A STUDY ON EFFECTIVENESS OF GOVERNMENT INVESTMENT IN NON-FORMAL EDUCATION

A Thesis

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Submitted in partial fulfillment of the requirement of the degree of

Master of Business Studies (MBS Semester)

In the

Faculty of Management

Tribhuvan University

Kirtipur, Kathmandu

March, 2019

RECOMMENDATION LETTER

It is certified that thesis entitled **"A Study on Effectiveness of Government Investment on Non-Formal Education"** submitted by Arjun Bhandari is an original piece of research work carried out by the candidate under my supervision. Literary presentation is satisfactory and the thesis is in a form suitable for publication. Work evinces the capacity of the candidate for critical examination and independent judgment. Candidate has put in at least 60 days after registering the proposal. The thesis is forwarded for examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"A Study on Effectiveness of Government Investment on Non-Formal Education"** presented by Arjun Bhandari, a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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CERTIFICATION OF AUTHORSHIP

 I certify the work in this thesis entitled **"A Study on Effectiveness of Government Investment on Non-Formal Education"** has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

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Arjun Bhandari

March …, 2019

ACKNOWLEDGEMENTS

This research entitled A Study on Effectiveness of Government Investment on Non-Formal Education has been prepared for the partial fulfillment of the requirement for the Degree of Masters of Business Studies. This study has been prepared for partial fulfillment of the requirement for the Master degree in business studies. It is my privilege to complete this thesis entitled "A Study on Effectiveness of Government Investment on Non-Formal Education", which tried to analyze the effectiveness of non-formal education budget.

The Completion of the study is a result of help and support of several hands. Therefore, I would like to express my heartfelt gratitude to all those respondents for their help and support.

I am very much grateful to my supervisor Prof. Dr. Bal Krishna Shrestha and my other respected Professors, Lecturers of Central Department of Management, for providing me valuable suggestion, information and comments.

I want to extend by deftness to respected organization that provided the reports and study materials. Likewise, I am thankful to the librarians of Central Department of Management and Central Library of T.U., who helped me providing necessary information and suggestions.

I would like to thank The Financial Comptroller General Office (FGCO) who provide me thesis scholarship for complete this dissertation.

I must express my very profound gratitude to my friends Subash Bhandari and Januka Poudel for providing me with unfailing support and continues encouragement throughout the process of researching and writing this thesis.

Finally, I wish to thank my parents and my family and my brother for their continuous support and encouragement throughout my study. This accomplishment would not have been possible without them.

Arjun Bhandari

ABSTRACT

This study has investigated on A study on Effectiveness of Government investment in non-formal education. It focused on public finance role in the country. It aimed to evaluate the effectiveness of the non-formal education in Nepal for the periods 2070/71 to 2074/75. The research has attempted to assess the extent to which the effectiveness of non-formal education in Nepal by the comparing with literacy rate, HDI, and number of participation person in the program. Data are collected and used secondary data from the budget speech of government of Nepal, reports of non-formal education center and flash reports of ministry of education. This study used descriptive and analytical research approach. Analysis has based on data extracted from budget speech, various reports of ministry of education and reports of UNDP for the relevant periods. Ratio of the budget allocation and utilization on non-formal education sector and education sector shows the trends of budget planning. The progress rate on literacy rate, HDI index and the participation on the program shows the effectiveness in investment on non-formal education budget. Correlation analyses respectively has to examine the nature and extent of the relationship between the variables and showing the relationship between non-formal education budget, literacy rate, HDI, total national budget and participation of people in the program. The study covered non-formal education in Nepal over a period of past five fiscal years from 2070/71 to 2074/75. The analysis shows the government shows in non-formal education is effective and government can increase the budget on non-formal education sector for the increasing rate of literacy and HDI indicator.

Descriptive statistics is used in the analysis and findings suggest that among the planning the budget. However, the findings of this paper are based on a study conducted on the selected budget heads. Hence, the result shows that non-formal education has important factor for the increasing ratio of literacy rate, and HDI. Therefore, the results are valid for public finance sector.

Key words*: Public Finance, Non-formal Education, Literacy Rate, HDI*

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ABBREVIATIONS

%	:	Percentage
A.D.	:	Anno Domini
ANFEB	:	Actual Non-Formal Education Budget
B.S.	:	Bikram Sambat
CBS	:	Central Bureau Statistics
CV	:	Coefficient of Variation
DDC	:	District Development Committee
DOE	:	Department of Education
EDP	:	External Development Partner
EHCS	:	Essential Health Care Services
ENFEB	:	Estimated Non-Formal Education Budget
EU	:	European Union
FCGO	:	Financial Comptroller General Office
FY	:	Fiscal Year
GDP	:	Gross Domestic Product
GON	:	Government of Nepal
HDI	:	Human Development Index
i.e.	:	That is
INGO	:	International Non-Government Organization
MOF	:	Ministry of Finance
MOHP	:	Ministry of Health Population
NFEB	:	Non-Formal Education Budget

NFEC	:	Non-Formal Education Center
NGO	:	Non-Government Organization
NPC	:	National Planning Commission
P. Er.	:	Probable Error
PFM	:	Public Finance Management
PPMO	:	Public Procurement Monitoring Office
R	:	Coefficient of Correlation
S.D.	:	Standard Deviation
SWAP	:	Sector Wise Approach
TEB	:	Total Education Budget
TNB	:	Total National Budget
TU	:	Tribhuvan University
UN	:	United Nation
UNESCO	:	United Nation Educational, Scientific and Cultural Organization
WHO	:	World Health Organization
x	:	Mean

INTRODUCTION

1.1 Background of Study

Public finance also known as government finance. In the context of Nepal, the government of Nepal managing the public finance by support of ministry of finance. It includes public expenditure and public revenue. Mainly, public expenditure includes development expenditure, capital expenditure and current expenditure and public revenue includes tax income, non-tax income, and closing balance of last years, public debts.

Major responsibility for the management of the public finance in Nepal rests by law with the Parliament, Ministry of Finance, the National Planning Commission (NPC), the Public Procurement Monitoring Office (PPMO), and the Financial Comptroller General Office. Annex A provides more details on structures of these and other public financial institutions. Nepal is a federal republic with a multi-party polity. The President is the head of state and the Prime Minister is the head of Government. Both are elected by the Parliament. The most recent election, held in November 2013, elected 240 representatives through the first-past-the-post system and 335 representatives through proportional representation. The elected Constituent Assembly is also the legislative body.

The Ministries and government officials are prepared and finalize the respective budgets for the fiscal year. For those from non-finance, non-planning, and non-policy background, it could be a confusing affair, yet an important one at that. National budget is the forecast of annual revenues and expenditures and is reflective of the existing policies and plans of the government. It also represents an allocation of resources based on the demands and needs of citizens. It is therefore prudent to understand the process that is followed to prepare the budget (Agrawal, 2016)

Normally, the process of budget formulation in Nepal would begin in January and end in July, when the fiscal year starts. However, this year on, in line with the provision of the Constitution of Nepal 2015, the new budget cycle has been moved forward and it will now be presented on constitutionally mandated date of 15th Jestha (May 28). This is expected to provide enough time to disburse funds to the implementing

agencies, which has for long been a major cause of delay in conducting planned activities.

The first step in for mulation of the budget is forecasting, wherein the sources of revenues and tentative areas of expenditures are identified. The pro cess of forecasting is led by a Resource Committee, which is chaired by the Vice Chairperson of National Planning Commission (NPC), and includes other members from NPC, members from the Ministry of Finance (MOF), Central Bank of Nepal, and the Fin ancial Comptroller General's Office (FCG O). Once the forecast has been prepared, it is presented to the budget committee co mprising of the members of the NPC and the MOF. The committee, after thorough discussion sets the budget ceiling, which limits the budget expenditure based on sectors and availability of resources. T he committee also prepares the working guidelines for budget formulation. Thereafter, each of the line ministries is asked to submit their programs and budget estimates (both capital and recurrent) in accorda nce to the guidelines and sectorial budget ceilings. The line ministries then forward the guideline along with the budget ceili ng and priorities to respective departments and agencies functioning under it, either at the district level or at the central level. Based on the guidelines, these agencies prepare the forthcoming year's programs and budget and send it back to the concerned departments.

BUDGET PLANNING PROCEDURE
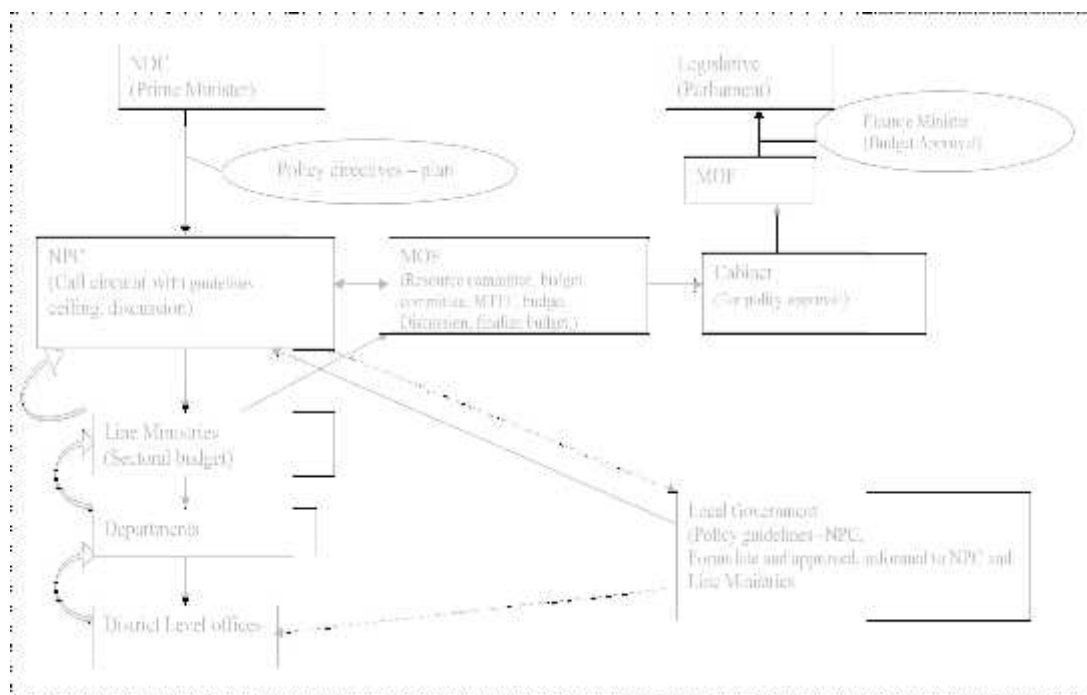
Source: National Planning Commission

The departments compile the programs and budget of all agencies under them and submit it to the respective line Ministries. Some negotiations can take place between the Ministries and the departments before it is vetted and consolidated by the Ministries and forwarded to the MOF and NPC for finalization.

It is also important to look at the process of budget formulation for devolved programs, which are financed by the canter but falls under the administrative purview of the District Development Committees (DDC). The NPC sends guidelines to DDCs for district level plans and programs. The guideline is passed down to the Village Development Committees (VDCs) and Municipalities, who hold village/town council meetings to discuss and prepare sector-wise development programs and projects. Interest groups such as the consumer committees, NGOs, political leaders, and citizens are included in these discussions. Their plans are then forwarded to the VDC/municipality where it gets accumulated. Once the VDC scrutinizes and gives a green signal to the plan, it moves up to the District Council which re-examines the budget and forwards it to the DDC. The DDCs then hold meetings with district offices and finalizes district budget and priorities, which is then sent to the NPC and the Ministries. While this is the process that should be theoretically followed, it is not necessarily fully operated because of absence of popularly elected officials. As departments are not given a sectoral budget ceiling, they generally do not take expenditure limitations into account; instead they look at project-specific targets as a guide for the budget.

Once the MOF receives the budget from all line ministries, inter-ministerial meetings are held to vet and finalize the national budget. Similarly, the NPC discusses all the programs submitted by the Ministries, and finalizes those programs in consideration of the relevancy, budget allocation, and budget handling capacity of the Ministry. Before the budget is presented in the parliament, the parliamentarians are presented with a draft budget document for them to discuss the sector-wise specifics. The comments and queries that arise during the ministry-specific discussions are discussed in detail until the relevant ministry and parliamentarians are satisfied with the clarifications provided to their queries. The budget is presented by the government only after the ministry level budget discussion ends. If the majority agrees with the

budget then it is approved and is presented to the national Parliament in the form of a Budget Speech by the Minister of Finance.

As you can see, the formulation of the national budget is a combination of the top-down and bottom-up approach, which brings about a synergy between the national level plans and local level needs; and ensures that the budget fulfils the demands of both the state and the locals (Agrawal, 2016).

Collection of sufficient resources from the economy in an appropriate manner along with allocating and use of these resources efficiently and effectively constitute good financial management. Resource generation, resource allocation and expenditure management (resource utilization) are the essential components of a public financial management system.

The following subdivisions form the subject matter of public finance.

1. Public expenditure
2. Public revenue
3. Public debt
4. Financial administration
5. Federal finance

Government has to undertake important functions like defense (internal and external), Social welfare, education, health, industry, agriculture. For all of these a huge amount of funds is required. There are four main sources from which this fund or income is obtained, they are.

1. Taxes, direct & indirect.
2. Process, earnings of state's commercial and industrial undertaking.
3. Fees and assessments.
4. Loans

Similarly Govt. can raise funds through fines, penalties, gifts etc.

In the context of Nepal public finance operates as the financial general comptroller office prepare the budget with help of ministry of finance and Nepal Rastra Bank and presented by the minister of the finance to the public. This budget has two main topics

they are public revenue and public expenditure. Public revenue includes tax, indirect tax, fees, fine and penalty, and public expenditure also divided into two parts, which are capital expenditure, and revenue expenditure. (Hewtt, 1987)

Public Financial Management (PFM) includes the key notions and practices of generating resource and its mobilization, allocation of the resource through proper budget making process, and making expenditure on specified areas. Sound Public Financial Management ensures good governance with participation, transparency and accountability maximizing efficiency and positive results. Realizing the significance of public financial management, Ministry of Education (MOE) has prepared School Accounting Manual, 2015 to maintain the financing discipline in community schools. The manual covers the concept of accounting system, operation of school fund, process of preparing budget, accounting of income and expenditure of schools, financial reporting, internal control and auditing and so on for enhancing good financial governance. (MOE, 2018)

The government invests in various development programs such as health, education, security, transportation, electricity irrigation tourism and other development sector. Education is the most important topic for the budget. Education is the main requirement for the sustainable development of the country. Educated people contribute to the planned development. So of the main topic is education for issuing budget. Education budget are divided into three parts:

1. Formal education
2. Non-formal education
3. Informal education

Formal learning refers to what takes place in the education and training system of a country. It is official, structured, organized by public organizations or recognized private institutions and results with formal certification and formal level of qualification, which is recognized by relevant national educational authorities. Formal education is usually organized as full – time education and is organized as a continuous process with defined stages. Formal education encompasses primary, lower and upper secondary education, higher and university education that culminate

in the achievement of a degree or a professional qualification or diploma or a recognized certification as well as adult education programs (Dib, 1987).

Non-formal learning is characterized by a deliberate choice of the person, which takes place outside of the systems mentioned above, in any organization pursuing educational and training purposes, even volunteering, the national civil service, and private social service and in enterprises. Thus, non – formal education is any type of structured and organized learning which is institutionalized, intentional and planned by an educational provider, but which does not lead to formal level of qualification recognized by the relevant national education authorities. People of all age groups can participate in non-formal education which can be offered through courses, workshops, seminars (Dib, 1987).

Informal learning, lastly, is also developed whether or not there is a deliberate choice and is realized in the performance, by any person, of activities in everyday situations and interactions that take place in them, within the context of work, family and leisure, i.e. it is without external support and is not institutionalized. In the educational process, therefore, the soft dimensions come into play such as teaching styles and management of interactions that enable, especially those who do not have access to the resources that allow them to be active and able participants, to make use of knowledge to achieve their personal ambitions. Furthermore, this also attenuates or reinforces motivations, expectations, intentions, self-representations and practices of inclusion and exclusion, discrimination and social hierarch isation (Dib, 1987).

Education is a key to development and is an essential asset towards peace and equitable social justice. Education is also a tool that helps in reducing poverty, exclusion, ignorance, conflict, and intolerances. According to Dib C.Z. (1987) Non-formal education (NFE) is a learning movement that helps to acquire and maintain skills and abilities in a new and fun way. It is mostly provided in the form of short training, courses, seminars and workshops where participants learn by doing, observing and working by using different methods.

Every year Government published budget speech, the budget focus in education all fiscal year. The budget shows increasing trends of investment in educational sector

year by year. Non-formal education also require for the citizen of the country so the government provide some portion budget in informal education.

1.2 Statement of the Problems

Public finance is known as government finance. Informal education is the most important for the sustainable development. It is necessary for the government. The development rate of the country mostly depends upon the educated person. What should be the financing resources for the government?

1. What is the budget investment in non-formal education?
2. Is the increasing on non-formal education budget is effective?

1.3 Objectives of the Study

The study is follows under these objectives:

1. To analyze the government budgeting process in non-formal education.
2. To analyze the effectiveness on investment in non-formal education sector.

1.4 Significant of the Study

Based on the objectives of the study, this study helps to identifying the expenses for the government of Nepal.

1. This study helps analyzed the non-formal budget which using by government of Nepal. This study helps to achieving economic growth, economic stability, equitable distribution, proper allocation of fund.
2. This study helps to make plan for sustainable growth.
3. This study helps to know educational budget in Nepal, and can make plan for next fiscal year.
4. This study helps to how much effective in the non-formal education plan and government can be making other kinds of system.
5. The usages rate of budget and achievement was affected from earthquake natural disaster in 2015.

1.5 Limitation of the Study

The limitations of the study are as follows:

1. This study was based on the only secondary data and accuracy based upon the data published by the organization and budget speech. The whole study was based on the data of last five years ranging from (i.e. 2013/14 to 2017/18).
2. This study was only depends on budget speech and reports.
3. Various other factors which influence the effectiveness of non-formal education like learning environment, course content, favorable time.
4. The study was cannot cover all the dimension of the subject and cannot penetrate the depth because of lack of sufficient time and other resources limitation.

1.6 Organizations of the Study

The study will be organized into five chapters. The chapters will be:

Chapter I - Introduction: This chapter will provide background and information relating to the subject matter of the research. It will provide general idea about government finance, sources of financing, non-formal education budget, investment areas of government, its influence on budgeting decision to the government.

Chapter II - Literature Review: This chapter will include review of the previous relevant studies done under determinants of government investment area influence on budgeting decision. Such as journal, articles and related previous thesis.

Chapter III - Research Methodology: In this chapter the research methodology employed for the study will be described. It will include research design, population and sampling, data collection and data analysis procedures.

Chapter IV - Presentation and Analysis of Data: This chapter deals with the presentation, tabulation, interpretation and analysis of the data through different statistical tools and techniques.

Chapter V – Summary, Conclusion, Findings and Recommendations: In this chapter, the major findings will be summarized; valuable recommendation and conclusion will be drawn.

CHAPTER II

LITERATURE REVIEW

Reviews of literate are basically a stock taking of available literature in the field of research. Its supports the research to explore the relevant and time facts for the reporting proposes in the field of study. In the course of research view of the existing literature would help to check the chances of duplication in the present study. Thus one can find what studies have been made conducted and what remains to go with. In the part of literature review, the researcher has reviewed the available theoretical literature and previous empirical review research on matters concerning determinants of effectiveness of budgeting on non-formal education. This chapter includes following section: conceptual review, theoretical review empirical review, and critiques of existing literature, of summary and research gap.

2.1 Conceptual Review

Basically, conceptual review presents the theoretical aspects of the study. It includes concepts of public finance, objectives of public finance management, major area of budget, process of budgeting, concepts of non-formal education theoretical framework and review of previous studies.

2.1.1 Concept of Public Finance

Public finance can be defined as the study of government activities, which may include spending, deficits and taxation. The goals of public finance are to recognize when, how and why the government should intervene in the current economy, and also understand the possible outcomes of making changes in the market. In addition, public finance can involve issues outside of the economy, including accounting, law and public finance management. Understanding the role of the government and how changes may affect the economy are a few important aspects of public finance professionals. When the government intervenes and takes action within the economy, the outcomes are classified into one of three categories: economic efficiency, distribution of income or macroeconomic stabilization.

According to Lawson (2015) public financial management refers to a set of laws, rules, systems and processes used by governments to mobilise revenue, allocate public funds, and undertake public spending, account for funds and audit results." It encompasses a broader set of functions than ordinary financial management and is commonly structured as a cycle of six phases, including 1.Policy formulation 2.Budget formulation. 3. Budget approval. 4. Budget execution. 5. Accounting. 6. External audit and evaluation. PFM, as practised by most governments, is anchored on legal and institutional frameworks that provide the platform for supervising all phases of the budget cycle, including formulation and preparation of the budget, budget execution and expenditure management, internal controls and audit, procurement, monitoring and reporting arrangements, and external oversight and audit. The PFM system involves several stakeholders that include state and non-state actors such as the academia, civil society and political parties. These stakeholders are engaged in the PFM cycle to ensure that the system operates effectively and transparently while preserving accountability. It is important to note that these have a variety of interests that can place government in conflict situations. For example, while some interest groups are critical of public spending to avoid increasing the tax burden, others argue for more spending even if this implies an increase in the tax burden. With respect to civil society, it should be understood that this category embraces a variety of interest groups with different missions and views on public spending. For instance, the recipients of a specific service will have a different set of interests from advocacy groups.

Public financial management (PFM) is a central element of a functioning administration, underlying all government activities. It encompasses the mechanisms through which public resources are collected, allocated, spent and accounted for. As such, PFM processes comprise the whole budget cycle, public procurement, audit practices and revenue collection. Sound, transparent and accountable public financial management is a key pillar of governance reform and of vital importance to provide public services of good quality to citizens, as well as to create and maintain fair and sustainable economic and social conditions in a country.

Thai, K. V. (1986) states PFM involves the allocation, acquisition, spending, and control of financial resources in order to provide services demanded by the public.

Andrew Lawson stated that PFM refers to the set of laws, rules, systems and processes used by sovereign nations (and sub-national governments), to mobilise revenue, allocate public funds, undertake public spending, account for funds and audit results. It encompasses a broader set of functions than financial management and is commonly conceived as a cycle of six phases, beginning with policy design and ending with external audit and evaluation. A large number of actors engage in this 'PFM cycle' to ensure it operates effectively and transparently, while preserving accountability.

Why is PFM Important?

1. A strong PFM system is an essential aspect of the institutional framework for an effective state. Effective delivery of public services is closely associated with poverty reduction and growth, and

2. Countries with strong, transparent, accountable PFM systems tend to deliver services more effectively and equitably and regulate markets more efficiently and fairly. In this sense, good PFM is a necessary, if not sufficient, condition for most development outcomes. A key element of statehood is the ability to tax fairly and efficiently and to spend responsibly.

3. These are fundamental characteristics of 'inclusive' state institutions, which generate trust, promote innovative energies and allow societies to flourish.

Improving the effectiveness of a PFM system can generate widespread and long-lasting benefits, and may in turn help to reinforce wider societal shifts towards inclusive institutions, and thus towards stronger states, reduced poverty, greater gender equality and balanced growth. Even where donor staffs do not seek to strengthen PFM systems, they need to understand them because they will often work through them, by providing budget support or climate finance, or with them, by providing project-financed interventions, which are then staffed and maintained through the national budget. In short, PFM matters, and all donor staff need a basic knowledge of PFM.

2.1.2 Objectives of Public Financial Management

In a business enterprise, effective management of finances aids the achievement of business objectives. Similarly, sound public financial management is critical to the achievement of the aims of the public sector through its role in improving the quality of public service outcomes; operational and strategic decision-making; long term sustainability of public services; building public trust in the performance of the sector; and ensuring the efficient and effective use of public funds. Optimal public financial management would additionally display flexibility that allows the targeted sectors to adjust easily and in the desired manner with the public sector induced changes (Shikh and Neema, 2013). ACCA has identified four key objectives that effective public financial management should cover:

1. Aggregate financial management- fiscal sustainability, resource mobilisation and allocation.
2. Operational management- performance, value for money and strategic financial planning and management.
3. Governance - transparency and accountability
4. Fiduciary risk management - controls, compliance and oversight (Parry, 2010).

National Planning Commission

The national planning commission (NPC) is the apex advisory body of the Government of Nepal for formulating a national vision, periodic plans and policies for development. It is headed by the Right Honourable Prime Minister. The NPC assesses resource needs, identifies sources of funding, and allocates budget for socio-economic development. It serves as a central agency for monitoring and evaluating development plans, policies and programs. The NPC also serves as an intellectual hub for the exchange of new development ideas and proposals from scholars, private sector, civil society, and development partners.

At present, the NPC has one full-time Vice-Chairman, six members, and one Member-Secretary who also heads a fully staffed secretariat. The Chief-Secretary and the Finance Secretary are ex-officio members of the Commission. The national statistical organization of Nepal, the Central Bureau of Statistics (CBS), functions as a specialized entity of the NPC, headed by a Director-General.

The Commission consists of four functional Divisions each headed by a Joint-Secretary: (i) Economic Management (ii) Infrastructure and Production (iii) Research and Evaluation and (iv) Good Governance and Social Development. Each division is further divided into Sections headed by an Under-Secretary.

2.1.3 Government Budget

A government budget is an annual financial statement presenting the government's proposed revenues and spending for a financial year that is often passed by the legislature, approved by the chief executive or president and presented by the Finance Minister to the nation (Bhat, 2013)

According to business dictionary Budget is an estimate of costs, revenues, and resources over a specified period, reflecting a reading of future financial conditions and goals. One of the most important administrative tools, a budget serves also as a plan of action for achieving quantified objectives, standard for measuring performance, and device for coping with foreseeable adverse situations. Government budgeting is one of the major processes by which the use of public resources are planned and controlled to attain certain objectives. Budgetary actions of the government affect production, size, and distribution of income and utilization of human and material resources of the country. So the government should prepare a different budget of the various situations is the economy. Public expenditure should be varied according to the requirement and urgencies of the business situations. (Dawa, 2017)

A government budget is an annual financial statement presenting the government's proposed revenues and spending for a financial year that is often passed by the legislature, approved by the chief executive or president and presented by the Finance Minister to the nation. The budget is also known as the Annual Financial Statement of the country. This document estimates the anticipated government revenues and government expenditures for the ensuing (current) financial year.

The word "budget" comes from budget, a Middle English word for the king's bag containing the money necessary for public expenditure. Budgets evolved in two directions. At first, Parliaments fought to take control of the budget and make government accountable for the use of resources. In democratic societies, for instance,

approval of the budget (the "power of the purse") is the main form of parliamentary control of the executive. The budget authorizes to the executive to spend and collect revenues. In later years, the scope of government activities expanded considerably, and the role of the government budget became more complex. Today, government expenditure is aimed at a variety of objectives, including economic development, and social goals, or redistribution objectives. Hence, governments need sound fiscal policies, i.e., policies concerning government revenues, expenditures, and borrowing to achieve macroeconomic stability and other government objectives (Allen & Tommasi, 2001). The budget is the most potent instrument of the government in carrying out its policies. In countries with representative governance systems, the budget is the financial mirror of society's choices. Public money should be spent only under the law. The scope of the budget depends on the field of activities of the government, but must also be in a form to allow government policies to be appropriately scrutinized by the legislature and the public. As noted, this book does not cover the revenue side. However, it is important to note that, from the macroeconomic point of view, it is crucial to review revenues and expenditures together. In a number of countries, bills on the budget and revenues are presented to Parliament and scrutinized separately (e.g., Nepal). This presents inconveniences with respect to scrutiny. Assessing the soundness and the realism of tax forecasts should be the preliminary step in analyzing a budget. Since fiscal stabilization, distribution, or allocation objectives can be achieved either through tax policy or through public expenditure policy, common issues need to be reviewed together, especially those concerning policy goals that can be achieved either through direct spending or through tax expenditures, or both. Accordingly, it is necessary during the budget formulation process to coordinate the preparation of the expenditure and revenue portions of the budget and consolidate them into a single document at the time of presentation to Parliament. In this volume, we focus on the expenditure side. The budget period is in almost all countries twelve months "the fiscal year". In most countries, the fiscal year coincides with the calendar year.

Budgeting is a work in progress. The process is never quite settled because those who manage it are never fully satisfied. To budget is to decide on the basis of inadequate information, often without secure knowledge of how past appropriations were used or of what was accomplished, or of the results that new allocations may produce. Most

people involved in budgeting have experienced the frustration of having their preferences crowded out by the built-in cost of past actions. Budgeting is a deadline-driven process, in which sub-optimal decisions often are the norm because government does not have the option of making no decisions. When one cycle ends, the next begins, usually with little respite and along the same path that was trod the year before. The routines of budgeting dull conflict, but they also are a breeding ground for frustration.

Tradition of presenting annual budget in Nepal dates back to the 1950s. One of the new changes brought about immediately after the overthrow of Rana regime in February, 1951 was the beginning of presenting annual budget of the country.

The first annual budget was presented in 1951. The budget covered the period March 1951-February 1952.

Since there was no legislature due to the fact that Nepal's political history was going through the beginning of transitional phase, the first budget (1951-52) was presented at the end of the year BS 2007 through Radio Nepal.

The budget amount was Rs. 5, 25, 29,000. It had set a goal of collecting taxes amounting to Rs. 3, 06, 19,000.

The then finance minister Subarna Shamsher who was one of the members of the council of ministers led by the then Prime Minister Matrika Prasad Koirala.

2.1.4 Classification of Budget Expenditure

1. Re-Current Expenditure

Recurrent expenditure on goods and services is expenditure, which does not result in the creation or acquisition of fixed assets (new or second-hand). It consists mainly of expenditure on wages, salaries and supplements, purchases of goods and services and consumption of fixed capital (depreciation), interest on government loan.

2. Capital Expenditure

Capital expenditure which leads to creation of assets are (a) expenditure on purchase of land, buildings, machinery, furniture and fixture, (b) Investment in shares, loans by Central government to the state government, foreign governments and government companies, cash in hand and (c) acquisition of valuables.

3. Financing Budget

Government expenditure includes all government consumption, investment, and transfer payments. Government spending can be financed by government borrowing, or taxes. Changes in government spending are a major component of fiscal policy used to stabilize the macroeconomic business cycle. (MOF, 2073)

According to the government of Nepal, the Budget is of Three Types

1. Balance budget – A government budget is said to be balanced when it is estimated revenues and anticipated expenditure are equal. i.e. government receipts and government expenditure.

Well, it implies that the government raises funds in the means of taxes and other means a balanced budget was considered an effective check on extravagant expenditure of the government.

The government must exercise financial discipline and should keep its expenditure within the available income.

The concept of a balanced budget has been evocated by classical economists like Adam smith. A balanced budget was considered by them as neutral in its effects on the working of the economy and hence they are regarded it as the best.

However, modern economists believe that the policy of balance budget may not always be suitable for the economy. For instance during the period of depression, when economic activities are at low level, resulting in unemployment.

The government may come to the rescue of the people. It can borrow money and spend it on public works. This will increase employment and total demand for goods and services and encourage investment.

2. Surplus Budget

When estimated government receipts are more than the estimated government expenditure it is termed as surplus budget. When the government spends less than the receipts the budget becomes surplus that is.

Estimated government receipts > anticipated government expenditure.

A surplus budget is used either to reduce government public debt or increase its savings. A surplus budget may prove useful during the period of inflation. in periods of inflation, although there is greater employment there is also a tendency for prices to rise rapidly.

This has to be checked particularly in the interest of those who have more or less fixed income. This inflationary gap can be corrected by lowering the level of effective demand in the economy. It can be corrected by increasing taxes. This would increase the revenue of the government but reduce the purchasing power of the people. As a result, the aggregate demand will fall. This inflation gap can be corrected by lowering the level of public expenditure. The surplus budget should not be used in a situation other than the inflationary gap as it may lead to unemployment and low levels of output as an economy.

3. Deficit budget

When estimate government receipts are less than the government expenditure. In modern economies, most of the budget is of this nature.

That the estimate government receipts < anticipated government expenditure.

A deficit budget increases the liability of the government or decreases its reserves. A deficit budget may prove useful during the period of depression, economics activities are at a low level. It results in unemployment, business loss and even bankruptcy and inflation etc. the government can borrow money and increase the expenditure on public works through deficit financing. This will increase employment and total effective demand for the goods and also the services which would then encourage

investment. Thus, a deficit budget is useful for removing depression and unemployment (Lodha, 2019).

Any country in the world is aiming to avoid deficit budget although the surplus budget is difficult for a country to achieve and that is the reason countries strive for a balanced budget in order to avoid inflation, unemployment, loss or another consequence.

2.1.5 Major Areas of Budget

1. Development budget
2. Educational budget
3. Health budget
4. Infrastructure budget
5. Agricultural budget
6. Tourism budget
7. Energy budget

2.1.6 Meaning and Definition of Education

Education is a gradual process which brings positive changes in the human life and behaviour. Oxford dictionary defined education as "a process of acquiring knowledge through study or imparting the knowledge by way of instructions or some other practical procedure".

Education also means helping people to learn how to do things and encouraging them to think about what they learn. It is also important for educators to teach ways to find and use information. Through education, the knowledge of society, country, and of the world is passed on from generation to generation. In democracies, through education, children and adults are supposed to learn how to be active and effective citizens. More specific, education helps and guide individuals to transform from one class to other. Empowered individuals, societies, countries by education are taking edge over individuals stand on bottom pyramid of growth.

2.1.7 Types of Education

Education goes beyond what takes places within the four walls of the classroom. A child gets the education from his experiences outside the school as well as from those within on the basis of these factors. There are three main types of education, namely, Formal, Informal and Non-formal. Each of these types is briefly described below.

1. Formal Education

Formal education or formal learning usually takes place in the premises of school, where a person may learn basic, academic, or trade skills. Small children often attend a nursery or kindergarten but often formal education begins in elementary school and continues with secondary school. Post-secondary education (or higher education) is usually at a college or university which may grant an academic degree. It is associated with a specific or stage and is provided under the certain set of rules and regulations. The formal education is given by specially qualified teachers they are supposed to be efficient in the art of instruction. It also observes strict discipline. The student and the teacher both are aware of the facts and engage themselves in the process of education (Sharma, 1989).

2. Informal Education

Informal education may be a parent teaching a child how to prepare a meal or ride a bicycle. People can also get an informal education by reading many books from a library or educational websites. Informal education is when you are not studying in a school and do not use any particular learning method. In this type of education, conscious efforts are not involved. It is neither pre-planned nor deliberate. It may be learned at some marketplace, hotel or at home. Unlike formal education, informal education is not imparted by an institution such as school or college. Informal education is not given according to any fixed timetable. There is no set curriculum required. Informal education consists of experiences and actually living in the family or community (Sharma, 1989).

3. Non-Formal Education

Non-formal education includes adult basic education, adult literacy education or school equivalency preparation. In non-formal education, someone (who is not in

school) can learn literacy, other basic skills or job skills. Home education, individualized instruction (such as programmed learning), distance learning and computer-assisted instruction are other possibilities. Non-formal education is imparted consciously and deliberately and systematically implemented. It should be organized for a homogeneous group. Non-form, education should be programmed to serve the needs of the identified group. This will necessitate flexibility in the design of the curriculum and the scheme of evaluation (Sharma, 1989).

2.2 Non-Formal Education

Non-formal Education (NFE) has been delivering non-formal education services for various target groups which include illiterate people living in remote areas and hinterlands, those living below poverty line and the wage labourers working in factories and farms. NFEC basically conducts the literacy, post-literacy and awareness raising programmes and it also implements the programmes related to continuous education, skill development and income generation to the target groups. It has been providing alternative schooling opportunities to the out-of-school children and school drop-outs through open education mode. NFEC helps the out-of-school youths by providing training and support for developing technical and vocational skills useful for earning livelihood at the local level. NFEC has made efforts to pay special attention to the people who have problems caused by their gender, caste, specific, ethnicity, language and physical disabilities and make non-formal education programmes inclusive. Non-formal Education (NFE) has been facing several problems and challenges in course of launching non-formal education programmes (Law Commission Nepal, 2063).

2.2.1 Non-Formal Education Policy, 2063 B.S. (2007 A.D.)

Non-formal education refers to education that occurs outside the formal school system. Non-formal education is often used interchangeably with terms such as community education, adult education, lifelong education and second-chance education. It refers to a wide range of educational initiatives in the community, ranging from home-based learning to government schemes and community initiatives. It includes accredited courses run by well-established institutions as well as locally based operations with little funding. As non-formal education is diverse, this element has many aspects in common with other elements, particularly Lifelong learning. For

the purposes of these guidelines, this element focuses on non-formal education for children and young people outside the regular school system. However, CBR personnel need to be aware that non-formal education reinforces marginalization and stigmatization, so if possible it should not be offered as the only educational option for children with disabilities (WHO, 2010).

2.2.2 Non-Formal Education Centre, Nepal

Non-formal Education Centre, under the Ministry of Education (MOE), is one of the central level technical and professional agencies responsible primarily for literacy and non-formal education. This organization was set up as a central level agency in 1999 with a vision of creating literate society so that every member of the society can make remarkable contribution to uplifting quality of life and in turn building nation.

The Government of Nepal in 2013 for the first time started non-formal education program with an aim of making the people literate particularly in Nepali language. However, its need was already felt immediately after the establishment of the democracy in 2007 because only 3% of the people were literate in the country at that time. Similarly, the Seti Project implemented non-formal education program for 5 years in 2025. In 2001, the Ministry of Education executed women and child literacy programs through primary education project. These two projects ultimately led the Ministry to establish a separate organization responsible for planning and implementing of non-formal education programs. Non-Formal Education Centre as a secretariat of the non-formal education council was established in 2059 responsible for planning and implementation of the programs.

The major mandate of Non-Formal Education Centre is to upgrade and extend literacy, post literacy, and skill oriented activities by integrating different non-formal education programs.

The Centre caries out several activities such as coordination of the process of formulating national policies and strategies in relation to non-formal education so as to provide the policy directives to program implementing agencies that are working in the field of non-formal education throughout the country. The centre has formulated both short-term and long-term policies pertaining to national literacy. The Ministry has provided with a mandate of development, dissemination and distribution of

curricula, training packages, IEC materials, textbooks and other related materials. The centre is also serving as the secretariat of networking of the organizations involved in non-formal education programs. Its program are executed with a view to make 46% illiterate people literate of the country, as they cannot attend the formal school for education.

As the concept of non-formal education expanded to broader scene the center has also extended its activities and programs to the continuing education, open learning and distance learning.

2.2.3 Objectives of Non-Formal Education Nepal Centre

According to the National Education Policy the main objectives of NFEC is to upgrade and extend literacy, post literacy and skill-oriented activities by integrating different NFE programs. Make Annual work Plan, programs and implement them throughout the country. Further, the prime activity of the Centre is to fulfil the needs of the certain target communities through effective implementation of result oriented non-formal education programs.

An Outline of Action Plan to Achieve the Objectives

1. Implement long-term and short-tem policies related to national literacy program.
2. Carry out Post Literacy Programs in order to help neo-literate adults and children not to forget and bring what they have learnt in class to practical use. Assist and also make them capable to raise additional knowledge.
3. Coordinate with national and international organizations involved in the non-formal education and make arrangements to prevent program duplication.
4. Make arrangements for the provision of all types of technical human resource and curriculum and textbooks needed for Non-Formal Education Programs.
5. Develop NFE curriculum along with developing, producing and distributing textbooks required for Non-Formal Education.
6. Implement necessary programs including Community Learning Centre for the development and extension of Non-Formal Education.

2.2.4 Types of Non-formal Education

1. Basic Adult Literacy Program

As primary education contributes significantly to raising the national literacy level, the priority of education programmes in Nepal is formal primary schooling with special focus on universal completion of primary education of reasonable quality by all school age children and at the same time multiplying the current level of literacy and non-formal education programs for out-of-school children as well as illiterate adults and youth (Dahal, 2008)

2. Alternative Primary Education

Alternative education programmes for primary and secondary schooled children (those who are approximately aged 6-18+) who have been affected by conflict. Accordingly, we will not consider the EFA goals applicable to early childhood education. The EFA goals are: flexible schooling, distance education and condensed/compressed curriculum to respond to the needs of learner, such as child labour, out of stage learners we need to alternatives to the regular formal education system. (Baxter and Bethke, 2009)

3. Post Literacy Education

post literacy education is a concept used in continuing education and adult education programs aimed at recently illiterate or "neo-literate" adults and communities, largely in the developing world. Unlike continuing education or further education, which covers secondary or vocational topics for adult learners, Post literacy programs provide skills which might otherwise be provided in primary education settings. Rogers, Alan (2002) Post literacy education aims to solidify literacy education, provide resources and media aimed at the newly literate, and also may create systems of non-formal education to serve these communities. Projects include providing formal continuing education, providing written materials (the literate environment) relevant to economic development to newly literate members of developing societies, and leveraging radio and other non-written media to increase access to educational material in informal settings (World Bank, 2001).

4. Life-Long Learning

The inadequacy of formal education to fulfil the burgeoning learning needs and the subsequent tussling among formal learning, non-formal learning and non-formal learning has culminated in the emergence of a new form of learning known as 'Lifelong Learning' (Regmi, 2009). Though the term seems to be new, the concept is not new at all. The concept existed with different names such as continuing education, recurrent education, adult learning, lifelong education, and distance education, and often "these terms are used interchangeably (Abukari, 2005).

5. Income Generating Learning

Income-Generating Programmes are those types of vocational continuing education programmes which help participants acquire or upgrade vocational skills and which enable them to conduct income generating activities. A case is made that such programmes should be directed mainly towards those people who are currently not self-sufficient in a modern world, and in particular towards those at or below the poverty line (UNESCO, 1993).

6. Integrating Productive Health Program

The Government of Nepal (GON) is committed to bringing about tangible changes in access to and utilisation of Essential Health Care Services (EHCS), thereby improving the health status of the Nepalese population through the health sector development process. The aim of the health sector reform envisaged in 2003 was to develop an equitable, high quality health care system for Nepal. The Millennium Development Goals (MDGs), the Health Sector Strategy: An Agenda for Reform 2003, and the First Nepal Health Sector Programme Implementation Plan (NHSP-1 IP) (2004-2009) provided the basis for developing the Second Nepal Health Sector Programme (NHSP-2) (2010-2015). The best practices and the lessons learned in the course of practising the Sector-wide Approach (SWAP) were capitalised upon and used in developing NHSP-2. A shared vision, agreed priorities, and a joint financial arrangement advanced partnerships and developed mutual accountability between the Ministry of Health and Population (MOHP) and the External Development Partners (EDPs).

2.2.5 Features of Non-formal Education

1. It is well planned and no need of any school system.
2. A participatory learning system
3. It is open ended educational system
4. No need for structured course and curriculum
5. Age, Time and curriculum flexibility
6. Involvement of both public and private sector in the process
7. It is not necessary to conduct exam on regular basis
8. Credentials like certificate and awards are not necessary to be awarded
9. Self-learning is appreciated

2.2.6 Advantages of Non-formal Education

1. Creating informal learning situations can be less costly and more time efficient given all of the social media technologies and electronic devices we have today.
2. The non-formal education is planned and takes place apart from the school system.
3. The timetable and syllabus can be adjustable.
4. Unlike the theoretical formal education, it is practical and vocational education.
5. Non-formal education has no age limit.
6. Fees are certificates may or may not be necessary.
7. It may be full time or part-time learning and one can earn and learn together.
8. It involves learning of professional skills.

2.2.7 Disadvantage of Non-formal Education

1. It spreads rumors. This may work against the interest of the formal organization.
2. The management may not be successful in implementing changes if the non-formal organization opposes them. Such resistance to change may delay or restrict growth.
3. It pressurizes members to conform to group expectations.

2.3 Review of Related Studies

The review of related studies is an essential part of any investigation. The survey of the related studies is a crucial aspect of the planning of the study. In the words of (Turney and Robb, 1971) the identification of a problem, tire development of a research design and dissertation of the size and scope of the care and intensity with a researcher has examined the literature related to title intended research.

2.3.1 Reviews of Article and Journal

Effective Public Financial Management (PFM) systems are required to maximize the efficient use of resources, create the highest level of transparency and accountability in financial governance and to ensure long-term economic success. Moreover, there is a growing recognition that it covers not just technical accounting and reporting issues, but the overall taxing, spending and debt management of school, which in turn influences resource allocation (Pretorius & Pretorius, 2008). Guthrie. al. (2005) identify five key dimensions to public financial management: (i) changes to financial reporting systems (cash to accrual); (ii) devolution of budgets; (iii) market based costing and pricing systems; (iv) a performance measurement approach and (v) performance based (internal and external) auditing. The public expenditure management emphasizes on investment efficiency and building good governance. It stresses the need for understanding the rules of budget formulation and execution for achieving strategic objectives (Schick, 1998) of schools. It is important to focus on involving multiple stakeholders in budget making process and make expenditure for measurable results in terms of outputs and outcomes. Public financial management (PFM) was introduced to promote good school governance in terms of participation, transparency, accountability, and ownership. However, different stakeholders understood PFM differently. PFM requires fulfilling the social obligation of school and school authority, rather than merely completing the administrative task. In Nepalese schools school audit has been taken as the administrative function rather than the function of good governance (DOE, 2012).

In the public finance the source of revenue and expenditure are included, the major expenditure areas are health, agricultural, tourism, energy and various development sector. The education sector is one of the important expenses heads. The government of Nepal annually allocation more than 15% of total budget expenses using the

educational sector for the achievement of full literacy. Inside the budget heads of education Pre-primary and primary education, non-formal education, subsidiary services to education not elsewhere classified are included.

Non-Formal Education

For almost half a century, Government of Nepal has been conducting Adult Education for illiterate adults as the only scheme for reducing illiteracy in the country. Keeping in view the need to expand the scope of Adult Education, the government replaced the word Adult Education by non-formal education in the Education Regulation (2002) and expanded the scope of the programmes by including the following activities : (a) Basic adult education programme, (b) Post-literacy education, (c) Continuous education, and (d) Alternative primary education. Some of the programmes are called functional because they attempt to include skills and knowledge that are immediately useful for neo-literates. Why some of these programmes are called non-formal needs further explanation. Most non-formal programmes still use the formal education setting with formal methods of instruction.

Education is an important means to develop potential power and life skills of individuals which enables one to live an adjustable life in the society. In 21st century, human beings stand up on a complicated and chaotic social and technological context demanding more and more opportunity for learning the required knowledge to address the challenges surrounded with. Education Commission on   Education for 21st Century: Learning the Treasure Within tried to expand the vision of education stating that there are four pillars of education: learning to know, learning to do, learning to live together and learning to be (UNESCO, 1996). These four pillars inherent with the lifelong learning paradigm is set as a backdrop (Tawil and Cougoureux, 2013). These four pillars demand comprehensive capability in human being to know new and emerging knowledge, to do more complicated technological tasks, to live together in the diversified world, to be more responsible, independent and creative. Hence education cannot be limited to the wall of formal mode; it is a process of lifelong learning. In this sense Non-formal mode of education is a demand of 21st century through which lifelong learning opportunities can be provided.

Historically NFE was begun with a focus on literacy. With the dawn of democracy in Nepal in 1951, successive governments have recognized that literacy is a prerequisite for development. In 1971, the National Education System Plan stated that adult education would be launched in two forms: (a) literacy extension program, and (b) functional adult education program. (UNESCO, 2006) this program seems to be orientated to making literacy comprehensive.

The term Non-Formal Education is used to describe a wide range of education and training provision outside the formal, sequential and education and training system. (King and Plamer, 2010) So NFE is an alternative education which would be organized systematically outside the framework of the formal system to provide functional learning relevant to particular subgroups of population, both adults and children (Literacy Watch Bulletin, 2001). More broadly, NFE can be conceived as an innovation to solve pressing problems in a given situation, not oriented to certification but oriented towards solving the practical problems of living. It is flexible, learner cantered, and participatory to which learner has autonomy at the program level and continuing life long process. So NFE can contribute to holistic development of individuals, societies as well as national development. NFE takes place both within and outside educational institution, cater to persons of all age, maybe covering educational programs to impart adult literacy, basic education for out- of –school children, life- skills, work- skills and general culture. (UNESCO, 2006)

NFE is not only the concern of a nation, but of the World community as well because commitment in the Dakar Framework of Education For All states   ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programs; achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults (UNESCO, 2000).

NFE is becoming a meaningful way for including out of school children in formal education, too. Government has taken initiative to link NFE with formal education.
   Literacy program for over-age children, three-year program for the 10 to 14 years age group, program for 6 to 8 years old from underprivileged and/or socially marginalized" (Acharya, 2007), these are instances of government attempt. This shows that NFE is vital means to promote formal mode of education, too.

Existing role of NGOs and INGOs in the case of promotion and extension of NFE is appreciable in the national and international context. After the Justine World Conference on Education for All (1990) set the goal of Education for All (EFA), UNESCO, along with other UN agencies, international development agencies and a number of international and national non-governmental organizations, have been working towards achieving this goal" (UNESCO, 2005). Use of NGOs in the sector of NFE for youth and adults is an innovative and meaningful practice because they are contributing on deliberations of NFE with awareness and skill development (King and Plamer, 2010). Seen from this perspective, the role of NGOs and INGOs appear vital to keep the NFE running meaningfully at the national and international levels.

2.3 Theoretical Framework

The theoretical framework describes the relationships among the variables, and the nature and direction of the relationship. Based on the literature review six variables had taken into consideration that had influenced the financial performance analysis. The dependent and independent variables are as follows:
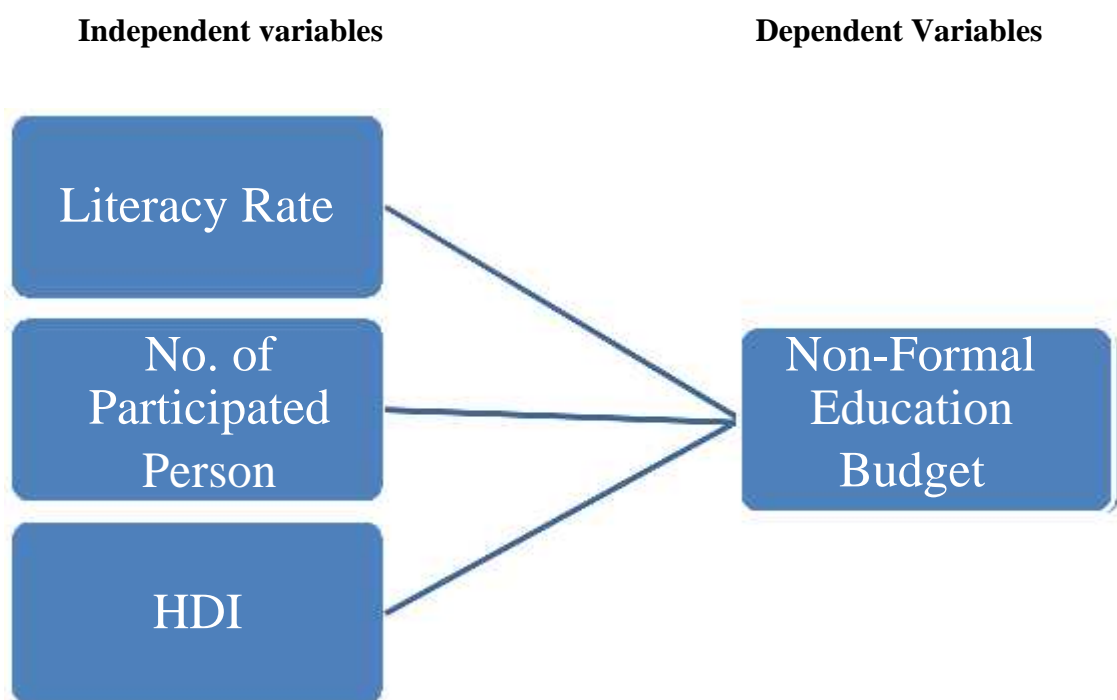
Independent variables   **Dependent Variables**

Literacy Rate

Total number of literate persons in a given age group, expressed as a percentage of the total population in that age group. The adult literacy rate measures literacy among persons aged 15 years and above, and the youth literacy rate measures literacy among persons aged 15 to 24 years.

Participation of People

The total number of effected people from the non-formal education is called participation of people in this research. The benefited people can write and read basic words. It includes the number of people who participant on the non-formal education program.

Human Development Index

According to the Economics Times the Human Development Index (HDI) is a statistical tool used to measure a country's overall achievement in its social and economic dimensions. The social and economic dimensions of a country are based on the health of people, their level of education attainment and their standard of living."

Full Literacy District

The government of Nepal follows the target of full literacy district. Government of Nepal announced Lalitpur as a first literate district in Poush 3, 2071. Now there are 47 districts that have more than 95% literacy rate, an indicator that has been used for the declaration of fully literate districts. The last announced full literate district was Bhojpur on date 2074 Chaitra 25.

Non-Formal Education Budget

The government promote and funding this program for the achievement of sustainable development in the country. The government allocate some portion of budget in non-formal education sector is called non-formal education budget. Non-formal education is often used interchangeably with terms such as community education, adult education, lifelong education and second-chance education.

2.5 Research Gap

Research Gap is the difference between previous works done and the present research works. Earlier researcher conducted by many researchers in the similar topic "effectiveness of government investment in non-formal education" is very useful and appreciated budget planner, education researcher, business man and the general public. Those dissertations in a great extent have been successful in analyzing non-formal education budget and its effectiveness. The suggestions and recommendation given by proceeding researchers to improve and strengthen the budget plan have been really benefited to the relevant area. The government invest its budget in various important sectors according to the budget and circulars of the government and guidelines and policies of government. The study is based on the more recent research report data.

No research has been undertaken regarding the effectiveness of government investment in non-formal education. But some researchers have done the measure effectiveness of investment of government in health sector. The effectiveness of non-formal education budget is the major function is evaluating the performance and its impact to the various ratios. Therefore, it is major concern of stakeholders to know the effectiveness of government investment in non-formal education sector. The index is being changed every year due to the various environment of the country. So this study will be fruitful to those budget planner, interested parties, scholar, student, teacher, stakeholder, civil society, businessman and government for academically as well as policy perspectives.

CHAPTER III

RESEARCH METHODOLOGY

Evaluating the non-formal education budget of in a macro level and to highlight the efforts of the literacy rate at these activities in the society at the macro level forms the basic objective at this research. This topic presents the short outline of the methods applied in the process of the analyze of the selected budget heads. Research is a systematic method of finding out the solution to a problem where as research methodology refers to the various sequential steps to adopt by a researcher in studying a problem with certain objective in view.

3.1 Research Design

This study mainly intends to evaluate the determinants of non-formal education in Nepal. This study was based on descriptive as well as analytical research design to achieve the objects of research. This study was based on secondary data. Secondary data have been collected from the annual published budget speech of government of Nepal, flash reports of ministry of education, status reports of non-formal education centre and UNDP reports.

3.2 Sources of Data

The study is based on secondary data. All the data are collected from the budget speech which published from the ministry of finance, reports of education ministry, UNDP report and other publication made by the non-formal education centre, which are the secondary data. Likewise, some other related information is gathered from non-formal education centre and related agencies like UNDP, Central Bureau Office. Various data and information are also collected from the journals, periodical bulletins, magazines, internet and websites.

3.3 Population and Sample

The population for this study comprises all the whole student of the country. A list of various categories of government expenses and investment. Out of these various topics, participants on non-formal education are selected as sample for the study by using judgmental sampling method.

Population comprises of the data published by the concerned authority or institution to make the descriptive and analytical study. For the analytical part, sample of data should be taken in to consideration within which the analysis and evaluation is made. For this purpose the study has taken a sample data of recent five (N) years fiscal year.

3.4 Data Collection and Processing Procedures

Secondary data were collected from budget sheet of the government announced, literacy survey, published books, reports and articles etc. The collected data were processed in to descriptive paragraphs, time series data table, graphs and diagram depending upon the nature of data.

3.5 Data Analysis Tools and Technique

The gathered information was grouped as per the need of research work in order to meet research purpose. In this study, data were analyzed using following statistical and financial tools and techniques.

1. Arithmetic mean
2. Standard deviation
3. Co-efficient of variation
4. Coefficient Correlation
5. Regression Coefficient

3.5.1 Arithmetic Mean

The mean or average value is a single value within the range of the data that is used to represent all the value in the series. Since an average is somewhere within the range of the data. It is also called a measure of central value (Jacobs, 1994). It is calculated by

$$\text{Mean } (\overline{X}) =$$

Where,

X= Arithmetic mean

X = Sum of value of all times

N= Number of items

3.5.2 Standard Deviation

The standard deviation is the measure that is most often used to describe variability in data distribution. It can be thought of as a rough measure of the average amount by which observation deviation on either side of the mean. Denoted by Greek letters (read as sigma), standard deviation is extremely useful for judging the representative of the mean (Bland and Altman, 1996). Standard deviation is calculated as:

$$\text{Standard deviation} \mid = \sum$$

$$(\quad - \quad)$$

Where,

$\mid$ = standard deviation

$(x-x)^2$ = sum of squares of the deviation from arithmetic average

N = Number of items

3.5.3 Coefficient of Variation

Standard deviation is only an absolute measure of dispersion, depending upon the units of measurement. The relative measure of dispersion based on standard deviation is called the coefficient of standard. (Gupta, 1993)

It is given by: CV = $\overline{x}$ 100

Where,

CV = co efficient of variation

= Standard deviation

x = Arithmetic mean

For the comparing the variability of two distribution, CV is compounded of each distribution. A distribution with smaller CV is said to be less variable or more consistence or more homogeneous or more uniform or more stable than the other and vice versa.

3.5.4 Measure of Correlation

The correlation between the different variables of non-formal education budget is compared to measure the effectiveness of non-formal education. Correlation refers to the degree of relationship between to variables. If between tow variables, increase to degree in one causes increase or decrease in another and then such variables are correlated variables. The reliability of the value of coefficient of correlation is measured by probable error. The correlation coefficient describes the degree of relationship between two variables. It interprets whether variables are correlated positively or negatively. These tools analyze the relationship between those variables by which it is helpful to make appropriate credit risk management. The Karls Pearson coefficient of correlation (r) is given by following formula.

$$\text{Correlation co efficient (r)} = \frac{\sum XY - n\overline{X}\overline{Y}}{\sqrt{\sum X^2 - n\overline{X}^2} \ \sqrt{\sum Y^2 - n\overline{Y}^2}}$$

Where,

     n= number of observation in series X and Y

     x= Sum of observation in series X

     Y= Sum of observation in series Y

     x^2= Sum of squared observation in series X

     y^2= Sum of squared observation in series Y

The Karl Pearson coefficient of correlation always falls between -1 to +1. The value of correlation in minus signifies the negative correlation and in plus signifies the positive correlation. As the value of correlation reaches to the value of zero, it is said that there is no significant relationship between the variables.

3.5.5 Regression Analysis

In statistical modelling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modelling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. Regression analysis is a mathematical measure of overage relationship between two variables or more variable

in terms of original unit of data. The general purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. In this study, the dependent variable is competitiveness and independent variable are literate aspect, social aspect and environmental aspect of sustainable development practices. The line of regression is $Y = A + BX$

Multiple Regression Model

$$= \ + \ _1X_1 + \ _2X_2 + \ _3X_3 + \ _4X_4$$

Where,

= Budget in non-formal education (Dependent variable),

X_1 = Literacy rate, X_2 = participation of people, X_3 = Human development index, X_4 = illiterate people.

= Constant,

$_i$ = Coefficient of slope of regression model

e_i = Error term

Where, A is constant and B is regression coefficient. A measure of change Y per unit change in X. If, 1 unit increase Literacy rate, then budget also increased.

3.5.6 Ratio Analysis of Budget

Ratio analysis has been major tool used in the interpretation and evaluation of budget. The term ratio refers to the numerical quantitative relationship between the two items variables. A ratio is calculated by dividing one item of the relationship with the other base. In budget analysis, a ratio is used as a yard stick for the evaluation of budget analysis of the government. The analysis of financial ratio involves the method of comparison involves comparing the ratios of the non-formal education budget with various similar budget heads Ratio analysis is widely in use. Ratio themselves are not conclusion they are only the means. The ratio completed from the available data are numerical, there should not be the tendency to regard them as a precise portrayals of a firm true budget status. For government, accounting data may closely approximate to reality, for others, it is necessary to go beyond the figures in order to obtain their effectiveness.

Types of Ratios

There are various types of ratios that can be computed in varieties of ways depending on the figures taken from financial statements and the purposes behind it. Generally, ratios are calculated from the budget speech by the parties such as planner, researcher, educational institutions and general public to know their field of interest. The major groups of ratio analysis can be classified as indicated below: (Durrah, O. et.al. 2016)

1. Non-formal education budget to total national budget
2. Actual non-formal education budget to total education budget

Non Formal Education Budget to Total National Budget

The ratios between two variables education budget and total national budget is called education budget to total budget ratios. It shows the proportion of education budget out of the whole national budget. From the ratios can analyze the condition of education budget in the country.

Actual NFE Budget to Estimated NFE Budget

The ratios show the relationship between non-formal education budget and total education budget. It indicates the portion investment in non-formal education out of the total education budget.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

Data analysis is an important source of the research process. The purpose of analyzing the data is to change its from an unprocessed from to an understandable presentation. Raw data conveys little information thus the data must be compiled, analyzed and interpreted carefully before its full meaning and implications can be understood. The data is thus transformed into information. This process of transforming data is called analysis: the examination and interpretation of data to draw conclusion (Pant, 2015).

4.1 Presentation and Analysis of Data

Under this analysis, the total budget on non-formal education since 2013/14 to 2017/18 and other essential data available from different organization have been presented with the help of table, bar diagram, trend line as appropriate

4.1.1 Non-formal Education Budget to Total Budget

The education budget to total national budget ratios are used to judge a government ability to meet its education sector. Essentially, this ratio was comparison of portion of education budget in total national budget.

Table 4.1 Change in Non-Formal Education and Total Budget (In Millions)

Year	NFEB	NFEB Change%	Total National Budget	TNB Change%
2013/14	22327	100.00	415580	100.00
2014/15	24669	110.49	517240	124.46
2015/16	31362	140.47	618100	148.73
2016/17	29351	131.46	819468	197.19
2017/18	26711	119.64	1048921	252.40

Source: Budget Speech (2013/14-2017/18)

It indicates the ability to showing non-formal education budget and total national budget in the study periods. The table 4.1 presents the planning of budget pattern in non-formal education and total budget. The fiscal year 2013/14 taken as a base year. The national budget was rising year by year but the non-formal education budget was

increasing to the year 2015/16 maximum 140.47% and then decreases in year 2016/17 and 2017/18. Table 4.1 presented in following figure.

Figure 4.1 Trend Line Showing Non-formal Education Budget and Total Budget
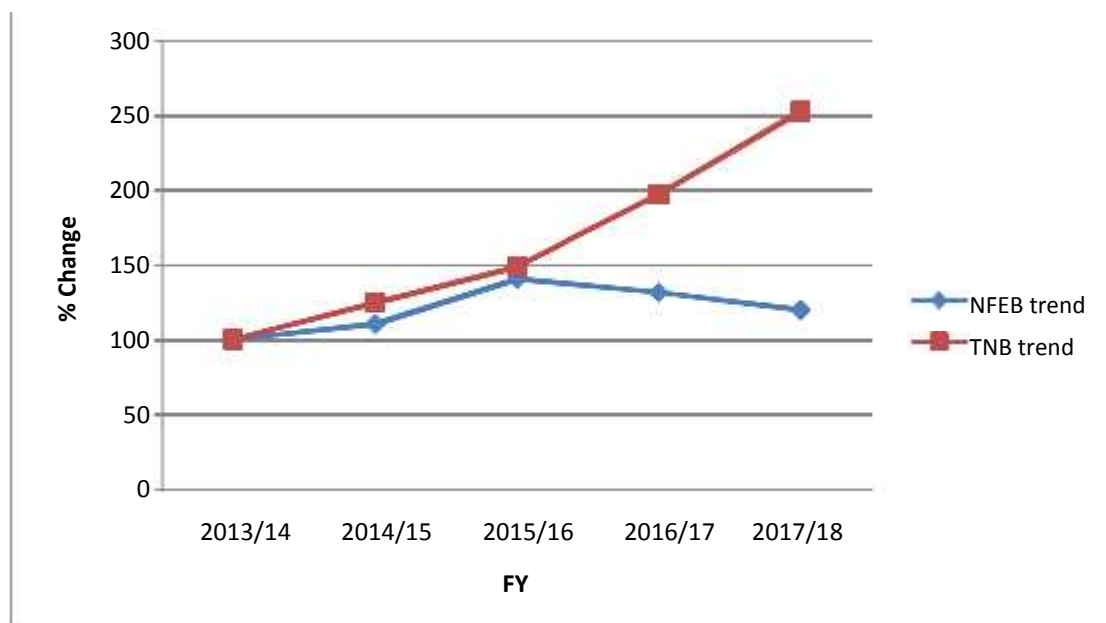
4.1.2 ANFEB to ENFEB Ratios

The actual non-formal education budget to estimated non-formal education budget ratios was used to judge a government ability to meet its expenses ratio on non-formal education sector. Essentially, this ratio is comparison of portion of education budget in total national budget.

Table 4.2 Calculation of ANFE Budget to ENFE Budget (In Millions)

Year	ANFEB	ENFEB	Ratios (%)
2013/14	217919	223270	97.60
2014/15	204235	242695	84.15
2015/16	275676	313621	87.90
2016/17	265000	293511	90.29
2017/18	256730	267114	96.11
Average			91.21
S.D.			5.62
C.V.			6.17

Source: Budget Speech (2013/14-2017/18)

It indicates the ability to showing actual non-formal education budget to estimated non-formal education budget. The table 4.2 presents the ratio between education budget and total budget. Here ratios are 97.60, 84.15, 87.90, 90.29, and 96.11 percentages in year 2013/14, 2014/15, 2015/16, 2016/17, 2017/18 respectively. Average mean ratio of education budget to total budget Ratio was 91.21. Table 4.3 presented in following figure.

Figure 4.2 Bar Diagram Showing Actual NFE Budget to Estimated NFE Budget
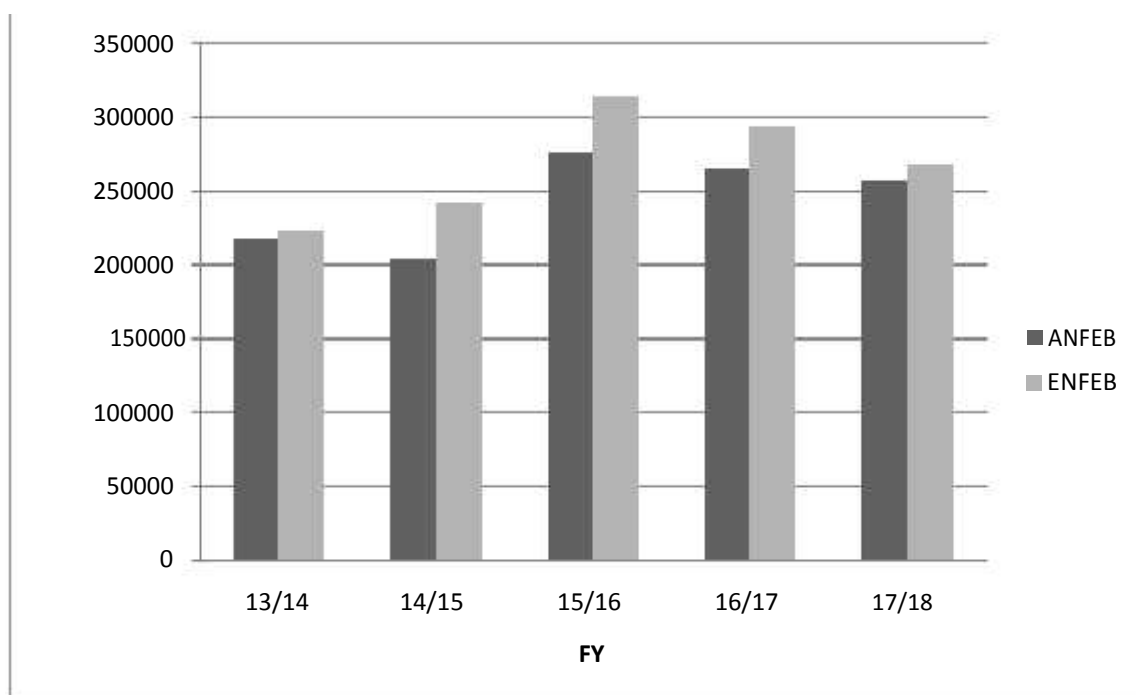
4.1.3 Literate Announced District

Government of Nepal was announced as a first literate district was Lalitpur. There are now 47 districts that have more than 95% literacy rate, an indicator that has been used for the declaration of fully literate districts. The last announced full literate district Bhojpur on date 2074 Chaitra 25. (MOE, 2073/74)

Table 4.3 Change in Literate Announced District

FY	Literate Announced District	Cumulative Frequency	Change in Literate District (%)
2013/14	6	6	100.00
2014/15	11	17	183.33
2015/16	12	29	383.33
2016/17	8	37	516.67
2017/18	10	47	683.33

Source: Ministry of Education

Table 4.3 shows the literate district announced in different fiscal year. The maximum literate district announced in year 2015/16 and lower announced in year 2013/14. The fiscal year 2013/14 was taken as a base year. 11, 8, and 10 district announced full literate in year 2014/15, 2016/17 and 2017/18. Table 4.3 presented in following figure.

Figure 4.3 Trend Line Showing Change in Literate Announced District
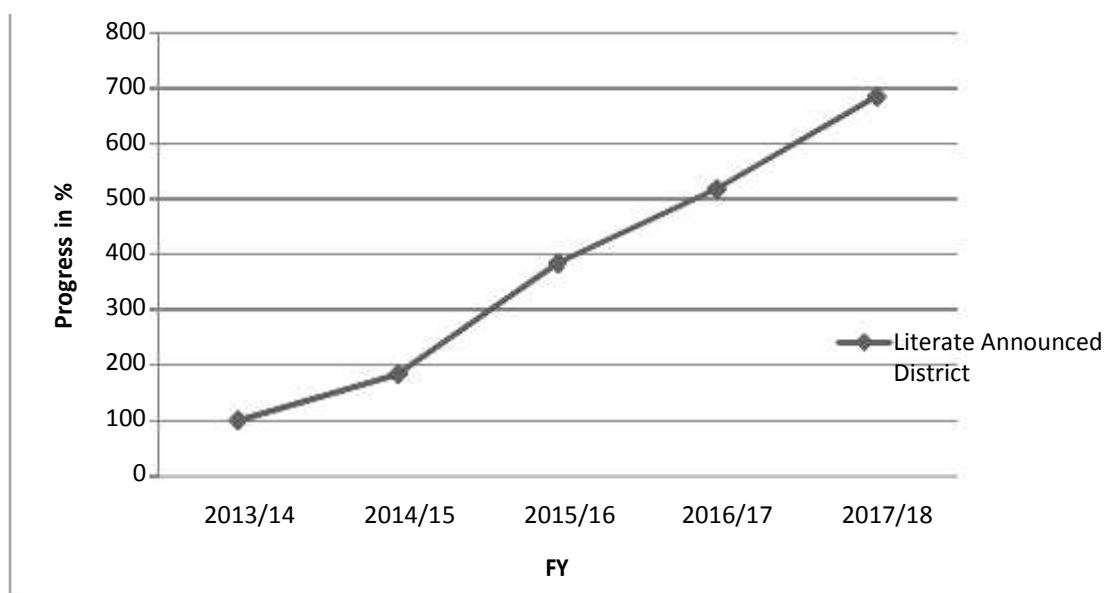
4.1.4 Literacy rate

Total number of literate persons in a given age group, expressed as a percentage of the total population in that age group. The adult literacy rate measures literacy among persons aged 15 years and above, the youth literacy rate measures literacy among persons aged 15 to 24 years and the whole literacy rate indicate the age over 5 year literacy.

Table 4.4 Change in Literacy Rate (in %)

FY	5 Year^{+} Literacy Rate	Change in literacy
2013/14	80	100
2014/15	83	103
2015/16	84	104
2016/17	85	105
2017/18	85	105

Source: Ministry of Education

Table 4.4 showing the number of literate district announced. The literacy rate was increasing in higher on the year 2013/14. The year 2013/14 was taken as a base year. The literacy rate was in increasing trend but the year 2017/18 there was no change in literacy rate. Table 4.4 presented in following figure.

Figure 4.4 Trend Line Showing Change in Literacy Rate
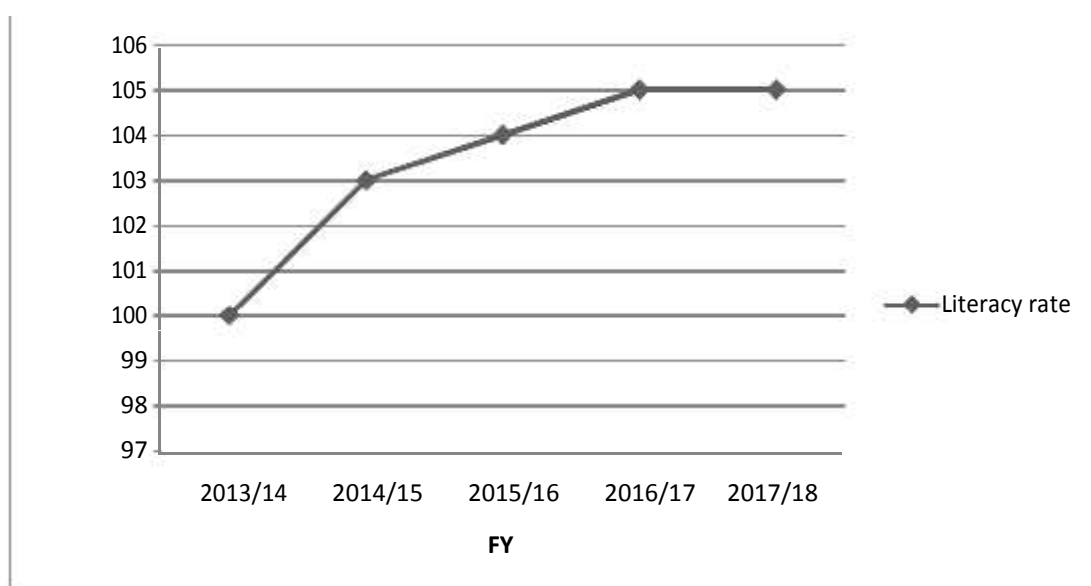
4.1.5 Participation of People

The total number of effected people from the non-formal education was called participant people in this research. The benefited people can write and read basic words. It includes only the age above 15 years and participant whose are on basic adult literacy class in this research.

Table 4.5 Change on Participant on the Non-Formal Education Program

FY	Literacy Class	Change(%)	Participate Total NFE	Change(%)
2013/14	126502	100.00	914181	100.00
2014/15	137267	108.51	1344866	147.11
2015/16	136489	107.89	1409745	154.21
2016/17	154557	122.18	1522976	166.59
2017/18	157343	124.38	1733257	189.60
Mean	**142431.6**		**1385005**	
SD	**13087.35**		**301750.68**	
CV	**0.091**		**0.21**	

Source: Non-Formal Education Centre

Table 4.5 showing the number of participant in literacy program and overall non-formal education program. Year 2013/14 was taken as a base year and comparison with study periods. The participation of the literacy class was in raising trend but the year 2015/16 has lower participation then the previous year 2014/15. After that the participation was raising. The participation on overall non-formal education was rising year by year. Table 4.4 presented in following figure.

Figure 4.5 Trend Line Showing Change in Participation on the Literacy and NFE Program
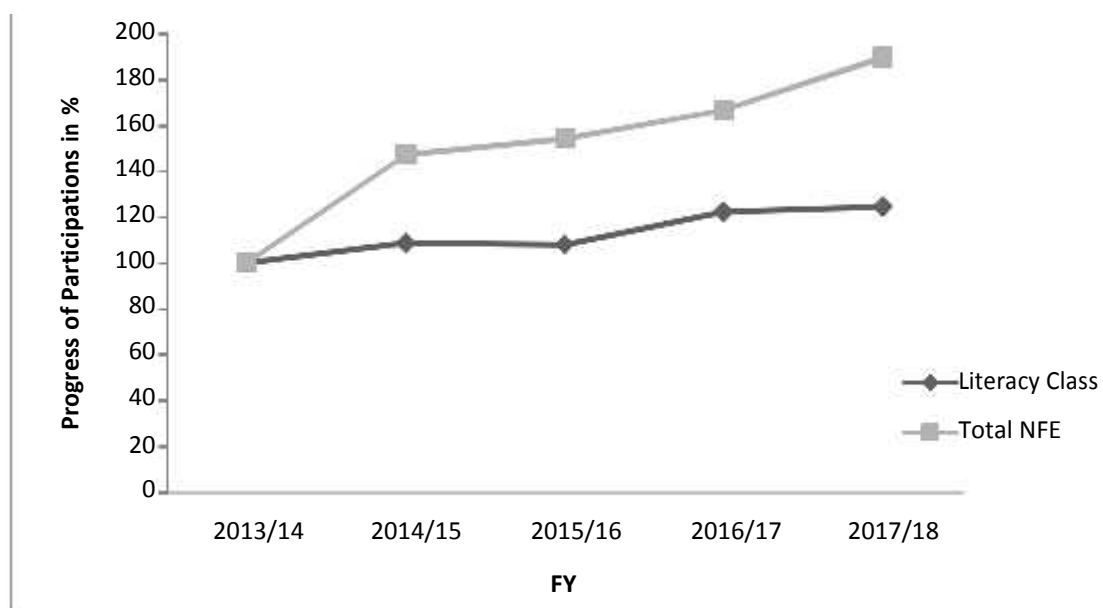
4.1.6 Human Development Index

According to the Economics Times "The Human Development Index (HDI) was a statistical tool used to measure a country's overall achievement in its social and economic dimensions. The social and economic dimensions of a country are based on the health of people, their level of education attainment and their standard of living."

Table 4.6 Change in Human Development Index

FY	HDI	Change in HDI (%)
2013/14	0.554	100.00
2014/15	0.56	101.08
2015/16	0.566	102.17
2016/17	0.569	102.71
2017/18	0.574	103.61
Mean	**0.5646**	
SD	**0.00779**	
CV	**1.3%**	

Source: UNDP

Table 4.6 shows the condition of human development index, which indicates living standard of the country. The index was in raising trends the mean of the human development index was 0.5646. The highest improvement in index was 1.08% in year first and the lowest improvement in year 2015/16 - 2016/17. The fiscal year 2013/14 was taken as base year. The mean of HDI during the study periods was 0.5646 and standard deviation was 0.00779. The coefficient of the variation was 1.3%.

Figure 4.6 Trend Line Showing Change in Human Development Index
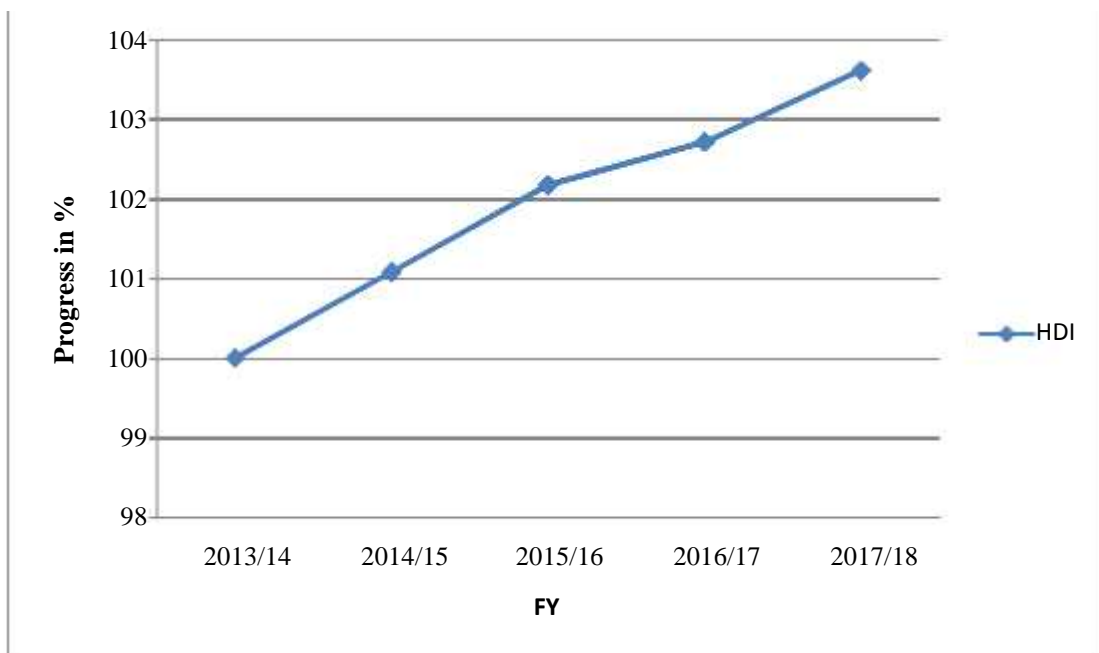
4.2 Statistical Analysis

Statistical tools helps to find out the trend of financial position of the bank and to analyze the relationship between variables that helps government to make appropriate investment on non-formal education for the making better literacy rate, Human Development index, make mass involvement on non-formal education in the country. In this study, statistical tools such as coefficient of correlation between different variable and also regression tools have been used for analyzing and interpreting the related data.

4.2.1 Correlation Analysis

It is a statistical tool that can be used to describe the degree to which one variable is linearly related to another. The coefficient of correlation measures the degree of relationship between set of two figures. The variable method of finding out coefficient of correlation, Karl's Pearson's method is applied in the study. The coefficient of correlation is always between +1 and -1. When r, the coefficient of correlation is +1, there is perfect positive relationship between to variables (i.e. one dependent variables and one independent variable), when r is -1, there is perfect negative relationship between two variables, dependent and independent variable. And when r is equals to 0 there is no relationship between variables. So this topic tries to find out relationship between the following variables and helps to make budget plan, distribution and utilizations.

- Coefficient of correlation between NFEB and total national budget
- Coefficient of correlation between NFEB and total education budget
- Coefficient of correlation between NFEB and participation on literacy class
- Coefficient of correlation between NFEB and participation on non-formal education

To find out these relationships, the following formula is used,

Coefficient of correlation (r) $=\sqrt{}\ \sqrt{}\ \overline{\overline{}}$

Table 4.7 Correlation Matrix

	NFEB	TNB	TEB	Participation on Literacy class	Participation on NFE
NFEB	1				
TNB	0.4308	1			
TEB	0.5111	0.9907	1		
Literacy*	0.5043	0.9046	0.9216	1	
NFE**	0.8097	0.5613	0.5996	0.7634	1

*Participation on Literacy Class
** Participation on Non-formal education

Sources: Reports of Budget Speech and Non-Formal Education

A) Coefficient of Correlation between NFEB and Total National Budget

Coefficient of correlation between NFEB and total national budget measures the degree of relationship between dependent variable i.e. non-formal education budget and independent variable was total national budget.

The correlation coefficient between non-formal education budget and total national budget is 0.4308. There is positive correlation relationship between total national budget and non-formal education budget.

B) Coefficient of Correlation between NFEB and Total Education Budget

Coefficient of correlation between NFEB and total education budget measures the degree of relationship between dependent variable i.e. NFEB and independent variables was total education budget. The main object of computing 'r' between these two variables is to justify whether NFEB significantly used as total education budget increase in a proper way or not.

The correlation coefficient between non-formal education budget and total education budget is 0.5111. There was positive correlation relationship non-formal education budget and total education budget.

C) Coefficient of Correlation between NFEB and Participation on Literacy Program

Coefficient of correlation between non-formal education budget and Participation on literacy program, measures the degree of relationship between dependent variable i.e. non-formal education budget and independent variable is Participation on literacy program, The main object of computing 'r' between these two variables is to justify whether non-formal education budget significantly used as increase Participation on literacy program, in a proper way or not.

The correlation coefficient between non-formal education and Participation on literacy program was 0.5043. There was positive correlation relationship between non-formal education budget and Participation on literacy program.

D) Coefficient of Correlation between NFEB and Participation on Overall Non-Formal Education Program

Coefficient of correlation between non-formal education budget and overall non-formal education program measures the degree of relationship between dependent variable i.e. non-formal education budget and independent variable is overall non-formal education program. The main object of computing 'r' between these two variables was to justify whether non-formal education budget significantly used as increase overall non-formal education program in a proper way or not.

The correlation coefficient between non-formal education budget and overall non-formal education program is 0.8095. There was positive correlation relationship between non-formal education budget and overall non-formal education program.

4.2.2 Regression Analysis

In the statistical modelling, regression analysis in a statistical process for the estimating relationship among variables. It includes many techniques for modelling and analyzing several variables and one or more independent variables regression analysis is a mathematical measure of average relationship between two variables or more variables in terms if original unit of data. The general purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent criterion variables. In this study, the dependent variable is budget investment and independent variables are involvement of people.

The line of regression is Y= A+BX

Multiple Regression Model

$= + 1X1+ 2X2$

Table 4.8 Regression Analysis Model Summary

Model	R	R^2	Adjusted R^2	Standard error of estimate
1	0.8287	0.6867	0.3735	0.2849

   a. predictors: (constant), involvement on literacy program and overall non-formal education program

Source: report of budget speech and non-formal education centre

Model summary shows the overall model fitness. R value shows that involvement on program (literacy program and overall non-formal education program) was correlated. For variables value of R is 0.8287 which shows that there was correlation between participation and investment of budget. R value was 0.8287 which shows that 82.87% variation in involvement was explained by the variables. 17% variables was unexplained. The adjusted R square value was 0.3735 this value was adjusted for extraneous predictor used in the model. Adjusted R square value shows that 37.35% variation in independent variables was explained by independent variables. Model summary also indicates the standard error of the estimate of 0.2849 which show the variability of the observed value of factors influencing budget investment of the determinants of participation on these program form regression line was 0.2849 units. The relatively high R square suggests that variation in the dependent variables profitability, as measured by non-formal education budget, was explained satisfactory by variations in the selected variables.

Table 4.9 Regression Coefficient

Model	Unstandarized Coefficient		Standardized Coefficient	T	Sig.
	B	**Std error**	**Beta**		
1(Constant)	17977.70	18807.9	-	0.955	0.313
Literacy	-0.0834	0.1871	2.91	-0.445	0.72
Non-formal	0.01586	0.0095	0.309	1.661	0.056

a. Dependent: non-formal education budget

Sources: reports of budget speech and non-formal education centre

The value of unstandarized coefficients beta values were the regression equation values which helps to predict dependent variables non-formal education budget form independent variables (participants on literacy program and overall non-formal education programme). Non-formal education budget as the dependent variables, the model was constructed with equation as below:

$$= a + {}_1X_1 + {}_2X_2$$

Based on the coefficients, the regression equation for the non-formal education budget was written as:

$$= 17977.7 - 0.0834X_1 + 0.01586X_2$$

Regression coefficient of involvement on literacy program and overall non-formal education program were -0.0834 and 0.0158 respectively.

The table 4.8 shows that all independent variables such literacy program and non-formal education program of determinants of non-formal education budget have significant result since their respective p-values are less than level of significant ($p < 0.05$).

4.3 Major Findings

Based on previous chapter data presentation and analysis, some important findings can be drawn. The major findings are presented below:

1. The total national budget was increasing trend year by year but the non-formal education budget was increasing up to year 2015/16 and then decreasing trends. The government investment on non-formal education is less increasing with the total national budget. The total national budget was increasing up to 252.40% then the base year and the non-formal education budget was only in 140.47% and the final year it decrease to 119.64% then base year.

2. The maximum utilization of estimated budget in non-formal education was used in year 2013/14 which is 97.60% and then the lowest budget was used in year 2014/15 which is 84.14%. the budget utilization out of the beget was in average 91.21%

3. The literate district announced rate is increasing trend. The maximum literate district announced in year 2015/16 which was 12 district and lower in year 2013/14. The 2013/14 was the first announced literate district year. The literate district increase to the 683.33% then the base year. Now the 30 district remaining for the announced full literate district.

4. The literacy rate is in increasing trend. in the base year the literacy rate was 80% which is above the 5 year age. The literacy rate was maximum increase in year 2014/15 and the year 2016/17 and 2017/18 the rates remain unchanged.

5. The involvement of the participants was increasing trend. The maximum involvement in year 2017/18 on both program literacy class and overall non-formal education.

6. Human development index is in increasing trend. In the base year the rate were 0.554 and the final year the rate increasing up to 0.574.

7. The correlation coefficient non-formal education budget and total national budget is 0.4308. There is positive correlation between non-formal education budget and total national budget.

8. The correlation coefficient between non-formal education budget and total education budget was 0.5112. There is positive correlation relationship between non-formal education budget and total education budget.

9. The correlation coefficient between non-formal education and participation on literacy program was 0.5043. There is positive correlation relationship between non-formal education budget and participation on literacy program.

10. The correlation coefficient between non-formal education and participation on overall non-formal education program was 0.8097. There is positive correlation relationship between non-formal education program and non-formal education budget.

11. The regression line showing the government investment on non-formal education and involvement in non-formal education program decent with R square value of 0.6867.

CHAPTER - V

SUMMARY, CONCLUSION AND IMPLICATIONS

This chapter is dedicated to provide conclusion after comparatively analyzing the effectiveness of government investment in non-formal education. It also tries to provide some recommendation to the concerned budget and literacy rate from the conclusion derived from the study.

5.1 Summary

The public finance, which deals with the government financing and investing activities. Public finance is the study of the role of the government in the economy. It is the branch of economics which assesses the government revenue and government expenditure of the public authorities and the adjustment of one or the other to achieve desirable effects and avoid undesirable ones. The overview of public finance is considered to be threefold: governmental effects on efficient allocation of resources, distribution of income, and macroeconomic stabilization. Government investment on different various sector. In this study we can analyze the government investment in non-formal education. Non-formal education refers to education that occurs outside the formal school system. Non-formal education is often used interchangeably with terms such as community education, adult education, lifelong education and second-chance education.

The basis objective of this study is to effectiveness of government investment in non-formal education. The specific objectives of this study are (1) to analysis non-formal education budget, (2) to analysis the correlations of non-formal education budget with various indicators (3) to examine of non-formal education budget, literacy rate, HDI and participation of people on the non-formal education. In this study, researcher examine and analysis with some sample of budget that whether effectiveness of non-formal education analysis. For this, the researcher has take some of the sample of government budget heads like as Total education budget, estimated non-formal education budget, and actual non-formal education budget.

For the analysis and interpretation of the data of this study, different statistical tools are used. In the statistical tools such as mean, standard deviation and correlation mainly, the secondary data are used for the analysis in this study. The data are

obtained from the national budget of the government of Nepal. Likewise, the budget speech of five year i.e. 2013/14 to 2017/18 was selected for the purpose of evaluation. Analysis of effectiveness of non-formal education is a crucial part of prepare the national budget. The education budget rate is the lower with the analysis of whole budget head. From the analysis, it is found that the literacy rate and HDI of the country is increasing trend.

5.2 Conclusions

This study particularly deals with conclusion about "effectiveness of non-formal education" in Nepal. On the basis of analysis and findings of the study following conclusion are made:

1. The total national education budget is increasing but the non-formal education is increasing up to third then the budget was decreasing trend. The government investment on non-formal education is decreasing recent year.
2. The overall estimated budget was utilized average 91.2%. in the year third the budget utilization ratios was less than other year.
3. The literate district was increasing trend. Literate district announced was 47 till the study periods. For this year 10 district are list for announced.
4. The involvement of the participants on non-formal education was increasing trend. The maximum involvement in year third on both program literacy class and overall non-formal education.
5. The human development index was increasing but it is only increasing in the study period by some digits.
6. Government investment on non-formal education and involvement in non-formal education program decent, so the government budget increase in non-formal education sector the involvement in the program was increased.

The finding shows that the trend of literacy rate will be increasing due to the government promote the non-formal education. The HDI and number of participated person will be higher due to the increasing the investment in non-formal education. From the above calculation we can see the government investment is higher in year third but not increasing literacy rate and other indicator, due to the reason is the earthquake disaster. At that period government investment in other non-formal education program to make informed keep safe from earthquake. The government

focused in full literacy program since this decade. The first full literacy district is Lalitpur was announced in Poush 3, 2071 and now 47 district is full literacy district till to the date 27 Chaitra 2074. Where are more than 95% literacy rate of aged 15-59. For this year the listed to be announced literate district is 10.

5.3 Implications

The results of this study provided public financial guidance to budget planner, business man, student, teacher and investors for the making better indexes. This study assisted decision makers especially plan and policy maker of public finance manager to formulate better budgeting decision in respect of the mix of various expenditure and therefore increase the rate of literacy and HDI. This study used by student and other people with the intension of participating in the program and taking job or doing business.

The study helps to the government for making strategies and policy to improvement in the index of human development. The government can make plan increase in investment on non-formal education for the citizens literate and can make improvement of life standard.

This study helps to business man for the making business decision, such as production of publication for making non-formal education teaching materials.

This study assisted other academician to write further studied concerning budgeting issues and add the knowledge to the community. Academicians who intend to write dissertation for bachelor and master degree programs provided in Nepal and in other parts of the world may use the study results as the reference to support their studies.

This study will assist budget planner and other researcher with related to public finance and non-formal education to advance on their knowledge which contribute more capabilities of the budgeting after reading this study will be in a position to know the effectiveness of government investment in non-formal education indicators, they would like to making better result.

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APPENDIXES

CORRELATIONS

Correlation Coefficient between NFEB and Total national Budget (in millions)

Year	Non-Formal Education Budget	Total National Budget
2013/14	22327	415580
2014/15	24669	517240
2015/16	31362	618100
2016/17	29351	819468
2017/18	26711	1048921
Correlation (r)		**0.4308**

Correlation Coefficient (r) = $\dfrac{\blacktriangleleft XY - n\overline{X}\overline{Y}}{\sqrt{\blacktriangleleft X^2 - n\overline{X}_2}\sqrt{\blacktriangleleft Y^2 - n\overline{Y}^2}}$ = 0.4308

Correlation Coefficient between NFEB and Total Education Budget (in millions)

Year	Non-Formal Education Budget	Total Education Budget
2013/14	22327	80950
2014/15	24669	86034
2015/16	31362	98643
2016/17	29351	115830
2017/18	26711	127899
Correlations(r)		**0.5111**

Correlation Coefficient (r) = $\dfrac{\blacktriangleleft XY - n\overline{X}\overline{Y}}{\sqrt{\blacktriangleleft X^2 - n\overline{X}_2}\sqrt{\blacktriangleleft Y^2 - n\overline{Y}^2}}$ = 0.5111

Correlation Coefficient between NFEB and Participation in Literacy Programme

Year	Non-Formal Education Budget (in Millions)	Participation in Literacy Programme
2013/14	22327	126502
2014/15	24669	137267
2015/16	31362	136489
2016/17	29351	154557
2017/18	26711	157343
Correlations(r)		**0.5043**

$$\text{Correlation co efficient (r)} = \frac{\sum XY - n\overline{X}\,\overline{Y}}{\sqrt{\sum X^2 - n\overline{X}^2}\sqrt{\sum Y^2 - n\overline{Y}^2}} = 0.5043$$

Correlation Coefficient between NFEB and Participation on Overall Non-Formal Education

Year	Non-Formal Education Budget (in Millions)	Participation in Overall NFE
2013/14	22327	914181
2014/15	24669	1344866
2015/16	31362	1409745
2016/17	29351	1522976
2017/18	26711	1733275
Correlations(r)		**0.8095**

$$\text{Correlation co efficient (r)} = \frac{\sum XY - n\overline{X}\,\overline{Y}}{\sqrt{\sum X^2 - n\overline{X}^2}\sqrt{\sum Y^2 - n\overline{Y}^2}} = 0.8095$$

Change in Non-Formal Education Budget

Year	Non-Formal Education Budget (In Millions)	Change
2013/14	22327	22327/22327*100%=100.00%
2014/15	24669	24669/22327*100%=110.49%
2015/16	31362	31362/22327*100%=140.47%
2016/17	29351	29351/22327*100%=131.46%
2017/18	26711	26711/22327*100%=119.64%

Change in Total National Budget

Year	Total National Budget (In Millions)	Change
2013/14	415580	415580/515580*100%=100.00%
2014/15	517240	517240/515580*100%=124.46%
2015/16	618100	618100/515580*100%=148.73%
2016/17	819468	819468/515580*100%=197.19%
2017/18	1048921	1048921/515580*100%=252.40%

Progress in Literate Announced District

FY	Literate Announced District	Cumulative Frequency	Change
2013/14	6	6	6/6*100%=100.00%
2014/15	11	17	11/6*100%=183.33%
2015/16	12	29	29/6*100%=383.33%
2016/17	8	37	37/6*100%=516.67%
2017/18	10	47	47/6*100%=683.33%

Change in Literacy Rate

FY	5 Year^{+} Aged Literacy	Change
2013/14	80	80/80*100%=100%
2014/15	83	83/80*100%=103%
2015/16	84	84/80*100%=104%
2016/17	85	85/80*100%=105%
2017/18	85	85/80*100%=105%

Change in Participation on Literacy Program

FY	Participant in literacy program	Change
2013/14	126502	126502/126502*100%=100.00%
2014/15	137267	137267/126502*100%=108.51%
2015/16	136489	136489/126502*100%=107.89%
2016/17	154557	154557/126502*100%=122.18%
2017/18	157343	157343/126502*100%=124.38%

Change in Participation on Overall Non-Formal Education Program

FY	Participant In Overall Non-Formal Education	Change
2013/14	914181	914181/914181*100%=100.00%
2014/15	1344866	1344866/914181*100%=147.11%
2015/16	1409745	1409745/914181*100%=154.21%
2016/17	1522976	1522976/914181*100%=166.59%
2017/18	1733257	1733257/914181*100%=189.60%

Change in HDI

FY	HDI	Change
2013/14	0.554	0.554/0.554*100%=100.00%
2014/15	0.56	0.56/0.554*100%=101.08%
2015/16	0.566	0.566/0.554*100%=102.17%
2016/17	0.569	0.569/0.554*100%=102.71%
2017/18	0.574	0.574/0.554*100%=103.61%

REGRESSION ANALYSIS

Dependent Variable, A= Non-Formal Education Budget

Independent Variable X_1= Participation on Literacy Class

X_2= Participation on Overall Non-Formal Education Program

Regression Analysis under the Microsoft Excel

Regression Statistics	
Multiple R	0.828712002
R Square	0.686763582
Adjusted R Square	0.373527164
Standard Error	2849.428157
Observations	5

ANOVA

	df	SS	MS	F	Significance F
Regression	2	35602494.36	17801247.18	2.192476806	0.313236418
Residual	2	16238481.64	8119240.82		
Total	4	51840976			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	17977.707	18807.963	0.95585	0.4400	-62946.42	98901.84
X Variable 1	-0.08339	0.187113	-0.44568	0.699	-0.88847	0.7216930
X Variable 2	0.01586	0.009546	1.66165	0.2384	-0.025211	0.05693

Regression line, Y= a+ $_1$X$_1$+ $_2$X$_2$