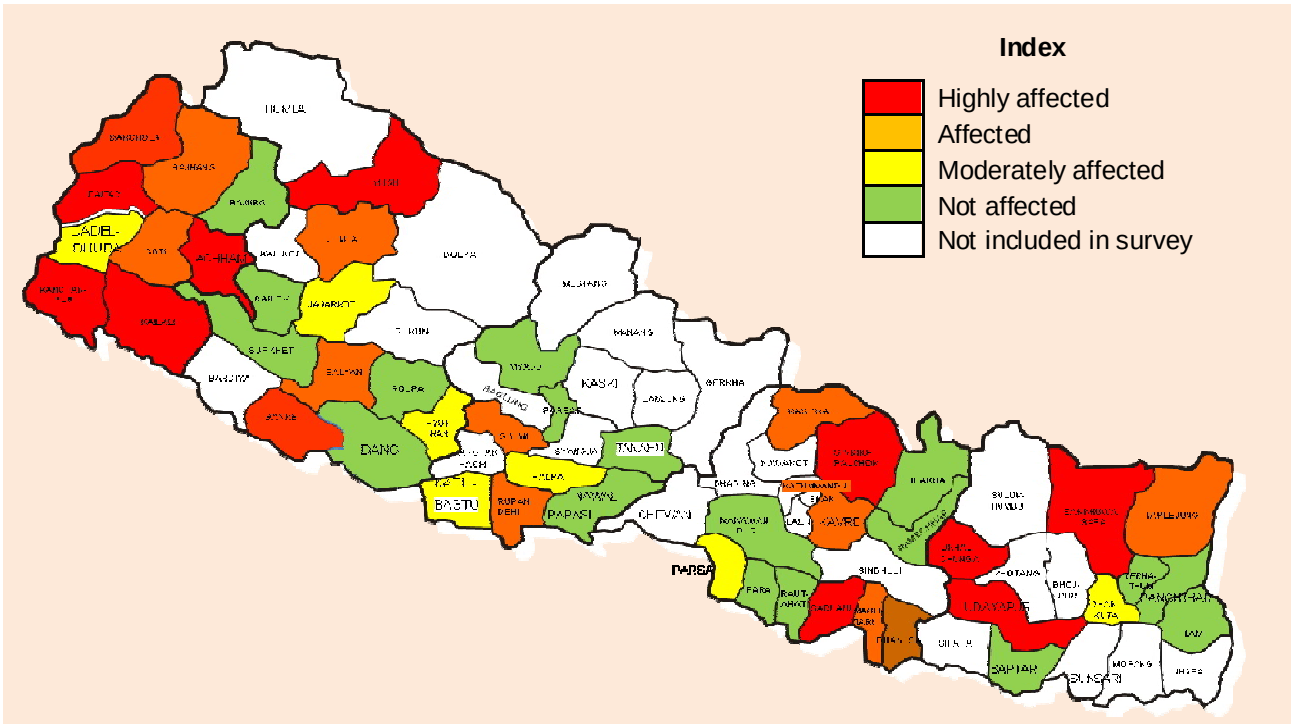


Chart 3: Education-Related Coping Intensity by District[9]
Source: Household Level Monitoring



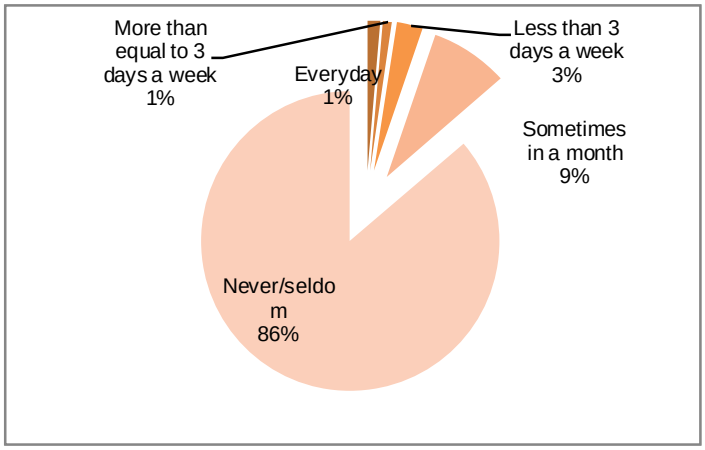
[6] Reported by mothers in Guranse, Dhankuta district. The price of rice, a grain largely consumed in Nepal, reached Rs. 32/kg from Rs. 20/kg
[7] Reported by mothers in all four communities of Rolpa and Dhankuta districts.
[8] Reported by mothers in Guranse and Kagate, Dhankuta district.
[9] The coping intensity was assessed by developing a composite score of education-related copings, computed by district based on Household Level Monitoring of WFP.

Reduced Attendance

Despite the rise in food prices, attendance rates this quarter remained similar to the same period last year. Irregular attendance was recorded among 14 percent of households both times (surveyed by the household monitoring component). Similarly, students attended an average of 13 days out of 20 days of school per month in April-June, 2010 (identified by the school level monitoring component). This attendance rate of 65 percent is similar to that of the same quarter last year.

Chart 4: Have you made your children irregular to school to cope with the crisis?

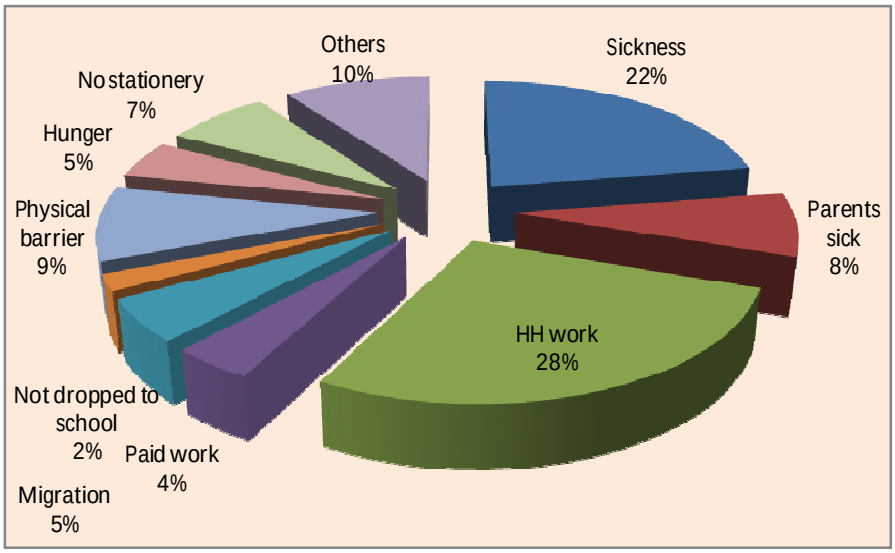
Source: Household Level Monitoring



However, attendance was lower than in previous quarters, probably to cope with the rise in food prices[10]. Fourteen percent of households this quarter (see chart 4), compared to only eight percent in the first quarter of 2010, reported that their children were no longer regularly attending school, and almost 90 percent of these irregular students were doing household work for their parents. Household work is therefore a predominant cause for irregular schooling. The remaining irregular students had dropped out and migrated to find work in order to meet their family's financial needs. Communities confirm that household work, as well as the inability to purchase school supplies, remain key reasons for student absences[11]. Similarly, the school level monitoring component this quarter (Chart 5) found that 28 percent of the absences were due to household work, followed by student illnesses (22%), lack of stationery (7%) and hunger (5%). These reasons differ by district. Rolpa's low food production, and thereby its food insufficiency, makes hunger a cause for absence[12]. However, in Dhankuta, where households cannot afford warm clothes, absenteeism is highest in winter because of illness[13].

Chart 5: Reason for student absences

Source: School Level Monitoring (April – June, 2010)



School Dropout

Dropout was not a prominent coping choice this quarter. Only 14 out of 1000 households had children who had abandoned their education to cope with the crisis. Still, increasing schooling costs and food prices[14], migration to the Middle East, and the need to feed the family, care for siblings and performing labor for others, were important reasons for dropping out[15].

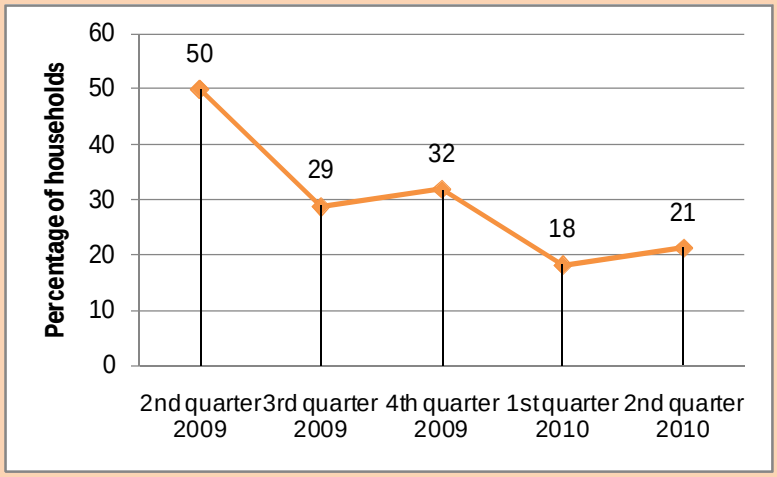
The few government scholarships available fail to cover opportunity costs: a child's average daily income ranges from Rs. 100 to Rs. 150 per day, whereas government scholarships normally vary between Rs. 350 and Rs. 500

[10] According to household and school level data
[11] According to 7 out of 8 FGDs, community level monitoring
[12] Reported by teachers in Balmandir PS, Liwang, district.
[13] Reported by mothers and teachers in Guranse, Dhankuta district.
[14] Reported by mothers in Guranse - Dhankuta district and Mijhing as well as Liwang, Rolpa district
[15] Reported by teachers and mothers in Balmandir PS, Liwang, Rolpa district.

per year[16]. Moreover, scholarships are provided on an ad-hoc basis to *Dalits*[17] and girls, resulting in wealthy dalit students obtaining scholarships, while the truly poor have no support[18]. Scholarship distribution, if used as a protective mechanism against the 3F crisis, must be revised to take account of the most vulnerable.

Reduced educational expenses

Chart 6: Households decreasing education expenses
Source: Household Level Monitoring



The number of households reducing education expenses to cope with the crisis has generally decreased compared to the same period (April-June 2009) last year. However, since that period, which was possibly the peak of the crisis, it has remained within a similar range (18 to 32 percent) (see Chart 6). Nevertheless, teachers and mothers still claim that stationery prices have increased over the last few years[19], and rising food expenses remain one of the main causes for reducing educational expenses[20]. Some parents have taken out loans to finance their children's education[21]. The impact of reduced educational expenses on student learning has been reported in previous quarterly monitoring reports: mothers in Humla reduced the number of notebooks they bought for their children and teachers in Jumla reported that three brothers had started sharing a single set of notebooks between them[22].

The household level monitoring component found a negative relation between the ratio of food costs in household expenses, and education expenditure. Households with increasing shares of food expenses spent less on education: on average, poor households spent seven percent of household expenses on education, normal households spent 10 percent, and wealthy ones spent 15 percent.

The proportion of households transferring children to less expensive schools this quarter (8.2%) has risen significantly compared to the same quarter last year (3.2%)[23]. In Rolpa, student transfers from private (expensive) schools to community schools (inexpensive), or vice versa, was associated with the presence of income from a household member who had migrated to the Middle East[24]. Households that could no longer rely on income from foreign employment were more likely to move their children to less expensive schools[25].

Table 1: Trends of coping by sending children to school for benefit
Source: Household Level Monitoring

	Jul-Sep, 2009	Oct-Dec, 2009	Jan-Mar, 2010	Apr-Jun, 2010
Yes	15	17	6	14
No	57	57	55	64
Don't know	27	26	40	22

The number of households sending children to school to benefit from incentives (e.g. tiffin, oil, scholarship, etc.,) is twice that of the previous quarter (but slightly less than what it was during the 2nd and 3rd quarters of 2009). Around 14 percent of households sent their children to benefit from incentives (see Table 1).

[16] Reported by children and mothers in Mijhing, Rolpa district. Note: the per year scholarship for a few students in Mountain region also reaches up to Rs. 10,000 per year for secondary level.
[17] Dalits are the low caste/untouchable groups under caste hierarchy.
[18] Reported by mothers in Mijhing, Rolpa district and techers in Guranse, Dhankuta district.
[19] Reported by teachers in Kagate and Guranse, Dhankuta district, and mothers in Mijhing, Rolpa district
[20] Mothers included in all four FGDs in this quarter agreed that food expenses are increasing while two mother groups in Rolpa district also mentioned that it has also affected household expenses on education.
[21] Reported by mothers in Mijhing, Rolpa district
[22] According to mothers in Bhimsen PS, Simkot – Humla district (2nd quarter of 2009) and teachers in Kartikswami PS, Gairigaun - Jumla district (4th quarter of 2009).
[23] Second quarter of the year is the beginning of school academic year and period for school enrollment in Nepal.
[24] Based on community level monitoring
[25] Based on household level monitoring.

Incidence of Child Labour

Household level monitoring in this quarter found that 10 percent of the children made irregular from school due to crisis are being involved in paid work (5 percent are living with their parents while 5 per cent migrated outside). Community level monitoring also recorded child labour practices in both Rolpa and Dhankuta. Urbanization in Liwang has generated work for children as porters as well as in stone and construction work[26]. Overage and displaced child workers were more likely workers than other children. Internally displaced families had been sending their children to school using their daily earnings, and any additional income was used to cover basic living expenses[27] or even technology, like mobile phones or a CD player[28].

Impact on Learning

The discussion suggests that irregular attendance, dropping out of school and involvement in child labour are influenced by the crisis. These coping mechanisms ultimately impact student learning.

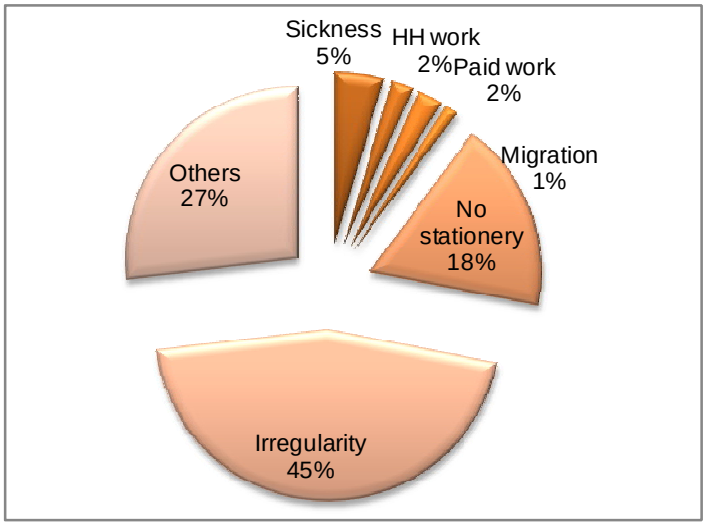
Learning achievement (measured by the average marks for children in sampled primary schools) **reported by schools was found to be 33 percent on average.** This figure was similar for boys and girls, but the learning achievement of *dalits* was well below that of other castes[29] (see Table 2).

Table 2: Average Learning Achievement (LA)
Source: School level Monitoring (April 2009- June, 2010)

Category	LA	Category	LA	Category	LA	Category	LA
Boys	32.89	Total average	33	*Janajatis*[30]	34.16	Urban	35
Girls	32.71	Others (Brahmin, Chhetri)	36.14	*Dalits*	26.18	Rural	31

School level monitoring found that student learning is directly affected by attendance: when attendance decreased by 10 percent, marks also decreased by approximately 11 percent. School level monitoring confirms that absenteeism is a major cause for examination failure (45%). Additional reasons include the inability to purchase learning materials (18%) and other reasons (27%), such as limited time to study at home, lack of interest, lack of parental support and dropping out before examinations. Interestingly, household work, paid work and sickness were considered minor reasons for failure at examinations since they affected the learning indirectly through student irregularity.

Chart – 7: Reasons for failure
Source: School level Monitoring



According to community level monitoring findings, the main barriers noted through during the last five quarters were irregular attendance, insufficient study time, lack of necessary learning materials, high workload and lack of nutritious food[31], all of which could be associated with the crisis. Other notable reasons identified included inadequate examination practice[32], poor household environment[33], ineffective examination system[34], poor teaching methods, lower parental awareness, lack of

[26] Reported by mothers in Liwang, Rolpa district.
[27] Reported by mothers in Liwang, Rolpa district.
[28] Reported by teachers in Mijhing, Rolpa district.
[29] Other castes like Brahmin, Chhetri, Newar are the elite castes having higher income level, educational attainment, and social status.
[30] *Janajati* represents certain ethnic groups of Nepal.
[31] Acccording to teachers in Bhagwandas LSS,, Kapilbastu district (1st quarter of 2010).
[32] Reported by teachers of Bhasa SS, Kagate, Dhankuta district.
[33] Reported by teachers of Bal Mandir PS, Liwang, Rolpa district.
[34] Reported by teachers of Baijanath SS, Dadeldhura district (3rd quarter of 2009).

interest of students[35], etc. Language barriers between mother tongue and medium of instruction[36] was also a reported issue.

The reasons for failure in examinations also differed by caste and region. Fifteen percent of *dalits* failed because they were without stationery, while only two percent of other castes failed for the same reason. Moreover, almost eight percent of *dalits* failed in examinations because of their involvement in paid work, whereas two percent of *janajatis* and none of the other households failed for this reason.

In districts with work opportunities, parents are increasing their work load to manage household expenses and cope with the increasing price index. This process shifts the burden of looking after cattle or siblings to children, who then cannot devote as much time to their studies[37]. Few students can complete their homework with their household chores[38], affecting their learning.

A systematic mechanism to monitor the learning achievement of children and the reasons for their weak performance was lacking in almost every school visited during the community level monitoring. Some schools had realized the need to enhance learning and had introduced efforts, such as monthly tests[39], child friendly classrooms[40] etc. However, parents were mostly unaware of their children's progress[41].

Vulnerability Profile

Like in previous quarters, households experiencing the food price rise, households depending on remittances, poor households, internally displaced families, *dalit* households, and households using kerosene, were identified as vulnerable to the impact of the crisis in the second quarter of 2010. However, no notable differences were observed in education-related coping mechanisms between households with male or female heads, or between ecological belts.

Households that ranked the food price increase as a main household shock were more likely to adopt education-related coping mechanisms this quarter (see Table 3), than households experiencing other major shocks: 29 percent of households affected by food prices reduced their children's attendance at school, whereas only 12 percent of other households did so. Similarly, around 36 percent of households affected by food prices reduced educational expenses, compared to only 19 percent of other households. Moreover, households suffering from the rise in food prices spent only Rs. 419 per month on education this quarter, in contrast with the Rs. 784 per month spent by other households.

Table 3: Coping by major household shock
Source: Household Level Monitoring

Coping Mechanism	% of HH experiencing food price rise as major shock	% of HH experiencing other major shock
1. **Sending children (5-12 years) out of school to work**	29	12
2. **Reducing educational expenses**	36	19
3. **Shifting children to less expensive school**	18	9
4. **Sending children to school for benefit**	38	15

The crisis rendered the education of children from households dependent on remittances unstable. Household level monitoring found that the likelihood of irregular schooling increased with the share of remittances in household income. In the communities visited in Rolpa and Dhankuta, transferring children from private to public, and vice versa, varied with migration: children moved from public to private schools when a household member was working in a foreign country, or back, when a migrant became unemployed[42]. Some

[35] Teachers in Gadhi LSS, Panchthar (3rd quarter of 2010) reported that overage children are losing interest on education due to higher opportunity cost, bad circle of friends etc.
[36] Reported by teachers and students in Balmandir PS, Liwang– Rolpa district, Panchamrit PS, Pauwabhanjyang – Panchthar district, and Buddheswor PS, Saptari district.
[37] This phenomenon was observed in Tanahun district (2nd quarter of 2009), Panchthar and Dadeldhura district (3rd quarter of 2009), Saptari district (4th quarter of 2009), and Dhankuta district (2nd quarter of 2010)
[38] Reported by teachers in Bhasa HSS, Kagate, Dhankuta district.
[39] Reported by teachers in Panchamrit PS, Panchthar district (3rd quarter of 2009).
[40] Reported by teachers in Balmandir PS, Liwang – Rolpa district.
[41] According to mothers and teachers in Bogatigaun, Achham district.
[42] According to teachers in Balmandir PS, Liwang – Rolpa district.

overage children migrated to India to provide support livelihoods in the context of increasing financial pressure on households[43].

Poor households[44] were adopting three out of the five education-related coping mechanisms monitored: their children's attendance had become irregular, they reduced educational expenses, and they sent children to school to benefit from incentives (see Table - 4). Poor households were found to only allocate seven percent of their household expenses on education (Rs. 361), whereas wealthy households assigned 15% of their expenses to education (Rs. 1817). Children from poor households had lower attendance than other households during the 2nd quarter of 2010. Moreover, those sending children to work allocated seven percent of expenses to education (Rs. 256), compared to the 10 percent (Rs. 784) spent by those who sent children to school.

Table 4: Coping by poverty level of households
Source: Household Level Monitoring

Copings	% of Poor	% of Middle	% of Wealthy
1. Sending children (5-12 years) to work instead of to school	17	12	6
2. Reducing educational expenses	33	13	2
3. Transferring children to less expensive schools	9	12	5
4. Sending children to school to benefit from incentives	26	11	8
5. Dropping out of school	2	1	0

Households with livestock used every education-related coping mechanism monitored this quarter. Caring for livestock and cattle is a major household duty for children, and according to community members, this workload may have risen because households increased the number of livestock to meet the growing need for income[45].

Table 5: Coping by source of light
Source: Household Level Monitoring

Copings	% of HH using Kerosene	% of HH using others sources of light
1. Sending children (5-12 years) out of school to work	26	11
2. Reducing educational expenses	26	20
3. Shifting children to less expensive school	13	9
4. Sending children to school for benefit	19	18

Households using kerosene as a source of light were particularly prone to using educational-related coping mechanisms. For example, 26 percent of kerosene using households compared to 11 percent of other households lowered children's attendance (see Table 5). The rapid rise in the price of kerosene, along with other petroleum products, raised the vulnerability of households using kerosene.

The crisis is aggravating the lives of **displaced families**. In Rolpa, the many households that migrated to Liwang during the conflict are having difficulty sustaining their livelihood with the increasing economic hardship. These households are surviving on seasonal and daily wages. To cope with the increasing economic hardship resulting from overall inflation, including in food prices, these families are sending their children to work, thus, making them irregular at school or totally abandoning it[46].

Like in previous quarters, ***dalit* households** were more likely to use education-related coping mechanisms than other castes. Twenty- two

Table 6: Distribution of coping by caste
Source: Household Level Monitoring

Copings	% of Dalit HHs	% of Janajati HHs	% of Other HHs
1. Sending children (5-12 years) out of school to work	22	10	12
2. Reducing educational expenses	30	19	19
3. Shifting children to less expensive school	21	8	7
4. Sending children to school for benefit	37	17	11

[43] Reported by mothers in Mijhing, Rolpa district.
[44] VAM survey has used impression of experienced field level surveyors as a source to assess the poverty level. They use both direct and proxy indicators to identify whether a household falls in poor, middle or rich category.
[45] Reported by mothers in Guranse, Dhankuta.
[46] Reported by mothers and teachers in Liwang, Rolpa.

percent of *dalit* families had to temporarily remove their children from school to work, 30 percent reduced educational expenses and 37 percent sent their children to school to benefit from incentives (Table 6). However, there were minimal differences between *Janajati* and other castes. *Dalit* children were more likely to drop out of school and even migrate for work because of their family's higher economic burden[47].

Illiterate and less educated households, according to household level monitoring findings, tend to allocate more expenses to schooling as the education level of the household head increases. Household heads with more than grade 5 schooling allocated 15 percent of their household budget on education, compared to only 8 percent among illiterate household heads (see Table 7). Children from less educated households were also less regular in school: 20 percent of these households had sent their children to work to cope with the crisis, compared to only 10% of households with educated heads.

Table 7: Educational Expenses by Education level of HH Head
Source: Household Level Monitoring

Education level of HH head	Share of HH expenses in education (%)	Average HH expense on education/month
Illiterate	8	NRs. 503
Literate or with education up to grade 5	12	NRs. 578
Education level of more than grade 5	15	NRs. 1205

Households in the Karnali: Although there was no difference between the school attendance of children in Karnali and non-Karnali households this last quarter, Karnali households sent children to school to benefit from incentives and transferred children to less expensive schools (16 percent of Karnali households compared to only 9 percent of households from other regions this quarter).

[47] Reported by teachers in Mijhing, Rolpa.