

# THE 18<sup>TH</sup> N.E.W.S. CONFERENCE JOURNAL

April 2025



Research Papers  
Speeches and  
Declaration

18<sup>TH</sup>  
**N.E.W.S.**  
CONFERENCE  
2025







# THE 18<sup>TH</sup> N.E.W.S. CONFERENCE JOURNAL

April 2025

Research Papers || Speeches || Declaration





## 18<sup>th</sup> N.E.W.S. Conference

### Organizing Committee

Prof. Subarna Lal Bajracharya, PhD	Chair
Tilak Ram Acharya, PhD	Member
Manik Ratna Shakya, PhD	Member
Hari Sharan Chakhun, PhD	Member
Prof. Gitu Giri, PhD	Member
Kul Prasad Khanal, PhD	Member
Churamani Pokharel	Member
Rajendra Ghimire	Member Secretary

### Sub Committee

#### Editorial Board

Prof. Dr. Gitu Giri  
Dr. Tilak Ram Acharya  
Dr. Manik Ratna Shakya  
Dr. Kul Prasad Khanal  
Dr. Shree Prasad Bhattarai

#### Publication and Design

Dr. Harisharan Chakhun  
Mr. Dayaram Bhandari  
Mr. Aditya Bhusal  
Mr. Shalik Ram Bhusal





Prime Minister

Kathmandu, Nepal

### Message

It is with great pride and profound appreciation that I extend my best wishes for the success of the 18th News Conference at Lumbini Buddhist University. This international gathering serves as a significant platform for intellectual exchange, fostering collaboration among scholars, policymakers, and industry leaders in shaping the future of education, economy, and human resource development.

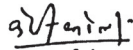
I am particularly pleased that this event aligns with the international “Human Resource Development for the 4th Industrial Revolution” conference jointly organized by Lumbini Buddhist University, Global University Network, and the University Grants Commission, Nepal. As the world undergoes rapid transformation driven by technological advancements, higher education must adapt to bridge academic knowledge with the evolving demands of the global labour market. This conference will explore crucial themes such as the internationalization of education, the impact of AI on employment, research commercialization, and Buddhist studies in labour market participation.

A unique aspect of this initiative is the **integration of Buddhist philosophy into industrial and human resource development**. The timeless wisdom of Buddhist teachings, with its emphasis on ethics, mindfulness, and holistic well-being, offers a distinct and sustainable approach to workforce development in the digital age. By blending these principles with modern technological advancements, we can create a balanced, inclusive, and ethical framework for global human resource development that not only enhances productivity but also promotes harmony and well-being in society. This unique approach has the potential to expand Buddhist teachings on a global scale, inspiring new ways to address economic, social, and environmental challenges.

With distinguished speakers from the international community, insightful discussions, and a diverse gathering of experts, academicians, and policy makers, this conference promises to make meaningful contributions to regional and global development. I commend the efforts of Lumbini Buddhist University and its esteemed partners in organizing this transformative event and look forward to its outcomes in shaping the future of education, industry, and sustainable development.

May this conference serve as a guiding light in forging a future where knowledge, innovation, and Buddhist wisdom converge to create a more equitable and enlightened world.

2 April, 2025

  
K P Sharma Oli



Hon. Bishnu Prasad Paudel  
Deputy Prime Minister and Finance Minister

Government of Nepal  
**MINISTRY OF FINANCE**



**MESSAGE**

SINGHADURBAR  
KATHMANDU, NEPAL

I extend my best wishes for the success of the 18th News Conference at Lumbini, Buddhist University from 2nd April to 3rd April, 2025. The international conference on “Human Resource Development for the 4th Industrial Revolution,” a joint initiative of Lumbini Buddhist University, Global University Network and the University Grants Commission Nepal, is a timely and significant step toward preparing for the challenges and opportunities brought by rapid technological advancements. As we enter an era where artificial intelligence, automation, and digital transformation redefine the global workforce, higher education institutions must evolve so as to equip students with the skills, knowledge and ethical foundations necessary for sustainable development.

I am confident that a distinctive highlight of this conference is its integration of Buddhist philosophy into industrial and human resource development. I believe that the principles of wisdom, compassion and ethical decision-making embedded in Buddhist teachings offer invaluable insights into creating a workforce that is not only skilled but also guided by values of inclusivity, sustainability and mindfulness. This unique approach has the potential to reshape global education and economic systems, fostering a future where industrial progress aligns with human well-being and environmental responsibility. With the participation of distinguished scholars, policy makers, researchers, industry leaders and students, I am hopeful that this conference will inspire transformative ideas and strategies for bridging education with labor market needs.

I wish this conference will be able to pave the way for new knowledge, meaningful collaborations and a holistic approach to human resource development that benefits Nepal and the world at large.

Bishnu Prasad Paudel  
Deputy Prime Minister and Finance Minister

April, 2025

Tel: +977-1-4211809, Fax No.: +977-1-4211831

Website: [www.mof.gov.np](http://www.mof.gov.np)

# **Prof. Subarna Lal Bajracharya, PhD**

*Vice Chancellor, Lumbini Buddhist University*

18th N.E.W.S. Conference and Vice Chancellors' Symposium, Lumbini

Distinguished Vice Chancellors, Esteemed Colleagues

Scholars, Policy Makers, and Respected Guests,

A very warm welcome to you all, to Lumbini, the birthplace of the Buddha, a place not only sacred to millions across the world, but also a profound symbol of peace, wisdom, and human potential.

It is with great humility and purpose that I stand before you today, not only as the Vice Chancellor of Lumbini Buddhist University, but as a custodian of an intellectual tradition rooted in one of humanity's most enduring philosophies, Buddhism.

In a time of global transformation, where knowledge multiplies faster than wisdom, and where the Fourth Industrial Revolution redefines the way we live, learn, and work, there is a growing urgency to return to the core: to reflection, to compassion, to ethics, and to meaning. Lumbini, and the values it represents, offers this very compass.

Buddhism is not merely a religious tradition; it is a system of thought and practice that prioritizes mindfulness, ethical responsibility, and the cultivation of inner peace as the foundation of societal well-being. These values, when integrated into education, produce not just competent professionals, but thoughtful human beings, individuals who are not just skilled, but wise.

At Lumbini Buddhist University, we believe that education must be transformative, not only for economies but for consciousness. We must develop human resources who are not only capable of coding machines, managing markets, or diagnosing illnesses, but who are also capable of listening deeply, leading ethically, and living responsibly.

In today's globalized world, where universities are called to produce talent for the global job market, we must ask, what kind of human beings are we shaping? The integration of Buddhist philosophy into higher education provides a path for cultivating inner resilience, emotional intelligence, and a sense of interconnectedness, qualities increasingly vital in our fragmented world.

Lumbini is not only a historical site, it is a living classroom. Here, silence teaches as much as speech. Simplicity nurtures depth. And from this soil, we are growing an academic institution that does not chase the world's noise, but invites the world to listen, to reflect, and to reimagine the purpose of education.

The global academic community must begin to see Lumbini not only as a destination of pilgrimage but as a destination of thought. A center of higher learning where ancient wisdom meets modern inquiry, where mindfulness meets innovation, and where inner transformation is as important as institutional reform.

In this spirit, I call upon all of you, leaders, educators, and scholars, to walk with us. Let us collaborate not only in research and technology, but also in reviving education's deepest purpose: to shape wise, compassionate, and conscious citizens of the world.

Let Lumbini be a beacon of this new academic horizon, rooted in wisdom, and rising toward a future where progress is not only measured by GDP, but by harmony, balance, and human flourishing.

Thank you. May your time in Lumbini be intellectually enriching and spiritually nourishing.

April 2, 2025

# **Tilak Ram Acharya, PhD**

*Registrar, Lumbini Buddhist University*

18th N.E.W.S. Conference and Vice Chancellors' Symposium, Lumbini

Respected Vice Chancellors,  
Distinguished Scholars and Policy Makers,  
Colleagues and Friends,

It is both an honour and a privilege to address this distinguished gathering here in Lumbini, the sacred birthplace of the Buddha, and a place that continues to radiate spiritual clarity and intellectual inspiration across time and geography.

As Registrar of Lumbini Buddhist University, I take great pride in witnessing this convergence of minds committed to rethinking and revitalizing higher education, at a time when the world is changing at an unprecedented pace.

The theme of this year's symposium, "Higher Education for the Fourth Industrial Revolution: Global Mobility, Buddhist Wisdom, and Academic Collaboration", could not be more timely. Today's universities must grapple not only with advancing technology but with a deeper question: How do we equip future generations with the moral, emotional, and intellectual tools to navigate a rapidly transforming world?

Policy and structure matter. But so does the spirit in which these policies are designed. And it is here that I believe Lumbini, both as a symbol and as a university, has something unique to offer.

In the global conversation on human capital development, we often speak of productivity, employability, innovation. Yet, these must be balanced with qualities like empathy, self-awareness, ethical discernment, and a sense of global responsibility. Buddhist wisdom offers not only timeless insight, but practical tools for cultivating precisely these qualities.

As an administrator, I see clearly that human resource development is not merely about producing graduates, it is about nurturing responsible, conscious citizens. That is why our institution is deeply committed to integrating interdisciplinary learning with mindfulness, ethics, and cultural sensitivity. These are not luxuries, they are necessities in the 21st century.

Today's symposium sessions have touched on alternative medicine, digital transformation, and policy reform. I am especially encouraged by the emphasis placed on mainstreaming traditional knowledge systems like Ayurveda and Sowa-Rigpa, aligning them with both national education policies and global development goals. Nepal has much to offer the world in this domain, what we need is structured, research-based integration and visionary policy support.

I want to emphasize the importance of three strategic directions:

1. Institutional Collaboration – We must break silos and build cross-border partnerships in curriculum, research, and faculty development.
2. Policy-Driven Innovation – Universities must lead, not follow, in shaping policy around digital learning, academic mobility, and alternative education models.
3. Contextual Relevance – Our reforms must be rooted in Nepal's socio-cultural fabric, drawing on indigenous knowledge, Buddhist principles, and community-based learning.

Let Lumbini be the place where tradition and transformation meet. Let our university be the bridge between the wisdom of the past and the innovation of the future.

To all our colleagues, both national and international, thank you for your presence, your insights, and your shared commitment to reshaping higher education not only for the Fourth Industrial Revolution, but for a more just, humane, and enlightened world.

May the spirit of Lumbini guide our collective work forward.

Thank you.

April 2, 2025



# HUMAN RESOURCE DEVELOPMENT AND INTERNATIONAL EXCHANGE IN THE FOURTH INDUSTRIAL REVOLUTION: NEW CHALLENGES FOR GLOBAL UNIVERSITY NETWORK

 **Katsuhiko Hirasawa**

Nihon University

katsuhiko.hirasawa@nihon-u.ac.jp

## Introduction

As many of you may already know, the Global University Network was founded in 1994 by two professors in Berlin. At that time, the so-called Cold War system was collapsing with the reunification of Germany in 1990 and the collapse of the Soviet Union in 1991, and market economies were spreading to countries that had previously had socialist systems. Along with this so-called regime change, the dismantling and reorganization of universities in countries with socialist systems proceeded, and the establishment of new universities also proceeded.

Although I have never confirmed the founding intentions of the founders of this network, the Global University Network, which aims to promote international university partnerships, has, as far as I can see, contributed to the stability and development of such universities and to the exchange of students by promoting partnerships between such universities and existing universities. In fact, through this network, universities in China and Russia have been able to exchange with various universities.

The Global University Network has been in existence for 30 years, and the environment surrounding this network has also changed significantly. For example, even Japanese universities, which had not been actively involved in international exchange, have been promoting various forms of exchange with overseas universities against the backdrop of students' overseas orientation. In addition, websites have been created that allow students from other countries to discuss and exchange ideas online even when they are not at the university.

Since the establishment of this network, the environment surrounding universities has changed dramatically. I believe that the role required of the Global University Network has also changed. Therefore, in this talk, I would like to look at the issues of this network from the perspective of technological innovation and globalization. I have lectured at universities in Japan, especially at colleges of commerce. Therefore, my presentation here has been inspired by research in Japanese universities, especially in the social sciences. Of course, there are many different universities in the world, and research fields are diverse, so I think the scope of my presentation is extremely limited. I hope you will find it useful as a source of ideas for considering the future direction of this network.

## How to view technical innovation

When I was a university student, the professor who taught us business administration told us to go to a big bookstore once a month and look at the titles of the various books on display. For that reason, I still enjoy looking at the books on the shelves in libraries. In recent years, when I go to the university library, I notice that there are fewer students reading books there and more students operating computers. In

fact, we also search for and purchase documents online, and today computers and the Internet are indispensable for research and education. Furthermore, AI is also having a major impact on university education these days.

When considering university education today, it is impossible to ignore AI and IoT. So, what is AI? Even looking at the views of members of Japanese academic societies related to AI, it is not always clear. One reason given for the lack of a clear definition is that the application areas of AI are expanding (see Tomosaka, 2019).

Although this may seem contradictory, if we look at a very tentative definition of AI, it is defined as a computer system that can perform human-like reasoning, recognition, and judgment. Based on this definition, the possibility of AI replacing humans becomes a topic of discussion. If we were to pursue this, it would lead to extremely philosophical and abstract discussions about what it means to be human and what the role of humans is. In order to avoid falling into such abstract discussions, I think it is necessary to specifically examine the technological innovations that are actually taking place and their impact.

After the Corona pandemic, many foreigners have come to Japan, and some of them come to Japan specifically to eat ramen. When you go to a ramen restaurant like that, you'll find that robots deliver the ramen because of a shortage of staff, and recently, orders are being taken via smart phone. Furthermore, supermarkets are increasingly introducing self-checkout systems, where customers pay for their own purchases, and this is accelerating the move towards cashless payments. While recent changes in the workplace are certainly based on technological innovation, how the technology is used in practice is governed by various factors, including economic logic.

### **How to View Technical Innovation**

When I was a college student, the professor who taught us business management told us to go to a large bookstore once a month and look at the titles of the various books on display. For this reason, I still enjoy looking at the books on the shelves in libraries. In recent years, when I go to the university library, I notice that there are fewer students reading books and more students using computers. In fact, we also search for and buy documents online, and today computers and the Internet are indispensable for research and education. In addition, AI is having a major impact on university education today.

If you think about higher education today, you cannot ignore AI and IoT. So what is AI? Even looking at the views of members of Japanese academic societies related to AI, it is not always clear. One reason given for the lack of a clear definition is that the application areas of AI are expanding (see Tomosaka, 2019).

Although this may seem contradictory, if we look at a very tentative definition of AI, it is defined as a computer system that can perform human-like reasoning, recognition, and judgment. Based on this definition, the possibility of AI replacing humans becomes a topic of discussion. If we were to pursue this, it would lead to extremely philosophical and abstract discussions about what it means to be human and what the role of humans is. In order to avoid such abstract discussions, I think it is necessary to look specifically at the technological innovations that are actually taking place and their impact.

After the Corona pandemic, many foreigners came to Japan, and some of them came to Japan specifically to eat ramen. If you go to such a ramen restaurant, you'll find that robots are delivering the ramen due to a shortage of staff, and recently orders are being taken by smartphone. In addition, supermarkets are increasingly introducing self-checkout systems where customers pay for their own purchases, accelerating the move towards cashless payments. While recent changes in the workplace are certainly based on technological innovation, how technology is used in practice is determined by a number of factors, including economic logic.

## Industrie4.0 and Human Resource

Technological innovation also has an impact on students' employment prospects. In the past, banks were popular in Japan because of their high salaries, but reports that AI would replace many of the jobs of bank employees have led to a decline in the number of students interested in becoming bank employees. In fact, AI and IoT are already being used to some extent to screen loan applications, and loan applications are increasingly being made online, so AI and IoT are having a significant impact on jobs that have traditionally been done by humans, especially in terms of cognitive processing.

There are concerns that the use of AI and other technologies to replace the intellectual tasks that humans have been doing will lead to job losses in many different job categories. In fact, there are studies that suggest that about half of current jobs are at risk of being lost to AI and other technologies. When I was looking for a travel agent to help me come to Nepal, I found that many travel agencies had closed due to the popularity of online bookings. In this way, modern technological innovation is beginning to replace many human jobs, and in Japan there has been a shift in research preferences from social sciences to science and engineering.

However, even if AI and other technologies can be applied to various fields in the future and have the potential to replace human labor, we must remember that at this stage they are not machines that can make decisions and decisions on behalf of humans, but rather machines that support human activities. In fact, even when AI is used in bank lending, the final decision is still made by humans, and even when loan applications are made through the Internet, there are limits to the development of new businesses. Therefore, the debate surrounding technological innovation is not about questioning the potential of new technologies, but rather about how to use new technologies (See, Tomosaka, 2019).

Against the backdrop of recent technological innovation, the Japanese government has been considering the abolition and reorganization of humanities and social sciences departments in national universities. This view of the government has been met with much criticism not only in Japan but also from abroad (See, Kariya, 2017, 89). Since there is a direct link between college majors and employment when students are considering what to major in college, it is questionable whether paying attention to trends in technological innovation and related labor demand will immediately lead to the neglect of humanities and social sciences departments. In this case, it is necessary to pay attention to the following points.

As is well known, in 2011 the German government announced its high-tech strategy for the German nation, which was centered on ICT and called "Industry 4.0". This strategy was an industrial policy that aimed to reduce the costs of German companies and further strengthen their international competitiveness by linking production equipment with information and communication technology, and enabling the real-time capture of data related to production. Following the announcement of this strategy, national ICT-related projects were launched in the United States, the United Kingdom, and other countries. Thus, we can see that such strategies are government policies aimed at improving international competitiveness based on ICT and other technologies.

In May 2015, the Chinese government announced "Made in China 2025," which could be called the Chinese version of "Industry 4.0." This policy is a growth strategy that aims to make China the world's leading manufacturing nation by 2049, the 100th anniversary of the founding of the People's Republic of China, by combining manufacturing and ICT technology. Looking at the details, it points to innovation, quality and efficiency, greening, and the informatization of industry, as well as the development of human resources in higher education.

As we have already seen, governments around the world are positioning ICT and other technologies as the foundation of their international competitiveness, and as we can see in the case of China, higher

education is being emphasized as the foundation for technological innovation in ICT and other areas. Without fear of being misunderstood, I would venture to say that improving international competitiveness is dictating the content of education, and that this is dictating the career paths of students and even the majors they choose at university. Since the way of life of citizens is related to the economy, is there a problem with defining the way of education based on factors such as economy and efficiency, since ignoring international competitiveness is not an option? In this case, the Japanese government's policies on ICT and other areas can provide important insights into this issue.

Well, in 2016, the Japanese government proposed the concept of "Society 5.0." This concept is a growth strategy that aims to "create a human-centered society that balances economic development and the resolution of social issues" ([https://www8.cao.go.jp/cstp/society5\\_0/](https://www8.cao.go.jp/cstp/society5_0/)) by "highly integrating cyberspace and physical space" based on ICT technology. The Japanese government, which has lagged behind Germany, the United States, China, and other countries in formulating its own technology strategy, is believed to have developed this concept for the future of society based on the concepts of other countries.

The Japanese government's "Society 5.0" is a concept that shows the way forward for a new society that follows the hunting society, the agricultural society, the industrial society, and the information society. While concepts such as "Industry 4.0" emphasize the transformation of production through the use of ICT, etc., this concept is characterized by its emphasis on the transformation of society through the use of digital technologies such as AI, IoT, and big data.

While the concept of Society 5.0 has been influenced by the SDGs, which have received much attention in recent years, it is important to remember that it is a concept that was created under the leadership of the business community. Based on the recognition that social issues such as the declining birthrate and aging population are factors hindering the growth of the Japanese economy, this concept is based on the logic of seeking economic development and solutions to social issues through digital technology. In this sense, it expresses the Japanese government's "excessive expectations" (Tomosaka, 2019, 107) of digital technology, and even the Japanese business community has made critical demands in response. However, what needs to be noted here is that since technologies such as IoT contribute to international competitiveness, and research on them contributes to the growth of nations and companies, research on how to apply such technologies and from what perspective they should be used cannot be ignored.

## **Globalization and Higher Education**

So let's think a little more about what kind of education is needed in higher education institutions.

As I have already mentioned, in Germany and other developed countries, advanced technology is a national strategy for strengthening international competitiveness, and in this sense, the development of advanced technology and the development of human resources who can develop and utilize it, as suggested by reports from various countries, is important. In this context, the focus is on the development of so-called global talents and the competition among companies for them. In fact, Chinese high-tech companies are hiring American university students at high salaries, and in Japan, too, the fact that Chinese companies are offering high starting salaries to attract university students has attracted attention.

The competition for global talent is closely related to the competition among universities. In fact, the Japanese government has pointed out that in order to increase Japan's international competitiveness, it is necessary to develop global talent and globalize universities. And in order to globalize, the recruitment of foreign teachers and the establishment of English-language lectures are being promoted. While it is



true that the emphasis on English education has led to an increase in the number of students studying at overseas universities, there has also been an increase in the number of students going directly to overseas universities rather than studying abroad.

According to Kariya, who has studied the trends of students from East Asia studying in higher education institutions in Europe and the United States, the number of students from East Asia, especially China, has been increasing since 2001, and the English-speaking world is the destination of choice for these students. This influx of foreign students contributed to the acquisition of foreign currency by higher education institutions in the United Kingdom, for example (see Kariya 2017: esp. 104). And it was university rankings that contributed to the acquisition of these foreign human resources.

Another point to note is the quantitative research methods that have been emphasized in scientific research in recent years. The hypothesis-testing research method has been adopted in various fields as a way of guaranteeing the scientific nature of research, and it is said that journals will not publish articles that do not use this method[1]. The question we need to ask here is not whether these methods are correct or not, but if teaching using these methods is carried out in all universities, it is likely to accelerate the outflow of students to English-speaking countries. The question is what and how to teach.

I think the education of children by Chef Takagi, who lectured at this conference last time, is a good reference. First, if you ask children about the taste of chocolate, they will say that chocolate is sweet. Then he gives the children some sugar to eat and has them confirm that sugar is sweet. After that, when he gives the children chocolate to eat, they will not say that chocolate is sweet, but they will understand the concept of taste.

Even if you teach hypothetical, verification-type research, if you don't understand the structure of the subject, etc., the research will end up being extremely formalistic. In the Graduate School of Commerce where I work, most of the students are international students from China. Many of them do not understand the assumptions, verification-type research, research objectives, etc., and I feel that many of them return to their home countries without having learned anything, even though they came to Japan. What is important is that even when conducting hypothesis testing research, it is necessary to clarify the social relevance and internal structure of the research object.

Of course, this kind of research is based on traditional university education. In his inaugural address to the University of St. Andrews, John Stuart Mill pointed out that the purpose of university education is to "produce capable and cultivated men. In today's highly specialized world, we should consider the basic theories of our specializations as part of our general education. In fact, such research does not aim to change the traditional research method of analysis, but to follow it.

In doing so, Mill points out the importance of having knowledge of other nations in order to correct our limited knowledge. "But as we cannot rid ourselves of preconceptions, there is no known means of eliminating their influence but by frequently using the differently colored glasses of other people: and those of other nations, being the most different, are the best." In today's world of advancing globalization, it is possible to acquire such knowledge, and especially at a time when international conflicts are so frequent, international exchange is needed. I also believe that this provides a perspective from which to consider how to use digital technology.

Of course, digital technology also creates various problems. In fact, it is said that even students at leading universities in Asia do not read newspapers and only look at their smartphones. I think that the concept of a film for dialog, as proposed by director Takahashi, who was invited to this conference last time, is a way to hold discussions with a sense of tension with reality. In any case, I think it is necessary to consider educational methods that respond to the age of digitalization.

## Reference

Kariya, T. (2017), Oxford karano Keikoku (A warning from Oxford), Chukoushinsha.

Mill, J.S. (1867), Inaugural Address delivered to the University St. Andrews, [https://en.wikisource.org/wiki/Inaugural\\_address\\_delivered\\_to\\_the\\_University\\_of\\_St.\\_Andrews,\\_Feb.\\_1st\\_1867](https://en.wikisource.org/wiki/Inaugural_address_delivered_to_the_University_of_St._Andrews,_Feb._1st_1867)

Tomosaka, H. (2019), AI to Shihounshugi (AI and Capitalism), Hon no Izumi sha.

Tourish, D. (2019), Management Studies in Crisis, Cambridge University Press.

# INTEGRATING BUDDHIST WISDOM WITH MODERN EDUCATION FOR SUSTAINABLE DEVELOPMENT

 **Prof Kavita Shah**

*Vice Chancellor*

Siddharth University Kapilvastu, Siddharth Nagar, Uttar Pradesh, India

Ex-Director, Institute of Environment and Sustainable Development

Banaras Hindu University, Varanasi

Integrating Buddhist wisdom with modern education for sustainable development involves a holistic approach that emphasizes values such as compassion, mindfulness, interconnectedness, and ethical living. Here are some strategies to facilitate this integration. Such an integration can contribute to a more compassionate and sustainable society. By teaching students to be mindful and interconnected, we can nurture a generation equipped to tackle the pressing challenges of sustainable development with empathy and ethical responsibility. The key lies in creating a learning environment that fosters these values both inside and outside the classroom. The key is to involve inclusive modifications in-

## 1. Curriculum Design

- **Include Buddhist studies as part of curriculum in all subjects and at both UG and PG levels:** Buddhist wisdom encompasses all disciplines and has contributions in all walks of life from Arts, Humanities, Economics, Languages, Sustainability to Management and Sciences. As part of traditional knowledge system this thought process shall have invaluable inputs in overall growth of students of the University.
- **Incorporate Ethical and Spiritual Values:** Design curricula that include teachings on compassion, interconnectedness, and mindfulness. Subjects like social studies, ethics, and environmental science can include Buddhist perspectives on interdependence.
- **Global Citizenship Education:** Embed concepts of global citizenship in the curriculum, reflecting on how individual actions impact the environment and society, aligned with Buddhist concepts of right action and responsibility.

## 2. Mindfulness Practices

- **Mindfulness Training :** Include mindfulness meditation sessions in school schedules to enhance focus, emotional regulation, and stress management among students and teachers.
- **Emotional and Social Learning :** Implement programs that teach emotional intelligence and resilience, drawing on Buddhist practices of compassion and empathy.

## 3. Environmental Education

- **NEP 2020:** As part of National Education Policy of India 2020 a major focus is upon imparting Environment Education through inter, multi and transdisciplinary approaches. This interconnect is important to understand the Sustainability concepts and develop a belongingness to the environment.

- **Interconnectedness with Nature:** Teach students about the interconnectedness of all life, a key Buddhist concept, in the context of environmental stewardship. Use teachings about the importance of nature conservation and respect for all living beings.
- **Sustainable Practices:** Encourage schools to adopt sustainable practices, such as reducing waste and promoting eco-friendly initiatives, reflecting the Buddhist principle of minimal harm.

#### 4. Community Engagement

- **Service Learning:** Incorporate community service projects that address social or environmental issues into the curriculum, emphasizing the Buddhist value of selfless service (Dana).
- **Dialogue and Reflection:** Create platforms for open dialogue about ethical issues in local and global contexts, encouraging students to reflect on their role in fostering sustainable development.

#### 5. Teacher Training

- **Professional Development:** Provide training for educators on integrating mindfulness and Buddhist values into their teaching practices, emphasizing the importance of cultivating a compassionate classroom environment.
- **Role of Educators:** Encourage teachers to model mindful and ethical behaviour, as their actions profoundly influence students.

#### 6. Holistic Assessment

- **Alternative Assessment Methods:** Move away from traditional testing and employ assessment methods that reflect students' growth in values such as compassion, teamwork, and social responsibility.
- **Feedback Mechanisms:** Implement constructive feedback methodologies that focus on personal growth and ethical decision-making.

#### 7. Collaborative Learning Environments

- **Encourage Collaboration:** Foster collaborative learning environments where students work together to solve problems related to sustainability, reflecting the Buddhist principle of interdependence.
- **Peer Mentorship Programs:** Establish mentorship programs where older students guide younger ones, nurturing a community spirit and reinforcing the values of compassion and support.

#### 8. Cultural Integration

- **Celebration of Diversity:** Encourage respect for various cultures and religions while highlighting the universal values found in Buddhism that support sustainability and ethical living.
- **Festivals and Programs:** Organize events that celebrate mindfulness, compassion, and community service, connecting students with broader cultural and spiritual practices related to sustainability.



# **18<sup>th</sup> N.E.W.S. Conference 2025 on Human Resource Development for the Fourth Industrial Revolution (2-3 April, 2025)**

## **Delivered at the 18<sup>th</sup> N.E.W.S. Vice Chancellors' Symposium**

 **Prof. Upendra Kumar Koirala, PhD**

Honorable Chairperson, Chief Guest,

Respected Vice Chancellors of Nepal and Abroad,

Esteemed Academicians, Distinguished Guests, Respected Delegates, and Ladies and Gentlemen,

It is an immense honor to stand before you today as the keynote speaker at this prestigious symposium. We gather here to deliberate on an issue of profound significance: Human Resource Development for the Fourth Industrial Revolution (4IR). This theme compels us to explore how higher education can align itself with evolving labor market demands, particularly in the context of Nepal. As we embark on this journey of exploration, let us critically examine the dynamics of the Fourth Industrial Revolution, its implications for human capital development, and the strategies Nepal must adopt to stay ahead in this rapidly transforming global landscape.

### **Understanding the Fourth Industrial Revolution**

The Fourth Industrial Revolution is characterized by a fusion of technologies blurring the lines between the physical, digital, and biological domains. Artificial Intelligence (AI), automation, robotics, the Internet of Things (IoT), blockchain, and biotechnology are reshaping industries, transforming economies, and redefining the nature of work. Unlike the previous industrial revolutions, which were linear and predictable, 4IR is evolving at an exponential pace.

As these advancements unfold, the skills required to remain relevant in the workforce are shifting dramatically. Traditional job roles are being redefined, new opportunities are emerging, and adaptability has become the new currency of employment. The challenge before us is to equip our workforce with the competencies necessary to thrive in this new world while ensuring that no one is left behind in the process of digital transformation.

### **Nepal in the Context of 4IR**

Nepal, like many developing nations, stands at a crossroads. While the country has made commendable strides in education, infrastructure, and technological adoption, the transition toward a 4IR-ready workforce remains in its infancy. The digital divide, inadequate research and development (R&D) funding, outdated curricula, and a skills gap pose formidable challenges.

However, Nepal also possesses unique strengths: its young demographic dividend, a rapidly expanding digital economy, and increasing global connectivity provide an opportunity to leapfrog into the 4IR era. The key to unlocking this potential lies in the transformation of our higher education system into a dynamic, agile, and future-ready ecosystem.

## **Aligning Higher Education with the Evolving Labor Market**

The labor market in the 4IR era is evolving toward greater automation, gig-based employment, and technology-driven enterprises. Our higher education institutions (HEIs) must adapt to this new reality by fostering an interdisciplinary, skills-based, and innovation-centric learning environment.

### **1. Curriculum Reform for Future Skills**

The traditional academic model, with its rigid curricula and theoretical focus, must evolve to accommodate future skills. Key areas for reform include:

- **STEM and Digital Literacy:** Strengthening science, technology, engineering, and mathematics (STEM) education while embedding digital literacy from an early stage.
- **Soft Skills and Critical Thinking:** Cultivating creativity, problem-solving abilities, leadership, and emotional intelligence.
- **Entrepreneurship and Innovation:** Encouraging students to develop entrepreneurial mindsets and equipping them with business acumen to navigate the gig economy and start-ups.

### **2. Industry-Academia Collaboration**

One of the major gaps in Nepal's higher education system is the disconnect between academia and industry. To bridge this gap, we must:

- **Establish Industry Partnerships:** Universities must collaborate with businesses, tech firms, and international organizations to ensure that academic programs reflect real-world requirements.
- **Internship and Apprenticeship Programs:** Hands-on experience in technology-driven environments will enhance students' employability and innovation potential.
- **Research and Development (R&D) Hubs:** Encouraging joint research initiatives between universities and industries to drive technological breakthroughs and economic growth.

### **3. Lifelong Learning and Upskilling**

In the 4IR era, learning does not stop with a degree; it must be a lifelong endeavor. Universities must adopt:

- **Flexible Learning Models:** Online courses, micro-credential programs, and continuous professional development (CPD) opportunities.
- **Upskilling and Reskilling Programs:** Enabling mid-career professionals to acquire new skills and remain competitive in a shifting job market.
- **Accessible Learning Platforms:** Leveraging digital technology to make learning accessible to all, including marginalized communities.

### **4. Strengthening Digital Infrastructure**

A strong digital backbone is imperative for 4IR readiness. Universities should champion the adoption of smart campuses, AI-driven teaching tools, and virtual laboratories. The government must also invest in broadband expansion and digital literacy initiatives to bridge the technological divide.

### **5. Policy Interventions and Governance**

To institutionalize these transformations, Nepal must introduce robust policies that:

- **Incentivize Innovation:** Funding R&D initiatives, promoting start-ups, and easing regulatory bottlenecks.
- **Enhance Public-Private Partnerships (PPPs):** Encouraging joint ventures between government, academia, and industry to drive technological advancement.
- **Strengthen Accreditation and Quality Assurance:** Ensuring that Nepalese universities meet international standards in education and skills training.

### **The Role of Leadership in Higher Education**

As Vice Chancellors, educators, and policymakers, you are the architects of Nepal's knowledge economy. The success of our transition into the 4IR hinges on your ability to:

- **Champion Educational Reform:** Driving curriculum modernization and research excellence.
- **Foster a Culture of Innovation:** Creating incubation centers, research hubs, and platforms for interdisciplinary collaboration.
- **Encourage Global Engagement:** Establishing partnerships with international institutions to exchange knowledge, technology, and expertise.

### **A Call to Action**

The Fourth Industrial Revolution is not a distant phenomenon—it is here, reshaping industries, economies, and societies. Nepal cannot afford to be a passive observer; we must actively shape our destiny. This requires a collective commitment to reinventing our education system, embracing technological transformation, and fostering a culture of continuous learning.

I urge all of you—academicians, policymakers, industry leaders, and students—to take decisive steps in this direction. Let us ensure that Nepal's human capital is not only prepared for the challenges of the 4IR but poised to lead and innovate in the global arena.

Together, we can build a future where knowledge, skills, and technology drive prosperity for all. Thank you.

# 18<sup>th</sup> N.E.W.S. Conference 2025 on Human Resource Development for the Fourth Industrial Revolution

## (2-3 April, 2025)

### Theme of the Speech: Fourth Industrial Revolution and Its Effects in HRM

 Prof. Upendra Kumar Koirala, PhD

Honorable Chairperson, Chief Guest,

Respected Vice Chancellors of Nepal and Abroad,

Esteemed Academicians, Distinguished Guests, Respected Delegates, and Ladies and Gentlemen,

A warm greeting to you all. It is a great honor to be with you as a speaker on the topic "Fourth Industrial Revolution and Its Effects in HRM" at this international conference.

The increasing competitive business environment and rapid technological revolution necessitate that any organization adopt impactful measures to move forward and achieve its organizational goals effectively and efficiently, moving away from traditional organizational practices. In the long run, achieving a significant leap in organizational task execution requires continuous improvement in the expertise, skills, and proficiency of human resources. The Fourth Industrial Revolution (4IR) has provided new foundations and practical applications to fulfill these very needs.

#### **4IR in HRM: The Digital Transformation of Human Capital**

The Fourth Industrial Revolution, also called Industry 4.0, is considered the most discussed topic among experts today. Industry 4.0 is the fusion of technologies—artificial intelligence (AI), big data, robotics, blockchain, cloud computing, and the Internet of Things (IoT). It has a profound influence on HRM through the utilization of Machine Learning (ML) and the Internet of Things (IoT) in areas such as recruitment and selection, employee training and development, employee engagement and satisfaction, performance management, workforce planning and optimization, and data-driven decision-making. The incorporation of modern technologies such as Artificial Intelligence (AI), Machine Learning (ML), automation, and data analytics into HR practices is at the heart of this revolution. These techniques enable HR professionals to streamline and improve different aspects of their roles, resulting in greater efficiency and decision-making.

HRM is no longer just about managing employees; it's about strategically aligning human capital with these advanced technologies to drive organizational innovation and agility. HRM in the 4IR refers to the integration of these technologies to manage human capital more effectively,

enhancing productivity, efficiency, and workplace satisfaction. It's about cultivating a workforce that is not only skilled but also adaptable, creative, and capable of navigating rapid change.

Recruitment and talent acquisition, for example, have seen significant transformations. AI-powered algorithms are increasingly assisting HR departments in identifying and matching individuals to job criteria, minimizing manual labor and bias. Similarly, Virtual Reality (VR) and Augmented Reality (AR) experiences are revolutionizing employee onboarding and training, creating immersive learning environments that enhance engagement and retention. Furthermore,



the Fourth Industrial Revolution accelerates the rise of remote employment and flexible working arrangements. Cloud-based HR systems, collaboration tools, and communication platforms enable seamless remote work experiences, allowing employees to have greater control over their schedules while remaining productive.

### Importance of 4IR in HRM: The Strategic Imperative

The integration of 4IR technologies into HRM is paramount. It's not just a trend but a necessity for survival in today's competitive environment. Its importance in HRM includes:

- **Improved Efficiency:** Automating routine HR tasks reduces workload and allows professionals to focus on strategic decisions.
- **Data-Driven Decision Making:** AI-powered analytics help HR teams make better hiring, training, and retention decisions.
- **Enhanced Employee Experience:** Chatbots, self-service portals, and AI-driven learning systems personalize the employee experience.
- **Remote Workforce Management:** 4IR tools facilitate remote work, ensuring seamless communication and collaboration across different geographies.
- **Personalized Learning and Development:** Tailored training programs enhance employee skills and adaptability.

In essence, 4IR enables HRM to become more proactive, strategic, and impactful.

### Different 4IR Tools & Techniques Used in HRM: The Technological Arsenal

Several cutting-edge technologies are transforming HRM:

- **Artificial Intelligence (AI) & Machine Learning (ML):** AI-driven recruitment processes analyze resumes, assess candidates, and even conduct interviews. Chatbots provide instant support, and AI algorithms analyze data to predict employee turnover.
- **Big Data & People Analytics:** HR teams use big data to predict employee performance, turnover rates, and engagement levels.
- **Cloud Computing:** Cloud-based HRM systems allow easy access to employee data, payroll, and compliance records in real time.
- **Internet of Things (IoT):** Smart devices help track employee health, safety, and productivity.
- **Blockchain:** Enhances security in payroll management, employee credentials, and contract verification.
- **Virtual and Augmented Reality (VR/AR):** VR/AR is used for immersive training and development programs.

### Implementing Strategies of 4IR in HRM: The Blueprint for Success

To successfully integrate 4IR into HRM, organizations must:

- **Adopt HR Technology Platforms:** Implement AI-based HR software for automation and analytics.
- **Upskill and Reskill HR Professionals:** Train HR teams to understand and use emerging technologies effectively.
- **Encourage a Digital Culture:** Develop a workplace culture that embraces change and technological adaptation.
- **Promote Employee Digital Literacy:** Equip employees with the necessary digital skills to adapt to new HR tools.
- **Leverage Predictive Analytics:** Use data analytics to forecast workforce trends and improve decision-making.

- **Promote Flexible Work Arrangements:** Embrace remote work and flexible schedules.
- **Focus on Employee Experience:** Prioritize employee well-being and engagement.
- **Data Security and Privacy:** Ensure that all data is handled safely and ethically.

Problems in Implementing 4IR in HRM and Remedial Measures: Navigating the Challenges

Despite the advantages, there are significant challenges in implementing 4IR in HRM:

- **Resistance to Change:** Employees may fear job displacement due to automation.  
**Solution:** Provide training and reskilling programs to help employees adapt to technological changes.
- **High Initial Costs:** Implementing AI-driven HRM solutions can be expensive.  
**Solution:** Invest in scalable technology and prioritize cost-effective HR tools.
- **Data Security Concerns:** Storing employee data on cloud platforms poses cybersecurity risks.  
**Solution:** Implement robust cybersecurity measures and blockchain technology for secure data management.
- **Skill Gaps:** Lack of technical expertise among HR professionals.  
**Solution:** Conduct digital literacy training and hire tech-savvy HR personnel.
- **Digital Divide:** Provide training and access to technology for all employees.
- **Ethical Considerations:** Establish ethical guidelines for the use of AI and other 4IR technologies.

#### Status of 4IR in HRM in Nepal

In Nepal, HRM is gradually embracing 4IR technologies, though challenges remain. Some key observations include:

- **Adoption of HR Technology:** Many corporate organizations and banks have started using HR management software for payroll, recruitment, and performance management.
- **Government Initiatives:** Policies are being introduced to promote digital transformation, but implementation is slow.
- **Challenges:** Many small and medium enterprises (SMEs) lack awareness and financial resources to adopt advanced HR technologies. There is also limited infrastructure and digital literacy.
- A gap in specialized skills required for 4IR technologies.
- **Opportunities:** The increasing use of cloud-based HRM solutions, online job portals, and AI-driven recruitment systems indicate a positive shift toward digital HR practices. The government is also starting to create policies related to technology and 4IR.
- Increased investment in education and training related to 4IR technologies is needed.
- To accelerate progress, Nepal needs to invest in digital infrastructure, promote digital literacy, and foster a culture of innovation.

#### Conclusion: Embracing the Future of Work

To sum up, the Fourth Industrial Revolution is reshaping HRM, bringing automation, data-driven insights, and enhanced employee experiences. However, its success depends on how effectively organizations implement these technologies while addressing challenges like resistance to change, skill gaps, and data security. Nepal is gradually progressing in adopting 4IR in HRM, and with the right strategies, we can ensure a future-ready workforce.

Let us embrace this transformation and work toward a smarter, more efficient, and people-centric HR management system.

Thank you!

# Connecting Higher Education to the Contemporary Labour Market in Nepal

 **Bed Raj KC**

*Vice Chancellor  
Pokhara University*

## Introduction

The higher education sector and labor market face significant challenges in alignment in Nepal mainly due to skill mismatches and evolving economic demands of graduates. While enrollment growth and gender parity progress are commendable, systemic underfunding, curricular stagnation, and rural-urban divides undermine economic potential. With a gross enrollment ratio (GER) of 22% in higher education and a labor market transitioning toward services and migration-driven remittances, it is essential to transform the higher education sector by modernizing curricula to match the contemporary skill demand of the labor market and fostering research and innovation <sup>[1][2][3]</sup>. Strategic reforms prioritizing industry collaboration, vocational training, and inclusive policies could transform higher education into a catalyst for employment and reduced migration dependency. With 661,126 students enrolled nationally and abroad, leveraging this demographic dividend requires urgent, coordinated action to align education with the demands of the domestic employment sector <sup>[2][3][4]</sup>. Female enrollment has risen to 52.04%, achieving a Gender Parity Index of 1.9, both the higher education and the employment sector needs to be reformed to complement the requirements of each other<sup>[1][2]</sup>. In recent years, the number of students seeking admission in the foreign universities is increasing steadily, Nepali universities need to redefine higher education policies and attract international students. Finally, as there is a high rate of intellectual brain drain from the country, it is utterly important to embark an intervention to recruit and retain internationally trained experienced academicians and researchers in Nepali universities, thereby improving the quality of Nepali higher education.

## Current State of Higher Education

Nepal's higher education sector is dominated by Tribhuvan University (TU), which enrolls over 75% of students and produces 76% of graduates<sup>[1][2]</sup>. Despite this, systemic issues persist:

- i. **Funding disparities:** Only 3.5% of the national education budget is allocated to higher education, disproportionately favoring Tribhuvan University over newer universities like Kathmandu University and Pokhara University<sup>[1]</sup>.
- ii. **Low graduation rates:** TU's pass rate stagnates at ~26%, reflecting a need of curricular reform and inadequate resources<sup>[1]</sup>.
- iii. **Field-specific imbalances:** Management programs enroll 46.37% of students, while STEM fields account for just 8.38% domestically despite being popular among Nepali students studying abroad<sup>[1]</sup>.

- iv. **Geographic inequity:** 35% of campuses have fewer than 100 students, with most institutions concentrated in urban areas, forcing rural students to relocate at high costs<sup>[1][2]</sup>.

### Labor Market Dynamics

Nepal's labor market is undergoing rapid shifts:

- i. **Sectoral transitions:** Agricultural employment fell from 39% (2003) to 24.6% (2024), while services now contribute 55% to GDP<sup>[3]</sup>.
- ii. **Informal dominance:** Over 60% of employment is informal, characterized by low productivity and job insecurity<sup>[3]</sup>.
- iii. **Migration reliance:** Remittances constitute 23% of GDP, with 1,000+ Nepalis migrating daily for low-skilled jobs abroad<sup>[4]</sup>.
- iv. **Skill gaps:** Only 12.5% of workers have formal vocational training, exacerbating underemployment and youth unemployment<sup>[3][4]</sup>.

### Gaps Between Higher Education and Employment Sector in Nepal

#### i. Curriculum Irrelevance

Higher education programs, especially in management and humanities, lack alignment with labor market needs. STEM graduates face limited domestic opportunities, pushing many abroad despite growing demand for technical skills in Nepal's industrial and IT sectors<sup>[1][3]</sup>.

#### ii. Unsecured Employment Sector

Both the government and private employment sectors less friendly to the university graduates in terms of providing equal employment opportunities and contemporary salaries forcing fresh graduates go abroad for the employment.

#### iii. Urban-Rural Divide

Rural students often attend underfunded public colleges with limited course options, while urban private institutions cater to elites. This disparity perpetuates unequal access to high-paying jobs concentrated in cities like Kathmandu<sup>[1][2]</sup>.

#### iv. Migration-Driven Brain Drain

In 2023, 59 foreign-affiliated campuses enrolled 28,073 students, yet skilled graduates frequently seek opportunities abroad due to weak domestic job creation. This contrasts with the 633,053 students in national institutions, many of whom end up in informal or low-wage roles<sup>[2][4]</sup>.

#### v. Gender and Inclusion Gaps

While female enrollment surpasses males, women remain underrepresented in STEM and leadership roles<sup>[1][3]</sup>.

### Policy and Institutional Challenges

- i. **Weak governance:** Over-politicization of staff and fragmented management hinder reforms<sup>[5]</sup>.

- ii. **Underinvestment:** Despite increased funding (NPR 9.3 billion in 2017/18 to NPR 17.46 billion in 2023/24), per-student allocations remain inadequate<sup>[2]</sup>.
- iii. **Lack of research and innovation culture:** Less than 2% of university budgets fund research, stifling innovation<sup>[5]</sup>.

## Recommendations

### i. Curriculum Modernization

- Introduce **industry-linked programs** in STEM including IT, and healthcare, collaborating with foreign universities for curriculum design<sup>[5][4]</sup>.
- Expand **work-integrated learning** (internships, apprenticeships) to bridge theoretical and practical skills<sup>[4]</sup>.

### ii. Strengthening Research and Innovation

- Scale up high-tech research lab to promote innovation and generation of Intellectual Property.
- Foster collaboration with national and international research institutions and industries for research and innovation.

### iii. Strengthening Vocational Training

- Scale up Technical and Vocational Education and Training (TVET) to meet demand of the employment sector.
- Align certifications with international standards to enhance migrant worker competitiveness.

### iv. Equity-Focused Interventions

- Establish rural education hubs with online learning infrastructure to reduce geographic barriers.
- Implement affirmative action policies for gender equality and integration of LGBTQ+ and marginalized communities in admissions and hiring.

### v. Public-Private Partnerships

- Incentivize private sector investment in R&D and campus partnerships to improve graduate employability.
- Develop a national labor market information system to track skills demand and inform enrollment strategies.

### vi. Brain Gain Strategic Intervention

- Recruit and retain internationally trained and globally competent human resource in teaching and research specially to attract highly skilled Nepali professionals working abroad.

### vii. Internationalization of Nepali Universities

- Establish international schools with global standard resources and facilities to offer globally demanding programs in Nepali Universities to attract international students.

### **Work Cited**

1. <https://nipore.org/current-state-of-higher-education-in-nepal/>
2. <https://www.ugcnepal.edu.np/uploads/publicationsAndReports/T5mb0F.pdf>
3. <https://www.nepjol.info/index.php/ijmss/article/view/69462>
4. <https://www.ilo.org/publications/analysis-labour-market-and-migration-trends-nepal>
5. <https://thehimalayantimes.com/opinion/nepali-higher-education-system-issues-and-measures>



## Contents

S. N.	Article	Author	Page No.
1	Bridging the Digital Divide: Strategies for Upskilling and Reskilling Human Resource in Nepal	Aditya Bhusal	1
2	Buddhism in the Context of Human Rights	Bhakti Ram Ghimire	12
3	The Impact of Vipassana on Attention and Decision-Making in AI and Automation Era: Neuroscientific Insights	Dr. Bishal Joshi	21
4	A Systematic Review of SMEs Performance: Does the Play Financial Literacy, Financial Inclusion, and Financial Risk Catalyst Role?	Chudamani Khatri	34
5	The Role of Digital Platforms in Promoting Spiritual Tourism: A Case Study of the Maha Kumbh Festival in Prayagraj	Gajendra Gupta	50
6	Civil Society and Cooperative Organisations: On the Japanese Characteristics of Cooperative Organisations	Hirasawa Katshuiko	56
7	Integrating Ai in Education: Preparing Educators and Learners	Hom Raj Khadka	65
8	HR Eudaimonia: The Sigālovāda Sutta's Path to Sustainability	Manjil Subedi/ Kamal Thapa	69
9	Buddhist Research for Work Market Participation: A Comparative Analysis of Caste, Religion, and Women's Employment in Sri Lanka	Dr. Kemal YILDIRIM	75
10	Classroom to Catalyst: Reimagining Higher Education as a Driver of New Market Creation	Nabraj Lama	87
11	Artificial Intelligence: An Academic Masterpiece Aligns with Buddhist Principles	Shakti Dhar Yadav	117
12	Case Studies of Tourism as Soft Power: How Countries Leverage Tourism to Enhance International Relations	Shree Prasad Bhattarai	128



# Bridging the Digital Divide: Strategies for Upskilling and Reskilling Human Resource in Nepal

 Aditya Bhusal

*Lumbini Buddhist University*

## ABSTRACT

The Industrial Revolution is reshaping economies, labor markets, and governance structures worldwide, necessitating a paradigm shift in workforce development. The growing digital divide poses a critical challenge, particularly in emerging economies, where technological advancements risk exacerbating socioeconomic inequalities. The study incorporates policy analysis, case studies, and comparative assessments of global best practices in digital education and workforce training. It examines governmental initiatives, public-private partnerships, and the role of international cooperation in fostering inclusive digital transformation. It also evaluates economic policies that incentivize industries to invest in human capital and the diplomatic engagements necessary to build cross-border knowledge-sharing networks. The comprehensive digital literacy programs, supported by multilateral agreements and state-driven initiatives, are essential for sustainable economic inclusion. Governments must prioritize infrastructural investments, regulatory frameworks, and fiscal incentives to facilitate workforce adaptability. Additionally, international cooperation plays a vital role in reducing disparities through collaborative educational policies and technology transfer agreements.

## KEYWORDS

Digital Divide, Upskilling, Reskilling, Workforce Development, International Cooperation.

## Introduction

The Industrial Revolution refers to the period of transformation from agrarian and handicraft-based economies to industrial and machine-driven production systems. It marked significant advancements in manufacturing, transportation, and communication, shaping modern economies and societies. The revolution began in the late 18th century in Britain, characterized by mechanized textile production, steam power, and factory systems (Fox, 1996). The second wave, known as the Second Industrial Revolution, introduced electricity, mass production, and new industries. The Third Industrial Revolution, or the Digital Revolution, emerged in the 20th century with the rise of computers, automation, and the internet. Currently, the world is experiencing the Fourth Industrial Revolution (4IR), driven by artificial intelligence, robotics, and biotechnology, fundamentally altering industries and labor markets (Mhlanga, 2020). Several scholars have examined the transformative impacts of the Industrial Revolution. Landes (1969) in "The Unbound Prometheus" explores the technological advancements that fueled economic growth during the first two Industrial Revolutions, emphasizing the role of mechanization in industrial productivity. Similarly, Mokyr (1990) in "The Lever of Riches" highlights the diffusion of innovation and knowledge as critical drivers of industrialization. The transition to the Third Industrial Revolution is well-documented by Brynjolfsson and McAfee (2014) in "The Second Machine Age," which discusses the implications of digital technologies on labor markets and economic structures. More recently, Schwab (2016) in "The Fourth Industrial Revolution" provides insights into how emerging technologies

such as artificial intelligence and blockchain are reshaping global economies.

The digital divide refers to the gap between individuals, communities, and nations in accessing and utilizing digital technologies (Cullen, 2001). This divide is influenced by factors such as income levels, infrastructure availability, digital literacy, and government policies. Globally, developed countries are advancing rapidly with artificial intelligence, big data, and smart industries, while developing nations struggle with inadequate infrastructure and digital exclusion. Warschauer (2003) in "Technology and Social Inclusion" underscores the role of social and economic factors in deepening the digital divide, arguing that access to technology alone is insufficient without digital literacy and skills development. Similarly, Van Dijk (2020) in "The Digital Divide" categorizes disparities in access, motivation, and skills, emphasizing that merely providing infrastructure does not guarantee effective digital participation. In Nepal, the digital divide remains a significant challenge, particularly in rural areas where internet penetration and digital literacy rates are low. Although urban centers have witnessed improvements with increasing mobile and broadband usage, disparities persist in digital education, e-governance access, and workforce digital skills. A study by Sharma (2018) highlights the urban-rural disparity in Nepal's digital landscape, noting that while Kathmandu and other major cities have embraced digital transformation, remote areas remain marginalized due to inadequate infrastructure and limited governmental initiatives. Addressing these gaps is crucial for Nepal's participation in the Fourth Industrial Revolution and for ensuring inclusive economic growth.

Examining the relationship between the Fourth Industrial Revolution and the digital divide is essential in understanding how technological advancements shape economic development and social inclusion (Xiao et al., 2024). While much research has focused on the broader implications of industrial revolutions, there remains a need to analyze how developing nations, particularly Nepal, are positioned within this evolving landscape. This study seeks to bridge this gap by assessing the extent of digital disparities and their impact on Nepal's ability to integrate into the global digital economy. By identifying key challenges and proposing policy recommendations, this paper contributes to ongoing discussions on inclusive growth and equitable technological access in the context of rapid industrial transformation.

The significance of this study lies in its potential to inform policymakers, educators, and industry leaders about the necessity of digital inclusion in Nepal's development strategy. As the Fourth Industrial Revolution continues to redefine industries and labor markets, ensuring equitable access to digital resources becomes a critical factor in national progress (Mousa, 2025). By addressing the digital divide, this research aims to facilitate informed decision-making, promote sustainable economic development, and enhance Nepal's global competitiveness in the digital era. Furthermore, this study hypothesizes that digital disparities significantly hinder Nepal's ability to leverage the opportunities presented by the Fourth Industrial Revolution. Through a structured analysis of existing infrastructure, policy frameworks, and socio-economic factors, this research aims to highlight the extent of these barriers.

This study focuses on the intersection of digital transformation and socio-economic development in Nepal, emphasizing the challenges faced by marginalized communities. While the research primarily investigates Nepal's digital divide, its implications extend to broader discussions on global digital inclusion. However, given the rapidly evolving nature of digital technologies and economic policies, certain limitations exist in capturing real-time changes and future trends. Despite these constraints, the findings of this study will provide valuable insights into strategies for fostering digital equity and sustainable growth in the context of industrial transformation.

## **Need for Upskilling and Reskilling in Nepal and the Industrial Revolution**

As the world transitions into the Fourth Industrial Revolution (4IR), Nepal faces both opportunities and challenges in adapting to rapid technological advancements (Mukherjee & Sarma, 2022). The 4IR, characterized by automation, artificial intelligence (AI), robotics, and digitalization, is reshaping industries, job markets, and economic structures globally. For Nepal, a country with a predominantly agrarian economy and a growing service sector, upskilling and reskilling have become essential to ensure a competitive and adaptable workforce.

### **Technological Disruptions and Workforce Transformation**

With automation replacing repetitive tasks and AI-driven innovations transforming traditional job roles, there is an increasing demand for a digitally competent workforce (Frey & Osborne, 2013). Sectors like IT, finance, tourism, healthcare, and manufacturing require employees to develop advanced technical skills, critical thinking, and adaptability (Brynjolfsson & McAfee, 2017). Without upskilling initiatives, Nepal risks a widening skills gap, leading to higher unemployment rates and underutilization of human resources.

### **Challenges in Nepal's Current Workforce**

Nepal's labor force is highly reliant on foreign employment, particularly in the Middle East and Southeast Asia, where low-skilled jobs dominate (Autor, 2015). However, as automation advances in these regions, low-skill job opportunities are shrinking, increasing the urgency for upskilling programs. Additionally, many Nepali graduates struggle to meet industry demands due to outdated curricula and limited practical exposure, further highlighting the need for education reform and skill development initiatives.

### **Opportunities for Economic Growth**

Investing in upskilling and reskilling can enhance Nepal's potential in emerging sectors like software development, digital marketing, fintech, AI, and data science. Strengthening vocational training and technical education will also help Nepalese workers secure higher-paying jobs both domestically and abroad (Hoque, 2017). Furthermore, with digital platforms enabling remote work, Nepal has the potential to become a global outsourcing hub for IT and knowledge-based services.

### **Bridging the Digital Divide**

A significant challenge is the digital divide, where rural areas have limited access to digital education and skill-building opportunities. Policies that focus on enhancing digital literacy, expanding internet accessibility, and integrating technology-driven learning modules are crucial for making upskilling initiatives inclusive and effective.

Thus, upskilling and reskilling are not just workforce development strategies but key drivers of Nepal's socio-economic transformation in the era of the Fourth Industrial Revolution. A collaborative approach involving the government, private sector, academic institutions, and international organizations is necessary to ensure sustainable skill development and employment generation in Nepal.

### **Government Policy**

Nepal's approach to upskilling and reskilling has been shaped by government policies aimed at enhancing workforce productivity, promoting digital literacy, and preparing citizens for the changing demands of the global job market. However, these policies have struggled to bridge the digital divide, leaving a significant portion of the population without access to essential skills needed for the Fourth Industrial Revolution (4IR). A comparison with countries such as India, China, the USA, and Europe reveals that Nepal's policies lack structured implementation, technological adaptation, and industry collaboration,

making it difficult for the workforce to keep pace with evolving job requirements.

One of the key challenges in Nepal's upskilling and reskilling efforts is the limited access to digital infrastructure and technology-based learning resources. While the Digital Nepal Framework (2019) laid the foundation for digital transformation, its execution has been slow, particularly in rural and underserved areas. Many vocational training programs under the Council for Technical Education and Vocational Training (CTEVT) and other initiatives still focus on traditional trades rather than emerging digital skills such as coding, cybersecurity, and AI. In contrast, India's Digital India Initiative has successfully integrated public-private partnerships to expand digital literacy programs, ensuring that even those in rural areas can access online learning platforms (Pradhan & Gill, 2020). Nepal's reliance on government-driven programs without strong industry engagement limits its effectiveness in equipping citizens with market-driven skills.

Moreover, Nepal's policy framework does not sufficiently address the cost barrier to digital learning. Many workers, particularly in low-income groups, cannot afford digital devices, high-speed internet, or access to online learning platforms (World Bank, 2022). In comparison, countries like the USA and those in the European Union (EU) have introduced financial incentives, subsidies, and employer-sponsored training programs to encourage lifelong learning and workforce reskilling. The lack of affordable digital education in Nepal exacerbates the digital divide, preventing marginalized groups from benefiting from available opportunities.

Another critical issue is the disconnect between academia and industry in Nepal's upskilling initiatives. Most training programs are government-led and fail to incorporate real-world industry needs, leading to a mismatch between education and labor market demands. In contrast, China has integrated AI, robotics, and automation into its vocational education system, ensuring that students acquire skills that align with the future job market. Nepal's slow curriculum reform process and lack of investment in research and development mean that workers are often trained in outdated technologies, making them less competitive in the global workforce.

Furthermore, Nepal's labor policies have not effectively addressed the reskilling needs of workers displaced by automation and globalization. With increasing digital transformation, many traditional jobs are becoming obsolete, yet there are no large-scale programs to retrain affected workers. Countries like Germany and Scandinavian nations have implemented comprehensive reskilling programs, offering workers opportunities to transition into new roles through structured vocational training and financial support. Nepal, however, still follows a short-term employment-focused model, such as the Prime Minister Employment Program (PMEP), which provides temporary jobs rather than long-term skill-building solutions.

To overcome these challenges, Nepal must take decisive steps to reform its policies and address the digital divide in upskilling and reskilling. Key recommendations include:

1. Expanding digital infrastructure: Investments in high-speed internet, affordable digital devices, and online learning platforms are crucial to making digital education accessible nationwide.
2. Encouraging private sector collaboration: Tech companies, industries, and academic institutions should work together to design market-driven skill development programs that align with future job demands.
3. Introducing financial incentives: Scholarships, low-cost training programs, and employer-funded reskilling initiatives can help workers overcome financial barriers to digital education.
4. Updating the education and vocational training system: Nepal should modernize curricula to



include AI, automation, cloud computing, and digital entrepreneurship, ensuring that students are prepared for the 4IR job market.

5. Focusing on lifelong learning: Establishing policies that encourage continuous education and mid-career reskilling can help workers stay relevant in an evolving labor market.

### **Diplomatic and International Cooperation**

Nepal's engagement in international cooperation for skill development has provided significant opportunities for its workforce, particularly in labor migration (OECD, 2021). Various bilateral and multilateral partnerships have facilitated vocational training, scholarships, and technical skill development. However, despite these efforts, Nepal still faces several challenges in leveraging international cooperation for sustainable and long-term human capital development (Brynjolfsson & McAfee, 2014). The country continues to rely heavily on labor migration-based skill development, lacks focus on digital transformation, and struggles with institutional inefficiencies that limit the impact of international collaborations. To ensure that its workforce remains competitive in the digital era, Nepal must redefine its diplomatic and international engagement strategies toward a more future-oriented and inclusive approach.

One of the major shortcomings in Nepal's current approach to international skill development cooperation is its over-reliance on labor migration-based training programs. While bilateral labor agreements with countries such as Qatar, South Korea, and Malaysia have provided employment opportunities for Nepalese workers, they primarily focus on industry-specific skills required in foreign job markets. This approach does not contribute to the development of a sustainable, high-skilled workforce within Nepal. Moreover, most of these training programs are short-term and do not emphasize lifelong learning or continuous skill upgrading. As a result, Nepalese workers often acquire skills that are not transferable to Nepal's domestic labor market, creating a gap between the skills supply and local demand. To address this issue, Nepal should negotiate comprehensive skill development agreements that go beyond migration-oriented training and focus on high-value industries such as digital technology, engineering, and entrepreneurship.

Another significant limitation in Nepal's international skill development strategy is the inadequate focus on digital and emerging skills. While technical and vocational education programs have been supported through international collaborations, they primarily cater to traditional sectors such as construction, manufacturing, and hospitality. There has been limited emphasis on future-oriented skills, including artificial intelligence, cybersecurity, data science, and cloud computing, which are critical for the Fourth Industrial Revolution. Countries like Japan, Germany, and the USA have advanced expertise in these areas, but Nepal has not sufficiently leveraged diplomatic ties with these nations to build a digitally competent workforce (Manyika et al., 2017). To overcome this challenge, Nepal must integrate digital skills training into future international agreements, ensuring that its workforce is prepared for the evolving global job market.

Unequal access to training opportunities is another major concern. Most foreign-supported training programs are concentrated in urban centers such as Kathmandu, leaving rural populations with limited access to upskilling and reskilling opportunities (Jalali, 2012). Given that a significant portion of Nepal's population resides in rural areas, this urban-centric approach widens the skill gap and restricts socio-economic mobility. Many rural workers, despite possessing the potential to contribute to the economy, are unable to access quality training due to infrastructure limitations and inadequate outreach efforts. To mitigate this disparity, international cooperation should prioritize rural workforce development by establishing training centers in remote areas and utilizing digital learning platforms to reach a broader audience.

Institutional inefficiencies and the lack of policy alignment further hinder the effectiveness of international skill development initiatives in Nepal. Many agreements and programs operate in silos without a coordinated national framework to ensure consistency and long-term sustainability. While organizations such as the World Bank, the Asian Development Bank (ADB), and the United Nations Development Programme (UNDP) have provided financial and technical assistance, Nepal has struggled to implement these projects effectively due to bureaucratic hurdles and fragmented governance structures. There is also a lack of monitoring and evaluation mechanisms to assess the outcomes of foreign-funded training programs. To address these institutional shortcomings, Nepal must establish a centralized national body responsible for overseeing and integrating international skill development projects. A comprehensive policy framework should be developed to align these initiatives with Nepal's long-term economic goals.

Another critical issue is the short-term and project-based nature of many international skill development initiatives. Most foreign-funded training programs in Nepal operate on a fixed-term basis and are discontinued once the funding period ends. This lack of sustainability prevents long-term knowledge retention and limits the ability of training institutions to evolve with changing industry demands. Instead of relying solely on short-term projects, Nepal should focus on building self-sustaining skill development ecosystems by fostering public-private partnerships and engaging multinational corporations in providing continuous training and mentorship programs. By involving industry stakeholders in skill development, Nepal can ensure that training programs remain relevant to market needs and are not solely dependent on temporary external funding.

To enhance the effectiveness of its diplomatic and international engagements in skills development, Nepal must redefine its strategic priorities. Future agreements should emphasize technology transfer, industry partnerships, and entrepreneurship training alongside traditional vocational education. Public-private partnerships should be actively promoted to integrate corporate expertise into training initiatives, ensuring that the skills imparted align with global market trends. Additionally, Nepal should expand international scholarships and technical exchange programs focused on digital and technical skills. Negotiating more opportunities with nations such as China, Japan, India, and the USA would enable Nepalese students and professionals to acquire specialized expertise and contribute to Nepal's economic transformation upon their return.

Furthermore, Nepal should leverage regional cooperation platforms such as the South Asian Association for Regional Cooperation (SAARC), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and the Association of Southeast Asian Nations (ASEAN) to enhance cross-border knowledge exchange and skills development. Engaging with regional economic and technical alliances can help Nepal access a broader range of training resources and integrate its workforce into regional digital economies. Establishing a national strategy for international skill collaboration would also ensure a more coordinated approach, where all international engagements in skill development align with Nepal's long-term development plans.

In conclusion, Nepal's diplomatic efforts and international cooperation have played a crucial role in upskilling and reskilling its workforce, particularly in the context of labor migration. However, the country must shift its focus towards long-term skill development strategies that emphasize digital transformation, lifelong learning, and domestic industry collaboration. Addressing gaps in policy alignment, institutional capacity, and accessibility will be critical in ensuring that international partnerships translate into sustainable workforce development. By strategically aligning its foreign policy with its economic and digital transformation goals, Nepal can maximize the benefits of international cooperation and create a resilient, future-ready workforce capable of thriving in the global economy.

## Lessons from International Cooperation in Upskilling and Reskilling

Nepal can draw valuable lessons from countries that once faced similar challenges but successfully leveraged international cooperation to transform their workforce and economy. The following case studies of **Vietnam** and **Rwanda** highlight how strategic diplomatic efforts, public-private partnerships, and skill development initiatives contributed to their economic and technological growth. These examples provide insights into how Nepal can reshape its approach to workforce development and maximize the benefits of global partnerships.

### Case Study 1: Vietnam – Leveraging International Cooperation for Workforce Development and Economic Growth

Vietnam, like Nepal, historically struggled with a lack of skilled labor, economic constraints, and high workforce migration. During the late 20th century, the country was predominantly agrarian, with limited access to modern industrial skills. The technical education system was outdated, and there was little alignment between training programs and industry demands (Bodewig, 2014). These challenges made it difficult for Vietnam to compete globally and limited its ability to attract foreign investment.

Vietnam's transformation began when it strategically utilized international cooperation to upskill its workforce and attract foreign direct investment (FDI). The country signed multiple agreements with global institutions, including the World Bank, the Asian Development Bank (ADB), and the United Nations Development Programme (UNDP), to improve its education and vocational training infrastructure.

Germany and Japan played a crucial role in strengthening Vietnam's Technical and Vocational Education and Training (TVET) programs (Baldwin, 2019). Germany's GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) and Japan's Overseas Human Resources and Industry Development Association (HIDA) helped Vietnam establish high-quality industrial training centers. These partnerships focused on manufacturing, automation, and digital skills, aligning training with the needs of foreign investors. As a result, global companies like Samsung, Intel, and Toyota set up factories in Vietnam, creating millions of skilled jobs.

Recognizing the growing importance of the digital economy, Vietnam also partnered with South Korea's KOICA (Korea International Cooperation Agency) and USAID (United States Agency for International Development) to promote IT and digital skills training. These initiatives focused on cybersecurity, AI, data analytics, and cloud computing, positioning Vietnam as an emerging hub for technology and IT outsourcing. Today, Vietnam's IT industry alone contributes 14% of its GDP, and its strong digital workforce has reduced reliance on low-skill labor migration.

Vietnam's success in workforce development provides valuable lessons for Nepal. First, Nepal must diversify its skill development efforts beyond labor migration and prioritize local industry needs. Second, attracting foreign investment through a skilled workforce can help Nepal create high-value job opportunities at home. Third, public-private partnerships with multinational corporations and global universities can ensure that Nepal's training programs are aligned with market demands. Lastly, Vietnam's emphasis on digital skills development demonstrates how Nepal can prepare its workforce for the Fourth Industrial Revolution.

### Case Study 2: Rwanda – Building a Digital Workforce through International Cooperation

Rwanda, a country devastated by the 1994 genocide, was among the least developed nations in Africa. It faced severe poverty, an underdeveloped workforce, and limited economic opportunities. Like Nepal, Rwanda had low digital literacy, weak infrastructure, and an overreliance on agriculture, making it

difficult to compete in the global market. The key challenge was to upskill and reskill its workforce to transition from a low-income economy into a knowledge-driven economy.

To overcome these challenges, Rwanda leveraged international partnerships to develop its education and technical skill base (Murenzi & Hughes, 2006). The government launched the Smart Rwanda Initiative, supported by the World Bank and the African Development Bank (ADB), to integrate digital skills training into education and create employment opportunities in ICT-related fields (UNESCO, 2020). The initiative focused on making Rwanda a leader in digital transformation, e-governance, and technology-driven economic growth.

Germany's GIZ and KfW Development Bank played a crucial role in enhancing Rwanda's Technical and Vocational Education and Training (TVET) programs. These initiatives focused on IT, software development, and engineering skills, equipping young Rwandans with in-demand technical expertise. Additionally, South Korea's KOICA (Korea International Cooperation Agency) supported Rwanda in establishing software training centers to strengthen its digital economy.

A significant milestone in Rwanda's skill development efforts was the establishment of Carnegie Mellon University (CMU) Africa, a partnership between the Rwandan government and Carnegie Mellon University in the USA. This institution offers advanced technical degrees in artificial intelligence, cybersecurity, and information technology, providing Rwandan students access to world-class education in digital fields. This initiative not only created a skilled IT workforce but also positioned Rwanda as an emerging tech hub in Africa.

These international collaborations helped Rwanda experience rapid digital growth. Between 2010 and 2020, the country saw a 60% increase in ICT-related jobs, with many young professionals entering AI, fintech, and cybersecurity industries. Rwanda also attracted global tech firms like Alibaba and Zipline, which further accelerated job creation in high-skilled sectors. The expansion of its digital services sector significantly reduced youth unemployment and decreased the need for outward migration.

Rwanda's experience provides critical takeaways for Nepal. First, Nepal must prioritize digital skills and higher education by partnering with global universities for advanced IT and engineering programs. Second, Nepal should engage with multinational tech firms such as Google, Microsoft, and Amazon to offer certified training in AI, cloud computing, and cybersecurity. Third, Rwanda's success in fostering tech startups and innovation through international cooperation shows that Nepal must also focus on entrepreneurship-driven workforce development. Finally, Nepal should launch a Smart Nepal Initiative to integrate digital education into its national workforce strategy, ensuring that future workers are equipped with 21st-century skills.

### **Lessons for Nepal from Vietnam and Rwanda**

Nepal should align vocational and technical training with global industry demands, similar to Vietnam, to attract foreign investment and create local employment opportunities.

Prioritizing AI, cybersecurity, and cloud computing, as Rwanda did, will help Nepal's workforce stay competitive in the evolving job market and reduce reliance on low-skilled labor migration.

Collaborating with multinational companies like Google, Microsoft, and Samsung can help establish advanced skill training centers, ensuring Nepalese workers gain market-relevant expertise.

Modernizing Technical and Vocational Education and Training (TVET) with support from countries like Germany and Japan, as Vietnam did, will improve workforce productivity and employability.

Establishing partnerships with global universities, similar to Rwanda's Carnegie Mellon initiative, will

provide specialized digital education and enhance Nepal's knowledge-based economy.

Encouraging innovation, tech startups, and digital entrepreneurship will create local job opportunities, reduce dependency on labor migration, and foster long-term economic growth.

### **Evaluating Economic Policies and Diplomatic Strategies**

Nepal's economic policies have yet to fully capitalize on digital transformation as a tool for bridging the digital divide and fostering workforce development. Despite initiatives such as the *Digital Nepal Framework (2019)*, which aims to modernize industries and expand digital literacy, implementation remains slow, especially in rural areas where internet infrastructure is inadequate (Pokharel, 2023). Budget allocations for education and vocational training remain low, limiting access to digital skills for a significant portion of the population. Programs like the *Prime Minister Employment Program (PMEP)* provide short-term employment rather than long-term skill-building opportunities, failing to create a sustainable, technology-driven workforce. In contrast, countries like Malaysia and Estonia have successfully used economic incentives, such as tax benefits and grants, to encourage private sector investment in human capital, ensuring that businesses actively participate in workforce upskilling (Ricardo & Marieke, 2019). Without similar financial incentives, Nepal's industries are reluctant to invest in digital training, further widening the skill gap and limiting economic growth.

A critical look at Nepal's economic indicators reveals the urgency of investing in upskilling and reskilling programs. The country's labor productivity remains low, with over 60% of the workforce engaged in agriculture, yet contributing only 25% to GDP. Meanwhile, the manufacturing and service sectors, which offer higher growth potential through technology integration, struggle with a shortage of skilled professionals in areas like artificial intelligence, automation, and digital finance. Nepal also faces a persistent trade deficit and high unemployment rates, which signal a pressing need for workforce transformation. Countries such as Singapore and South Korea have addressed similar challenges by implementing workforce development funds and targeted investments in digital education. Nepal must adopt similar economic policies, such as tax incentives for companies investing in digital training, wage subsidies for skill-based employment, and investment in industry-academia partnerships to create a sustainable pipeline of skilled professionals.

Diplomatic engagements also play a crucial role in fostering cross-border knowledge-sharing networks and increasing access to skill development opportunities. While Nepal has signed labor agreements with countries like South Korea, Qatar, and the UAE, these agreements primarily focus on low-skilled labor migration rather than long-term skill enhancement. A more progressive approach would involve negotiating partnerships for technology transfer, higher education exchange programs, and joint research initiatives, as seen in collaborations between India and Germany in vocational training. Additionally, Nepal should actively engage with regional platforms like BIMSTEC and SAARC to develop joint digital training initiatives and enhance workforce mobility in high-tech industries. By aligning economic policies with diplomatic strategies, Nepal can effectively bridge the digital divide, upskill its workforce, and establish itself as a competitive player in the global digital economy.

### **Conclusion**

Nepal stands at a critical juncture where bridging the digital divide through upskilling and reskilling is essential for sustainable economic growth. While initiatives like the *Digital Nepal Framework* and technical education programs have laid the groundwork, gaps in infrastructure, accessibility, and policy implementation continue to hinder progress. The slow integration of digital skills into mainstream education, limited industry collaboration, and inadequate government incentives have left many Nepalese workers unprepared for the demands of the Fourth Industrial Revolution. Addressing these



challenges requires a multi-stakeholder approach, where government policies align with industry needs, and private sector investments complement national skill development goals.

A comparative analysis with global economies demonstrates that progressive economic policies and cross-border collaborations are instrumental in digital workforce transformation. Countries like South Korea, Malaysia, and Germany have successfully leveraged public-private partnerships, tax incentives, and technology-driven education reforms to create future-ready human capital. Nepal must take similar steps by expanding digital infrastructure, offering financial incentives for businesses investing in skills training, and integrating emerging technologies like AI, cloud computing, and automation into vocational education. Additionally, diplomatic engagements should go beyond labor migration agreements to include knowledge-sharing networks, international scholarships, and research collaborations that enable Nepalese professionals to compete globally.

By adopting a forward-looking strategy that combines economic policy reforms, digital education expansion, and regional cooperation, Nepal can effectively bridge the digital divide and unlock new economic opportunities. A digitally competent workforce will not only enhance domestic productivity but also position Nepal as an attractive destination for technology-driven industries and foreign investment. In this rapidly evolving global economy, proactive investment in human capital is not an option but a necessity to ensure Nepal's sustainable development and resilience in the digital age.

### Works Cited

- Acharya, S., & Subedi, P. (2021). *Digital literacy and access in Nepal: Challenges and opportunities*. Nepal Journal of Technology and Innovation, 7(2), 45-60.
- Autor, D. H. (2015). *Why are there still so many jobs? The history and future of workplace automation*. Journal of Economic Perspectives, 29(3), 3-30.
- Baldwin, R. (2019). *The globotics upheaval: Globalization, robotics, and the future of work*. Oxford University Press.
- Bodewig, C. (2014). *Skilling up Vietnam: Preparing the workforce for a modern market economy*. World Bank.
- Castells, M. (2001). *The Internet galaxy: Reflections on the Internet, business, and society*. Oxford University Press.
- Cullen, R. (2001). Addressing the digital divide. *Online Information Review*, 25(5), 311–320. <https://doi.org/10.1108/14684520110410517>
- Fox, R. (1996). *Technological change: Methods and themes in the history of Technology*. Routledge.
- Frey, C. B., & Osborne, M. A. (2013). *The future of employment: How susceptible are jobs to computerization?* Oxford Martin School.
- Hoque, S. (2017). *Pathways to prosperity and inclusive job ...* set.odi.org. [https://set.odi.org/wp-content/uploads/2017/10/6.-SET-Nepal-Tourism-for-ET\\_Oct-2017.pdf](https://set.odi.org/wp-content/uploads/2017/10/6.-SET-Nepal-Tourism-for-ET_Oct-2017.pdf)
- Jalali, R. (2012). Financing empowerment? how foreign aid to southern ngos and social movements undermines grass roots mobilization. *Sociology Compass*, 7(1), 55–73. <https://doi.org/10.1111/soc4.12007>
- Manyika, J., et al. (2017). *Jobs lost, jobs gained: Workforce transitions in a time of automation*.




McKinsey Global Institute.

- Mhlanga, D. (2020). Artificial Intelligence (AI) and poverty reduction in the Fourth Industrial Revolution (4IR). *Preprints*. <https://doi.org/10.20944/preprints202009.0362.v1>
- Mousa, S. (2025, January 12). *The Fourth Industrial Revolution (Industry 4.0): A Social Innovation Perspective*. Technology Innovation Management Review. [https://www.academia.edu/69602500/The\\_Fourth\\_Industrial\\_Revolution\\_Industry\\_4\\_0\\_A\\_Social\\_Innovation\\_Perspective](https://www.academia.edu/69602500/The_Fourth_Industrial_Revolution_Industry_4_0_A_Social_Innovation_Perspective)
- Mukherjee, A., & Sarma, A. P. (2022, January 31). *Innovation, transfer and diffusion of Fourth Industrial Revolution (4IR) technologies to catalyze sustainable development in Asia-Pacific*. Repository Home. <https://repository.unescap.org/handle/20.500.12870/4215>
- Murenzi, R., & Hughes, M. (2006). Building a prosperous global knowledge economy in Africa: Rwanda as a case study. *International Journal of Technology and Globalisation*, 2(3/4), 252. <https://doi.org/10.1504/ijtg.2006.011914>
- OECD. (2021). *The future of work: Digital skills and employment policies*. OECD Publishing.
- Pokharel, S. (2023). Development in digital capitalism: Challenges and prospects of Nepal. *KMC Research Journal*, 7(1), 101–111. <https://doi.org/10.3126/kmcj.v7i1.65080>
- Pradhan, R., & Gill, S. (2020). *Digital transformation in South Asia: A comparative study of India and Nepal*. Journal of Development Studies, 56(9), 1234-1251.
- Ricardo, E., & Marieke, V. (2019). Reducing skills imbalances to foster productivity growth of Malaysia. *OECD Economics Department Working Papers*. <https://doi.org/10.1787/ad344b44-en>
- UNESCO. (2020). *Digital transformation and education: Lessons from Rwanda*. UNESCO Publishing.
- World Bank. (2022). *Bridging the skills gap: Policies for digital education and workforce development*. World Bank Group.
- Xiao, A., Xu, Z., Skare, M., Qin, Y., & Wang, X. (2024, June 21). *Bridging the digital divide: The impact of technological innovation on income inequality and human interactions*. Nature News. <https://www.nature.com/articles/s41599-024-03307-8>



# Buddhism in the Context of Human Rights

 **Bhakti Ram Ghimire**  
*Ph.D Scholar-2021 Batch*  
*Lumbini Buddhist University*

## ABSTRACT

The academic reflection on this issue has only recently emerged. As a preliminary note, it is necessary to admit that there is no explicit concept of “human rights” in classical Buddhism. The foundation of human rights is the dignity of the human person. Buddhism holds that this dignity derives from the preciousness of human birth. According to the Buddhist belief in the reincarnation cycle, human birth is considered very rare and precious because only as humans is it possible to attain “enlightenment” and “Buddhahood”.

The relationship between Buddhism and human rights has gained increasing attention in academic and political discourse. While the concept of human rights is primarily rooted in Western legal traditions, Buddhist philosophy emphasizes ethical responsibilities, nonviolence (Ahimsa), compassion (Karuna), and the pursuit of human dignity. This article explores the compatibility between Buddhism and human rights, examining how Buddhist teachings align with dignity, equality, freedom, and justice while addressing challenges such as gender inequality, the political use of Buddhism, and the lack of an explicit legal framework for human rights in Buddhist texts.

The five lay precepts are the basic moral code of the Buddhist tradition. They are: abstaining from killing; abstaining from taking what is not given; avoiding sexual misconduct; abstaining from false; abstaining from fermented drinks that cause heedlessness. It is possible to note an important parallel among these five precepts, other religious moral norms of conduct, and the moral content of international human rights law.

Buddhism, in the doctrine of no-self (there is no unchanging, permanent soul in living beings), holds that all individuals are equal in the most profound sense. Distinctions among human beings are not real but merely conventional. This is evident in the teachings and conduct of Buddha. He rejected the dominant caste system in principle, retaining that a person’s place in society is related to his/her actions and not assigned by birth, and taught to everyone, including women, since everyone can attain the fruits of liberation by enlightenment.

## KEYWORDS

Buddhism, human rights, nonviolence, interdependence, Engaged Buddhism, compassion

## Introduction

Human rights serve as the cornerstone of dignity, justice, and equality, guaranteeing that individuals are treated equitably within both legal systems and society. The principles of human rights were formally established in the Universal Declaration of Human Rights (UDHR), which the United Nations adopted in 1948, creating a globally acknowledged legal framework for these values.<sup>1</sup> The discussion of human rights has often been

---

1 United Nations. *Universal Declaration of Human Rights*. 1948, [www.un.org/en/universal-declaration-human-rights](http://www.un.org/en/universal-declaration-human-rights).

influenced by Western philosophical traditions, especially those that highlight individualism, natural rights, and political autonomy.<sup>2</sup>

In contrast, Buddhism, which was established by Siddhartha Gautama (the Buddha) in the 6th century BCE, offers a distinct viewpoint on moral and social issues. Its teachings focus on interdependence, ethical responsibilities, self-discipline, and the reduction of suffering.<sup>3</sup> Instead of focusing on rights-based claims, Buddhist philosophy emphasizes moral responsibilities, highlighting the significance of non-harming (*Ahimsa*), right conduct (*Sila*), and compassion (*Karuna*).<sup>4</sup>

The Buddhist principle of *ahimsā* (nonviolence) shares significant parallels with modern human rights frameworks, particularly in its emphasis on respect for individual autonomy, the rejection of coercive force, and the commitment to avoid harm. These values—central to *ahimsā* and the Five Precepts (*pañcāśīla*)—align with key human rights norms, including the right to life and freedom from violence.<sup>5</sup>

One of the core Buddhist precepts is the freedom for human beings to pursue Buddhahood (self-perfection, spiritual self-development). According to Buddhist teachings, this innate freedom is based on the deepest level of human identity. Several human rights and freedoms, enshrined in human rights law, are crucial for the pursuit of this end (e.g., freedom of religion, conscience, thought, life, etc.). They ensure essential socio-political conditions for achieving Buddhahood. These rights and freedoms are integrally related to human flourishing, spiritual self-development and self-realization.<sup>6</sup>

According to Buddhism, human beings cannot be rigidly separated from the larger category of sentient beings. The recognition of rights to humans should imply the recognition of rights to other beings. However, in Engaged Buddhism, the use of human rights is not in conflict with the rights of non-human. On the contrary, care, benevolence, compassion for other species, interdependence, compassion and human membership in the category of sentient beings are core values in Engaged Buddhism and could represent a significant contribution of Buddhism to the human rights discourse.

### Statement of the problem:

The problem this study seeks to address is the gap between Buddhist teachings and contemporary human rights principles. Despite both systems emphasizing human dignity, justice, and ethical responsibility, there has been limited exploration of how Buddhist philosophy aligns with or challenges fundamental human rights concepts. This study aims to answer key research questions, such as:

1. How do Buddhist teachings support the core principles of human rights?
2. What historical examples exist of Buddhist advocacy for social justice and human dignity?
3. Are there philosophical or practical contradictions between Buddhist traditions and human rights concepts?

2 Donnelly, Jack. "Front Matter." *Universal Human Rights in Theory and Practice*, NED-New edition, 3, Cornell University Press, 2013, pp. i–iv. JSTOR, <http://www.jstor.org/stable/10.7591/j.ctt1xx5q2.1>. Accessed 26 Mar. 2025.

3 Walpola Rāhula. *What the Buddha Taught*. [Bedford] :Gordon Fraser Gallery, 1967.

4 Keown, Damien V., Charles S. Prebish, and Wayne R. Husted, (eds), *Buddhism and Human Rights*, Surrey: Curzon Press, 1998.

5 Keown, D. *Buddhist ethics: A very short introduction* (2nd ed.). Oxford University Press, 2016.

6 Medhidhammaporn (Prayoom Meererak), Phra, *Buddhist Morality*, Bangkok: Mahachula Buddhist University Press, 1994.

Additionally, the study will investigate how Buddhist ethics, with its emphasis on nonviolence, compassion, and moral conduct, can be effectively integrated into modern human rights advocacy and policies. Addressing these questions will help bridge the divide between religious ethics and global human rights frameworks, offering new insights into how Buddhist philosophy can contribute to contemporary human rights discourses.

## Objectives

This study aims to bridge the gap between Buddhist teachings and human rights principles by addressing several key objectives. First, it will examine the core Buddhist doctrines and their alignment with contemporary human rights principles. Second, it will analyze historical and modern examples of Buddhism's role in either promoting or challenging human rights. Third, the study will investigate potential limitations or conflicts between Buddhist traditions and established human rights frameworks. Finally, it will propose ways in which Buddhist ethics can further contribute to global human rights discourses, offering insights into how these two fields might complement each other in advancing human dignity and well-being.

## Methodology and Approach

This study will adopt a multidisciplinary approach, combining philosophical analysis, historical research, and contemporary case studies to explore the intersection of Buddhist teachings and human rights principles. The methodology will include several key components to ensure a thorough examination of the subject. First, a comprehensive literature review will be conducted, analyzing primary Buddhist scriptures, human rights declarations such as the Universal Declaration of Human Rights, and existing academic studies on Buddhism and human rights. This review will provide a foundational understanding of both fields and offer insights into their intersections. Second, a comparative analysis will be undertaken, focusing on Buddhist ethical teachings, such as the Four Noble Truths and the Eightfold Path, and comparing them with core human rights principles like equality, freedom, and justice. This analysis will help highlight similarities and differences between the two systems and assess their compatibility. Finally, the study will employ a theoretical framework that draws on ethical theories, legal perspectives, and sociological insights to analyze the potential contributions of Buddhist philosophy to global human rights discourses. By combining these methodologies, the study aims to provide a well-rounded and nuanced exploration of how Buddhist thought can inform and enrich contemporary discussions on human rights.

## The Foundations of Human Rights and Buddhism

### The Western Concept of Human Rights

Human rights may be defined as basic moral guarantees that people universally enjoy for being human beings. In a civil society compliance with these rights is mandatory and an individual can invoke them whenever and wherever they are violated. All the human beings have and should enjoy them. They exist as standards of justification and disapproval irrespective of whether they are acknowledged and put into effect by the legal authority of a state or not. The aim of the human rights is to identify the necessary negative as well as positive prerequisites to lead a minimally decent life, such as right against torture, right to own property, right to have clean environment, right to free speech and movement, and right to adequate standard of living etc. Such aspirations have been enshrined in the Universal Declaration of Human Rights (UDHR) that was adopted by the UN General Assembly on 10 December 1948.<sup>7</sup>

Articles 1 and 2 of the UDHR, along with its preamble, form the guiding principles with their ideals of dignity, freedom, justice, peace, equality, and brotherhood.<sup>8</sup> Its main body forms four categories. The first category (articles 3–11) consists of rights of the individual, such as the right to life, liberty, and security, right

7 United Nations. Universal Declaration of Human Rights. Resolution 217A (III), 10 Dec. 1948.

8 Ibid.

to equality before the law and to be presumed innocent till found guilty, right to an effective remedy by the competent authority in case of violation of any of the rights, prohibition of slavery or servitude, prohibition of torture, and prohibition of arbitrary arrest, detention, or exile. The second category (articles 12–17) consists of the rights of the individual in civil and political society including right to privacy, freedom of movement and asylum, and the right to own property. The third category (articles 18–21) consists of spiritual, public, and political rights including the right to freedom of opinion, thought, expression, conscience and religion, the right to freedom of peaceful assembly and association, and the right to participate in the governance as well as equal access to public service of the country. The fourth category (articles 22–27) consists of social, economic, and cultural rights indispensable for an individual's dignity and the free development of his/her personality. These include the right to social security, the right to work and protection against unemployment, the right to equal pay for equal work, the right to rest and leisure, right to education, and the right to adequate standard of living. Articles 28–30 refer to the existence of congenial social and international order for the full realization of the rights set in the UDHR and everyone's the duties towards the community.<sup>9</sup> Though the onus for securing human rights lies on the legal authority of a state as well as intergovernmental and international bodies, each human being is expected to protect and promote the human rights of everybody else.

The modern human rights framework is largely influenced by Western legal traditions, particularly natural law, liberal democracy, and Enlightenment rationalism.<sup>10</sup> Human rights are seen as universal, inalienable, and legally enforceable, protecting individuals from state oppression and societal injustices. The UDHR classifies these rights into two broad categories:

1. Civil and political rights: Right to life, freedom of speech, right to a fair trial, and democratic participation.
2. Economic, social, and cultural rights: Right to work, education, healthcare, and social security.<sup>11</sup>

This framework prioritizes individual freedoms, legal protections, and equality before the law.<sup>12</sup> However, it has been critiqued for its overemphasis on individualism, often neglecting collective responsibilities and ethical duties.<sup>13</sup>

### The Buddhist Perspective on Rights and Responsibilities

Though not expressed as in its present phraseology, the basic principles of the UDHR are fully supported and reinforced in the *buddhavacana* (teachings of the Buddha). As a religion and philosophy dealing with the welfare and happiness of the masses (*bahujana hitāya, bahujana sukhāya*).<sup>14</sup> Buddhism upholds such principles in greater depth and with much more concern than the UDHR itself. In fact, the Buddha eloquently and

9 Ibid.

10 Donnelly, Jack. *Universal Human Rights in Theory and Practice*. NED-New edition, 3, Cornell University Press, 2013. JSTOR, <http://www.jstor.org/stable/10.7591/j.ctt1xx5q2>. Accessed 26 Mar. 2025.

11 United Nations. Universal Declaration of Human Rights. Resolution 217A (III), 10 Dec. 1948, United Nations website.

12 SEN, AMARTYA. *The Idea of Justice*. Harvard University Press, 2009. JSTOR, <https://doi.org/10.2307/j.ctvjnr7n>. Accessed 26 Mar. 2025.

13 Ibhawoh, Bonny. "Human Rights for Some: Universal Human Rights, Sexual Minorities, and the Exclusionary Impulse." *International Journal*, vol. 69, no. 4, 2014, pp. 612–22. JSTOR, <http://www.jstor.org/stable/24709427>. Accessed 26 Mar. 2025.

14 Abe, Masao. Religious Tolerance and Human Rights: a Buddhist Perspective. In: Leonard Swidler (ed.). *Religious liberty and Human Rights*, Ecumenical Press, Philadelphia, 1986.



explicitly upheld values that are “akin to the modern concepts of human rights”<sup>15</sup>. The Buddhist *Pañcasīla* (Five Virtues) embodies recognition of both the right to life and the right to property. Buddhism upholds that all human beings are born with complete freedom and responsibility and from Buddhist perspective “one is indeed one’s own lord” (*attā hi attano nātho*). In Buddhism, *ahiṃsā* is taught from the standpoint that all people love their own lives and do not wish to be hurt or killed by others. This feeling of self-preservation and self-love is transferred in thought to other people and in this way the love for and protection of life come to be promoted.<sup>16</sup> For instance, the Dhammapada echoes this very idea by stating that as all fear death, comparing others with oneself one should neither kill nor cause to kill<sup>17</sup>. The Buddha felt that the humane sentiment of *appamāna mettā* (boundless friendliness) and *mettacittaṃ* (heart full of love) must be extended to all sentient beings because fundamentally all life has a desire to safeguard itself and make itself comfortable and happy.<sup>18</sup>

The admirable virtues of Buddhism such as the four characteristics of kindness i.e., *dāna* (liberality), *peyyavajja* (kindly speech), *atthacariyā* (sagacious conduct), *samānattatā* (feeling of common good or impartiality)<sup>19</sup>; four qualities of character significant of a human being who has attained enfranchisement of the heart i.e., *mettā* (friendliness), *karuṇā* (compassion), *upekkhā* (equanimity), *muditā* (sympathy)<sup>20</sup>; ten perfections (*dasa pāramiyo*) of a bodhisatta consisting of *dāna* (liberality), *sīla* (morality), *nekkhamma* (renunciation), *paññā* (wisdom), *virīya* (vigor), *khanti* (tolerance), *sacca* (truthfulness), *adhiṭṭhāna* (self-determination), *mettā* (friendliness), *upekkhā* (equanimity); along with *cāga* (benevolence), *kataññutā/kataveditā* (gratefulness), *gāravatā* (respect), *peyyavajja* (courtesy), *samānattatā* (equanimity), *nikāra* (humility), *khan-ti* (tolerance), *samtuṭṭhi* (satisfaction) with minimum, *khantisoracca* (gentleness and forbearance), *alīnatā* (sincerity), *anupāyāsa* (peacefulness), *paranuddayatā* (sympathy with others), *saccavajja* (truthfulness), and above all *ahiṃsā* (non-injury) towards all forms of life (*bhūtagāma bhūtagāma*)<sup>21</sup> are the foundation blocks of the moral basis of an individual's relationship with other fellow beings which would soundly serve to fully realize the goals set out in the UDHR.<sup>22</sup>

Buddhism believes that all the living beings are born again and again across the species indicating that everybody is related to everybody else. Thus, in the cycle of births, every being one comes across, down to an insect, will at some time have been a close friend or relative, and had been very good to one.<sup>23</sup> Keeping this in mind, one is expected to reciprocate the kindness in the present. Moreover, in the cycle of births, every being one comes across, down to an insect, will at some time have been a close friend or relative, and had been very good to one.<sup>24</sup> Moreover, according to the Doctrine of *Dependent Arising* (Pāli: *Paṭiccasamuppāda*. Sk:

15 Perera, L P N. Buddhism and Human Rights, Sri Lanka Foundation, Colombo, 1991.

16 Norman, H C ed. The Commentary on the Dhammapada, 4 vols., Pali Text Society, London, 1906.

17 Ibid.

18 Moore, Justin Hartley, ed. *Sayings of Buddha, the Iti-Vuttaka: A Pali Work of the Buddhist Canon for the First Time Translated*. Vol. 5. Columbia University Press, 1908.

19 Fausböll, V (ed.). The Jātaka, 6 vols. Luzac & Co, London, 1977-1897.

20 Walshe, MO'C. "Saṃyutta Nikāya: An Anthology (Part III)." (1984): 168.

21 Sareo, K. T. "Human Rights in Buddhism." (2017): 1-4.

22 Ibid.

23 Saṃyutta Nikāya II.189-190

24 Ibid.

*Pratītyasamutpāda*), nothing can exist independently and the world is interrelated to the extent that whatever kind of wholesome or unwholesome energy is generated by one individual it affect everybody else. Moreover, as pointed out by the Dalai Lama, “the human heart and the environment are inseparably linked together. In this sense, environmental education helps to generate both the understanding and the love we need to create the best opportunity there has ever been for peace and lasting coexistence”. He reiterates that Universal Responsibility is the real key to human survival. According to him, “Respect for fundamental human rights should not remain an ideal to be achieved but a requisite foundation for every human society”. Dalai Lama strongly feels that “a clean environment is a human right like any other. It is therefore part of our responsibility toward others to ensure that the world we pass on is as healthy, if not healthier, than we found it”.<sup>25</sup>

Buddhism sees all human beings as equal in dignity and rights irrespective of considerations such as caste, race, color, creed, and gender etc. The Buddha pointed out that, whereas in the case of the plants and animal kingdoms there are many species and marks by which they could be distinguished, in the case of man there are no such species and no such marks.<sup>26</sup> Placing man and woman on the same pedestal, Buddhism does not recognize rights and freedoms for the male which cannot be extended to the female. Indeed, as borne out by the Therīgāthā women actually enjoyed a high degree of intellectual freedom under Buddhism, being able thereby to gain spiritual advancement on an equal basis. The Buddha clearly held the view that one’s sex, like one’s caste, presented no barrier to attaining the Buddhist goal of liberation.<sup>27</sup> Buddhism also extends to followers of all other religions the rights and freedoms that Buddhists would legitimately claim for themselves. Consequently, the exercise by an individual of his or her rights and freedoms is subject to the recognition of the rights and freedoms of others.

Buddhist perception of human rights may best be described in the words of the Dalai Lama, who while addressing a conference on human rights organized by the United Nations in Vienna on 15 June 1993 said: “No matter what country or continent we come from we are all basically the same human beings. We have the common human needs and concerns. We all seek happiness and try to avoid suffering regardless of our race, religion, sex or political status. Human beings, indeed all sentient beings, have the right to pursue happiness and live in peace and in freedom. As free human beings we can use our unique intelligence to try to understand ourselves and our world. But if we are prevented from using our creative potential, we are deprived of one of the basic characteristics of a human being. It is very often the most gifted, dedicated and creative members of our society who become victims of human rights abuses. Thus the political, social, cultural and economic developments of a society are obstructed by the violations of human rights. Therefore, the protection of these rights and freedoms are of immense importance both for the individuals affected and for the development of the society as a whole”.<sup>28</sup>

Buddhism, by contrast, does not emphasize legal rights but rather focuses on moral responsibilities and ethical conduct. The foundation of Buddhist ethics lies in:

1. The Noble Eightfold Path – A moral and spiritual guideline that promotes right action, right speech, and right livelihood.<sup>29</sup>
2. The Five Precepts (Pancasila) – Ethical rules that prohibit killing, stealing, sexual misconduct, lying,

25 Lama, Dalai. H.H. the XIV Dalai Lama on the Environment. Department of Information and International Relations, Dharamsala, 1995.

26 Ibid.

27 Ibid.

28 Ibid.

29 Rahula, Walpola. *What the Buddha Taught*. 3rd ed. Honolulu: University of Hawai'i Press, 2007.

and intoxication.<sup>30</sup>

3. The Doctrine of Ahimsa (Nonviolence) – A key principle advocating for compassion and non-harming, which aligns with the right to life and dignity.<sup>31</sup>

Unlike Western legal traditions, Buddhism does not conceptualize rights as absolute entitlements but rather as interdependent ethical duties that ensure the harmonious functioning of society.<sup>32</sup>

## The Intersection of Buddhism and Human Rights

### Human Dignity and Equality

Buddhism recognizes the inherent dignity of all beings, asserting that all humans, regardless of caste, gender, or status, have the potential for enlightenment. The Buddha explicitly rejected the Hindu caste system, declaring:

"By birth, one is not an outcast; by deeds, one is an outcast".<sup>33</sup>

This teaching closely aligns with Article 1 of the UDHR, which states that all human beings are born free and equal in dignity and rights.<sup>34</sup>

However, in practice, many Buddhist societies have struggled with gender inequality and caste discrimination, requiring modern interpretations of Buddhist teachings to promote social justice and gender equity.<sup>35</sup>

### Ahimsa and the Right to Life

The Buddhist precept of nonviolence (Ahimsa) aligns with the right to life and the prohibition of cruel treatment in international human rights law.<sup>36</sup> This principle supports:

- Opposition to war, torture, and capital punishment.<sup>37</sup>
- Protection of animal rights and environmental sustainability.<sup>38</sup>
- Ethical vegetarianism as a form of respect for all living beings.<sup>39</sup>

30 Keown, Damien. *Buddhism: A Very Short Introduction*. Oxford: Oxford University Press, 2005.

31 Harvey, Peter. *An Introduction to Buddhism: Teachings, History, and Practices*. Cambridge: Cambridge University Press, 2000.

32 Galtung, Johan. *Peace by Peaceful Means: Peace and Conflict, Development and Civilization*. Oslo: International Peace Research Institute, 1993.

33 *The Sutta Nipata*. Translated by John D. Ireland. 2nd ed. Kandy: Buddhist Publication Society, 1997.

34 United Nations. *Universal Declaration of Human Rights*. 1948.

35 King, Sallie B. *Social and Religious Dimensions of the Feminist Movement in Buddhism*. New York: Oxford University Press, 1999.

36 Keown, Damien. *Buddhism: A Very Short Introduction*. Oxford: Oxford University Press, 2005.

37 Perera, Nira. *Buddhism and the Human Rights Debate*. Colombo: M.D. Gunasena, 1991.

38 Harvey, Peter. *Buddhism and Ecology: The Interconnection of Dharma and Deeds*. Cambridge: Cambridge University Press, 2018.

39 Queen, Christopher S. *Engaged Buddhism: Buddhist Liberation Movements in Asia*. Albany: State University of New York Press, 2000.

## Freedom of Thought and Religion

Buddhism values free inquiry and spiritual autonomy, reinforcing principles of freedom of conscience and religion. The Kalama Sutta states:

"Do not believe in anything simply because you have heard it... but after observation and analysis, when you find it conducive to the good, accept it".<sup>40</sup>

This aligns with Article 18 of the UDHR, which guarantees freedom of thought, conscience, and religion.<sup>41</sup>

## Engaged Buddhism and Human Rights Activism

Engaged Buddhism, championed by Thich Nhat Hanh and the Dalai Lama, integrates Buddhist ethics with human rights activism.<sup>42</sup> It has played a crucial role in:

- Advocating democracy in Myanmar.
- Defending Tibetan human rights against Chinese repression.<sup>43</sup>
- Environmental activism to promote sustainability.<sup>44</sup>

Human Rights	Buddhist Ethics
Right to Life (UDHR, Article 3)	Ahimsa (Nonviolence)
Right to Equality (UDHR, Articles 1 & 2)	Buddha's rejection of caste discrimination (Sutta Nipata, 136)
Freedom of Religion (UDHR, Article 18)	Kalama Sutta: Encourages free inquiry

## Challenges and Criticisms

- Gender inequality in monastic traditions.<sup>45</sup>
- Political misuse of Buddhism for nationalism in Sri Lanka and Myanmar.<sup>46</sup>
- Lack of a legal human rights framework in Buddhist scriptures.<sup>47</sup>

## Conclusion

Buddhism and human rights share common ethical ground, emphasizing dignity, nonviolence, equality, and freedom. However, Buddhism prioritizes duties over legal rights, necessitating reinterpretation to align with modern human rights frameworks. The rise of Engaged Buddhism demonstrates Buddhism's active role in social justice and human rights movements.

40 Rahula, Walpola. *What the Buddha Taught*. 3rd ed. Honolulu: University of Hawai'i Press, 2007.

41 United Nations. *Universal Declaration of Human Rights*. 1948.

42 King, Sallie B. *Social and Religious Dimensions of the Feminist Movement in Buddhism*. New York: Oxford University Press, 1999.

43 Dalai Lama. *My Land and My People: The Exile of the Dalai Lama*. New York: Snow Lion Publications, 2011.

44 Queen, Christopher S. *Engaged Buddhism: Buddhist Liberation Movements in Asia*. Albany: State University of New York Press, 2000.

45 ross, Karen Lee. *Buddhism After Patriarchy: A Feminist History, Analysis, and Reconstruction of Buddhism*. Albany: State University of New York Press, 1993.

46 Harvey, Peter. *Buddhism and Human Rights: A Buddhist Critique of Political Buddhism*. Cambridge: Cambridge University Press, 2018.

47 Keown, Damien. *Buddhism: A Very Short Introduction*. Oxford: Oxford University Press, 2005.

# The Impact of Vipassana on Attention and Decision-Making in AI and Automation Era: Neuroscientific Insights

 **Dr. Bishal Joshi**

*PhD. Scholar,  
Lumbini Buddhist University, Lumbini*

## ABSTRACT

In the age of the fourth industrial revolution (4IR), the rapid integration of artificial intelligence (AI) and automation, demands human resources with enhanced capacities like, emotional resilience, improved attention, and right decision-making. However, the cognitive burden of multitasking, information overload, and constant digital distractions threatens productivity and mental well-being. Vipassana, an insightful mindfulness technique rooted in Buddhism, has been recognized for its potential to enhance attention, emotional regulation, and decision-making capacities. This study focuses on the evidence from neuroscience to support the claim that Vipassana has a positive impact on the areas of brain governing higher mental functions and emotions such as, the prefrontal cortex (PFC), anterior cingulate gyrus, hippocampus, and amygdala. These improvements are very crucial to fulfilling the goals of human resource development in 4IR where cognitive adaptability, improved focus, and stress resilience are critical. This article analyses classical Buddhist manuscripts and research in psychology and neuroscience to deliver a theoretical analysis and propose a conceptual framework to understand the role of mindfulness in modern cognition. Recent research has found that mindfulness meditations like Vipassana not only improve metacognitive awareness but also enhances emotional stability, promoting more thoughtful and ethical decision-making. Although limitation like lack of empirical data exists in this study, the in-depth analysis of interdisciplinary evidence provides a robust theoretical foundation. The findings advocate that Vipassana can serve as valuable tool for potentiating higher mental functions and emotional resilience in this digital age and suggest policymakers incorporate mindfulness-based interventions as part of workforce development strategies in Nepal and Worldwide.

## KEY WORDS

Artificial intelligence, Attention, Decision-making, Fourth industrial revolution, Mindfulness, Vipassana meditation

## Introduction

The modern age of the Fourth Industrial Revolution (4IR), characterized by rapid advancement in AI, automation, and the Internet of Things (IoT) has reshaped global economics, workplace dynamics, and human cognition. A high stream of information flow and computational algorithms in decision-making systems have imposed a cognitive burden and information overload on humans leading to reduced attentional capabilities and decision biases (Carr, 2020). Modern research in cognitive psychology has revealed that humans have a limited capacity for sustained attention and can maintain focus on a particular task for a limited time (Shanmugasundaram, and Tamilarasu, 2023). The explosive growth

of digitalization and the overflow of technology have brought new challenges in maintaining sustained attention and have made it easier than ever to get distracted (De-Sola Gutiérrez et al., 2016). Similarly, the continuous flow of digital information can reduce deep thought processing and enhance impulsive decision-making (Alon-Barkat and Busuioc, 2023). In this regard, the ancient contemplative practices enhancing mindfulness can offer a promising solution, fostering focus and right decision-making.

Vipassana, an insightful meditation technique with roots in Buddhism has the potential to enhance the cognitive faculties of human beings. The literal meaning of Vipassana is "seeing things as they really are," and during practice one has to observe sensations, thoughts and feelings without attachments. (Bhikkhu Bodhi, 2011). This practice, rooted in Satipatthana Sutta has gained great attention in modern neuroscience for its capacity to enhance attentional capacities, emotional regulation, and metacognitive awareness (Tang et al., 2015; Hölzel et al., 2011). Scientific studies in last two decades have tried to explain neuro-cognitive basis of mindfulness meditation like Vipassana. For instance, longitudinal MRI base studies have demonstrated that long-term practice of Vipassana is associated with increased cortical thickness and enhanced neuronal connectivity in the areas of brain including the prefrontal cortex and the anterior cingulate cortex, pivotal for attentional regulation and decision making. Furthermore, various EEG studies have revealed that meditation techniques like Vipassana can enhance theta and gamma waves depicting their effect in memory, awareness and attention. These findings suggest Vipassana has immense potential to buffer the distractions developed by the digital era and can also foster the right-decision making in complex situation (Kakumanu, 2018). Integration of Vipassana in organizations may help in development of more efficient human resources who can maintain sustained attention, have a higher ability for information processing, and can make rational and empathetic decisions (Davidson & Dahl 2017). This article, grounded in both ancient wisdom and modern psychology and neuroscientific insights, develops a conceptual framework that emphasizes the role of Vipassana in enhancing human capabilities. By bridging the contemplative practices with modern sciences, this study seeks to address the need for holistic approaches to Human resource development in the era of AI and automation.

### **Statement of the problem**

The workforce in 4IR faces dual challenge: accommodation to new technologies and maintaining cognitive agility in digital distractions (like notifications and multitasking). Studies have indicated that interruptions during work lead to increased stress and a higher level of frustration (Mark, 2008) this can affect attention and decision-making quality among the employees ultimately affecting overall organizational performance. Traditional HRD approaches mainly focus on improving technical and soft skills which may not address cognitive burdens brought by flux of information and automation. Although various contemplative techniques have been implemented in different corporate cultures, the specific impact of Vipassana on these cognitive domains remains unexplored, particularly from neuroscientific and conceptual views. Thus, the problem addressed in this study are as follows.

1. How AI and automation are affecting attention and decision-making in humans.
2. How can Vipassana meditation enhance attention and decision-making from a neurocognitive perspective?
3. In what ways these improvements can be implemented to empower human resources to better prepare organizations for the demand of AI and automation?

### **Objectives of the study**

1. To review and analyze Vipassana's theoretical foundations in Buddhist psychology.
2. To synthesize neuroscientific evidence on Vipassana's impact on attention and decision-making.



3. To develop a conceptual framework that links Vipassana to enhancements in cognitive functions in the modern era.
4. To propose HRD strategies integrating mindfulness for workforce development.

### **Methodology**

This study adopts a theoretical and conceptual approach. The methodology comprises of three components.

### **Literature Review**

A comprehensive review of the Primary Buddhist sources like Satipatthana Sutta and commentaries like Vishuddhimagga, that emphasize the foundation of Vipassana meditation was conducted. Contemporary researches on cognitive psychology, systematic reviews, and meta-analyses were reviewed to understand the impact of mindful practices like Vipassana on attention and decision-making. Similarly, recent neuroscientific studies consisting of MRI, EEG and other imaging techniques were explored to understand the neuronal basis of Vipassana.

### **Theoretical Analysis**

The literature was thoroughly analyzed to synthesize the mechanism through which Vipassana meditation brings changes in cognition. An investigation was made regarding the mechanism through which Vipassana potentiates various areas of the brain responsible for maintaining attention and emotional regulation. Similarly, we examined the evidence describing the effect of Vipassana in more rational decision-making.

### **Development of conceptual framework**

After a thorough examination of available literature and extensive theoretical analysis, a model was proposed that describes the link between Vipassana meditation and enhanced attention and right decision-making and how cognitive and emotional enhancements can be employed in organizations to increase resilience and outcomes in high-tech working environments.

### **Literature review and theoretical analysis findings**

#### **Vipassana in Buddhist psychology**

Vipassana meditation is a mindfulness meditation articulated in classical Buddhist texts. The Satipatthana Sutta has focused on four faculties for the development of mindfulness (Sati)- bodily sensation (Kayanupassana), feelings (Vedanupassana), mental states (Cittanupassana) and the phenomenon of mind (Dhammanupassana). (Ānandajoti Bhikkhu 2011). By observing the evanescent nature of bodily sensations, feelings, the mental phenomenon, a person can get rid of his habitual patterns, and develop focus in the present moment fostering equanimity (upekkhā). Similarly, Buddhaghosha in Visuddhimagga offers a detailed framework of stages of Vipassana and explains how insight meditation progresses through various stages of knowledge (Vipassanā-ñāṇa), including knowledge of arising and passing away of the conditioned things (Udayabbaya-ñāṇa), knowledge of dissolution (Bhanga-ñāṇa), and the realization of equanimity towards all conditioned phenomena (Saṅkhārupekkhā-ñāṇa). (Nañamoli, 1991). These deep understandings regarding the process of knowledge synthesis and inherent truth in all phenomenon, can help enhancing attentional abilities and establishing emotional stability leading to better decision-making. Moreover, the Abhidhamma, has described how mindfulness fosters equanimity and stillness of mind, allowing the practitioner to observe the impermanence (anicca), unsatisfactory nature of being (dukkha), and selfless (anatta) nature of all phenomena. (Bodhi 2000). These insights broaden the perspective towards self, foster emotional resilience and clarity of vision, qualities that are essential to maintain the calmness of mind in the era of stress due to technological advancement.



## Mechanisms in Buddhist Psychology

**Anicca and attentional flexibility:** Anicca, observing the arising and fading of sensations trains the mind to understand and embrace the flux, reducing clinging to the fixed outcomes. This is very similar to the concept of cognitive flexibility (ability to shift thinking strategy), one of the important cores of executive functions in modern psychology (Diamond 2103).

**Anatta and decentering:** Decentering is concept in cognitive psychology emphasizing that thoughts, feelings and experiences are temporary mental states rather than permanent identity (Fresco et al., 2007). Likewise, anatta in Buddhist Psychology emphasizes that there is “no permeant self” rather the thing that we perceive as self is a collection of physical and mental phenomenon (khandhas) (Rahula W 2007). Moreover, Vipassana trains one to observe the impermanent and impersonal nature of sensations, thoughts and emotions thereby further fostering decentering. This concept aligns with the Anattalakkhaṇa Sutta (SN 22.59), which states:

"Form, feeling, perception, volitional formations, and consciousness are not-self. Were they self, they would not lead to affliction, and one could say, 'Let my body be thus, let my mind be thus.' But because they are not-self, they lead to affliction, and none can control them." (Bhikkhu Bodhi, 2000).

**Sati and Meta- Awareness:** The core philosophy of Vipassana stands on mindfulness of present moment (Sati), where practitioners witness their sensations, thoughts and feelings nonjudgmentally. This parallels with the modern concept of meta- awareness, the ability to observe one's mental processes, i.e., “thinking about thinking” (Fresco et al., 2007).

## Modern Psychological Perspectives: Bridging Ancient Wisdom and Cognitive Science

Mindfulness meditations like vipassana have gained profound attention in modern psychology as it enhances attention and mental well-being. Vipassana improves awareness through increasing focus on bodily sensations, thoughts, and feelings which leads to the development of clarity in thoughts, emotional balance and cognitive flexibility and hence enhancing attention and decision-making qualities. Jon Kabat-Zinn defines mindfulness as paying attention in a particular way in present moment without judgment (Kabat-Zinn, J. 1994). This reduces the automaticity of habit by learning to witness thoughts and feelings without reacting. In vipassana, the practitioner scans the body sensations from head to toe consistently without any attachment and aversion, this persistent act of paying attention improves selective attention (Delgado-Pastor, 2013). Similarly, such mindfulness techniques improve overall executive functions which consist three cores: Inhibitory control, the ability of selective attention to filter distractions, working memory, i.e., the ability to hold and manipulate information for a short time, Cognitive flexibility, the capacity to switch between the tasks and develop the creative perspective. (Diamond 2103). These qualities can help individuals control impulses and foster right decision-making by evaluating options analytically rather than merely acting on impulses.

The dual-Process theory put forth by Daniel Kahneman in his book *Thinking, Fast and Slow* (2011) explains 2 systems of thinking patterns which influence decision-making. System 1 operates automatically and quickly relies on intuition and emotions to make decisions leading to biases, while system 2 is slower and more analytical pattern that enables a person to pause, think, and reflect to overcome the compulsion and impulsiveness. Vipassana cultivates mindfulness and equanimity which trains the individual to observe their thoughts and emotional reactions, enhancing system 2 thinking patterns. This meta-awareness is vital for understanding and nullifying the cognitive biases in decision making too.

## Neuroscientific insights: the impact of Vipassana on brain structure and function

Vipassana meditation induces structural and functional changes in the regions of brain regulating attention and decision making. Neuroimaging studies have shown that mindfulness meditation increases the gray matter density in dorsolateral prefrontal cortex (dlPFC) that regulates executive function of the brain, and anterior cingulate cortex (ACC) that monitors conflicts and errors. These cognitive mechanisms are necessary for executing tasks in modern environment dominated by AI and automation (Hölzel et al., 2011; Lazar et al., 2005; Tang, Hölzel, & Posner, 2015). Moreover, the default mode network (DMN) (medial prefrontal and posterior cingulate cortices, anterior precuneus and inferior parietal lobule) in brain is responsible for mind wandering and self-referential thoughts but studies have shown that mindfulness meditation strengthens the coupling of DMN with dlPFC, (area enhancing attention), decreasing the activity of this network and improving the sustained attention by reducing the cognitive interference (Brewer 2011). This is again critical in 4IR, where constant digital distractions fragment the focus. Similarly functional studies using EEG in advanced Buddhist meditators have shown increased gamma band oscillation during meditation- a mechanism which can be linked with heightened cognitive integration and moments of insight (Lutz, 2004). These evidences from neurological research support the claim that vipassana brings more clarity in mind and establishes awareness. These structural changes in brain increasing synchronicity among the neural activities reflect the enhanced cognitive capacity, thereby facilitating attention and more improved decision making.

## What is attention and decision making and how these are affected in modern age of AI and automation

### Attention and modern age of AI and automation

Attention is the cognitive process of selectively focusing on specific information or task while ignoring the distraction (Posner and Petersen, 1990). It contains various components, including alerting, orienting and selective attention which together determine the ability to focus on certain activity. In the present era of AI and automation the attention span is decreasing. Various AI driven platforms, including social media algorithms, data streaming, and continuously popping messages has fragmented the focus of human beings, enhanced demand for multitasking in work environment and reduced capacity for sustained attention (Rosen, Carrier, & Cheever, 2011).

AI systems are designed such that they attract the attention instantly, optimize engagement and often diminishing the sustained attention. For example, recommendation algorithms on platforms like YouTube and Tok-tok send hyper-personalized content and push towards compulsive scrolling, making attentional faculty of the brain highly vulnerable. This type of “continuous partial attention” decreases the ability to maintain focus on complex task. For instance, one of the recent studies has demonstrated the association between frequent task switching and decrease cognitive performance (Xu et al., 2023). Modern age of AI and automation compels a person to perform multitasking. A number of scientific research has reported the negative effect of media multitasking on the various measures of attention. Similarly, the studies investigating the neural correlates of multitasking demonstrated that there was reduction in gray matter volume in anterior cingulate cortex (ACC) and increase in intrinsic connectivity between ACC and precuneus of parietal lobe of the brain (an area playing key role in mind wandering) (Uncapher and Wagner, 2018) as well as reduction in gray matter density in dorsolateral prefrontal cortex (dl PFC) (Loh and Kanai., 2016). These evidences suggest that multitasking enforced by digitalization potentially contribute to the neural changes in brain contributing difficulties in sustained attention and increased susceptibility to mind wandering.

However, different AI tools like Headspace app delivers personalized meditation prompts, improving

the attention. Wearable devices, smartwatches remind for mindful breathing and enhance mindfulness. They can also mitigate the cognitive load of innumerable mundane cognitive tasks; freeing one to find the time for high order strategic thinking and tasks. But, over reliance on automation can lead to the conditions like ‘digital amnesia’ where one can lose the ability to retain information without the aid of technology. Thus, the modern technology is double edged sword, their proper use is required.

### **Decision making in the modern age of AI and automation**

Decision-making is an intricate cognitive process of evaluating alternatives, weighing risk, and benefits based on goals and constraints (Kahneman, 2011). Decision-making is a complex phenomenon integrating numerous parts of the brain. The PFC integrates information, evaluates options, and plans actions, ACC works for conflict monitoring and resolving them. The orbitofrontal cortex assesses reward and punishment and the amygdala processes emotional responses influencing decisions based on fear, pleasure, or stress. Research in Mindfulness meditation has shown promising results in strengthening the integration among these areas of the brain responsible for decision-making (Tang et al., 2007, Holzel et al., 2011)

In the present scenario, AI can process vast amounts of information quickly with utmost accuracy, enabling faster decision-making. This particularly, is useful in various areas including healthcare, finance, and logistics allowing human resources to focus better in other more strategic areas. On the other hand, over-reliance on these automated systems develops overdependence on algorithmic output and may lead to development of automation bias i.e., decreased critical thinking ability and overlooking even the evidence based contradictory information (Horowitz and Kahn 2024). Automation has shifted the role of human workforce to supervising, interpreting and sometimes critically analyzing automated suggestions. This shift needs enhanced meta-cognitive awareness and improved executive functioning. However, stress and cognitive overload, common side effect of constant digital indulgence further diminish the ability in decision making, again making us more vulnerable to automation bias.

The role of modern technology both as an enhancer and underminer of decision making requires a balanced approach. While AI has excellence in structured tasks like data analysis, it lacks behind with ambiguity and ethical dilemmas (Topol 2019). For example, when asked about the capital of “Turkey”, ChatGpt initially responded, the capital of Turkey is Ankara. However, when questioned, “Are you sure?” It changed its stance, and replied, “Actually, many sources refer it as Istanbul due to its historical significance. So, the hybrid frameworks, where AI assists but does not replace human judgement are the demands of this era. Policymakers must develop AI literacy programs to cultivate adaptive decision-makers capable of interrogating algorithmic outputs.

### **Conceptual frame-work: Mechanism of Vipassana in enhancing attention and decision making**

Vipassana, an insightful meditation technique has been proposed to have a beneficial impact on different virtues like cognition and emotion. This conceptual framework is primarily based on the mechanism of action of mindfulness proposed by Hölzel et al. (2011). Mindfulness meditation like Vipassana, functions through four synergistic mechanisms.

#### **Attention Regulation and Cognitive flexibility**

One of the main mechanisms through which Vipassana exerts its actions is the enhancement in attention. Paying constant attention to breathing and bodily sensations has potentiating effects in various parts of the central nervous system including dlPFC, ACC supporting sustained and selective attention (Tang et al., 2007). Different scientific evidences have shown that selective attention enables individuals

to shift their perspectives, adjust to new demands and think in a more creative way, i.e., enhances cognitive flexibility. In modern work environment where rapid decision making is necessary, improved cognitive flexibility is very essential. For example, in the modern era overfilled with the information, professionals need to integrate and handle large volume of data and be able to make good collaboration with intelligent system. In such scenario, a mindful person can better maintain a steady focus on the relevant things, ignoring unnecessary data and thus maintaining equanimity and facilitating creative problem-solving (Tang 2015).

### **Emotion Regulation and Decision-Making**

Regular practice of Vipassana allows practitioners to observe inner experience non-judgmentally and without reacting impulsively. This harmony in one's nature is developed due to neuroplastic changes in amygdala and insula, parts of the brain responsible for processing emotional stimuli (Holzel 2011). By downregulating the amygdala's sudden and aggressive response, mindfulness interventions like Vipassana can help an individual respond a challenging situation with greater calmness and clarity (Kral et al., 2018). This 'stepping back' from the automaticity of habit of responding to emotional stimuli promptly can decrease the stress and negative emotions. This type of approach is crucial for ethical decision making in this fast-paced environment. Moreover, the improved functions of the prefrontal cortex can be correlated with higher control over emotions, thereby developing capability of weighing emotions rationally and more ethically (Holzel, 2011).

### **Body awareness**

Body awareness is the ability to observe subtle bodily sensations (Mehling et al., 2009). In Vipassana, the practitioner has to maintain persistent focus on internal experience including breath, and body sensations. The self-reported findings of Vipassana practitioners have revealed that they experience enhanced bodily awareness and augmented clarity in perception with this practice (Hozel et al., 2006). The neuroimaging evidences have also supported this notion as experienced meditators had increased cortical thickness and gray matter concentration in right anterior insula. Furthermore, an 8-week mindfulness training showed an increased gray matter concentration in temporo-parietal junction (TPJ), a region of the brain critical for developing first-person perspective of bodily awareness (Blanke et al., 2005). In a similar study, it has been observed that the same area of the brain (TPJ), is also responsible in social cognition and empathetic responses. (Decety et al., 2004). In another study, Tibetan monks with over 10,000 hr. of meditation experience had greater activation in both areas during compassion meditation. This also shows that the feeling of empathy and compassion and body awareness are linked neurologically as the same regions of the brain are active during these all phenomena (Lutz, Brefczynski-Lewis, Johnstone, & Davidson, 2008). Cultivating empathy, enables a person to understand others' feelings more deeply, fostering ethical decision-making by encouraging compassionate and fair choices. These findings are in alignment with the teachings of Buddha which regards compassion as the foundation of ethical living, a perspective that modern neuroscience also supports (Decety et al., 2004; Lutz et al., 2008).

Similarly, it has been observed that increased awareness of body sensation has direct relationship with the conscious experience of emotions, leading to increased ability for emotional regulation. A Balanced emotional approach minimizes impulsiveness and allows equanimous evaluation of options, fostering thoughtful and ethical decisions. Similarly, heightened awareness enables an individual to detect even the subtle changes in their in their focus. This enhanced self-monitoring boosts executive function by filtering irrelevant information, thereby supporting attention, cognitive performance and better decision-making. (Blanke et al., 2005)

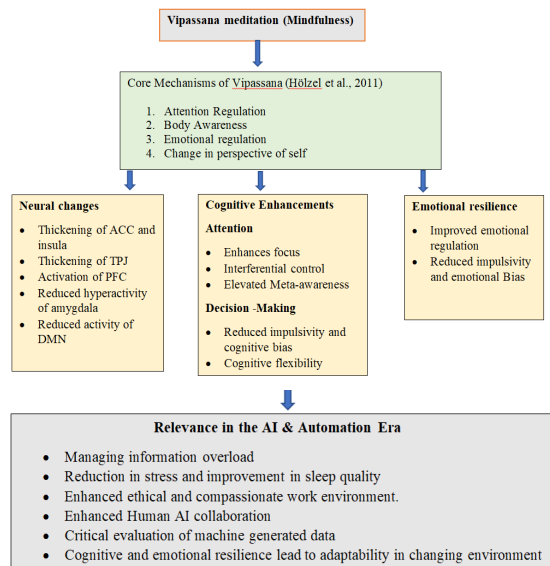
## Change in perspective of self

The Buddhist philosophy says that identifying oneself with a static concept of ‘self’ is the cause for psychological distress. Dissolving the static self-concept can lead to greater freedom and experience genuine way of being. When we continuously witness the awareness, a meta-awareness develops which enhances a detachment from identification with the static self (Olendzki 2010). Detachment from a rigid self-concept, similar to the decentering phenomenon of modern psychology, also reduces ego-centric decisions and fosters cognitive flexibility. Various self-reported studies of meditators have demonstrated that mindfulness training enhances positive self-representation, higher self-esteem and increased acceptance of oneself (Emavardhana and Tori 1997). These beneficial changes in self-concept becomes consolidated with increased meditation practice, reflecting healthier psychological functioning (Cloninger 1993).

This notion of change in perspective of self is also supported by various neuroimaging studies. For instance, Vipassana reduces the activity default mode network (DMN), a set of interconnected brain regions active during rest and self-centered thoughts, reflecting decreased engagement in habitual self-referential thought. At the same time, experienced mindfulness meditators showed enhanced connectivity within DMN in resting phase and between DMN and executive control regions of the brain such as ACC and PFC. These evidences depict that mindfulness not only decreases habitual internal narrative but also fosters efficient integration between self-referential and executive networks, potentially enhancing overall cognitive regulation (Holzel 2011).

These self-reported and neuroimaging studies imply that mindfulness meditations like Vipassana not only develop more positive self-concept but also help in developing the brain structures that enhance attentional regulation and executive functions. For instance, the evidences from MRI suggest that meditation makes neuronal changes reducing habitual self-talk or referential process and enables heightened focus. This improved attentional control is crucial for decision-making, as it allows individuals to filter out irrelevant internal distractions and make more deliberate, balanced choices.

**Fig: Conceptual framework showing mechanism of Vipassana and its implication in HRD**



## Strategies integrating Vipassana for workforce development

The application of Vipassana into human resource development (HRD) is an innovative approach for enhancing the well-being of the workers, increasing productivity, and overall performance of the organization. Vipassana practice is increasingly recognized for its potential to enhance cognitive functions including, attention, cognitive flexibility and emotional resilience, critical for decision-making in the present era of AI and automation. Researchers have found that mindfulness practices in the corporate world has a profound impact on employee well-being as it reduces stress, increases resilience towards the challenges, improves sleep quality, and enhance overall happiness and life satisfaction.

For successful integration of Vipassana among the employees, the organizations should adopt well-structured approaches that facilitate its seamless integration. One such strategy is to develop institute-sponsored Vipassana programs. Various corporate industries around the World have begun to form dedicated areas and time slots for workers to engage in mindfulness during free time, encouraging regular practice without disturbance in working schedule.

The organizations can further strengthen their Vipassana initiatives, by collaborating with the established Vipassana centers. This way, the employees can understand its core principles and can practice it under the observations of the expert. Such retreat centers can systematically teach Vipassana and can also ingrain the mindfulness culture in the organizations leading to a decrease in stress and developing ethical and compassionate work environment.

Another impactful strategy for the integration of Vipassana in institutions is to incorporate Vipassana into leadership development programs. Leaders who practice mindfulness show better self-regulation, cognitive resilience and empathy thus setting an example and inspiring diverse stakeholder groups. For example, in an institute, if the boss can work peacefully even in stressful situations, shows no impulsiveness and takes ethical decisions with compassion, the employees remain easily convinced regarding Vipassana. On the other hand, this type of transformed leadership can easily guide the employees through rapid technological change.

Various global organizations have integrated mindfulness-based mediations into their workforce development strategies. For example, Aetna, an American health insurance company has integrated mindfulness into their organization with over 20,000 employees participating. After years of integration, in their internal research, they found that there was an improvement in focus, engagement, and sleep quality and significant reduction in stress among the employees. According to their report, the mindfulness training program resulted in significant return of investment (ROI) as there was an average increase in 62-minute productivity per week, gaining \$3000 in value per employee and a reduction in 7% of health care cost which saved \$2000 per employee (Khalique, 2025). Similarly, various other multinational organizations, including LinkedIn, Google and Twitter offer guided meditation during working hours and have observed a positive return at both individual and organizational levels.

## Conclusion

The integration of Vipassana into organizational practices offers profound cognitive benefits, especially in enhancing attention and decision-making capabilities. Research indicates that mindfulness practices like Vipassana strengthen the important areas of brain including, anterior cingulate cortex (ACC) and dorsolateral prefrontal cortex (dlPFC) for sustained focus, and the ACC, insula, and various parts of PFC for emotional regulation. Such structural changes in the brain enhance attention regulation, emotional regulation, self-awareness and change in perspective of self, functioning as the basic mechanism of



Vipassana. These changes mitigate the cognitive burden such as information overload, and automation bias, while fostering focus, engagement and right decision-making. Various organizations across the world have embraced the mindfulness program and have reported benefits including stress reduction, and enhanced well-being, focus, and engagement contributing to better decision-making process.

### Limitation

In the present, study we have referred to various studies which are based on mindfulness meditation techniques but very few studies are available, particularly in Vipassana meditation. Apart from that, many neuroscientific studies relating mindfulness with neural changes in the brain rely on small, cross-sectional samples with limited longitudinal or causal studies. Likewise, organizational case studies are mostly Western, highlighting the need for culturally tailored studies for the country like Nepal. Nevertheless, the present study suggest that Vipassana has significant potential for fostering attention and right decision-making, a critical weapon to tackle the overpowering technology of modern era of AI and automation.

### Works Cited

- Alon-Barkat, S., & Busuioc, M. (2023). Human–AI interactions in public sector decision making: “automation bias” and “selective adherence” to algorithmic advice. *Journal of Public Administration Research and Theory*, 33(1), 153-169.
- Ānandajoti Bhikkhu. (2011). *Mahāsatiṭṭhānasuttaṃ: The Long Discourse about the Ways of Attending to Mindfulness* (2nd rev. ed.). Retrieved from <https://ancient-buddhist-texts.net/Texts-and-Translations/Satipatthana/Satipatthana.pdf>.
- Bhikkhu Bodhi. (2011). *The discourse on the establishment of mindfulness*. Buddhist Publication Society.
- Bhikku Bodhi. (2000). *A comprehensive manual of Abhidhamma*. Seattle: BPS Pariyatti.
- Bhikkhu Bodhi. (2000). *The connected discourses of the Buddha: A new translation of the Saṃyutta Nikāya* (Vol. II, p. 901). Wisdom Publications.
- Blanke, O., Mohr, C., Michel, C.M., Pascual-Leone, A., Brugger, P., Seeck, M., . . . Thut, G. (2005). Linking out-of-body experience and self-processing to mental own-body imagery at the temporoparietal junction. *Journal of Neuroscience*, 25, 550–557
- Brewer, J. A., Worhunsky, P. D., Gray, J. R., Tang, Y. Y., Weber, J., & Kober, H. (2011). Meditation experience is associated with differences in default mode network activity and connectivity. *Proceedings of the National Academy of Sciences*, 108(50), 20254-20259.
- Carr, N. (2020). *The shallows: What the Internet is doing to our brains*. WW Norton & Company.
- Cloninger, C.R., Svrakic, D.M., & Przybeck, T.R. (1993). A psychobiological model of temperament and character. *Archives of General Psychiatry*, 50, 975–990.
- Davidson, R. J., & Dahl, C. J. (2017). Varieties of contemplative practice. *JAMA psychiatry*, 74(2), 121-123.
- Decety, J., & Jackson, P.L. (2004). The functional architecture of human empathy. *Behavioral and Cognitive Neuroscience Reviews*, 3, 71–100
- Delgado-Pastor, L. C., Perakakis, P., Subramanya, P., Telles, S., & Vila, J. (2013). Mindfulness (Vipassana) meditation: effects on P3b event-related potential and heart rate variability. *International Journal of Psychophysiology*, 90(2), 207-214.



- De-Sola Gutiérrez, J., Rodríguez de Fonseca, F., and Rubio, G. (2016). Cell-phone addiction: a review. *Front. Psychiatry* 7, 175.
- Diamond, A. (2013). Executive functions. *Annual Review of Psychology*, 64, 135–168.
- Emavardhana, T. & Tori, C. D. Changes in self-concept, ego defense mechanisms, and religiosity following seven-day Vipassana meditation retreats. *J. Sci. Stud. Relig.* 36, 194–206 (1997).
- Fresco, D. M., Segal, Z. V., Buis, T., & Kennedy, S. (2007). Relationship of posttreatment decentering and cognitive reactivity to relapse in major depression. *Journal of consulting and clinical psychology*, 75(3), 447.
- Goldstein, J. (2013). *Mindfulness: A practical guide to awakening*. Sounds True.
- Hölzel, B. K., Lazar, S. W., Gard, T., Schuman-Olivier, Z., Vago, D. R., & Ott, U. (2011). How does mindfulness meditation work? Proposing mechanisms of action from a conceptual and neural perspective. *Perspectives on psychological science*, 6(6), 537-559.
- Hölzel, B. K., Ott, U., Hempel, H., & Stark, R. (2006, May). Wie wirkt Achtsamkeit? Eine Interviewstudie mit erfahrenen Meditierenden (How does mindfulness work? An interview study with experienced meditators). In 24th Symposium of the Section for Clinical Psychology and Psychotherapy of the German Society for Psychology, Würzburg, Germany.
- Horowitz, M. C., & Kahn, L. (2024). Bending the automation bias curve: a study of human and AI-based decision making in national security contexts. *International Studies Quarterly*, 68(2), sqae020.
- Jang, J.H., Jung, W.H., Kang, D.H., Byun, M.S., Kwon, S.J., Choi, C.H., & Kwon, J.S. (2010). Increased default mode network connectivity associated with meditation. *Neuroscience Letters*, 487,358–362.
- Kabat-Zinn, J. (1994). *Wherever you go, there you are: Mindfulness meditation in everyday life*. Hyperion.
- Kakumanu, R. J., Nair, A. K., Venugopal, R., Sasidharan, A., Ghosh, P. K., John, J. P., ... & Kutty, B. M. (2018). Dissociating meditation proficiency and experience dependent EEG changes during traditional Vipassana meditation practice. *Biological psychology*, 135, 65-75.
- Kahneman, D. (2011). *Thinking, fast and slow*. Farrar, Straus and Giroux.
- Khalique, F., Khan, N., & Saini, K. (2025). Case Based Approach From Industry Leaders.
- Kral, T. R., Schuyler, B. S., Mumford, J. A., Rosenkranz, M. A., Lutz, A., & Davidson, R. J. (2018). Impact of short-and long-term mindfulness meditation training on amygdala reactivity to emotional stimuli. *Neuroimage*, 181, 301-313.
- Lazar, S. W., Kerr, C. E., Wasserman, R. H., Gray, J. R., Greve, D. N., Treadway, M. T., ... & Fischl, B. (2005). Meditation experience is associated with increased cortical thickness. *neuroreport*, 16(17), 1893-1897.
- Loh, K. K., & Kanai, R. (2016). How has the Internet reshaped human cognition? *The Neuroscientist*, 22(5), 506-520.
- Lutz, A., Brefczynski-Lewis, J., Johnstone, T., & Davidson, R.J. (2008). Regulation of the neural circuitry of emotion by compassion meditation: Effects of meditative expertise. *PLoS ONE*, 3, e1897.
- Lutz, A., Slagter, H. A., Dunne, J. D., & Davidson, R. J. (2008). Attention regulation and monitoring in meditation. *Trends in Cognitive Sciences*, 12(4), 163–169.
- Mark, G., Gudith, D., & Klocke, U. (2008, April). The cost of interrupted work: more speed and stress.

- In Proceedings of the SIGCHI conference on Human Factors in Computing Systems (pp. 107-110).
- Mehling, W. E., Gopisetty, V., Daubenmier, J., Price, C. J., Hecht, F. M., & Stewart, A. (2009). Body awareness: construct and self-report measures. *PloS one*, 4(5), e5614.
- Nañamoli, B. (Trans.). (1991). *The path of purification: Visuddhimagga*. Buddhist Publication Society.
- Olendzki, A. (2010). *Unlimiting mind: The radically experiential psychology of Buddhism*. Simon and Schuster.
- Rahula, W. (2007). *What the Buddha taught*. Open Road+ Grove/Atlantic.
- Rosen, L. D., Carrier, L. M., & Cheever, N. A. (2013). Facebook and texting made me do it: Media-induced task-switching while studying. *Computers in human behavior*, 29(3), 948-958.
- Shanmugasundaram, M., & Tamilarasu, A. (2023). The impact of digital technology, social media, and artificial intelligence on cognitive functions: a review. *Frontiers in Cognition*, 2, 1203077.
- Tang YY, Hölzel BK, Posner MI. The neuroscience of mindfulness meditation. *Nature reviews neuroscience*. 2015 Apr;16(4):213-25.
- Tang, Y. Y., Ma, Y., Wang, J., Fan, Y., Feng, S., Lu, Q., ... & Posner, M. I. (2007). Short-term meditation training improves attention and self-regulation. *Proceedings of the national Academy of Sciences*, 104(43), 17152-17156.
- Topol, E. J. (2019). High-performance medicine: the convergence of human and artificial intelligence. *Nature medicine*, 25(1), 44-56.
- Uncapher, M. R., & Wagner, A. D. (2018). Minds and brains of media multitaskers: Current findings and future directions. *Proceedings of the National Academy of Sciences*, 115(40), 9889-9896.
- Xu, Z., Gao, X., Wei, J., Liu, H., & Zhang, Y. (2023). Adolescent user behaviors on short video application, cognitive functioning and academic performance. *Computers & Education*, 203, 104865.

# A Systematic Review of SMEs Performance: Does the Play Financial Literacy, Financial Inclusion, and Financial Risk Catalyst Role?

 Chudamani Khatri

## ABSTRACT

**Background:** Small and medium enterprises (SMEs) are represent vital contribution to the worldwide economic activity, through their creation of job opportunity, along with their network of innovation, and their poverty reduction efforts. The operation of SMEs faces various obstacles because of their poor financial literacy and exclusion from banking systems and elevated financial dangers that jeopardize their operational effectiveness.

**Objective:** The research analyses how economic performance of SMEs develops due to their financial literacy alongside their access to financial services and their risk exposure.

**Methods:** The study reviews past literature on SMEs' performance, through the lens of financial literacy and financial inclusion together with financial risk evaluation. Multiple studies analyzed together reveal the effects that these factors have on the expansion and resilience of small and medium enterprises.

**Results:** The success of small and medium entrepreneurs depends on financial literacy and inclusion because they provide better resources management skills and investment strategies while strengthening financial sustainability. Financial risk as a problem continues to prevent organizations from achieving both strategic decisions as well as sustainability goals.

**Conclusion:** The performance level of SMEs can see notable improvements by implementing both financial literacy enhancement and financial inclusion promotion. Effective risk management strategies should be deployed to secure SME success within long periods.

**Implication:** Policymakers and stakeholders need to focus on improving financial education, expanding access to financial services and mitigating financial risks to foster SME growth and contribute to sustainable economic development.

## KEYWORDS

SMEs Performance, financial literacy, financial inclusion, financial risk, economic growth and sustainability.

**Paper Type:** Systematic Review

## Introduction

The World Bank shows that small and medium enterprises (SMEs) form 90% of all businesses while creating more than 50% of worldwide employment numbers (Ardic et al., 2012). They exercise strong impact in emerging markets particularly because they contribute 40% to GDP. The combination of job creation along with innovative solutions and market vacancy fulfillment by SMEs supports economic

development and strengthens community networks. Local demands get better service through flexible solutions from SMEs which outperform larger corporations especially in regions with minimal attention. The capability to adapt stands as essential for SMEs because it helps them meet various consumer needs and shifting market conditions (Gilmore, 2011) and how entrepreneurs and SMEs owner/managers adapt and use marketing for their specific requirements during the life of an enterprise. Initially, the paper will give some background to the subject, including how entrepreneurs and SMEs owner/managers are defined and their value to the economy.

Design/methodology/approach

The discussion draws from the academic literature and from experience of working with entrepreneurs and SMEs over a number of years. The background characteristics and frameworks of entrepreneurial and SMEs marketing are considered, with emphasis on a pragmatic approach, to try to understand how entrepreneurs and SMEs actually “do” business.

Findings

The main body of the paper focuses on the nature of entrepreneurial marketing typically used by SMEs. The key themes of the discussion are how entrepreneurs and SME owner/managers adapt standard marketing frameworks to suit their own enterprises, how they use networks to improve their business activity, the use and development of marketing management competencies and how they try to use and develop innovative marketing.

Research limitations/implications

Finally, the paper comments on the interrelationships and relevance of entrepreneurship and marketing for each other.

Originality/value

In practice, entrepreneurial and SMEs marketing is quite different from the marketing frameworks described in the standard marketing textbooks used to teach most undergraduate students. This paper illustrates how entrepreneurs and SMEs adapt and use marketing according to the needs of their enterprises.

Journal of Research in Marketing and Entrepreneurship, "DOI": "10.1108/14715201111176426", "ISSN": "1471-5201", "issue": "2", "language": "en", "license": "https://www.emerald.com/insight/site-policies", "page": "137-145", "source": "DOI.org (Crossref). The successful operation of SMEs reduces poverty rates and distributes income more equally therefore establishing social stability. Global economic progress depends on these businesses since they serve as fundamental components of economic stability at both local and global levels. These businesses actively confront socioeconomic problems which help communities resist economic instability better. Local resources and talent form a foundation for these enterprises to achieve sustainable growth through their development (Ma et al., 2024). SMEs demonstrate indispensable significance in solving essential problems which contributes to a balanced and flourishing future for both domestic areas and worldwide economic systems (Darwish et al., 2024).

The global economy achieves growth and innovation and job creation from the operation of small and medium enterprise (SMEs) (Gherghina et al., 2020). SMEs compose 90% of world businesses yet they are responsible for creating more than 50% of global employment during their operation. SMEs make significant contributions to developing nations since they generate 40% of their overall GDP while providing essential support to reduce poverty via pathway creation for enhancing community economic endurance. The ability of SMEs to swiftly adapt to changing markets along with their special service offerings creates competitive and innovative business environments (Bi et al., 2017). The ability to be flexible in operations has gained enhanced value because of digitalization and e-commerce-induced market changes. The flexible structure of smaller firms enables them to become trailblazers in product development because they move with more speed compared to large corporations. The economic stability and growth of the broader market depends on SME support through adequate policies and resources because these businesses form an essential component for inclusive development (Surya et al., 2021). The success of the global economy depends on SMEs because they generate employment opportunities and support innovation while preserving local economic stability.

Small and medium enterprises (SMEs) depend on financial personality traits consisting of financial literacy while combining mental budgeting and self-control for achieving financial success (Mpaata

et al., 2021). The education about financial matters gives SME owners the capability to make wise choices while inspecting financial dangers alongside optimal resource distribution. Their foundation of financial knowledge allows them to process financial data and lead strategic decisions which enhance their resistance to challenges. Mental budgeting helps entrepreneurs treat their finances by mentally organizing money allocation which enables them to follow expenses while making sure essential expenses get funding and avoids spontaneous spending thus supporting smooth cash flow. The ability to exercise self-control lets business owners stick to budgets and postpone enjoyments which prevents them from making unnecessary expensive impulse purchases (Brownstein, 2018). Strong personality traits lead SMEs to achieve better financial stability that improves resource management and enables sustainable growth and better economic risk resistance. SME growth depends on owner development of financial personality traits that produce stronger businesses which subsequently drive economic progress and stability at both individual and sector levels. The development of these traits by SME owners results in personal financial prosperity together with economic stability for the broader economy.

The decisions made about investments determine small and medium enterprise (SME) growth through their impact on resource distribution for business expansion. The investment approach of SMEs faces challenges because they face restricted funds and elevated danger levels in their operations. Managers tend to focus on immediate needs instead of long-term benefits because their capital resources are limited and they struggle to obtain financing. The ability to understand finances with risk tolerance levels serves as important elements because these elements determine SMEs' ability to conduct prudent investment assessment. The lack of resources forces SMEs to select protective investment strategies that concentrate on fundamental needs instead of aggressive growth ventures according to Fatoki (2014). By adopting a conservative investment approach business owners limit their chance to capture lucrative business prospects thus creating barriers to long-term financial stability and market dominance. SMEs should receive better financial education combined with enhanced funding opportunities to support them in making strategic investments that would drive sustainable growth and financial stability. SMEs can substantially boost national economic development by making smarter investment choices because they will create jobs while developing innovative products and improving their market competitiveness.

Small and medium enterprises need financial well-being to succeed and financial literacy together with mental budgeting and self-control play a major role in this success. Small and medium enterprises that invest in financial literacy training achieve superior financial success along with better capability to handle economic hardships. The ability of entrepreneurs to manage finances properly improves their profitability while extending the sustainability of their businesses because they have strong financial literacy skills. Owner financial literacy in SMEs leads to improved revenue by 30% according to Lusardi and Mitchell (2014). Entrepreneurs who understand their finances gain essential capabilities to produce well-informed decisions which reduces their risks regarding cash flow and investment choices. Mental budgeting and self-control implementation helps business owners use their funds with discipline to achieve maximum efficiency. Financial literacy education for SMEs serves two parallel purposes by improving business owner well-being and facilitating development of a stronger economy. To support economic health the entire economy needs targeted educational programs that teach entrepreneurs financial management skills.

Small and medium enterprises need financial well-being to succeed and financial literacy together with mental budgeting and self-control play a major role in this success. Your business will perform successfully when both its financial outcomes and economic resilience improve because of developed financial literacy skills. Companies run by financially literate entrepreneurs manage financial planning and operations better which brings about increased profits and longer business duration. Owner financial

literacy in SMEs leads to improved revenue by 30% according to Lusardi and Mitchell (2014). The connection demonstrates how financial literacy teaches entrepreneurs to make well-informed choices which minimizes potential risks when they handle cash flow and make investment choices. The implementation of mental budgeting alongside self-control helps SME owners manage their resources properly and utilizes funds at maximum efficiency. Enhancing financial literacy in SMEs leads to both strong individual financial life and stable economic development in the country. To support economic health the entire economy needs targeted educational programs that teach entrepreneurs financial management skills.

Additionally, this study falls within the following categories: The review of the literature is covered in Section 2, the discussion and research gap are covered in Section 3, and the study is concluded in Section 4.

## **Review of literature**

### **Small and Medium Sized Entrepreneurs:**

SMEs are the business people who undertake to carry out small to medium-scale businesses with a small number of employees, less capital investment and less income compared to large scale firms. They are important in the economy because they spur on new ideas, provide employment opportunities to people and contribute to the growth of national and regional economies in many industries all over the world.

SMEs play a crucial role in growing the economy worldwide through employment, innovation and contribution of GDP in developed as well as developing countries. Worldwide, SMEs contribute more than 90% of the total businesses and 50% employment an indication of their importance on economic recovery and poverty eradication. These enterprises are involved in manufacturing, service and agricultural industries and act as mediators between interior and large-scale businesses.

However, SMEs come with a lot of challenges such as, lack of capital, weak infrastructure, and policy constraints. Some other constraints that are peculiar to the developing countries include low financial literacy, low adoption of digital technologies. However, these businesses have been empowered by new technologies and governments support such as micro finance and favorable policies for SMEs. If these challenges and opportunities are effectively managed SMEs will improve competitiveness, export and participate in sustainable development of the global economy.

### **Financial literacy**

Financial literacy is a person's capability to understand and apply financial knowledge with the skills in managing budgets, savings, investments and credit. It covers awareness of what are interest rates, inflation rates, risks, etc, as well as practical skills in applying this knowledge when managing resources. Education in money matters is important to achieve personal monetary success because it enables people to set for the future, avert financial disasters, and improve on their monetary status. Increased financial knowledge leads to improved financial skills, wiser decisions regarding money and improved financial disposition. Financial literacy needs to be encouraged since it will help individuals' organizations and policymakers to foster financially sustainable societies.

### **Financial inclusion**

Financial inclusion can be described as a process of offering affordable and easily accessible financial products such as money account, banking, credit, savings, insurance and payment services to those people who are excluded from these services. It is very useful in fighting poverty, stimulating economic



growth and enhancing quality of personal financial status. Self-employment reduces vulnerability by creating employment for those who would otherwise have minimal capital, and increasing economic diversification when women and other traditionally oppressed groups are granted more opportunity. But challenges including low financial education, geography, high cost of services and poor physical infrastructure slow down the process. These challenges can be solved through right policies and innovations will boost up the chances of financial inclusion required for the economic development and better standard of living of everyone.

### **Financial Risk**

Financial risk means the potential loss of funds or of a more or less stable financial environment because of unpredictable performance of investments, operating activities, or the economy at large. They can emanate from fluctuations in market, credit risks, liquidity challenges, or problems of operations. Market risk occurred due to alteration in asset price levels while credit risk means that debtors will fail to honor their debts. Liquidity risk arises when the assets are not easily sold and operational risk emanates from within an organization. This paper aims to establish that financial risk analysis is vital for all people and firms to avoid key loss exposures and achieve financial stability.

### **National Financial Inclusion Roadmap (2022–2030)**

This roadmap states that, Nepal has made financial inclusion a cornerstone of economic growth through its Financial Sector Development Strategy, 2017–2022. The Nepal Rastra Bank actively promotes financial inclusion through improved financial literacy, consumer protection, and access to finance. Since 2014, NRB has been a member of the IFC's Sustainable Banking Finance Network, integrating social and environmental considerations into sustainable finance. The Nepal Financial Inclusion Action Plan aims at expanding affordable financial services by 2030. The major achievements of the country include increased bank account access, which went up to 67.3% in 2021, expansion of insurance cover, and outreach to 752 out of 753 local bodies. Efforts such as provincial banking structures and digitalization have strengthened Nepal's financial system, fostering inclusion and economic growth.

As stated by the Industrial Enterprise Act 2076 each enterprise in Nepal is classified into micro, small, medium and large enterprises based on fixed capital, turnover and business type. Micro enterprises in Nepalese context are those enterprises with fixed capital up to NPR 2 million, annual turnover up to NPR 10 million, and employing not more than nine persons. The owner is directly involved in the implementation of the operations on a day to day basis. According to its meaning cottage industries are those industries where there is traditional and local, skill, raw material linkage, and technologies are also local in nature. Small enterprises: those with fixed capital up to 150 million of our Nepalese Rupees. The medium enterprises are as those enterprises having fixed capital greater than NPR 150 million but less than NPR 500 million. The categorization, therefore, will help to call for special policies to bring about the required economic growth as well as foster businesses.

### **SMEs' performance**

Small and Medium Enterprises (SMEs) are very crucial and important because they are take center-stage in the growth of an economy through their major contribution to employment and innovation. Their performance depends on the factors such as finance sourcing, competition and dynamics, managerial capacities, and extra-economic conditions. There is therefore need for SME's to pull down their financial hoods and apply strong and efficient financial management and strategic planning to weather the storm. Technological adoption as well as the customer-focused strategies and resource use



optimization also add to their competitive edge. However, challenges are inherent in SMEs including; limited access to capital, legal requirements, and market risk. Enhancing knowledge on money issues, innovation and supportive government policies can enhance SMEs performance and their contribution in sustainable development.

### **Nepalese SMEs**

Nepalese SMEs are defined as legal business entities that are operationally smaller in size and workforce, and smaller in capital investment. Various industries including agricultural, tourisms, manufacturing and commercial sectors are common among SMEs in Nepal. According to the Industrial Enterprises Act 2020, fixed assets of a small enterprise do not exceed NPR 100 million and fixed assets of a medium enterprise range from NPR 100 million to NPR 250 million. These enterprises are important for the development of economy of Nepal as they help in generation of employment, eradicating poverty and in the development of a particular region. SMEs constraints include; Small and medium enterprises suffer from factors such as;

SMEs are the lifeblood of the global economy owing to which Nepal is also home to more than 90% of total business houses. Nonetheless the SME's currently contribute about 25% to the GDP of the country with a clear majority of these firms operating in the informal economy. This article will go deeper in to the analysis of the current position of SMEs in Nepal situation in relation to rest of South Asian countries and the world and ideas for the possible future state of these important enterprises.

As per the Industrial Enterprise Act 2076, all the enterprises of Nepal are categorized into four groups based on fixed capital, annual turnover and type of operation as micro and small, medium and large. Micro enterprises are those enterprises that fixed capital is up to NPR 2 million, annual turnover up to NPR 10 million and total employees up to nine. The entrepreneur is directly responsible for the overall running of the business. The cottage industries are those which are traditional and localized in skill, raw material connection and technologies inherent in them. Small enterprises: those having fixed capital up to NPR 150 million. Medium enterprises are those enterprises whose fixed capital range from more than 150 million Nepalese Rupees but less than 500 million Nepalese Rupees. The categorization, therefore, will enable the formulation of special policies that will enable the needed economic growth and business promotion.

### **Empirical Studies**

Various different empirical literatures were reviewed in order to make this study more efficient. Studies conducted are showcased with the help of following table below:

Topic of Research	Author(s)	Sample	Research Method	Findings	Conclusion
1. Culture, financial literacy, and SME performance in Ghana	Agvei (2018)	300 randomly sampled SME-Owners	Ordinary Least Squares and Logit regressions	Cultural beliefs of SME-Owners should be of prime consideration in designing financial literacy programmes	The relationship between financial literacy and SME growth is cultural-context dependent.
2. Enterprise Risk Management Practices and Firm Performance, the Mediating Role of Competitive Advantage and the Moderating Role of Financial Literacy	Yang et al. (2018)	304 SMEs operating in the emerging market of Pakistan	Structural Equation Modeling (SEM) in Analysis of a Moment Structures (AMOS)	Enterprise risk management practices significantly influence competitive advantage and SME performance.	Top managers need to have enough financial education that they will be able to perform risk management practices in an efficient way to gain a competitive position in the market.
3. Self-service banking and financial literacy as prognosticators of business performance among rural small and medium-sized enterprises in Zimbabwe	Maziriri et al. (2018)	Data was collected from 151 managers	Smart partial least squares	Technology-based self-service banking, borrowing, and budgeting financial literacy had a positive and a significant impact on business performance.	Technology-based self-service banking, borrowing, and budgeting financial literacy positively influence rural SMEs' business performance in Zimbabwe.
4. How Does Financial Literacy Promote Sustainability in SMEs? A Developing Country Perspective	Ye and Kulathunga (2019)but insufficient attention has been given to how SMEs' financial literacy affects their sustainability. Drawing upon a knowledge-based perspective, peaking order theory and dual process theory, we constructed an integrated model to examine the impact of financial literacy, access to finance and financial risk attitude on SMEs' sustainability. The sample included 291 chief financial officers (CFOs)	291 chief financial officers (CFOs) of SMEs	Structural equation modelling	Direct positive effects of financial literacy, access to finance and financial risk attitude on sustainability of SMEs.	Access to finance and financial risk attitude were found to be partial mediators of the relationship between financial literacy and SMEs' sustainability.
5. How Does Technological and Financial Literacy Influence SME Performance: Mediating Role of ERM Practices	Ye and Kulathunga (2019)but insufficient attention has been given to how SMEs' financial literacy affects their sustainability. Drawing upon a knowledge-based perspective, peaking order theory and dual process theory, we constructed an integrated model to examine the impact of financial literacy, access to finance and financial risk attitude on SMEs' sustainability. The sample included 291 chief financial officers (CFOs)	Collect data from 319 chief financial officers (CFOs) of SMEs	Single-mediator structural model	Techno-finance literacy is a significant determinant of two endogenous constructs, namely, SME performance and ERM practices	Techno-finance literacy is a significant determinant of two endogenous constructs, namely, SME performance and ERM (entrepreneur risk management) practices

6. How Does Financial Literacy Promote Sustainability in SMEs? A Developing Country Perspective	Jianmu and Kulathunga (2019)	The sample included 291 chief financial officers (CFOs) of SMEs	structural equation modelling	direct positive effects of financial literacy, access to finance and financial risk attitude on sustainability	access to finance and financial risk attitude were found to be partial mediators of the relationship between financial literacy and SMEs' sustainability
7. How Does Technological and Financial Literacy Influence SME Performance: Mediating Role of ERM Practices	Kulathunga et al. (2020)	collect data from 319 chief financial officers (CFOs)	single-mediator structural model	Entrepreneur risk management (ERM) practices of SMEs were also positively affected to the SME performance	Techno-finance literacy is a significant determinant of two endogenous constructs, namely, SME performance and ERM practices.
8. Women entrepreneurship in the developing country: the effects of financial and digital literacy on smes' growth	Fauzi et al. (2020)Indonesia. For the purpose of comparison, data of men entrepreneurs were also collected. The variables employed are latent variables such as financial literacy, digital literacy, SME's growth which are derived from a series of questions to indicate each variable. A total of 240 women and 240 men were analyzed using structural equation modelling (SEM)	A total of 240 women and 240 men	structural equation modelling (SEM)	Financial and digital literacy had positive and significant effects on return on assets.	The short term, financial literacy and digital literacy are important to understand and implement. But in the long run, digital literacy plays an important role because it impacts business growth.

9. Business experience or Financial Literacy? Which one is better for opportunity recognition and superior performance?	Anwar et al. (2020) the majority of SMEs cannot easily recognize new opportunities in the turbulent markets due to a lack of managerial competencies and knowledge. Several studies have been carried out to unleash the determinants of opportunity recognition that constitute SMEs' success, but the results are disjointed. In particular, the mediating role of opportunity recognition between business experience, financial literacy, and SME performance has been missed. This study aims to test if either financially literate or experienced managers can recognize new opportunities that result in high performance. For testing the hypotheses, we surveyed 232 Pakistani SMEs from the manufacturing, trading, and service sectors. After performing the structural equation modeling, we found that financial literacy and business experience are the substantial prognosticators of opportunity recognition and SMEs' performance. Opportunity recognition shows a partial mediating role between financial literacy and SMEs performance as well as between business experience and SMEs performance. However, this research endorses that business experience is more vital for high performance as compared to financial literacy whereas in terms of opportunity recognition financial literacy is more crucial as compared to experience. This study recommends the enterprises to hire the financially literate and experienced managers as both display a prominent role in the identification of opportunities and high performance. Further implications are discussed. "container-title": "Business Strategy & Development", "DOI": "10.1002/bsd2.103", "ISSN": "2572-3170", "2572-3170", "is sue": "3", "journalAbbreviation": "Business Strat Dev", "language": "en", "page": "377-387", "source": "DOI.org (Crossref	232 SMEs from the manufacturing, trading, and service sectors	performing the structural equation modeling.	Business experience is more vital for high performance as compared to financial literacy.	enterprises to hire the financially literate and experienced managers as both display a prominent role in the identification of opportunities and high performance
10. Financial Inclusion and SMEs' Performance: Mediating Effect of Financial Literacy	Togun et al. (2022)	Simple SME operators or managers	Structural equation modeling (SEM).	Financial literacy has a large positive impact on the performance of SMEs.	small business regulators work with accounting professional organizations to organize financial literacy workshops, seminars, and short courses for small business owners

11. Financial literacy, access to digital finance and performance of SMEs: Evidence From Central region of Ghana	Frimpong et al. (2022)	Total of 400 responses were gathered from SMEs	PLS-SEM	Financial literacy positively affects access to digital finance.	Access to digital finance mediates the relationship between financial literacy and SME performance.
12. Entrepreneurial Competency, Financial Literacy, and Sustainable Performance—Examining the Mediating Role of Entrepreneurial Resilience among Saudi Entrepreneurs	Seraj et al. (2022)	collecting data from 220 small business entrepreneurs in Saudi Arabia	PLS-SEM	Entrepreneurial competency has a significant positive effect on Saudi SMEs' entrepreneurial resilience and sustainable performance.	financial literacy significantly positively affects entrepreneurial competency and resilience
13. The roles of self efficacy and sharia financial literacy to SMES performance: business model as intermediate variable	Srisulawati et al. (2022)but Pandemic covid-19 made the decline of SMEs which directly affected the economy in Indonesia. The purpose of this research focus to explore the innovation of business models the novelty of the research model in the business model of innovation research models is to include the variable self-efficacy. This research emphasizes self-efficacy and Islamic financial literacy as independent variables, business model innovation as an intermediate model and business performance variables as dependent variables, with the focus of research on SMEs. Methods: This quantitative study uses partial least square structural equation modeling (PLS-SEM)	The 40 Street Vendors which is categorized as SMEs	Partial least square structural equation modeling	Self-efficacy and Islamic financial literacy through business model innovation, had a positive effect on SMEs business performance	Having good self efficacy and good Islamic financial literacy plus an appropriate business innovation model, it will improve the business performance of SMEs.
14. The Role of Financial Literacy, Access to Finance, Financial Risk Attitude on Financial Performance. Study on SMEs logjakarta	Kristanto Hc (2022)small and medium enterprises (SMEs	Respondents were SMEs as many as 276 entrepreneurs.	The mediation regression analysis tool uses PLS	Financial literacy significantly enhances SME financial performance	Need to the ability to analyze small business risks to improve company's financial performance and sustainability.
15. Effect of Financial Technology on SMEs Performance in Cameroon amid COVID-19 Recovery: The Mediating Effect of Financial Literacy	Lontchi et al. (2023)	The study collects 381 survey data from SMEs	The PLS-SEM model was used to test the proposed hypotheses.	Financial literacy positively and significantly mediates the relationship between fintech services and the performance of SMEs.	Financial literacy is an essential mechanism through which fintech services influence SMEs' operational and financial performance in Cameroon.

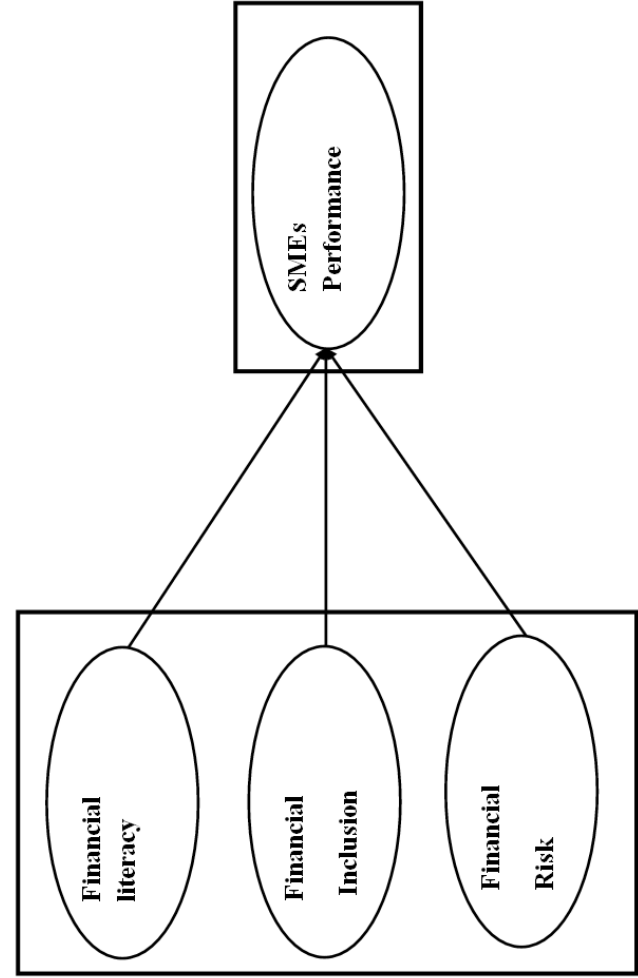
16. The relationship between financial literacy and financial access among SMEs in the Ekurhuleni municipality	Changwesha and Mutezo (2023)	310 responses were obtained from the owners and managers of SMEs	Descriptive statistics, using factor analysis, regression analysis and correlation analysis.	Positive relationship between financial literacy and financial access.	The study established that financial access was significantly challenging for most SMEs.
17. Financial literacy, investment and personal financial management nexus: Empirical evidence on private sector employees	Oppong et al. (2023)	collect data from 400 respondents using convenience sampling approach	Partial Least Square Structural Equation Model (PLS-SEM) for analysis	Significant positive relationship between financial literacy, personal financial management, and investment decisions, with investment decisions.	Individuals need to receive training in appropriate money management techniques in order to foster a more competitive and effective market for consumption and savings.
18. Financial Inclusion and Financial Condition: The Mediating Effect of Financial Self-efficacy and Financial Literacy	Bojuwon et al. (2023)	376 SMEs were the appropriate sample size	structural equation modeling	financial inclusion directly and indirectly through financial literacy positively influences financial capability	Management of the SMEs when making decision on the product and service offered should strategically create thoughtful ideals that will increase their ability to manage their financial condition through financial self-efficacy and literacy.
19. Analysis of financial technology, financial literacy, financial attitudes, on mediated business performance financial inclusion and self-efficacy in small medium industry (smi) in malang city, Indonesia,	Rahadjeng et al. (2023)	sample of 335 attempts in Small Medium Industry (SMI)	Structural Equation Model (SEM) -SMART-PLS	Fintech has a direct influence on financial performance, financial inclusion and self efficacy. Likewise, fintech has an indirect effect on SMI performance	SMEs which are one of the main contributors in creating employment opportunities at the local level.
20. "Women in business: The impact of digital and financial literacy on female owned small and medium-sized enterprises"	Asandimitra et al. (2024)	100 females	Partial Square analysis, causal explanatory research approach.	The findings of this study are likely to help SME owners increase their competitiveness through improved performance.	Financial literacy significantly enhances SMEs' performance by improving resource management

<p>21. Financial literacy and small and medium enterprises performance: the moderating role of financial access</p>	<p>Abdallah et al. (2024) focusing on the moderating role of financial access. Design/methodology/approach The population of this study consists of present SMEs in Kuwait, from whom a sample of 155 businesses was chosen. This study adopted a cross-sectional time frame and analyzed the collected data using partial least square structural equation modeling, and Smart-pls 4 software was applied for calculation. Findings This research reveals that financial literacy significantly influences SME performance, consistent with previous studies, showing that higher financial literacy promotes entrepreneurs' financial management capabilities and enhances business outcomes. Also, the study supports that financial access significantly moderates this relationship, pointing out that adequate access to financial services boosts the benefits of financial literacy. Research limitations/implications Major implications of this study comprise the urgent need for customized financial literacy programs and policies promoting financial thoroughness, particularly in enhancing economies. The study recognizes limitations such as its cross-sectional design, small sample size and reliance on self-reported measures, suggesting further research use longitudinal approaches, a larger sample and objective measures. Practical implications The authors' recommendations contain comprehensive financial literacy training, development of targeted financial education initiatives, promotion of sound financial management practices and policies to enhance financial access and inclusion, all aimed at boosting SME performance and contributing to economic growth. Originality/value To the best of the authors' knowledge, this study is Kuwait's first of its sort. Thus, the research is even more critical in Kuwait, where social and corporate values differ significantly. Therefore, this study aimed to investigate the relationship between financial literacy and the performance of Kuwait's SMEs moderated by financial access. container-title Journal of Financial Reporting and Accounting, DOI: 10.1108/JFRA-06-2024-0337, ISSN: 1985-2517, 1985-2517, journalAbbrviation: JFRA, language: en, license: https://www.emerald.com/insight/site-policies, source: DOI.org (Crossref</p>	<p>sample of 155 businesses</p>	<p>partial least square structural equation modeling,</p>	<p>Higher financial literacy promotes entrepreneurs' financial management capabilities and enhances business outcomes</p>	<p>financial literacy training, development of targeted financial education initiatives, promotion of sound financial management practices and policies to enhance financial access and inclusion, all aimed at boosting SME performance and contributing to economic growth.</p>
---	---	---------------------------------	---	---	---



22. Investigating the effect of financial literacy and financial inclusion on operational and sustainable supply chain performance of SMEs	Toni et al. (2024) financial inclusion on operational performance and the effect of financial literacy on sustainable supply chains and the impact of financial inclusion on sustainable supply chains in SMEs in Indonesia. The research method is quantitative through online surveys with the Google form, data collection by distributing online questionnaires to 590 SMEs owners were selected by simple random sampling. The online questionnaire was designed using a Likert scale of 5 and distributed via social media. Data analysis used structural equation modeling of partial least squares (SEM-PLS)	data collection by distributing online questionnaires to 590 SMEs owners	Structural equation modeling of partial least squares (SEM-PLS)	this study indicate that financial literacy and financial inclusion had a positive and significant effect on operational performance, financial literacy had a positive and significant effect on sustainable supply	Financial inclusion had a positive and significant effect on operational performance, financial literacy had a positive and significant effect on sustainable supply
--	--	--	---	--	--

Conceptual framework



Source: Author

## Discussion and Research Gap

Small and Medium Enterprises (SMEs) drive the Nepalese economy through their crucial role in generating employment as well as their distribution of income and their efforts to eliminate poverty. Small and Medium Enterprises in Nepal achieve subpar performance levels because they face numerous obstacles such as restricted resource availability and poor financing management and minimal market power. The review shows how financial literacy combined with financial inclusion and financial risk management acts as essential drivers which boost small and medium enterprise operation in Nepal. Financial literacy enables businesses to make better monetary decisions while financial inclusion provides essential financial products to companies. Financial risk management systems help organizations reduce business uncertainties while protecting their continued operations.

Several research studies have acknowledged these recognized roles yet show weaknesses in explaining the combined effects of these factors in Nepalese SMEs. Available research analyzes financial literacy and inclusion and risk factors separately from their combined effects on SME operational results. Analyzese of Nepalese business conditions including geographical restrictions and cultural customs and regulatory structures fail to enter standard analyses. The majority of studies present constraints in their ability to track how variables evolve through time because they depend on cross-sectional data.

A complete analysis of these relationships should combine multidimensional research to understand how financial literacy creation and inclusion with risk management improve the performance of small and medium enterprises. A comprehensive understanding develops through research designs that link longitudinal approaches with various methods because they monitor both temporal developments and particular situational elements. The implementation of closing these knowledge gaps will deliver practical recommendations to policymakers alongside financial institutions and SME entrepreneurs in Nepal which supports sustainable economic progress.

## Conclusion

The research investigation of multiple academic publications reveals that Nepalese SMEs encounter major performance obstacles because workers have low financial knowledge while banks restrict their services and companies manage financial risks poorly. Nepalese SMEs possess growth potential from these elements yet their restricted financial literacy along with restricted financial service access prevents their advancement. Undercurrents of economic uncertainties show that SMEs remain exposed because they lack sufficient risk management methods. Policymakers together with financial institutions should prioritize capacity development initiatives as well as financial accessibility improvements and risk management practices to sustainably develop Nepal's SME sector.

## Works Cited

- Abdallah, W., Harraf, A., Ghura, H., & Abrar, M. (2024). Financial Literacy and Small and Medium Enterprises Performance: The Moderating Role of Financial Access. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/JFRA-06-2024-0337>
- Agyei, S. K. (2018). Culture, Financial Literacy, and Sme Performance in Ghana. *Cogent Economics & Finance*, 6(1), 1463813. <https://doi.org/10.1080/23322039.2018.1463813>
- Anwar, M., Shuangjie, L., & Ullah, R. (2020). Business Experience or Financial Literacy? Which One Is Better for Opportunity Recognition and Superior Performance? *Business Strategy & Development*, 3(3), 377–387. <https://doi.org/10.1002/bsd2.103>

- Ardic, O. P., Mylenko, N., & Saltane, V. (2012). Access to Finance by Small and Medium Enterprises: A Cross-Country Analysis with a New Data Set. *Pacific Economic Review*, 17(4), 491–513. <https://doi.org/10.1111/j.1468-0106.2012.00596.x>
- Asandimitra, N., Kautsar, A., Tri Wijayati, D., Dwi Kusumawati, N., & Uswatun Nihaya, I. (2024). Women in Business: The Impact of Digital and Financial Literacy on Female-Owned Small and Medium-Sized Enterprises. *Investment Management and Financial Innovations*, 21(3), 330–343. [https://doi.org/10.21511/imfi.21\(3\).2024.27](https://doi.org/10.21511/imfi.21(3).2024.27)
- Bi, R., Davison, R. M., & Smyrnios, K. X. (2017). E-Business and Fast Growth Smes. *Small Business Economics*, 48(3), 559–576. <https://doi.org/10.1007/s11187-016-9788-8>
- Bojuwon, M., Olaleye, B. R., & Ojebode, A. A. (2023). Financial Inclusion and Financial Condition: The Mediating Effect of Financial Self-Efficacy and Financial Literacy. *Vision: The Journal of Business Perspective*, 09722629231166200. <https://doi.org/10.1177/09722629231166200>
- Brownstein, M. (2018). Self-Control and Overcontrol: Conceptual, Ethical, and Ideological Issues in Positive Psychology. *Review of Philosophy and Psychology*, 9(3), 585–606. <https://doi.org/10.1007/s13164-018-0390-7>
- Changweshia, M., & Mutezo, A. T. (2023). The Relationship Between Financial Literacy and Financial Access Among Smes in the Ekurhuleni Municipality. *Acta Commercii*, 23(1). <https://doi.org/10.4102/ac.v23i1.1142>
- Darwish, S., Nadoo, V., & Ahmed, U. (2024). Innovation and Creativity an Important Ingredient in the Future Growth and Sustainability of Smes. In A. M. A. Musleh Al-Sartawi, A. A. Al-Qudah, & F. Shihadeh (Eds.), *Artificial Intelligence-Augmented Digital Twins* (Vol. 503, pp. 341–358). Springer Nature Switzerland. [https://doi.org/10.1007/978-3-031-43490-7\\_26](https://doi.org/10.1007/978-3-031-43490-7_26)
- Fauzi, F., Antoni, D., & Suwarni, E. (2020). Women Entrepreneurship in the Developing Country: The Effects of Financial and Digital Literacy on Smes' Growth. *Journal of Governance and Regulation*, 9(4), 106–115. <https://doi.org/10.22495/jgrv9i4art9>
- Frimpong, S. E., Agyapong, G., & Agyapong, D. (2022). Financial Literacy, Access to Digital Finance and Performance of Smes: Evidence from Central Region of Ghana. *Cogent Economics & Finance*, 10(1), 2121356. <https://doi.org/10.1080/23322039.2022.2121356>
- Gherghina, Ștefan C., Botezatu, M. A., Hosszu, A., & Simionescu, L. N. (2020). Small and Medium-Sized Enterprises (smes): The Engine of Economic Growth Through Investments and Innovation. *Sustainability*, 12(1), 347. <https://doi.org/10.3390/su12010347>
- Gilmore, A. (2011). Entrepreneurial and Sme Marketing. *Journal of Research in Marketing and Entrepreneurship*, 13(2), 137–145. <https://doi.org/10.1108/14715201111176426>
- Kristanto Hc, R. H.-. (2022). The Role of Financial Literacy, Access of Finance, Financial Risk Attitude on Financial Performance. Study on Smes Jogjakarta. *Jurnal Keuangan Dan Perbankan*, 26(4), 805–819. <https://doi.org/10.26905/jkdp.v26i4.7936>
- Lontchi, C. B., Yang, B., & Shuaib, K. M. (2023). Effect of Financial Technology on SMEs Performance in Cameroon amid COVID-19 Recovery: The Mediating Effect of Financial Literacy. *Sustainability*, 15(3), 2171. <https://doi.org/10.3390/su15032171>
- Ma, R., Liu, H., Li, Z., Ma, Y., & Fu, S. (2024). Promoting Sustainable Development: Revisiting Digital Economy Agglomeration and Inclusive Green Growth Through Two-Tier Stochastic Frontier

- Model. *Journal of Environmental Management*, 355, 120491. <https://doi.org/10.1016/j.jenvman.2024.120491>
- Maziriri, E. T., Mapuranga, M., & Madinga, N. W. (2018). Self-Service Banking and Financial Literacy as Prognosticators of Business Performance Among Rural Small and Medium-Sized Enterprises in Zimbabwe. *The Southern African Journal of Entrepreneurship and Small Business Management*, 10(1). <https://doi.org/10.4102/sajesbm.v10i1.180>
- Mpaata, E., Saina, E., & Koskei, N. (2021). Does Self-Control Moderate the Relationship Between Social Influence and Savings Behavior Among Small Business Owners? *SEISENSE Business Review*, 1(2), 32–47. <https://doi.org/10.33215/sbr.v1i2.583>
- Oppong, C., Salifu Atchulo, A., Akwaa-Sekyi, E. K., Grant, D. D., & Kpegba, S. A. (2023). Financial literacy, investment and personal financial management nexus: Empirical evidence on private sector employees. *Cogent Business & Management*, 10(2), 2229106. <https://doi.org/10.1080/23311975.2023.2229106>
- Rahadjeng, E. R., Pratikto, H., Mukhlis, I., & Restuningdiah, N. (2023). Analysis of Financial Technology, Financial Literacy, Financial Attitudes, on Mediated Business Performance Financial Inclusion and Self-Efficiency in Small Medium Industry (smi) in Malang City, Indonesia. *International Journal of Professional Business Review*, 8(8), e03041. <https://doi.org/10.26668/businessreview/2023.v8i8.3041>
- Seraj, A. H. A., Fazal, S. A., & Alshebami, A. S. (2022). Entrepreneurial Competency, Financial Literacy, and Sustainable Performance—Examining the Mediating Role of Entrepreneurial Resilience Among Saudi Entrepreneurs. *Sustainability*, 14(17), 10689. <https://doi.org/10.3390/su141710689>
- Srisusilawati, P., Malik, Z. A., Silviany, I. Y., & Eprianti, N. (2022). The Roles of Self Efficacy and Sharia Financial Literacy to Smes Performance: Business Model as Intermediate Variable. *F1000Research*, 10, 1310. <https://doi.org/10.12688/f1000research.76001.2>
- Surya, B., Menne, F., Sabhan, H., Suriani, S., Abubakar, H., & Idris, M. (2021). Economic Growth, Increasing Productivity of Smes, and Open Innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1), 20. <https://doi.org/10.3390/joitmc7010020>
- Toni, N., Theng, B. P., & Calen, C. (2024). Investigating the Effect of Financial Literacy and Financial Inclusion on Operational and Sustainable Supply Chain Performance of Smes. *Uncertain Supply Chain Management*, 12(1), 573–582. <https://doi.org/10.5267/j.uscm.2023.8.014>
- Yang, S., Ishtiaq, M., & Anwar, M. (2018). Enterprise Risk Management Practices and Firm Performance, the Mediating Role of Competitive Advantage and the Moderating Role of Financial Literacy. *Journal of Risk and Financial Management*, 11(3), 35. <https://doi.org/10.3390/jrfm11030035>
- Ye, J., & Kulathunga, K. (2019). How Does Financial Literacy Promote Sustainability in Smes? A Developing Country Perspective. *Sustainability*, 11(10), 2990. <https://doi.org/10.3390/su11102990>
- Yang, S., Ishtiaq, M., & Anwar, M. (2018). Enterprise risk management practices and firm performance, the mediating role of competitive advantage and the moderating role of financial literacy. *Journal of Risk and Financial Management*, 11(3), 35.

# The Role of Digital Platforms in Promoting Spiritual Tourism: A Case Study of the Maha Kumbh Festival in Prayagraj

 Gajendra Gupta

*Lumbini Buddhist University*

## ABSTRACT

This research paper explores how digital platforms contribute to the promotion of spiritual tourism, with a special focus on the Maha Kumbh Festival, which is held in India. The study examines the key stakeholders responsible for globalizing the festival and investigates the total income and expenditure associated with the event. It explores the potential exposure of significant spiritual sites, particularly in the context of Hinduism and Buddhism. At the beginning of the Maha Kumbh Festival, spiritual leaders and devotees are primarily aware of its significance. However, with the rise of digital platforms such as TikTok, Facebook, YouTube, and other social media, short videos featuring religious and public figures explaining the festival's importance go viral globally. As a result, international participation increases, boosting India's GDP and creating employment opportunities. Similarly, Nepal can leverage digital platforms to promote its heritage sites, particularly Lumbini, as a vital center for spiritual tourism. This study aims to engage academicians, corporate sectors, government authorities, political leaders, and spiritual figures in utilizing digital media to highlight cultural and spiritual heritage at national and international levels. Furthermore, it advocates for integrating cultural awareness into school and higher education curricula. The research is based on direct observation, interviews, short video clips, and reports from government and corporate bodies. Since such studies are rare in academic discourse, this paper holds significant value in expanding scholarly discussions on digital media's impact on spiritual tourism.

## KEY WORDS

Digital platforms, Spiritual tourism, Maha Kumbh, Spiritual Sites, Spiritual Leaders, Employment

## Introduction

A simple scroll through digital media reveals captivating short videos and reels showcasing the grandeur of the Maha Kumbh Mela. A few days ago, while browsing Facebook reels, It encountered various engaging content related to the event. Although It was familiar with the Maha Kumbh, It was unaware of the exact dates and location. However, the more It explored reels and YouTube videos, the more curiosity intensified. Various yogis, ascetics, and spiritual leaders from Shaivism and Vaishnavism caught attention of People. Their discourses glorified the Maha Kumbh, portraying it as a divine congregation of enlightened souls. Despite Buddhist background, it sought a deeper understanding of the Maha Kumbh's significance. According to Buddhist teachings, the purification of the mind and actions, rather than physical cleansing, leads to true sanctity. The Anguttara Nikaya (3.15, Appannaka Sutta) states that external bathing in rivers does not purify one's soul; rather, purity is attained through righteous actions and conduct. Similarly, in the Snataka Sutta (Suttanipata 2.7), the Buddha emphasized that true purification comes from truthfulness, non-violence, self-restraint, and mental discipline rather than

ritualistic river baths. The Udaka Sutta (Suttanipata 628-630) further clarifies this concept: "A foolish person believes that water purifies them, but a wise person achieves purity through moral living." With these teachings in mind, It initially viewed the Maha Kumbh bathing ritual as merely a cultural tradition. However, It was drawn to the idea of experiencing the event firsthand. Seeing the ascetics, Naga sadhus, and Aghori monks, It felt there was much to learn from them. Motivated by curiosity and the desire to witness this grand spectacle, Its decided to visit Prayagraj on January 14, 2025, the auspicious day of Makar Sankranti, considered sacred for Kumbh bathing. However, securing a confirmed train ticket was impossible. Reserving a private vehicle with friends also proved unfeasible.

### **A Journey into the Maha Kumbh**

Having seen endless social media content on the Maha Kumbh, my digital feed was inundated with related materials. Eventually, It learned that the most auspicious day for the holy dip was Mauni Amavasya on January 29, 2025. Determined to witness this. The Chief Minister of Uttar Pradesh had predicted five crore pilgrims for Mauni Amavasya but had prepared for ten crore devotees (Yogi Adityanath). Its embarked on journey on January 28, 2025, with the understanding that if failed to find a bus from Gorakhpur, would return home. Fortunately, secured a bus at 1:30 PM, expecting to reach Prayagraj by 9:30 PM. However, due to extreme traffic congestion, arrived at 8:00 AM the following day. The sheer scale of the crowd was overwhelming. The Kumbh grounds were packed beyond imagination. Security personnel advised pilgrims to move slowly. Braved the dense crowd, witnessing devotees fainting due to exhaustion. Its felt lightheaded, and many people appeared visibly distressed. The only goal was to reach the riverbank. Amidst the chaos, its watch fell, but recovering it was impossible. Eventually, reached the banks of the Sangam and performed sacred dip despite fatigue.

### **Statement of the Problem**

In the digital age, the intersection of spirituality and technology has transformed religious experiences. The Maha Kumbh Mela, one of the world's largest religious congregations, has witnessed a surge in digital influence, with social media platforms playing a crucial role in attracting millions of pilgrims. While this has enhanced awareness and accessibility, it has also posed several challenges, including overcrowding, inadequate infrastructure, and commercialization of spiritual practices. Furthermore, Nepal, despite having significant religious sites, struggles with digital promotion, resulting in underdeveloped spiritual tourism compared to India. This research seeks to examine the implications of digital media on religious tourism, analyzing both its benefits and challenges. Additionally, it aims to explore strategies Nepal can adopt to enhance its spiritual tourism industry through digitalization. There is some research questions are arise form the core of this study.

1. How has digital technology influenced the promotion, organization, and commercialization of the Maha Kumbh Mela?
2. What strategies can Nepal implement to enhance its spiritual tourism sector using digital media?

### **Objectives of the Study**

The main objective of this study are as follows:

1. To analyze the role of digital media in shaping the Maha Kumbh Mela's visibility, participation, and commercial impact.
2. To propose digital strategies for promoting Nepal's pilgrimage sites and improving its spiritual tourism sector.



## Research Methodology

This study employs a qualitative research approach, incorporating both primary and secondary data sources. The primary data consists of observations and personal experiences gathered during participation in the Maha Kumbh Mela, supplemented by interviews with pilgrims, event organizers, and digital media analysts. Secondary data includes scholarly articles, media reports, and government publications on digital media's impact on religious tourism. The study utilizes thematic analysis to identify key trends in digital promotion and commercialization of spiritual events. Additionally, comparative analysis is employed to examine the effectiveness of digital strategies used in India and their applicability to Nepal's tourism sector.

## Observations on Digital Influence and Commercialization

Upon completing bath, noticed that security personnel were instructing people to vacate the premises swiftly. The return journey was equally arduous. Makeshift stalls lined the streets, selling food and religious items. Some generous locals distributed free biscuits, water, and even khichdi to pilgrims. However, proper lodging was nearly impossible to find, and government-provided tents were overcrowded. Reflecting on the event, it became evident that digital media had played a pivotal role in popularizing the Maha Kumbh. The extensive coverage on platforms like YouTube, TikTok, and Instagram had amplified its appeal, drawing millions to Prayagraj. Despite reports of logistical challenges, the enthusiasm of pilgrims remained undeterred. This phenomenon extends beyond the Kumbh Mela. Similar digital strategies were observed in Ayodhya during the consecration of Lord Ram's idol. Social media ensured that global audiences engaged with the event, boosting religious tourism. The Maha Kumbh set unprecedented records in pilgrimage numbers, necessitating restrictions on transport routes to Prayagraj. The Maha Kumbh Mela is a significant religious gathering in Hinduism, attracting millions of devotees worldwide. The 2025 Maha Kumbh witnessed an unprecedented turnout of over 663 million pilgrims, making it one of the largest congregations in history (Yogi Adityanath). The event represents religious devotion, spiritual purification, and social unity. Participation and Organization Initially, it was estimated that 400-450 million people would attend the festival, but the actual number exceeded expectations. Each Hindu family was expected to have at least one representative participate. The Indian government, led by Prime Minister Narendra Modi, oversaw the management and logistics of the event (Yogi Adityanath). The arrangements ensured seamless participation, including transportation, security, and accommodation for the devotees. The Kumbh Mela fosters social unity, as people from different economic backgrounds, including VIPs and common citizens, bathed together in the holy waters. Devotees regard the Ganges River as sacred, despite concerns about pollution. Digital media extensively covered the event, spreading awareness about its cultural and religious significance (Yogi Aditya Nath).

## Challenges and Tragic Incidents

Despite careful planning, the festival saw tragic incidents. On 29 January 2025, a stampede killed 30 people and injured 60 others (The Hindu Bureau). Another incident a few hours later resulted in seven additional deaths, including a three-year-old child (John). Later, on 15 February 2025, New Delhi railway station witnessed another stampede, leading to 15 casualties due to train delays (Pandey).

## Economic and Cultural Impact

The Maha Kumbh is a major economic driver, benefiting local businesses, tourism, and employment. Hotels, lodges, and homestay services were fully booked. Students preparing for exams offered bike taxi services to earn money, and a boatman made 300 million INR with 130 boats (Yogi Adityanath). The event showcased India's rich cultural heritage and reinforced the importance of spiritual tourism.

Many believe the Ganges River is holy, even though some consider it polluted. The devotees saw it as sacred water. The festival was well-organized, with no reports of thefts or violence. On 29 January 2025, during Mauni Amavasya (New Moon Day), devotees had to walk 3-5 km to reach the river due to the crowd. The parking system planned for 600,000 buses, but 780,000 buses and four-wheelers entered the area. Many pilgrims walked 10-

15 km with excitement and joy. People from places like Varanasi (Kashi), Ayodhya, and Gorakhpur attended in large numbers, ranging from 500,000 to 2.5 million. Other pilgrimage sites, such as Vindhyachal Dham and Chitrakoot, saw daily visits of 400,000 to 500,000 devotees. The Lucknow-Naimisharanya route also had 400,000 to 500,000 travelers. The government developed these locations as part of a spiritual corridor. Other holy places like Mathura, Gokul, Vrindavan, and Agra also witnessed significant participation. The event attracted people from South India, East India, West Bengal, and across the country. The festival was widely covered by digital media. On 29 January 2025, it was estimated that 40 million people would attend, but the actual number was 80 million. However, 2 million devotees were prevented from entering Prayagraj due to overcrowding

### **International Visitor**

International Recognition and Visits Pilgrims and tourists from over 40 countries, including Australia, USA, UK, Japan, and Russia, attended the event (Dixit). On 1 February 2025, a delegation of 118 diplomats from 77 countries visited the Maha Kumbh (Pandey). Notable dignitaries included:

1. Vice President Jagdeep Dhankhar (3 February 2025)
2. President Droupadi Murmu (10 February 2025)
3. Prime Minister Narendra Modi (5 February 2025)
4. Bhutan King Jigme Khesar Namgyel Wangchuck ("Bhutan King Jigme Khesar Namgyel Wangchuck")
5. Similarly The event was widely covered in national and international media. It highlighted the presence of spiritual leaders, political figures, business personalities, film stars, and sports celebrities. Media reports and videos encouraged more people to visit the Maha Kumbh Mela.

The Maha Kumbh Mela 2025 in Prayagraj witnessed an unprecedented influx of devotees and tourists, solidifying its status as one of the largest religious gatherings globally. Key statistics from the event include:

1. Total Attendance: Approximately 660 million pilgrims participated over the 45-day festival, marking the largest recorded assembly in the event's history (The Guardian).
2. Foreign Tourists: The festival attracted around 5.5 million international visitors, a significant increase from previous years. Notably, the 2019 Kumbh Mela saw 1.03 million foreign tourists among a total of 230 million attendees (The Times of India)
3. Economic Impact: The influx of pilgrims and tourists provided a substantial boost to Uttar Pradesh's economy. The hospitality sector experienced a surge, with the tent city alone generating approximately ₹10 billion in revenue. Additionally, the aviation industry saw airfares on routes to Prayagraj soar up to five times the usual rates due to heightened demand.
4. Infrastructure and Logistics: To accommodate the massive crowd, a temporary tent city was established over 4,000 hectares, featuring 200,000 tents, 250 miles of roads, and 30 pontoon bridges (200 journeys).

## Implications for Nepal's Spiritual Tourism

Nepal, with its rich spiritual heritage, has yet to leverage digital media effectively for pilgrimage promotion. Sites like Devghat, considered Nepal's equivalent of the Ardha Kumbh, remain underpublicized. Unlike India, where digital platforms flood audiences with religious tourism content, Nepal's spiritual sites receive minimal online engagement. Our country boasts numerous sacred sites, including Pashupatinath, Janakpur (the birthplace of Goddess Sita), Muktinath, Lumbini (the birthplace of Buddha), Swargadwari, and Pathivara Temple. Recently, The New York Times ranked Lumbini ninth among the world's top ten destinations for 2025, highlighting its global significance as a peace center. However, Nepal's media, political leaders, and tourism stakeholders have not capitalized on this recognition. Drawing inspiration from India's digital strategies, Nepal must embrace social media platforms to promote spiritual tourism. Reels, YouTube videos, and short documentaries can showcase Nepal's religious heritage to a global audience. Without a robust digital presence, Nepal risks missing out on economic opportunities that come with spiritual tourism.

## Conclusion

The Maha Kumbh Mela 2025 highlighted India's spiritual traditions, bringing together people from various backgrounds. Despite unfortunate crowd accidents, the event was a grand success, strengthening India's cultural and religious identity. The extensive media coverage and international participation cemented its status as a global religious and cultural phenomenon. The Maha Kumbh Mela demonstrates the transformative power of digital technology in religious commerce. Through social media, millions worldwide gained access to the event, significantly boosting pilgrimage tourism. This model offers valuable insights for Nepal, where strategic digital promotion can enhance the visibility of sacred sites, attract global pilgrims, and strengthen the national economy. Spiritual commerce in the digital age is no longer confined to physical pilgrimages—it thrives in the digital realm, shaping perceptions, economies, and cultural exchanges. By harnessing digital technology, Nepal can elevate its religious tourism industry, ensuring that its spiritual legacy receives the global recognition it deserves.

## Finding of study

Digital Media's Impact on Awareness and Participation: Social media platforms such as YouTube, Facebook, Instagram, and TikTok played a crucial role in spreading awareness about the Maha Kumbh Mela, leading to increased participation. Engaging reels, promotional videos, and influencer content contributed to the event's global visibility. While digital promotions attracted massive crowds, they also led to severe logistical challenges, including unmanageable traffic, overcrowding, and a shortage of accommodation and essential services. The digitalization of the Maha Kumbh has increased the commercial aspect of the festival, leading to the rise of tourism-related businesses, but also concerns about the dilution of its spiritual essence. Authorities made extensive use of digital tools for crowd management and transportation updates. However, despite the arrangements, many pilgrims faced difficulties due to the sheer volume of attendees. Nepal's pilgrimage sites lack digital marketing efforts compared to India. Effective utilization of social media, digital campaigns, and virtual engagement strategies could significantly boost Nepal's religious tourism sector. The success of the Maha Kumbh Mela in attracting both domestic and international tourists underscores the economic benefits of religious tourism. If Nepal adopts similar digital strategies, it can generate substantial revenue through pilgrimage tourism.

## Works Cited

- Bodhi, Bhikkhu, translator. *The Suttanipata: An Ancient Collection of the Buddha's Discourses Together with Its Commentaries*. Wisdom Publications, 2017.
- . *The Numerical Discourses of the Buddha: A Translation of the Anguttara Nikaya*. Wisdom Publications, 2012.
- "Bhutan King Jigme Khesar Namgyel Wangchuck." *The Guardian*, 4 Feb. 2025, [The pop- up megacity: how the Kumbh Mela prepared for 660m Hindu devotees | Global development | The Guardian](#).
- Dayal, Sakshi. "India's Modi Takes 'Holy Dips' at Maha Kumbh, Week after Stampede Killed Dozens." *Reuters*, 5 Feb. 2025.
- Dixit, Kapil. "Kumbh: Global Dignitaries & Saints to Attend Ganga Aarti." *The Times of India*, 17 Nov. 2024, <https://timesofindia.indiatimes.com>.
- "Foreign Tourists: The Festival Attracted Around 5.5 Million International Visitors, a Significant Increase from Previous Years. Notably, the 2019 Kumbh Mela Saw 1.03 Million Foreign Tourists Among a Total of 230 Million Attendees." *The Times of India*, 10 Mar. 2025, [www.timesofindia.indiatimes.com/...](http://www.timesofindia.indiatimes.com/)
- John, Kenneth. "A Second Crush 3km Away Claimed 7 Lives." *Hindustan Times*, 31 Jan. 2025.
- Pandey, Mohit. "Foreign Delegates from 77 Countries to Visit Mahakumbh Today." India TV, 1 Feb. 2025.
- The Hindu. "Bhutan King arrives in Maha Kumbh; takes dip at Sangam." *The Hindu*, 4 February 2025.
- The Hindu Bureau*. "Maha Kumbh Stampede Developments: 30 Dead, 60 Injured in Prayagraj; Judicial Probe Ordered." *The Hindu*, 30 Jan. 2025, <https://www.thehindu.com>.
- "Total Attendance: Approximately 660 Million Pilgrims Participated Over the 45-Day Festival, Marking the Largest Recorded Assembly in the Event's History." *The Guardian*, 15 Apr. 2025, [www.theguardian.com/...](http://www.theguardian.com/)
- Yogi Adityanath. *The Yogi Mahakumbh. India Today Conclave 2025*, uploaded by India Today, 8 Mar. 2025, <https://www.youtube.com/watch?v=ywYei0K8cvg>.
- 200 journeys. *Prayagraj Kumbh Tent City Inside Tour: Rates, Online Booking, Rent Price | Mahakumbh Mela Prayagraj*. Jan 8, 2025. <https://www.youtube.com/@200Journeys>

# Civil Society and Cooperative Organisations: On the Japanese Characteristics of Cooperative Organisations

 Hirasawa Katshuiko

## Introduction

On March 11, 2011, a massive 9.0 magnitude earthquake struck 130 km off the Oshika Peninsula in Miyagi Prefecture. This was the fourth largest earthquake in the world. The earthquake was felt in many parts of Japan, including Miyagi Prefecture, where it registered a seismic intensity of 7, and Fukushima and Ibaraki Prefectures, where it registered a seismic intensity of 6 above. After this earthquake, there were two more earthquakes with a magnitude of 6, and by the end of May, there had been more than 160 earthquakes.

These many earthquakes and the resulting tsunami caused enormous damage. In fact, by January 2024, the death toll had reached 15,844, with 3,349 people still missing and 128,529 houses completely destroyed. Of course, the effects of the earthquake were not limited to this direct damage, but also affected infrastructure such as gas and water supplies, as well as business activities.

For example, Mr. S., who runs a supermarket in Kesennuma City, lost his father in the tsunami, and his mother and wife are also missing. In addition, the supermarket he ran was swept away by the tsunami. "There is a debit of 500,000 yen, please transfer the money to your account," he was suddenly contacted by the local regional bank in despair. "I'm looking for my missing family and I don't have time for this," Mr. S. replied, but the local bank kept contacting him. Mr. S. deposited the money, but was "astonished at the lack of humanity" of the local bank.

The supermarket that was washed away by the tsunami was rebuilt with loans from the local Kesennuma Shinkin Bank and government-affiliated banks. It was the local shinkin banks that supported the local economy after the disaster. Of course, many companies and organizations, including major banks, supported the economic recovery, but it was the local financial institutions that supported the local economy. For example, despite the fact that 7 out of 12 branches of Kesennuma Shinkinbank were completely destroyed by the tsunami, they started making payments on March 14, immediately after the disaster, because they felt that "what customers want most is money".

Looking back at those days, Kesennuma Shinkinbank's General Manager Sugawara said, "The disaster victims didn't even have ATM cards, savings books, or personal seals," so they came up with the idea of allowing people to withdraw up to 100,000 yen if they could name a Shinkin Bank employee. In fact, "there were long lines of people outside the branches".

In this way, Shinkin Bank has been supporting the reconstruction of local communities since immediately after the earthquake, and has continued to promote initiatives such as providing loans for reconstruction,

---

1 The information here is based on an article in the Nihon Keizai Shinbun, March 7, 2016. <https://www.nikkei.com/article/DGXMZO97956010S6A300C1I00000/> Accessed February 28, 2025.

donating relief funds from other Shinkin banks, and conducting volunteer activities by bank employees based on the Shinkin Bank network. Shinkin Bank is a cooperative financial institution limited to a specific region, and it has supported the development of small and medium-sized enterprises and the self-employed in that region. In fact, not only during the earthquake, but also during the COVID-19 pandemic, Shinkin Bank made a map of stores where take-out food was available, and closed the staff canteen for a few days to contribute to the sales of take-out stores so that staff could eat take-out food. Shinkin Bank is considered an organization with a social mission.

However, various problems have been pointed out with regard to Shinkin Banks. For example, in 2006, the Office for the Promotion of Regulatory Reform proposed a review of preferential tax treatment and funding methods. Of particular interest was the question of how Shinkin banks should be regulated. It was said that "there were indications that they were not functioning as well as financial institutions with a joint-stock company structure" (Aikawa, p. 62). Indeed, there were cases at that time where financial institutions were involved in scandals and went bankrupt, and the way they were governed was questioned as a factor.

However, there is research that suggests that the governance systems of cooperative organizations are superior to those of joint stock companies in countries such as Germany, and in fact there is no particular increase in the number of bankruptcies of cooperative financial institutions, so "it is not clear on what basis this is claimed" (Aikawa, 2007, 63). In fact, many studies on the governance of cooperative organizations have questioned the relationship between the way cooperative organizations are governed and economic efficiency, but they have not questioned the problems of cooperative organizations based on the mutual support of their members. Rather, it seems that in the context of financial instability, the governance of not only large banks but also cooperative organizations has been called into question.

Of course, there are problems with the governance of cooperative organizations. While it is true that cooperative organizations have a structure in which each member participates in and controls management based on the principle of one person, one vote, in Japan, unlike in Europe and America, "people become members in order to receive loans" (Aikawa, 2007, 64), and for this reason members often do not take an interest in the management of cooperative organizations.

Despite the fact that they take the form of cooperative organizations in the same way as in Europe and America, where do these differences come from? The aim of this paper is to identify the factors that lead to the differences in cooperative financial institutions in Japan by asking about the differences in the establishment of cooperative finance in Germany and Japan, with this awareness of the problem<sup>2</sup>. This kind of work requires an extremely broad consideration, and in this sense, the discussion in this paper is limited to a basic examination to clarify the factors involved.

### **Civil Society and Credit Cooperatives in Germany**

The origins of Japan's cooperative financial institutions can be traced back to the Kamakura period, when the first "Tanomoshikou(mutual aid associations)" and "Mujin(mutual aid societies)" were established. These organizations were financial institutions for the general public, where members contributed a fixed amount of money or grain, and then lent money to members who won the lottery or bid successfully. The aim of these organizations was to provide mutual aid, and this spirit of mutual aid was passed on to the Hokoku-sha of Ninomiya Sontoku and the Sezokabu Kumiai of Oohara Yuugaku at

---

2 Although the development of cooperative organizations in Japan has been greatly influenced by German cooperatives, it has been pointed out that "comparative research between Japan and Germany has hardly been conducted" (Tanaka Y. and Tanaka, H., 2020, 45).



the end of the Edo period, which would eventually lead to the establishment of Japanese credit unions.

However, the modern cooperative financial institutions can be traced back to the credit cooperatives established in Germany by Yajirou Shinagawa and Tousuke Hirata during the Meiji era. They studied in Germany and learned from the credit cooperatives established by Franz Hermann Schulze-Delitzsch, and they enacted the Industrial Association Law, which defined cooperatives. In this way, Japan's credit cooperatives developed and grew under the influence of Hermann Schulze-Delitzsch.

As is well known, Hermann Schulze-Delitzsch, along with Friedrich Wilhelm Raiffeisen, is positioned as "a pioneer of the modern cooperative movement" (Suzuki, 2002, 72), and the ideals of credit cooperatives have been examined based on his ideas. The following points should be noted. Schulze-Delitzsch began to address the problems of craftsmen and the self-employed in the late 1840s, and in 1949 he participated in the establishment of a cooperative organization for shoemakers, and in 1950 he founded the famous remedial loan society. However, because small businesses were unable to obtain funding through this organization, the remedy loan society was restructured based on the regulations of the Credit cooperative in Eilenburg (Ruhmer, 1937, 159f).

In general, the principles of cooperative organizations are said to include membership, mutual aid, and the one-person-one-vote system. However, Schulze-Delitzsch's first loan society was an organization with a "charitable" character, and the principles of cooperative organizations were reorganized to refer to the Eilenburg loan society. In order to understand how the credit union was formed, it seems necessary to examine not only Schulze-Delitzsch's ideas, but also the Eilenburg loan association. Here we will briefly trace the development of Delitzsch's credit cooperative based on the research of Otto Ruhmer<sup>3</sup>. We will leave the introduction to Otto Ruhmer's research and its critical examination as a topic for the future.

Hermann Schulze was a member of the Prussian National Assembly in 1848, and because there was other members with the same name, he was given the name of his constituency and became known as Schulze-Delitzsch. Schulze was born and raised in the town of Delitzsch. Although he was elected as a member of parliament from this town, Eilenburg was also his constituency, and Schulze's most important base of support was the working-class town of Eilenburg (Ruhmer, 1937, p.76). In fact, Schulze was involved in various activities in Eilenburg.

Eilenburg was a rural town with about 2,000 inhabitants until the beginning of the 19th century. The establishment of a calico printing factory in the early 19th century led to the development of Eilenburg as an industrial town. In 1834, weaving machines were introduced and productivity increased significantly, but the introduction of the machines also led to the dismissal of 118 weavers. Although Eilenburg's economy continued to develop, the situation of the workers deteriorated. According to Otto Ruhmer, the wages of the workers in Eilenburg were lower than in other towns, and the working hours were 14 to 16 hours per day (Ruhmer, 1937, p. 4).

In addition, the economic crisis of 1846-1848 led to an increase in the number of unemployed and poor, and the situation of the workers deteriorated further. Against this backdrop, there were many riots, but on the other hand, workers learned that they could improve their situation by uniting, and this eventually led to the formation of the Workers' Society. This organization functioned as a mutual aid society for sickness and death (Ruhmer, 1937, p. 9). This would eventually evolve into a cooperative for craftsmen.

---

3 The description here is based on Ruhmer (1937). The relationship between workers' organizations, production cooperatives, and credit cooperatives is a topic for future research.

Delitzsch was a farming village with a population of about 5,000 at the time, but the economic crisis of 1846/48 and the poor harvest of 1846 began to have an impact on the town. The man who rose to the challenge of overcoming these difficulties was Hermann Schulze. He was the leader of a men's choir, and in order to address the poverty of the residents, a fundraising committee was formed with him as its chairman. While in other towns in Prussia there were riots, e.g. the inhabitants attacked grain storehouses, there were almost no riots in Delitzsch thanks to Schulze (Ruhmer, 1937, p.14f).

In 1949, Schulze established a health insurance fund and a shoemakers' cooperative for the purchase of raw materials. However, at that time there were no financial institutions that could provide loans to workers and craftsmen, so Schulze considered establishing a credit system for workers and craftsmen (Ruhmer, 1937, p.182). On March 16, 1850, Schulze himself announced the establishment of the loan fund, a loan fund for the general public, in the Delitzsch and Bitterfeld district newsletters. This newsletter also advertised a concert to be held on April 24. Schulze had planned the concert for the Loan Fund for Workers and Craftsmen, and he intended to use the proceeds of the concert to benefit this fund.

At the preliminary meeting held immediately after this public announcement, the constitution of the Remedy Loan Society was drawn up and its contents were then examined at a public meeting. An executive committee was also elected at the first meeting, with Schulze as chairman. The original purpose of the Remedy Loan Society was to provide funds to enable poor residents (unbemittelte Einwohner) to maintain their livelihoods and businesses, and indeed the society's bylaws stated that its purpose was to assist the poor residents of the area "by providing funds which are not dependent upon charity, so that they may maintain their livelihoods and businesses" (Ruhmer, 1937, p. 154).

However, this provision did not include the essential self-help efforts and solidarity among the members of the cooperative organization, and this society was a charitable organization that was financed by donations and interest-free loans (Ruhmer, 1937, p. 155). Because of its charitable nature, it did not have a stable financial base, and it was even considered to receive a loan from the city of Delitzsch. Furthermore, with only 30 members in 1952, it was unable to provide funds to residents in need. In contrast, the credit union in Eilenburg, based on the principles of mutual aid and solidarity among members, grew and by June 1952 had more than 500 members.

The oldest credit cooperative in Germany is the loan association in Eilenburg. Its establishment was proposed at a meeting of the Eilenburg Citizens' Association in September 1850 and approved at a citizens' meeting on September 30. Bernhardt and Bürmann, who Schulze often refers to as the executive members, were elected. As mentioned above, this loan association was the first credit cooperative in Germany based on mutual aid and regiments, and in October 1850 Bürmann pointed out that the effectiveness of such an association could be understood from the example of the loan association founded two years earlier in the neighboring town of Düben (Ruhmer, 1937, p. 199).

According to a memorandum from February 1848, the purpose of this association was to provide small loans to members in need. The working fund of the association was covered by a monthly membership fee of 5 Groschen and the association's surplus, and when members took out loans they had to pay 3.5% interest per year and 1 Pfennig per Thaler per month as an administration fee (Ruhmer, 1937, p.204).

The rules of the Heilkreditverein in Düben were used as a reference, and the rules of the loan association were also formulated in Eilenburg. The rules stated that any resident of the area could become a member. To become a member, one had to pay an initial fee of 6 groschen for the first 6 months and then a monthly fee of 1 groschen (the "tax"). The necessary funds were lent on a system of joint liability, and the loan had to be repaid at least 1 groschen per thaler each week. In addition, the borrower had to pay 1 groschen interest for every thaler borrowed.

Thus, while the Eilenburg loan association was based on self-help and solidarity among its members, the Delitzsch loan association was a charitable organization. In Delitzsch, too, members had to pay a monthly fee of one groschen, but because this could be offset against the fees already paid when the loan was repaid, the membership fee was not considered working capital, as it was in Eilenburg (Ruhmer, 1937, p. 155). The administration was quite strict. Therefore, Schulze would revise the bylaws based on the bylaws of the loan association in Eilenburg.

The revised rules and regulations of April 1852 restricted loans to members. Working capital was to be raised from members' monthly dues and loans, and all members were jointly and severally liable. Members were required to contribute at least 2 groschen per month. In addition to members' regular contributions, there was also a provision for honorary members, and all honorary members were wealthy people who provided funds through donations and loans out of a sense of social responsibility. According to the revised rules, honorary members were those who made a lump sum donation of 12 groschen or 1 thaler per year, or an interest-free loan of 5 thalers or more (Ruhmer, 1937, p.160).

With the reorganization of the society in 1952, 14 of the old members resigned, and honorary members also withdrew. As a result, the society lost its charitable character. However, Schulze continued to apply to the town of Delitsch and other organizations for financial support. Therefore, it can be said that "the independence of the credit cooperatives was not a decisive principle" (Ruhmer, 1937, p. 164).

So far, we have traced the establishment of credit cooperatives in Germany on the basis of Otto Ruhmer's research. I would like to briefly summarize the points that are relevant to the topic of this paper. As I have already pointed out, the development of capitalist production, especially mechanization, led to the impoverishment of workers and the self-employed. In this context, various workers' organizations and cooperatives were formed to support the workers. Schulze was one of the central figures in this movement. He was also involved in the establishment of mutual aid societies and consumer cooperatives, and it was through these activities that he founded credit cooperatives.

However, the remedial loan society he founded was a charitable organization based on donations and loans and was not organized on the principles of mutual aid and solidarity. Against the background of a lack of funds, he would adopt these principles with reference to the loan association in Eilenburg. At the same time, the founding members and honorary members, who had been the basis of the charitable nature of the organization, would withdraw and it would develop into an independent organization.

Nevertheless, he continued to seek loans and donations, and independence was not an important principle for Schulze. At the same time, it is impossible to ignore the existence of workers' organizations and civic groups as a prerequisite for such organizations. As a matter of fact, the rules of the loan society were discussed in a public meeting. Of course, at the time of its establishment, the operation of the loan society depended on donations and loans from honorary members and other leaders, but later the operation of the society was based on mutual aid and solidarity. Of course, in the analysis of credit cooperatives, the cooperative principles are emphasized, but as far as the history of the creation of credit cooperatives is concerned, it seems that civil society, especially the society of independent workers and laborers, is of crucial importance.

### **Japanese Rural Society and Cooperatives**

So far, we have examined the formation of credit cooperatives in Germany based on the research of Otto Ruhmer, and we have seen that the nature of civil society is important for the nature of cooperatives. From this perspective, we would like to give an overview of the formation of credit cooperatives in Japan and clarify some of the characteristics of credit cooperatives in Japan.

Japan has a long history of credit systems based on mutual aid, such as kou and mujin. Kou refers to voluntary groups of relatives who come together to help those who have suffered disasters or other misfortunes. Such kou are said to be based on family ties and a "strong sense of coexistence among relatives" (Mori, 1972, 29). Mujin, on the other hand, is said to be "an organization that aims to help the poor by pooling the daily savings of volunteers" (Mori, 1966, 56). Some of these organizations were "commercially oriented and aimed at making a profit" (Mori, 1966, 55), but they were basically run in the spirit of "mutual aid."

Mutual aid organizations such as kou and mujin are said to have existed since around the 8th century, but it was during the Edo period that they began to be used more frequently. Toward the end of the Edo period, "the tanomoshikou system that had been used in farming villages and among the samurai was further systematized," and "financial organizations" such as interest rates and savings plans (Mori, 1972, 35f) were introduced, such as Sontoku Ninomiya's houtokusha and Yugaku Oohara's senzokabukumiai. Let's start with the senzokabukumiai.

In the late Edo period, with the development of the market economy, many farmers lost their land or were dispersed, and farming villages fell into disrepair. In addition, the frequent occurrence of natural disasters caused great damage to farming villages. Yugaku, who was born in Owari, was invited to the village in Chiba where he was asked to give a lecture, and he became involved in various initiatives to revitalize the region. As one such initiative, he founded the Senzokabukumiai. This was in September 1838.

Senzokabu means "land passed down from generation to generation. Individual farmers would donate a portion of their farmland, and the village would manage it as a communal asset. The farmers would then work together to develop and manage the farmland, and "the management and operation of the land and the reserve fund would be decided by agreement of the members of the association" (Shigemoto, Decent, 352). The profits from this farmland were not repaid, but were accumulated, and when the accumulated amount reached 100 ryu or more, "half of it was to be used for 'relief' upon the request of a member of the association" (Shigemoto, 2015, 352).

While Senzokabu was an organization that provided mutual aid based on land, Sontoku Ninomiya's Houtokusha was an organization that provided mutual aid based on finance. Ninomiya was born in 1787 as the eldest son of a farmer in present-day Odawara City, Kanagawa Prefecture. At the time, the development of the market economy was devastating rural areas, and the samurai system of government was beginning to collapse. Ninomiya's family was relatively well-off, but when his parents died one by one, he was taken in by his uncle's family.

While being raised by his uncle, he not only helped with the family business, but also got an education, and eventually became independent by building a hut near his birthplace and cultivating wasteland, as well as lending rice and money. At the time, he was working for a family retainer, but the retainer took notice of his methods and entrusted him with the management of the household. At that time, he developed a financial system based on mutual aid called "Gojoukou Kashikin."

The word "Gojou" means the five virtues, and "Gojoukou Kashikin" is a financial system that applies these virtues. In other words, a person with financial resources accumulates funds in "Kou," and those who borrow money from this Kou are grateful to the person who provided the funds, and make efforts to return the money promptly and absolutely. This system is regarded as the prototype of today's credit cooperative. Based on this kind of financial system, they proceeded to rebuild the local economy, which was based on agriculture (Shintani, 2023).

As we have already seen, Schulze in Germany organized a credit system based on donations and loans from influential people in the city. Ninomiya's "Gojoukou Kashikin" can be said to be comparable to Schulze's remedy loan society. Let's trace the history a little further to see where the differences between the two lie.

Ninomiya died in 1856 at the age of 70, but his ideas were carried on by his disciples and eventually led to the establishment of credit unions. Masae Fukuzumi, for example, became Ninomiya's disciple in 1845 and supported him in his reforms of the shogunate's domains. In 1850, he left Ninomiya and started a business in the hotel industry, but he also led the Houtokusha movement, which was based on Ninomiya's ideas. The Houtokusha was founded in Odawara with the aim of spreading Ninomiya's ideas, but Yajirou Shinagawa and Tousuke Hirata, who drafted the bill for the "Industrial Association Law," showed interest in the Houtokusha, which had a "structure similar to a credit union" (Nakanishi, 2016, 4), and met with Fukuzumi to discuss the establishment of a credit union.

In fact, Fukuzumi organized a study group on credit unions, but this plan was interrupted by his death. The first credit union in Japan was established by Ryouichiro Okada, who, like Fukuzumi, had studied under Ninomiya. After receiving instruction from Ninomiya, he returned to Kakegawa and became the leader of the Houtoku movement in Enshuu, which is now the western part of Shizuoka Prefecture. In Enshuu, he began lending money, providing the funds himself, to promote agriculture and industry.

In 1879, he was appointed head of Sanojoutou County, which led to his receiving permission from Shizuoka Prefecture to establish the predecessor of Kakegawa Shinkinbank, Japan's first credit union. Okada had studied the German credit unions proposed by Shinagawa and Hirata. The bank was established with investments from many people, not just the Okada family, and was run according to the Houtoku philosophy (see Sumimoto and Nakanishi, 2016, 7f). In fact, many credit unions were established in Shizuoka Prefecture based on the Houtoku philosophy.

It is worth noting that, at that time, many of the members of the established credit unions were large landowners or people related to the president of the credit union. In fact, although influential people in the town made donations and volunteered as honorary members when Schulze's remedial loan society was first established, they left the organization when it adopted the Eilenburg mutual aid system. In Japan, on the other hand, it seems that modernization was promoted while the influence of those who made investments remained, and the principle of mutual aid was not thoroughly implemented.

## Conclusion

Shinkin banks, as cooperative financial institutions, have contributed to the development of local economies. In fact, in order to promote small and medium-sized enterprises that do not have their own distribution channels, shinkinbanks have provided a number of business matching opportunities and conducted other local support activities. However, on the other hand, various problems have been pointed out, including governance issues. In this paper, in order to clarify what has led to this situation, we have compared the formation process of cooperative organizations in Japan and Germany.

In the early 18th century, the life of craftsmen and workers in Germany became impoverished due to the industrial revolution and the introduction of machinery. Against this background, various cooperative attempts such as mutual aid and cooperatives emerged in Germany. In connection with these movements, credit unions were born. Originally, loan societies operated on the basis of donations and interest-free loans from influential people in the city. However, due to lack of funds, this organization was reformed on the basis of mutual aid and solidarity among members, with reference to loan societies

operated in places such as Eilenburg. At the same time, honorary members and others withdrew from membership, and the charitable nature of the organization was swept away. In the case of Germany, it was characteristic that the system of mutual aid and solidarity was introduced against the background of the activities of voluntary craftsmen and workers.

In Japan, the development of a market economy led to the scattering of villages and repeated famines devastated the countryside, so mutual aid organizations were developed to help farmers. Here, as in Germany, they were funded by donations from leading personalities. However, unlike in Germany, the economic relations were not reformed, and they remained in the cooperative organizations. To avoid any misunderstanding, I would venture to say that the cooperative organizations were established without the construction of a modern system of mutual aid and solidarity.

In this paper we have only made a very general comparison of the establishment of cooperative organizations. In the future it will be necessary to go into the actual state of organizational management, including the concept of mutual aid, and its historical development.

### Works Cited

- Aikawa, N.(2007), □Kyoudoushoshiki Kinyuukikan no Korekara no Yakuwari(The Future Role of Cooperative Financial Institutions), in: Yasuda, G., Aikawa, N. and Sasahara, S. ed. Ima Naze Shinkin, Shinkumi nanoka?(Why Shinkin Banks and Credit Unions Now?), Nihon Keizai Hyouronsha.
- Mori, S.(1966), Shinyoukinko Nyumon(Introduction to Shinkinbank), Bungadou Ginkoukenkyuusha.
- Mori,S.(1972), Nihon no Chuusyou Kigyou Kinyuu(Small and Medium Enterprise Finance in Japan), Toueidou.
- Nakanishi, M.(2016), Houtoku Shisou wo fumaeta dokuji no Torikumi to Ninomiya Kinjiro zou no Zenkou heno Fukyuu(Original efforts based on the Houtoku ideology and the spread of the statue of Kinjiro Ninomiya throughout Japan), in: Kinyuu Chousa Jouhou(Reserch Information on Finance), Vol.28, No.19.
- Ruhmer, O.(1937), Entstehungsgeschichte des deutschen Genossenschaftswesens, Johs. Krögers Verlaganstalt.
- Shigemoto, N.(2015), Zenkindai no Kyoudou Keiei(Joint management in pre-modern times), in: Ditto ed., Diisento Manejimento Kenkyuu(Studies on Decent Management), Kouyoushobou.
- Shintani, M.(2023), Ninomiya Kinjiro to Kyoudousoshikikinnyuu(Kinjiro Ninomiya and Kredit Cooperatives), in: Kinyuu Zaisei Jijou, 14th March.
- Sumimoto, B. and Nakanishi M.(2016), Ninomiya Sontoku ga tsukuriageta Houtoku Shisou no jitsusen(Practice of the□Houtoku Idea created by Sontoku Ninomiya), in: Kinyuu Chousa Jouhou(Reserch Information on Finance), Vol.28, No.4.
- Suzuki, G.,(2002), Schulze-Delitzsch to Raiffeisen, in: Seikatsu Kyoudou Kumiai Kenkyu(Studies on Cooperatives), Nr.6.
- Tanaka, Y. and Tanaka,H.(2020), Nihon to Doitsu niokere Kyoudoukumiai Kinyukikan no Rekishiteki Hikakukenkyuu (Comparative Historical Study on Cooperative Banks in Japan and Germany), in: Kokusai Nihon Kenkyuu(Journal of international and advanced Japanese Studies), Vol.12.



# Integrating Ai in Education: Preparing Educators and Learners

 **Hom Raj Khadka**

*Gyanasagar Secondary School, Paraspur, Banke, Nepal*

## ABSTRACT

Abstract Education systems worldwide experience transformation through Artificial Intelligence (AI) which delivers personalized learning experiences while managing administrative duties and broadening access to quality educational materials. Effective AI integration in education demands that both teachers and students possess the necessary skills along with supportive mindsets and infrastructures. This article examines both practical measures and theoretical frameworks to prepare educators and learners for AI integration. The work scrutinizes global patterns alongside contextual difficulties faced by developing countries such as Nepal while proposing strategic solutions. The study emphasizes the need for pedagogical transformation alongside ethical considerations and institutional reforms to achieve effective and equitable AI deployment in education.

## KEYWORDS

*AI in education, teacher preparation, learner readiness, educational reform, digital literacy, ethical AI, technology integration.*

## Introduction

Artificial Intelligence (AI) emerges as a transformative force that alters modern educational paradigms. AI technologies including intelligent tutoring systems and AI-powered assessment tools along with learner-supporting chatbots are slowly integrating into global classroom environments. The successful integration of AI demands more than just new tool adoption; it necessitates a fundamental transformation in teaching methods and learner interactions with knowledge. This document seeks to explore the methods through which both teachers and students can become equipped for AI-driven educational platforms. Discussions about AI in education need to incorporate wider societal movements including automation trends, future work scenarios, and digital equity issues. The evolution of AI technology alters the essential skill set students require for future success. The alteration necessitates an intricate and broad-minded systemic approach to ensure both teachers and learners achieve readiness through inclusive and future-oriented methods.

## Understanding AI in Education

When it comes to education, there's something quite cool that's called AI it's basically using some pretty awesome tech like machine learning and robotics, along with really smart ways to process language and get at super deep data to boost the learning process and smooth out teaching. Applications range from adaptive learning platforms to personalized learning material, right through to using analytical tools to predict which students may be struggling and need extra help. AI can do a lot of the busy task work too, which is really freeing up teachers to focus more time on teaching and really personal mentoring and interaction cuddles with students. And now AI is starting to really streamline feedback loops in real time, which makes teaching much quicker and more responsive and centered around students. The cool thing

about AI picking apart big piles of education data is that it really empowers everyone from classrooms to whole countries to make better decisions.

### **Literature Review**

Scholars like Holmes et al. (2019) and Luckin et al. (2016) emphasize the transformative potential of AI in education while cautioning against ethical and pedagogical risks. UNESCO (2021) identifies both opportunities and obstacles to advancing AI and they really advocate strongly for inclusive policies for this new technology. There's growing buzz around EdTech buzz in Nepal but artificial intelligence integration still lags behind due to lack of proper infrastructure, policy gaps and teachers being not savvy enough yet. Other relevant literature highlights the need for frameworks that ensure transparency, fairness, and accountability in AI systems. One of the recurring themes in big picture studies all around the globe right now has definitely been about fairness and equity when it comes to education fairness and equity that allow 'marginalized' groups to access education enhanced by new kinds of technology and artificial intelligence. This review also reveals that while AI can personalize learning, it can equally reinforce existing biases if not carefully designed and monitored.

### **Preparing Educators for AI Integration**

#### **Competencies Required**

Teaching pros need to get to know AI basics, tech fluency, ethics around data and align that knowledge with skills for teaching. They really need to be on top of using new AI tools to make teaching and learning better. This means making activities that use AI in good ways, and at the same time critiquing where AI is being used properly and where it isn't. Teachers also need to be on top of the limits and downsides of AI. There are some real problems like privacy concerns around data and even subtle discrimination that algorithms can have too.

#### **Professional Development Strategies**

Effective teacher training programs should include hands-on workshops, collaborative learning models, and peer mentoring. Policies must support continuous professional development and encourage teachers to co-create AI-integrated lesson plans. Institutions should aim high and make experimentation with new tools like artificial intelligence feel like a normal part of education. Educators should feel like they can play with new toys and new tech with enough freedom that they come up with cool new stuff. This means buying some cool spice and letting the educators mix and create new recipes.

#### **Mindset Shift**

Teachers need to become more like hosts instead of just the know it all. With all this new AI stuff out there, they should be directing more than sharing. That means having an open mind to new stuff and being willing to try new tech, but also being super tough about minimizing setbacks and bouncing back quickly when something doesn't work right away. A growth mindset, combined with institutional support and professional networks, can foster sustainable adoption.

### **Preparing learners for AI era**

1. Future Skills of Learning Students get to learn critical thinking, problem-solving, creativity and ethical reasoning. They need to know how AI functions, how it touches societies and to know what are tools that can be employed in a responsible way. Digital Citizenship is an essential 21st-

century Competency and must be imparted at the very core.

2. Going beyond the Curriculum Instead of teaching AI literacy as one siloed subject (computer science), AI literacy should be ingrained in every subject. Holistic AI readiness begins with project-based learning, interdisciplinary activities and digital citizenship programming. Besides, teaching students to think critically about what AI outputs means will enhance thinking analytically.
3. Enabling and enabling Choice They need to LEARN learners how use AI tools not as consumers but question it, Design and Even code. This sparks an “I would know that if I had” culture, and a culture of future building along with being responsible with it. AI integration must be equitable for girls, children with disabilities and rural students to get the same level of benefits of it.

## **Contextual Challenges and Opportunities in Nepal**

### **1. Infrastructure and Access**

Limited internet, no devices and poor digital infrastructure is hindering AI adoption especially in rural areas. Government investment and partnership with private sector is key. Solar power, offline AI tools and community learning centers can bridge the digital divide.

### **2. Teacher Training Gaps**

Most teachers have no exposure to AI. Pre-service and in-service teacher education programs must include AI literacy and digital pedagogy. Nepal’s teacher training institutes should partner with universities and tech companies to design context specific modules.

### **3. Policy and Governance**

We need clear national guidelines and ethical standards for AI in education. Policies should promote equity, inclusion and accountability. A national AI-in-Education framework with cross sectoral coordination will ensure harmonized implementation.

## **Global Trends and Best Practices**

Countries like China, the USA, and Finland are integrating AI into national education strategies. Initiatives like AI4K12 in the US and Finland’s Elements of AI program provide scalable models. These cases show the importance of public-private partnerships, inclusive policy frameworks, and a focus on teacher empowerment. Additionally, countries are adopting responsible AI charters and involving stakeholders—including students—in decision-making processes.

## **Recommendations**

1. Integrate AI Literacy into National Curricula
2. Invest in Teacher Training and Support
3. Develop Ethical Guidelines for AI in Education
4. Promote Equitable Access to Technology
5. Encourage Research and Innovation
6. Foster Multi-Stakeholder Collaboration
7. Support Contextual Localization of AI Tools
8. Embed AI Ethics Across Educational Levels

## Conclusion

AI in education is a big promise but it depends on those who use it—educators and learners. To prepare them requires technological upskilling, pedagogical innovation, ethical reflection and systemic reform. In countries like Nepal, the journey is tough but doable with sustained effort, inclusive planning and context specific strategies. As AI evolves, so must our education systems to ensure no one is left behind. Education must be proactive not reactive to technological change. The goal is not just digital integration but human centric

## Works Cited

- Bialik, M., & Fadel, C. (2019). *Skills for the AI Era: What learners need and how educators can support them*. Center for Curriculum Redesign.
- Holmes, W., Bialik, M., & Fadel, C. (2019). *Artificial Intelligence in Education: Promises and Implications for Teaching and Learning*. Center for Curriculum Redesign.
- Luckin, R., Holmes, W., Griffiths, M., & Forcier, L. B. (2016). *Intelligence Unleashed: An Argument for AI in Education*. Pearson Education.
- UNESCO. (2021). *AI and Education: Guidance for Policy-Makers*. Paris: UNESCO Publishing.
- OECD. (2020). *The Impact of AI on the Future of Teaching and Learning*. OECD Education Working Papers

# HR Eudaimonia: The *Sigālovāda Sutta*'s Path to Sustainability

✍ Manjil Subedi, Asst. Professor

✍ Kamal Thapa, Asst. Lecturer  
*Lumbini Buddhist University*

## ABSTRACT

The *Sigālovāda Sutta*, a discourse from the *Dīgha Nikāya*, offers a profound ethical framework that can address contemporary challenges in Human Resource (HR) management. Amid rising concerns over workplace dissatisfaction, unethical leadership, and employee burnout, the sutta's teachings on interpersonal morality and responsibility provide valuable insights for creating a more compassionate and sustainable work environment. This article examines how Buddhist principles, particularly those found in the Six Directions, align with HR sustainability by promoting **eudaimonia a state of flourishing that transcends material success**. It argues that integrating Buddhist ethics into HR practices can foster a culture of mutual respect, ethical leadership, and mindfulness. By applying these principles, businesses can improve employee well-being, reduce stress, and enhance retention. The article also explores the potential of Buddhist wisdom to guide HR strategies that prioritize the moral and emotional fulfillment of employees, contributing to a holistic approach to business sustainability and long-term organizational success.

## KEYWORDS

Human Resource (HR), Buddhist Ethics, *Sigālovāda Sutta*, Eudaimonia, Sustainability, Ethical Leadership, Corporate Social Responsibility (CSR)

## Introduction

In the modern corporate world, skill acquisition is often considered the primary determinant of success, bringing individuals name, fame, and financial stability. However, true happiness and inner peace remain elusive despite professional achievements, raising a critical question: Can skill alone ensure holistic well-being? The Buddhist tradition provides an insightful answer to this dilemma, emphasizing that genuine happiness arises not merely from competence but from ethical conduct, mindful relationships, and inner cultivation (Ricard, 2006, p. 45). The *Sigālovāda Sutta*, a discourse found in the *Dīgha Nikāya*, offers a comprehensive ethical framework that extends beyond personal morality to encompass social and professional responsibilities. This sutta, often referred to as the **“layperson’s code of discipline,”** outlines the fundamental principles for establishing harmonious interpersonal relationships, ethical leadership, and sustainable livelihood—elements that are strikingly relevant to contemporary Human Resource (HR) management (Walshe 466).

The corporate sector is currently grappling with numerous challenges, including workplace dissatisfaction, unethical leadership, and employee burnout. Many HR strategies focus on productivity and efficiency but often neglect the well-being and moral fulfillment of employees (Harvey 123). Buddhist teachings, particularly those found in the *Sigālovāda Sutta*, offer a sustainable approach to HR management by integrating ethical mindfulness, reciprocal respect, and holistic development into workplace policies. The sutta prescribes a **six-directional ethical framework**, emphasizing responsibilities toward family, colleagues, employees, mentors, and the broader community. This framework aligns closely with

the modern concept of corporate social responsibility (CSR), ethical leadership, and sustainable HR practices (Gnanarama, 2000, p. 98).

This research article aims to explore the intersection of HR sustainability and Buddhist ethics, specifically examining how the *Sigālovāda Sutta*'s teachings can serve as a guide to fostering workplace eudaimonia a concept that signifies flourishing and well-being beyond material success. The study argues that HR policies rooted in Buddhist ethical principles can create a more compassionate and sustainable work environment, reducing stress and increasing employee retention. By integrating traditional Buddhist wisdom with contemporary HR practices, this research contributes to the broader discourse on ethical corporate governance and long-term workforce sustainability.

### Statement of the Problem

Despite advancements in Human Resource (HR) management, workplace dissatisfaction, ethical misconduct, and employee burnout remain pressing concerns due to an overemphasis on skill and productivity while neglecting ethical and emotional well-being (Harvey 118). The *Sigālovāda Sutta* offers a solution through its ethical framework for interpersonal and professional conduct, yet its integration into modern HR practices remains largely unexplored. While existing studies focus on leadership, psychological well-being, and corporate social responsibility (CSR), they overlook the potential of Buddhist moral philosophy in shaping sustainable HR policies. This research bridges that gap by linking the *Sigālovāda Sutta*'s teachings with HR eudaimonia, proposing a shift from conventional performance-driven models to an ethics-centered approach that fosters holistic workplace well-being.

### Research Questions

- a. What ethical principles from the *Sigālovāda Sutta* support HR sustainability?
- b. Why should Buddhist ethics be integrated into HR policies?
- c. How can the *Sigālovāda Sutta* guide sustainable workplace well-being?

### Objectives

- a. To identify the ethical principles from the *Sigālovāda Sutta* that support HR sustainability.
- b. To examine the necessity of integrating Buddhist ethics into HR policies.
- c. To analyze the *Sigālovāda Sutta* to develop a sustainable model for workplace well-being.

### Literature Review

Several scholars have explored the intersection of Buddhist ethics and workplace well-being, providing valuable insights into sustainable Human Resource (HR) practices. This section reviews key works that contribute to understanding how the *Sigālovāda Sutta* can enhance HR sustainability and employee well-being.

**Walshe (1995)** provides a comprehensive translation and interpretation of the *Dīgha Nikāya*, where the *Sigālovāda Sutta* is found. His work highlights how the sutta serves as a practical guide for ethical behavior, emphasizing mutual respect, responsibility, and mindfulness—values essential for workplace harmony. This study forms the foundational basis for integrating Buddhist ethics into HR policies.

**Harvey (2000)** explores the broader framework of Buddhist ethics, examining how moral conduct (*sīla*) contributes to personal and social well-being. He argues that ethical behavior extends beyond personal practice and plays a vital role in organizational sustainability. This research helps contextualize how Buddhist teachings, particularly the *Sigālovāda Sutta*, can be applied to modern HR practices.



**Gnanarama (2000)** discusses Buddhist social philosophy and its implications for human relationships, governance, and ethical leadership. His work sheds light on the reciprocal responsibilities between employers and employees, aligning with the *Sigālovāda Sutta*'s six-directional ethical framework. This perspective strengthens the argument for Buddhist-inspired HR management.

**Ricard (2006)** examines the nature of happiness from a Buddhist perspective, arguing that true well-being (*eudaimonia*) is not rooted in external achievements but in inner ethical cultivation. This aligns with the research's emphasis on shifting HR policies from skill-based efficiency to ethical workplace well-being.

**Schmidt (2010)** investigates the role of corporate social responsibility (CSR) in sustainable business practices. While CSR aligns with ethical responsibility, this study lacks a Buddhist perspective. Integrating the *Sigālovāda Sutta* can fill this gap by offering a moral framework that extends beyond regulatory compliance to genuine ethical engagement in HR policies.

**Kabat-Zinn (2013)** explores mindfulness in the workplace, emphasizing stress reduction and employee well-being. While his study focuses on mindfulness as a therapeutic tool, it lacks the ethical dimension that the *Sigālovāda Sutta* provides. This research builds upon Kabat-Zinn's findings by incorporating Buddhist ethics into workplace sustainability.

**Ng and Purser (2015)** discuss the relevance of Buddhist economics in modern corporate settings, highlighting the importance of ethical leadership and mindful business practices. Their work supports the notion that Buddhist ethics can guide HR policies toward sustainable and compassionate workforce management.

## Methodology

This research employs a qualitative approach, specifically textual and thematic analysis, to explore how the *Sigālovāda Sutta* contributes to sustainable Human Resource (HR) management. The study follows an interpretive design, analyzing primary Buddhist texts, HR literature, and case studies on ethical business practices. The *Sigālovāda Sutta* is chosen due to its unique focus on ethical workplace relationships, addressing key HR challenges such as workplace stress, ethical misconduct, and employee dissatisfaction. Data is collected through textual analysis of Buddhist scriptures, academic studies, and corporate case studies on ethical mindfulness and sustainable HR practices. Secondary sources, including books, journal articles, and corporate reports, provide a comparative framework. Thematic analysis identifies recurring ethical patterns in the *Sigālovāda Sutta* relevant to HR sustainability, while comparative analysis examines the effectiveness of Buddhist-inspired HR models. Qualitative content analysis is also used to interpret case studies, demonstrating how Buddhist ethics can enhance workplace well-being. This structured methodology ensures a systematic integration of Buddhist principles into modern HR policies, fostering an ethically sustainable corporate culture.

## Textual Analysis

The textual analysis for this research focuses on examining the *Sigālovāda Sutta*, found in the *Dīgha Nikāya*, to extract ethical principles that can be applied to modern Human Resource (HR) practices. The *Sigālovāda Sutta* provides a detailed framework for interpersonal relationships, emphasizing mutual respect, responsibility, and ethical behavior, which are integral to a sustainable workplace. In this sutta, the Buddha addresses the layperson's responsibilities toward various directions, parents, teachers, spouses, friends, employees, and the community. These guidelines not only promote personal morality but also lay the foundation for ethical leadership and harmonious social structures.

For instance, the Buddha outlines the role of an employer as one who provides for the welfare of

employees, ensures fair treatment, and supports their development (Walshe, 1995, p. 467). This resonates with modern HR practices that stress the importance of ethical leadership and workplace well-being. The *Sigālovāda Sutta* promotes the idea of *dāna* (generosity) and *sīla* (ethical conduct), which encourages a reciprocal relationship between employer and employee—emphasizing fairness, transparency, and compassion in all interactions. Such practices can reduce employee burnout and foster an environment of trust and mutual respect, directly addressing modern HR challenges such as unethical practices and dissatisfaction (Harvey 122).

Furthermore, the sutta highlights the importance of mindfulness and ethical decision-making in both personal and professional contexts. The Buddha advocates for maintaining *right livelihood*, which aligns with the contemporary concept of CSR, where businesses are not only focused on profit but also on ethical responsibilities toward society and the environment (Gnanarama 102). By integrating the *Sigālovāda Sutta*'s ethical teachings into HR strategies, organizations can enhance employee engagement, improve morale, and create a more sustainable work environment.

The concept of **eudaimonia or flourishing**—found in Buddhist teachings—is also relevant to HR practices. According to Ricard (2006), true happiness and fulfillment come not from material success but from ethical living and mindfulness. By integrating these principles into HR policies, companies can foster a workplace culture that promotes the holistic well-being of employees, enhancing both personal and organizational flourishing.

In summary, the textual analysis of the *Sigālovāda Sutta* demonstrates its profound relevance to modern HR practices. The ethical teachings found in the sutta provide a framework for creating a compassionate and sustainable workplace, promoting mutual respect, fairness, and ethical leadership. By applying these principles, HR policies can be transformed to prioritize not just productivity but also employee well-being and moral fulfillment, aligning with the growing emphasis on sustainable business practices in contemporary corporate settings.

## **Six Directions and Their Relevance to Human Resources**

The *Sigālovāda Sutta*, found in the *Dīgha Nikāya*, outlines a framework known as the Six Directions or Six Quarters, which addresses ethical conduct and interpersonal relationships within the community. These six directions are integral to promoting harmony, responsibility, and respect across various sectors of life, including the workplace. Applying these teachings to modern Human Resource (HR) management can enhance employee well-being, support ethical leadership, and foster a more sustainable work environment. Below, we examine how the six directions can be connected to HR practices, providing insights into how ethical leadership and workplace sustainability can be achieved.

### **a. East - Parents and Employee Welfare**

The East direction represents the relationship with parents, symbolizing the duty of children to care for their parents. In the workplace context, this translates to the responsibility of employers to care for their employees. Just as children are expected to ensure the well-being of their parents, employers are morally obliged to support their employees' welfare, particularly their physical, emotional, and psychological health. This includes providing fair compensation, ensuring a safe working environment, and offering benefits that enhance employee satisfaction and stability (Walshe 467). By fostering a sense of care and responsibility, companies can nurture loyalty and commitment among their employees, contributing to a productive and sustainable workforce.

### **b.South - Teachers and Development Opportunities**

The South direction symbolizes the relationship with teachers, highlighting the need for respect and gratitude toward those who impart knowledge. In HR terms, this is akin to the role of employers in facilitating continuous learning and professional development. Just as students benefit from the wisdom of their teachers, employees thrive when they are offered opportunities for growth and skill development. This could include providing training, mentorship, and clear pathways for career progression. The ethical responsibility of companies is to nurture their workforce by investing in education and skills development, helping employees reach their full potential (Harvey 122).

### **c.West - Family and Work-Life Balance**

The West represents the relationship with spouse and children, and in the corporate environment, it can be translated to ensuring a healthy work-life balance. Just as parents are tasked with providing emotional and moral guidance to their children, employers should encourage work-life balance, which is essential for fostering a sense of well-being among employees. Companies that respect employees' time outside of work, offer flexible schedules, and provide family-friendly policies are more likely to retain satisfied employees. Supporting employees in balancing work and family responsibilities aligns with the Buddhist principle of reciprocal respect in relationships (Walshe 468).

### **d.North - Friends and Collaborative Work Culture**

The North direction refers to friends and companions, symbolizing the importance of mutual support and collaboration. In HR management, this translates to the importance of fostering a collaborative work culture. Employees should feel supported by their colleagues and superiors, creating an environment where cooperation and teamwork are valued over competition. This can be achieved through team-building activities, open communication, and fostering a culture of mutual respect. In such an environment, employees are more likely to engage with their work and contribute to the organization's success (Gnanarama 102).

### **e.Nadir (Downward) - Workers and Ethical Employment Practices**

The Nadir direction refers to workers and employees, emphasizing the ethical treatment of those who serve others. Employers are morally obligated to ensure that employees are treated with fairness, dignity, and respect. This includes offering fair wages, providing career advancement opportunities, and ensuring that the workplace is free of discrimination or exploitation. The relationship between employers and employees should be based on mutual respect, where workers' rights are upheld, and their contributions are valued. HR practices that adhere to these ethical principles help create a sustainable and fair workplace (Walshe 469).

### **f.Zenith (Upward) - Spiritual Leaders and Ethical Leadership**

The Zenith represents spiritual leaders or guides, symbolizing the role of those who provide wisdom and ethical direction. In HR, this can be linked to ethical leadership. Employers and managers are tasked with leading by example, embodying the ethical standards that the company seeks to promote. By demonstrating integrity, compassion, and mindfulness, leaders can cultivate a positive work environment that encourages ethical behavior throughout the organization. Ethical leadership is fundamental to creating a sustainable corporate culture that prioritizes fairness, transparency, and accountability (Ricard 72).

The Six Directions outlined in the *Sigālovāda Sutta* provide a comprehensive ethical framework that can enhance Human Resource management by fostering moral conduct, responsibility, and harmony within

the workplace. When applied to HR practices, these directions promote the well-being of employees, encourage ethical leadership, and create a more sustainable and compassionate corporate culture. By integrating the teachings of the *Sigālovāda Sutta* into modern HR policies, organizations can build a work environment that values both professional success and employee well-being.

### Conclusion

In conclusion, this research demonstrates the profound relevance of the *Sigālovāda Sutta* in shaping sustainable Human Resource (HR) practices by integrating Buddhist ethical principles into modern corporate settings. Through the textual analysis of the sutta, it becomes evident that the Buddha's teachings on ethical behavior, mutual respect, responsibility, and mindfulness are not only essential for personal development but also crucial for creating harmonious and productive workplaces. The study highlights how these teachings can address contemporary HR challenges such as ethical misconduct, workplace stress, and employee dissatisfaction by fostering a work environment that emphasizes fairness, transparency, and holistic well-being.

By applying the ethical framework found in the *Sigālovāda Sutta*, HR policies can move beyond conventional models focused solely on skill and performance to create systems that prioritize the moral and emotional welfare of employees. This approach aligns with the growing interest in corporate social responsibility (CSR) and the importance of ethical leadership in sustainable business practices. The integration of Buddhist concepts like eudaimonia and mindfulness further supports the idea that true workplace happiness and sustainability stem from ethical conduct and a balanced approach to well-being.

Ultimately, this research not only contributes to the academic discourse on HR sustainability but also provides practical insights into how Buddhist philosophy can guide the development of ethical and compassionate HR systems. By embracing the teachings of the *Sigālovāda Sutta*, businesses can foster a workplace culture that nurtures both organizational success and the moral fulfillment of employees, creating a sustainable and flourishing environment for all stakeholders.

### Works Cited

- Gnanarama, P. *An Approach to Buddhist Social Philosophy*. Singapore Buddhist Meditation Centre, 2000.
- Harvey, Peter. *An Introduction to Buddhist Ethics: Foundations, Values, and Issues*. Cambridge UP, 2000.
- Kabat-Zinn, Jon. *Mindfulness for Beginners: Reclaiming the Present Moment—and Your Life*. Sounds True, 2013.
- Ng, E. S., and Ronald Purser. *Buddhist Economics: Scales of Work and Mindful Business Practices*. Routledge, 2015.
- Ricard, Matthieu. *Happiness: A Guide to Developing Life's Most Important Skill*. Little, Brown and Company, 2006.
- Schmidt, Nicholas. *Corporate Social Responsibility in Sustainable Business*. Springer, 2010.
- Walshe, Maurice. *The Long Discourses of the Buddha: A Translation of the Dīgha Nikāya*. Wisdom Publications, 1995.

# **Buddhist Research for Work Market Participation: A Comparative Analysis of Caste, Religion, and Women's Employment in Sri Lanka**

 **Dr. Kemal YILDIRIM**

## **ABSTRACT**

The main variables affecting labor demand in Buddhist nations like Nepal, Bhutan, Myanmar, Sri Lanka, and a portion of India are the expansion of part-time and public sector jobs as well as higher production. Conversely, the increase in female educational attainment, the postponement of fertility, and the change in perceptions of female employment are factors that affect the labor supply. Sociological, cultural, and economic factors also affect the labor force participation of women in Buddhist regions. Examining the variables that affect women's labor force participation is the aim of this paper.

In areas where Buddhist women reside, the female labor force participation rate is positively and strongly impacted by the unemployment rate, gross domestic product per capita, and fertility rate. The variable that has the greatest impact on female labor force participation rates is fertility rate, which will be covered in this study.

## **Keywords**

Caste, religion and the labor force, Sri Lanka, Buddhism

## **Introduction**

In this study, my overall goal is to examine the female labor force participation rate in Sri Lanka in connection to socioeconomic and Fertility rate, gross domestic product per capita, the proportion of female to male tertiary enrollment, unemployment rate, and waged and salaried workers are considered to be the determinants of the female labor force participation rate. Because labor market factors differ among Asian countries with a Buddhist population, analyzing female employment is not simple.

## **Gender, employment, and religion**

Gender, work, and religion: Research on gender and religion is split between studies that highlight the incompatibility of faith and employment for women and those that do not highlight this incompatibility. Regarding the former, monotheistic religions that emphasize women's duties and obligations in the home, including Christianity, Judaism, and Islam, are said to prevent women from entering the workforce (Andersen, 2006). According to this viewpoint, women who are very religious are less likely to work since they strongly support traditional family duties. Second, lower levels of religious practice have been associated with challenges in balancing work and home (Read, 2004).

According to this perspective, religion is primarily practiced in private (Davie, 1990), with faith being something that people engage in on their own time and unrelated to public life.

### **The career goals of women**

The literature on career success describes women's goals in terms of values like personal accomplishment, interesting work, and recognition, in contrast to men whose career aspirations are characterized by "objective" factors like hierarchical advancement and remuneration (Lirio et al., 2007; Sturges, 1999). Criticizing this predominantly Western literature, research has demonstrated that South Asian women place a higher value on financial security (Cohen et al., 2009) and hierarchical development (Budhwar et al., 2005; Fernando and Cohen, 2011). The professional women in Budhwar et al.'s (2005) study in India, for example, were prepared to compromise their careers and families in order to obtain senior positions in their businesses.

### **Women, labor, and Buddhism**

The world's oldest religion is Buddhism, which dates back to the sixth century BCE in Nepal (Giddens, 2009). Buddhism's core tenets are that all beings go through a cycle of birth, death, and rebirth and that nothing is permanent (Schumann, 2007). Buddhism encourages the idea that everything happens because of the law of cause and effect, or "karma" (Niles, 1999). The good and negative things one has done in past lives influence one's destiny in this one. Although people cannot avoid the effects of their past actions, they do have the freedom to choose their current course of action (see Schumann, 2007), and their choices have an impact on their chances for both the present and the future.

Pain, decay, and suffering are hallmarks of life, according to the Buddha (Nyanatiloka, 2000), and they can only be eradicated by escaping the cycle of birth and death (Schumann, 2007). Moral behavior, deep mental focus (meditation), and cultivating wisdom—which is defined as understanding the impermanence of everything in life and releasing oneself from all desires—can all help attain this (Daniels, 1998). This review demonstrates how Buddhism differs from other religions in that it advocates for personal responsibility for salvation (Niles, 1999) rather than pleading with gods for favors so that one can live a trouble-free life. Because people entrust their future to gods rather than accepting human responsibility, the latter could be interpreted as a rejection of personal accountability.

One of the first academics to examine Buddhism in relation to the workplace was Max Weber. According to Weber, Protestantism in Europe and North America provided the religious and cultural resources required for capitalism, hence he was curious if non-European civilizations had these resources (Gellner, 2008). Weber contended that Buddhism is incompatible with the capitalist development of countries in his analysis of the economic ethics of Buddhism and Hinduism (Weber, 1916–17; Weber et al., 2000). He first suggested that people were less likely to seek change when they accepted their place in life due to the idea of karma. Second, he proposed that in their quest for Nirvana, Buddhists should focus only on themselves, preventing the social contacts required for economic development (Schumann, 2007).

The majority of academics contend that since ordinary members of Buddhist cultures have goals other than achieving Nirvana, they do not disengage from worldly cravings (Obeyesekere, 1963).

The more general critique is that one cannot build conjectures about the evolution of society on abstract religious ideologies and that there are gaps between Buddhism's theory and practice (Daniels, 1998).

Buddhism's views on gender are contentious. The majority of Buddhists behave and speak as though



gender actually existed, despite the Buddhist idea of rebirth suggesting that there is only one karmic stream rather than a male or female per se (De Silva, 1994) (Gross, 2004). It's important to note that although the Buddha believed that men and women had equal potential for enlightenment, they were treated differently. For example, the Buddha was first hesitant to let women join the Buddhist order (Schak, 2008); a group of women living apart from men was socially unacceptable, and safety would be a concern for such a group (Sponberg, 1985), since the public might view nuns as monks' partners.

The Buddha did, however, eventually consent to a women's order that forbade female monks from participating in the yearly retreat (vassa) alone and guaranteed male monks' superiority in matters of greeting (De Silva, 1994). The later is more subtly suggestive, suggesting that women should not roam the streets unguarded, but the former is a clear evidence of sexism in early Buddhist practice.

Studies on women's roles in Buddhism are quite rare. In contrast to certain types of Christianity and Islam, Buddhism permits women to pursue a career in religion; nevertheless, this is done in a controlled environment that upholds the traditional gender hierarchy (Sponberg, 1985). Nuns, however, enjoy equality with monks in the majority of modern Buddhist societies, doing a range of tasks in Buddhist organizations and having access to educational and travel possibilities (Schak, 2008).

In Asian countries, women have a significant role in upholding Buddhist ceremonies. Schak (2008), for instance, discusses the philanthropic and voluntary actions of lay women in Buddhist communities in Taiwan. Importantly, though, these organizations provide women with the chance to teach and hold leadership roles, which foster the development of skills relevant to the workplace, much like the churches in America and Africa mentioned previously (Andersen, 2006).

In order to broaden their knowledge of the world and their social networks, some women are given the chance to travel overseas to disaster areas (Schak, 2008). This is known as their career capital, as defined by Mayrhofer et al. (2004) (resources valuable within the social context in which individuals' careers unfold and thus help them to progress in their careers). Therefore, while Buddhism may put a pressure on one's work and career (Sponberg, 1985; Weber et al., 2000), it also gives women what Woodhead (2007) would refer to as "tactical" power.

The context of Sri Lanka Seventy percent of the 20 million people that live in Sri Lanka are Buddhists. Hindus, Muslims, and Christians are examples of minority religious groupings. Social divisions, extended family relationships, intergenerational caregiving responsibilities, and traditional gender ideas (Lynch, 1999) are characteristics of Sri Lanka. Nonetheless, compared to other South Asian nations, women's sociocultural status is favorable. Women's education and work are widely accepted (Malhotra and DeGraff, 1997), and according to the 2009 Labour Force Survey, 90% of women are literate.

In terms of the Sri Lankan labor market, there were almost 7.0 million workers in 2009 (Department of Census and Statistics, 2009), with 4.9 million (65%) men and 2.6 million (36%) women, indicating a market that was dominated by men. Fifty percent of secretarial employment, thirty-seven percent of sales jobs, and thirty-three percent of elementary occupations are held by women. However, the fact that just 2.0% of women and 9.6% of males work as machine operators highlights the gender segregation in the workplace.

It's interesting to note that although women make up 63.2% of Sri Lanka's workforce, they only make up 20% of senior officials and managers (Department of Census and Statistics, 2009). The fact that women's skill sets don't seem to be lacking suggests that there are obstacles preventing women from advancing in Sri Lankan organizations.

In Sri Lanka, Buddhism is a significant social institution. Buddhist prayers are broadcast on all state-owned radio and television stations at the start and end of each day, and all days that are important in the life of the Buddha are observed as national holidays. According to scholars, the Sinhalese, Sri Lanka's largest ethnic group, consider Buddhism to be an integral element of their national identity (Gunawardana, 1990). The protracted civil conflict in Sri Lanka between the government and the Tamil Tigers, a predominantly Hindu separatist force, has been associated with Buddhist nationalism (De Voss, 2007).

Although a military solution was recently found for this conflict, Buddhist fundamentalism is still on the rise, as seen by monks' protests against Buddhists being converted to other religions and mosque construction in ancient Buddhist cities. The national curriculum includes religion as a required subject, with pupils having the option to choose from Buddhism, Hinduism, Islam, or Christianity.

In Buddhist temples, where they take charge of events and activities, women play very significant responsibilities. Perera (1997) asserts that women in Sri Lanka are supposed to pass on the nation's customs, especially Buddhist ones, to the next generation. Importantly, the majority of private and governmental institutions also incorporate Buddhist ceremonies. Some businesses have religious ceremonies for their staff, and Buddhist monks are called to important occasions like the inauguration of a new branch and company anniversaries (Sri Lanka Air Force, 2012). Notably, several private sector businesses also provide Christmas parties for all of their employees and offer religious services to their minority employees (Ceylon Today, 2012). Nevertheless, there are no religious rites or connections to the Christian faith in these Christmas traditions.

In Buddhist temples, where they take charge of events and activities, women play very significant responsibilities. Perera (1997) asserts that women in Sri Lanka are supposed to pass on the nation's customs, especially Buddhist ones, to the next generation. Importantly, the majority of private and governmental institutions also incorporate Buddhist ceremonies. Some businesses have religious ceremonies for their staff, and Buddhist monks are called to important occasions like the inauguration of a new branch and company anniversaries (Sri Lanka Air Force, 2012). Notably, several private sector businesses also provide Christmas parties for all of their employees and offer religious services to their minority employees (Ceylon Today, 2012). Nevertheless, there are no religious rites or connections to the Christian faith in these Christmas traditions.

In conclusion, Buddhism is perceived as having the ability to limit women's employment and careers, despite evidence that it may also be utilized to empower them. Nonetheless, nothing is known about the connection between Buddhism and women's employment. Since Buddhism is a state religion in Sri Lanka that is institutionalized and in which women have major responsibilities, it is crucial to investigate the role that Buddhism plays in the careers of highly trained Sri Lankan women. Furthermore, it is imperative to look into whether Buddhist faith has any bearing on women's job advancement—or lack thereof—as the research on monotheistic religions indicates, especially because Sri Lankan women continue to be underrepresented in top positions (Gaitskell, 1990).

Buddhism is best seen as a significant form of cultural hegemony or as a completely deciding set of principles that result in specific job and career behaviors for women (e.g. Andersen, 2006). By looking at how highly accomplished Buddhist women in Sri Lanka accounted for the interaction between gender, profession, and Buddhism, these difficulties are addressed.

### **Buddhism and the growth of women in the workforce**

Given an interest in Sri Lankan women's career accounting, it is crucial to take into account the professional goals that women aspired to. The fact that every respondent wanted to rise to the top of his or her organizational hierarchy is remarkable:

I would consider my career a success the day I was promoted to director. (Dilhari, 46) For me, becoming a top consultant would be the pinnacle of professional accomplishment. Roshini,

According to Arthur et al. (2005), career success was interpreted by the women in the sample as hierarchical advancement. This was necessary to improve their social standing as well as that of their families (Lapour and Heppner, 2008). We'll look at how these women reconciled religion, gender, and work in order to achieve their professional goals in the sections that follow.

According to sixteen respondents, Buddhism enabled them to pursue their job goals by providing them with the resilience to handle challenging circumstances in both their personal and professional lives (Constantine et al., 2006). Vandana discussed how adhering to Buddhist principles can

The following, which she downloaded from [www.sagepub.com](http://www.sagepub.com) on October 13, 2014, at the University of Nottingham, gave her the strength to tackle whatever challenges she had at work and helped her get through her working day: retaining absolute control of the mind and emotions at all times (Nyanatiloka, 2000)

I've never felt out of control; I've always been able to accept and make the most of whatever has come my way. I can always control my temper when interacting with coworkers or clients. Nothing ever makes me feel sad or furious. My primary motivation is to uphold Buddhist values, act morally, earn an honest living, and fulfill my obligations to everyone. I've been happier at work and at home because to this way of thinking. (Vandana, 38)

Kishani also described how the Buddhist concept of rebirth (Nyanatiloka, 2000) and the law of cause and effect (Payutto, 1995) enabled her to come to terms with her parents' untimely deaths and to continue pursuing her career goals. Because Kishani thought they would be reincarnated in a positive location, she was able to carry on working without stopping. She was able to continue because she found solace in the Buddha's teaching that nothing in life is permanent (Payutto, 1995). Two respondents discussed how Buddhist ideas of gratitude (Nyanatiloka, 2000) enabled them to stay focused on their professional aspirations and deal with the diseases of family members.

From a very different angle, a number of women talked about how they looked to Buddhism, and specifically to the idea of "fate" (Payutto, 1995), to explain both positive and negative career outcomes. This implied that people would advance in their careers only if their fate permitted it. According to Kanthi

As a civil service director, Kanthi did not consider her sisters' teaching jobs to be prominent or successful. According to her, it was fate more than preference or skill that led her to become a director at a government agency while her sisters became teachers. Vandana also discussed how one's job advancement was predetermined by fate, independent of one's level of effort. It is true that these women were weakening the influence of personal agency in deciding job results by emphasizing fate and destiny so much. Dilhari discussed how her prospects of getting a directorship at her company were influenced by fate and luck:

I'm not sure if I'd ever make a director. In any case, I will gladly accept whatever comes my way since no matter how hard you work, you can't have everything you desire; fate, luck, and other factors all play

a part. I am thankful for what I now have because, as the Buddha once stated, "Be content with what you have." (Dilhari, 46)

Interestingly, all of the respondents talked extensively about how they shaped their careers through their own actions, usually through strategies like manipulation, even though this reliance on fate could be interpreted as a surrender of personal agency (Fernando and Cohen, 2011). For example, many respondents described how they improved their job chances by gaining favors and compliments from their superiors (Appelbaum and Hughes, 1998):

I worked very hard to try to establish a relationship with our department's director. Sweet spoke with him and went above and beyond. I simply wanted to confirm that he put my name ahead of others. As you are aware, the director advises the governor on who he believes should be the department's assistant director. Being the most senior candidate, I didn't have to go thus far. In any case, I didn't want to take any chances. (Dilhari, 46)

This passage demonstrates Dilhari's calculated efforts to secure her promotion to Assistant Director. This runs counter to her earlier assertion that, in accordance with the Buddha's teachings, she accepted any outcome as a part of her fate or karma rather than pursuing desired professional ranks.

This powerful feeling of human agency permeated the responders' statements. Four women from the public sector shared how they attempted to circumvent the time-served career paths of their organizations by showcasing their exceptional performance. Most respondents talked about actively using networking to compete for the limited number of senior positions available. These instances show that the women certainly put up a lot of effort to better their circumstances and believed that their actions could change their existing standing.

Praying to Hindu gods for success was one important way respondents tried to advance their jobs. Despite Buddhism's disapproval of deity worship (Obeyesekere, 1963), a number of women credited their spiritual connections to different Hindu deities with their professional achievement. Madhavi, who considered herself a Buddhist, considered the goddess Kali's blessings to be a valuable asset for her professional growth:

The Hindu deity Kali amma is my haven. She has always been on my side. To ensure that parents stay healthy, servants don't abruptly leave, and children don't get sick, some outside force is necessary. I was really fortunate to begin my job without any issues (Madhavi, 48).

According to Madhavi, career women in Sri Lankan households with traditional gender divisions of domestic labor (Lynch, 1999) relied on domestic helpers to manage their homes while they were at work. They also looked to Hindu gods to keep these helpers in their homes. In this way, gods were viewed as providing women with both spiritual and practical strength to govern their lives and to make things happen for them. It was intriguing, in fact, that the respondents who identified as devout Buddhists occasionally converted to Hinduism when they thought it would help them advance in their careers and material well-being—a process known as "questing," in Woodhead's 2007 terminology.

Importantly, this stands in sharp contrast to the teachings of the Buddha, which advocate for personal accountability for salvation as opposed to depending on gods (Obeyesekere, 1963). These findings do, in fact, demonstrate that these women were active agents who used religion to support and enhance their sense of personal agency rather than merely passive beneficiaries of it (Woodhead, 2007).

## At work, being a nice Buddhist woman

A noteworthy aspect of the findings was the significance of portraying oneself as a good Buddhist woman, greatly inspired by Buddhist principles and upholding its traditions, notwithstanding women's significant wrangling between the demands of Buddhism and their professional goals. Respondents who were explicitly questioned about how their faith affected their ability to advance in their careers concurred that having a Buddhist faith was a sign of moral behavior and authority:

In Sri Lanka, Buddhism is the most revered supreme force. The Buddha symbolizes the truth. Thus, those who follow the Buddha are thought to be honest and moral. (Rupika, 54)

Importantly, being a good Buddhist was regarded as vital at the level of women's work organizations as well as in wider, societal terms. Natasha linked religiousness to moral character in the following excerpt, which was thought to pave the way for her to advance to senior organizational positions in the top state-owned newspaper she worked for:

Their bosses always give people with a lot of Buddhist knowledge preference. They are regarded as excellent people. Although it is highly implicit, this does occur at work. Although I'm a Buddhist, I'm not very religious. I think showing off your faith is ridiculous. However, a lot of people at work do this, and I believe it helps them advance in their jobs. Gaining the respect of your superiors is crucial for advancement. Additionally, even unimportant employees in lower-level roles admire those who practice Buddhism at work, so it does benefit in leadership roles because people are more likely to follow your advice. (Natasha, 25)

According to Natasha, Buddhism served as a kind of cultural hegemony, which was crucial for her organization's acceptability and continued existence. The inconsistency in Dilhari's story above, where she used Buddhist discourses on fate (Payutto, 1995) to explain her career enactment—despite not necessarily applying these teachings in practice—is, in fact, partially explained by this. To put it another way, Dilhari seemed to be carrying out a culturally relevant function that would help her be accepted at work. Buddhism was considered by the respondents to be an important source of professional capital (Mayrhofer et al., 2004).

Interestingly, the data indicates that people appeared to be well aware of this circumstance and purposefully used Buddhist discourses to advance their careers. Importantly, these women's use of Buddhist discourses in the workplace demonstrated that religion was not a private domain (Davie, 1990).

Kalpna, a hospitality management professional at a top private sector company, discussed how women who practice Buddhism fit the mold of the ideal Sri Lankan woman and were thus more likely to advance in their careers than similarly qualified but less devout women:

In my opinion, women's jobs are more dependent on their Buddhist beliefs than men's. Ladies, particularly elderly ladies, are sometimes expected to be religious in Sri Lanka. It is not actually expected of men to participate in Buddhist temple activities and to constantly discuss Buddhism. However, women are. Buddhism is therefore a necessary component of the ideal Sri Lankan woman. It goes without saying that women who conform to this "ideal woman" stereotype by routinely attending temples and other activities have a higher probability of advancing in their companies. In comparison to other nonreligious women, they will be the front-runners for a potential job.

In this instance, Kalpana portrayed the "perfect" Sri Lankan woman as someone who complies with Buddhist social mores and customs. Notably, the degree to which women performed their broader social responsibilities was just as important as their behavior at work (Radhakrishnan, 2009). Participation in the temple was a top priority, as evidenced by the respondents' frequent attendance, financial support of monks, and transportation of elderly family members to and from the temple. These activities demonstrated how the material benefits that came with their professional success frequently allowed them to carry out these responsibilities. Although Kalpana's story cannot be applied universally to the Sri Lankan setting, she did allude to discrimination at work based on religion, implying that certain companies chose to promote people based on their faith rather than job-specific requirements. In fact, this demonstrates once more how valuable Buddhism is to Sri Lankans' careers, particularly for women (Mayrhofer et al., 2004).

Importantly, respondents also noted how being a good Buddhist gave women the legitimacy and credibility they needed to thrive in male-dominated fields, acting as barriers against prejudices based on gender:

For the first time, our logistics department as the transportation manager employed a woman. Everyone is aware that this is a male-dominated field. Dealing with rough males who are drivers is part of it. However, this woman [the new transportation manager] was known for being a very good communicator and a really credible person. She frequently makes reference to Buddhist teachings, and her words are respected. In any case, the management believed she would be a perfect fit for this role since she could encourage others to adopt moral principles and the drivers would probably heed her counsel because she used Buddhist terminology. (Nishanya, 36)

A private company that encouraged staff members to take part in its celebrations of all the days important to the Buddha's life employed Nishanya. She suggested that her company deliberately used Buddhist spirituality to manage performance (Kamoche and Pinnington, 2012) while also engaging in faith-based discrimination (Bell et al., 2011) by emphasizing that her employer hired spiritual individuals for leadership roles in order to influence others to embrace good values, reducing the likelihood of theft, etc. Nishanya claims that this circumstance provided female practitioners of Buddhism an advantage over male candidates for leadership roles. Instead of explicitly challenging their subordinate status and running the risk of isolation, women may choose religion as a buffer against discrimination rather than discourses of equality and women's liberation because they see it as a culturally acceptable way to climb to the top (Powell et al., 2009). Nonetheless, it might be argued that women are essentially perpetuating their position as the group in charge of preserving dominant customs and rituals, including those within the household, by utilizing Buddhism to fight gender discrimination (Woodhead, 2007).

### **Trends in Labor Force Participation and Their Obstacles**

**Overall Participation:** Women have always been well represented in Sri Lankan education, and the country has comparatively high rates of female literacy. However, especially in rural regions, women's labor force participation percentages are lower than men's. Traditional gender norms, a lack of access to high-quality childcare, and discrimination at work are some of the causes of this.

**Sectoral Employment:** In Sri Lanka, women are primarily employed in a few industries, including clothing production, education, healthcare, and agriculture. While women in metropolitan regions typically work in professional occupations or the service industry, women from lower castes, particularly in rural areas, are more likely to be employed in domestic work or agriculture.



**Obstacles:** Women, particularly those from lower-caste and rural origins, encounter obstacles such as restricted employment prospects, societal norms that prioritize women's domestic tasks, and limited access to higher education. Women's full involvement in the workforce is further hampered by gender-based violence, workplace harassment, and unequal compensation.

## Conclusion

Buddhism (dominant among Sinhalese): The importance of women in the house and family is frequently emphasized by traditional Buddhist ideals in Sri Lanka, a country with a large Buddhist population. The kinds of jobs that women can pursue may be restricted by this cultural norm, especially in rural areas. Buddhist women could experience social pressure to put their home responsibilities ahead of their professional endeavors. However, more women may be joining the labor, frequently in the service, healthcare, and education sectors, among the urban middle and upper classes, particularly in Colombo.

As a result, the statistics paint a complex and multifaceted picture of how Buddhism, gender, and career interact in Sri Lanka. First, given the facts, one could argue that studies of this relationship should focus on how people use and draw from religion in their daily lives rather than viewing women as only passive beneficiaries of religious beliefs (e.g. Gaitskell, 1990).

For example, the respondents discussed how the material prosperity that came from their career success allowed them to fulfill their roles as good Buddhist women, such as providing for their extended family members and giving alms to monks, rather than trying to achieve salvation by denying attachments (Weber et al., 2000) or dedicating their entire lives to upholding Buddhist rituals (Schak, 2008). In fact, respondents gave many examples of how they strategically took control of their professional development, turning to their faith to help them deal with challenging circumstances at work and at home (Griffith, 1997) and turning to Hindu deities for spiritual support when Buddhism was unable to give them the specific support they required to progress (Woodhead, 2007). As seen, there was a lot of discussion about fate at the same period, and a number of respondents characterized their careers (at various points) as being determined by fate rather than by personal decision or action. As a result, there was a notable paradox in these women's stories, where faith was sometimes associated with a powerful invocation of human agency and other times with an abdication of such agency. According to Radhakrishnan (2009), the women's quest for cultural approval served as a major driving force for this behavior. In fact, examples of extremely planned behavior and explanations of how these ladies meticulously handled their professional relationships and the impressions they generated were always presented alongside the "surrender" of agency (due to religion). The women carefully maintained their self-presentation as "good, Buddhist women" while selectively citing elements of their faith to support, justify, and validate their career narratives. This resulted in a significant amount of maneuvering. Accordingly, faith was not portrayed in the data as a completely determining set of principles that resulted in specific work and career behaviors for women (e.g. Andersen, 2006), but rather as a body of knowledge and a set of social imperatives that women employed flexibly to achieve their professional objectives. Indeed, socially privileged professional women who have been characterized as extremely ambitious should be able to actively balance their faith with their careers (James, 2008). Second, according to Mayrhofer et al. (2004), Buddhism is a potent source of professional capital for the respondents. According to the research, women who highlighted their involvement in temple life were viewed as ideal women, whilst those who professed Buddhism at work were linked to believability (Radhakrishnan, 2009). In addition to assisting respondents in moving up the organizational ladder, these factors occasionally protected against gender discrimination when deserving Buddhist women were selected for leadership roles that were previously only open to men because they were thought to have the capacity to instill

moral principles in their subordinates. Therefore, in order to make a positive impression and fight gender prejudice, the women in the sample decided to practice Buddhism in a very public but highly individualistic fashion rather than collectively evoking concepts of equal opportunity. The respondents decided to design their careers within the constraints imposed on them, seeking to capitalize on the same factors that contributed to their marginalization (Schak, 2008), since the former approach ran the risk of upsetting the status quo in organizations that subordinated women and also challenged national identity that strongly confirms women's place in the private sphere (Radhakrishnan, 2009).

However, women regained their position as society's moral guardians by utilizing religion to fight gender inequality in the workplace (Perera, 1997), offering spiritual support and transferring Buddhist traditions both at home and at work. In contrast to males, who seemed to be able to pursue their occupations without these supplementary responsibilities, women were thus portrayed as having substantial societal obligations. Such normative presumptions appear to have solidified the inflexibly unequal system of gender relations in both the workplace and society at large. These results significantly add to the small number of research on women in modernizing societies that emphasize how women create acceptable professional identities using culturally relevant discourses (Lynch, 1999; Radhakrishnan, 2009) without taking the consequences of their activities into account. Additionally, it may be argued that respondents' use of religion as a means of overcoming gender discrimination represents a new gender management tactic employed by women to be accepted in the workplace (Powell et al., 2009).

Third, the findings show how some organizations in Sri Lanka select mainly Buddhist women for senior positions, thereby potentially leading to faith-based discrimination at work. It is suggested that having good Buddhist women in senior positions in this quickly evolving economic and social environment is not only a way to ensure the highest standards of ethics in organizations (Giacalone and Jurkiewicz, 2003), but also a way to give this fluid context a crucial sense of tradition and legitimacy (Turner, 2011). However, it is not asserted that the data is representative of the entire Sri Lankan context. In fact, academics have contended that the preservation of Sri Lanka's rich cultural legacy, which is closely associated with Buddhism, results in the subjection of religious minorities and the superordination of Buddhists in the nation (De Voss, 2007). To completely comprehend this dynamic, more empirical research is necessary, especially case studies of Sri Lankan organizations (those defined in terms of Buddhist values, those that are not, and those that are owned by foreigners) that examine the effects of religion on hiring and selection, promotion, training uptake, and other related matters?

In nations where a particular religion is institutionalized and organizations are perceived to use a particular faith as a tool to accomplish their long-term objectives, this article also highlights the significance of investigating religious minority women's accounts of faith and career (Kamoche and Pinnington, 2012). The accounts of faith and career by Buddhist men are also noteworthy because they raise the question of whether Buddhism can be viewed as a form of cultural hegemony for Sri Lankan men, helping them advance in their careers as this article argued it did for women, or if men and faith have different dynamics. Lastly, the sample consists of highly qualified, socially privileged women from the nation's capital, Colombo.

It is crucial to investigate if non-professional women (Read, 2002) and women from rural regions (Amin and Alam, 2008), who have been characterized by scholars as being more religious than professionals in metropolitan settings, have the same ability to actively balance faith and career. Answers to these questions are still pending.

The Sri Lankan government has implemented measures to boost the number of women in the workforce,

including:

**Legal Framework:** Laws guaranteeing nondiscrimination, maternity leave, and gender equality in the workplace have been introduced. The goal of these rules is to make the workplace more welcoming and encouraging for women. Microfinance and Entrepreneurship: A number of initiatives, including caste-based programs, have been put in place to encourage female entrepreneurs, especially those from underserved regions and rural areas.

**Education and Training:** Across all castes and religious groupings, efforts have been made to increase women's access to education and vocational training. This is especially crucial for enabling women to move from low-skilled to higher-skilled occupations. Despite these initiatives, deep-seated cultural barriers have not been quickly addressed, and women's economic empowerment is still a work in progress.

Caste and religion have a significant impact on women's labor force participation in Sri Lanka, with disparities in opportunity and prejudice experienced by women from different castes and religions. Even while government programs and urbanization have made things better, problems still exist, particularly for lower-caste and rural women. Developing policies that can further increase women's access to the workforce and guarantee more economic justice requires an understanding of these factors.

### Works Cited

- Amin S and Alam I (2008) Married women's employment decisions in Malaysia: does religion matter? *Journal of Socio-Economics* 37(6): 2368–79.
- Andersen ML (2006) Women and religion. In: Andersen ML, *Thinking About Women: Sociological Perspectives on Sex and Gender*, 7/E. Boston, MA: Pearson Higher Education, 232–59.2.
- Bell E, Taylor S and Driscoll C (2011) Varieties of organizational soul: the ethics of belief in organizations. *Organization* 19(4): 425–39.
- Budhwar PS, Saini DS and Jyotsna B (2005) Women in management in the new economic environment: the case of India. *Asia Pacific Business Review* 11(2): 179–93.
- Ceylon Today (2012) Abans staff observes poson poya in unique style. Published on 17 June 2012. Available (consulted 20 January 2013) at: <http://www.ceylontoday.lk/22-8109-news-detail-abans-staff-observe-poson-poya-in-unique-style.html>
- Constantine MG, Miville ML, Warren AK, Gainor KA and Lewis-Coles MEL (2006) Religion, spirituality, and career development in African American college students: a qualitative inquiry. *Career Development Quarterly* 54(3): 227–41.
- Daniels PL (1998) Economic change, the environment and Buddhism in Asia. *International Journal of Social Economics* 25(6/7/8): 968–1004.
- De Voss N (2007) Sinhalese Buddhist nationalist ideology: implications for politics and conflict resolution in Sri Lanka. *Policy Studies* 40. Available (consulted 20 January 2013) at: <http://www.eastwestcenterwashington.org/publications>

- Gellner DN (2008) The uses of Max Weber: legitimation and amnesia in Buddhology, South Asian history, and anthropological practice theory. In: Clarke P (ed.) *The Oxford Handbook of the Sociology of Religion*. Oxford: Oxford University Press, 48–62.
- Giacalone RA and Jurkiewicz CL (2003) Right from wrong: the influence of spirituality on perceptions of unethical business practices. *Journal of Business Ethics* 46(1): 85–97.
- Gross RM (2004) The dharma of gender. *Contemporary Buddhism* 5(1): 4–13.
- Gunawardana RALH (1990) The people of the Lion. In: Spencer J (ed.) *Sri Lanka: History and the Roots of Conflict*. London: Routledge and Kegan Paul, 45–85.
- Kamoche K and Pinnington AH (2012) Managing people ‘spiritually’: a Bourdieusian critique. *Work, Employment and Society* 26(3): 497–513.
- King N (2004) Using templates in the thematic analysis of text. In: Cassell C and Symon G (eds) *Essential Guide to Qualitative Methods in Organizational Research*. London: Sage, 256–70.
- Lapour AS and Heppner MJ (2008) Social class privilege and adolescent women’s perceived career options. *Journal of Counselling Psychology* 56(4): 477–494.
- Lynch C (1999) Good girls or juki girls. *Anthropology of Work Review*, 19(3): 18–22.
- Mayrhofer W, Iellatchitch A, Meyer M, Steyrer J, Schiffinger M and Strunk G (2004) Going beyond the individual: some potential contributions from a career field and habitus perspective for global career research and practice. *Journal of Management Development* 23(9): 870–84.
- Powell A, Bagilhole B and Dainty A (2009) How women engineers do and undo gender: consequences for gender equality. *Gender, Work and Organization* 16(4): 411–28.
- Read JG (2002) Challenging myths of Muslim women: the influence of Islam on Arab-American women’s labor force participation. *Muslim World* 92(1/2): 19–37.
- Sponberg A (1985) Attitudes toward women and the feminine in early Buddhism. In Cabezón JI (ed.) *Buddhism, Sexuality and Gender*. Albany, NY: Suny Press, 37–61.
- Turner BS (2011) *Religion and Modern Society: Citizenship, Secularization and the State*. New York, NY: Cambridge University Press.

# Classroom to Catalyst: Reimagining Higher Education as a Driver of New Market Creation

 Nabraj Lama<sup>1</sup>

## ABSTRACT

In an era where many globally influential entrepreneurs and leaders lack the highest levels of formal education, higher education faces a pivotal reckoning: Why are the world's game-changers often those who step outside conventional academia? This research challenges the prevailing notion that higher education should merely respond to existing labor market demands. Instead, it proposes a radical shift toward empowering graduates to create entirely new markets that address societal needs for sustainability, inclusivity, and ethical innovation. By examining a diverse set of entrepreneurial success stories—ranging from undereducated founders of global enterprises to highly educated professionals serving as corporate technocrats—this study highlights a critical gap in current academic frameworks.

Drawing on extensive secondary research and case studies of high-impact startups, this study identifies critical gaps in current educational frameworks. Findings reveal that existing curricula frequently emphasize specialized skills for immediate employability at the expense of creative problem-solving and social innovation. By contrast, high-profile disruptors, many without advanced degrees, leverage real-world experiences and agile networks to tackle pressing societal needs and environmental challenges.

To bridge this divide, the paper proposes a forward-thinking education model that integrates entrepreneurial skill-building, sustainability, and inclusive strategies as foundational elements of degree programs. Through project-based learning, community-centered collaborations, and cross-disciplinary research, universities can empower students to conceive transformative ventures that uplift marginalized communities, champion environmental stewardship, and drive equitable growth. Recasting the role of higher education in this way ensures that graduates are not merely technocratic supporters in established industries but visionary architects of sustainable markets that align with societal progress in the Fourth Industrial Revolution.

## KEYWORDS

*Market Creation, Entrepreneurial Education, Sustainability, Inclusive Growth, Fourth Industrial Revolution*

## Introduction

Higher education has long been regarded as the cornerstone of professional development and societal progress. Yet, in recent years, a paradox has emerged: many of the world's most influential innovators, entrepreneurs, and leaders neither completed nor heavily relied on formal higher education to achieve

---

<sup>1</sup> Nabraj Lama is a Research Scholar at Lumbini Buddhist University, Nepal, and a Visiting Research Fellow at the University of Colorado Boulder, USA. He can be reached at [nabraj@lbu.edu.np](mailto:nabraj@lbu.edu.np) and [nabraj.lama@colorado.edu](mailto:nabraj.lama@colorado.edu).

monumental success (Christensen & Eyring, 2011). This paradox has raised fundamental questions about the structure, purpose, and outputs of the modern university system. How can it be that institutions designed to cultivate intellectual talent appear, in some cases, to inhibit the type of radical creativity and disruptive thinking that define our most groundbreaking enterprises (Drucker, 1985)? The impetus for this research is the observation that higher education, despite its longstanding emphasis on forming highly skilled labor to meet existing market needs, is ill-equipped to foster the creation of *entirely new* markets that address grand societal challenges such as sustainability, inclusivity, and ethical innovation (Etzkowitz & Zhou, 2017).

This study seeks to bridge the chasm between academia and the real-world demands of the Fourth Industrial Revolution, an era characterized by rapid technological advancements, increasing global interconnectivity, and significant environmental and social dilemmas (Schwab, 2016). While the prevailing logic in higher education often orbits around equipping graduates with specialized, immediately employable skills, this paper argues for a radical reimagining of university curricula. Instead of passively adapting to labor markets, higher education should actively shape them, empowering students not merely to seek roles within established industries but to forge new sectors and domains that champion sustainability, inclusivity, and social well-being (Delanty, 2001).

## Background and Context

The role of universities has historically been multidimensional, including knowledge generation through research, knowledge dissemination via teaching, and service to society (Altbach, 2016). Over the centuries, the balance among these roles has shifted according to cultural, economic, and political factors. With the advent of mass education in the twentieth century, universities expanded from elite institutions serving a privileged few to broader-based systems aimed at producing a skilled workforce for national economies (Trow, 1974). This “democratization” of higher education was lauded as a vehicle for social mobility and economic development, echoing the premise that advanced degrees correlate positively with higher earnings and social status (OECD, 2019).

However, a contrary trend has gained public attention: a notable number of today’s leading entrepreneurs, including iconic figures like Steve Jobs, Bill Gates, Mark Zuckerberg, and others, famously did not complete their higher education (Isaacson, 2011). Their companies—Apple, Microsoft, Meta, and more—revolutionized industries and created entirely new markets. The success of these mavericks underscores the possibility that the most fertile environments for disruptive innovation may lie outside traditional academic pathways. Moreover, as global challenges such as climate change, social inequality, and resource scarcity intensify, a new generation of socially conscious startups has emerged. Many founders leverage direct experience or alternative education models—accelerators, online platforms, industry mentorship—over formal university degrees (Neck, Greene, & Brush, 2014). This phenomenon calls into question the relevancy of traditional curricula and pedagogical approaches that are primarily designed for “job readiness” rather than “market creation” (Herrington & Weaven, 2018).

On the institutional level, the dilemma is multifaceted. Universities are often evaluated by metrics such as graduate employability, research funding, and rankings (Hazelkorn, 2015). These metrics can inadvertently stifle the innovative capacity of higher education by restricting faculty and student exploration of unorthodox ideas in favor of conventional research agendas that promise predictable outcomes or immediate returns on investment (Clark, 1998). Meanwhile, entrepreneurial initiatives on campuses—such as startup incubators, pitch competitions, and experiential learning courses—remain siloed or treated as extracurricular. Their limited scope reduces the impact of innovation beyond



the confines of business schools, precluding a holistic, cross-disciplinary approach that integrates sustainability, ethics, and inclusivity (Etzkowitz & Zhou, 2017).

All of these factors crystallize into a central question: Is higher education genuinely equipping students to pioneer new solutions that address urgent societal needs, or is it predominantly training them to slot into existing corporate and government structures? In an era where entire industries can be disrupted by a single, bold innovation, universities must revisit their core mission. If they fail to adapt, they risk obsolescence in a world where agile, cross-sectoral collaborations and resource-light digital enterprises increasingly dominate (Audretsch & Thurik, 2001).

### Problem Statement

Despite growing interest in fostering entrepreneurial thinking within academic settings, mainstream higher education has yet to embrace a broader vision of market creation, sustainability, and inclusivity as fundamental learning outcomes (Chang & Rieple, 2013). Current curricula often perpetuate discipline-specific silos, emphasize employability over long-term societal impact, and limit opportunities for hands-on, interdisciplinary problem-solving. Consequently, universities are producing graduates well-versed in existing knowledge paradigms but less prepared to challenge these paradigms or to introduce entirely new market spaces.

Recent research points to the need for systemic reforms. A study by the Global Entrepreneurship Monitor (GEM) suggests that although entrepreneurial intentions among students are rising, structural constraints within universities—lack of funding, bureaucratic hurdles, insufficient mentorship—hinder the conversion of ideas into viable ventures (GEM, 2020). Moreover, corporate partnerships and research grants often channel academic efforts into projects aligned with the near-term interests of established industries, leaving riskier but potentially transformative ideas unexplored (Bercovitz & Feldman, 2006).

Beyond employability and technological innovation, there is an ethical dimension. As the global community grapples with climate change, social inequities, and the broader impacts of the Fourth Industrial Revolution on labor markets, higher education must foreground questions of sustainability and inclusion in its curricula (Rockström et al., 2009). Failing to do so risks perpetuating a system in which graduates and faculty primarily optimize for economic gains within the status quo rather than envisioning, designing, and implementing new paradigms for sustainable development and equitable growth (Mulgan, 2010).

In sum, the problem can be succinctly stated as: **Higher education institutions, as currently structured, are insufficiently enabling students to become market creators focused on solving pressing societal and environmental issues.** This shortcoming not only diminishes the potential for innovation but also undermines academia's broader role as a catalyst for positive social transformation.

### Research Questions and Objectives

To address the challenges highlighted in the problem statement, this study is guided by three primary research questions:

1. What are the critical gaps in current higher education frameworks that hinder the development of market-creating graduates?
2. How do successful market creators, particularly those who did not follow traditional academic trajectories, acquire the skills, knowledge, and networks necessary for disruptive innovation?

3. What pedagogical and institutional reforms can best prepare graduates to create new markets that address societal challenges, particularly in the realms of sustainability and inclusivity?

### **Objectives**

- Conduct a comprehensive review of existing literature on entrepreneurial education, market creation, and sustainability-oriented innovation in academic contexts.
- Examine case studies of high-impact startups and entrepreneurial leaders to understand alternative pathways to success and identify commonalities in skill acquisition, mindset, and resource mobilization.
- Propose a theoretical and practical framework for reimagining higher education, focusing on curricular design, community engagement, and cross-disciplinary collaboration aimed at market creation.
- Provide actionable recommendations for policymakers, university administrators, faculty, and industry stakeholders seeking to implement this framework.

### **Significance of the Study**

The significance of this study extends beyond academia, resonating with policymakers, industry leaders, and society at large. At its core, this research addresses an existential question for universities: Can higher education reclaim its role as a transformative agent in society, guiding the next generation not just to adapt to the world but to remake it for the better (Marginson, 2016)? The urgency of the Fourth Industrial Revolution, coupled with pressing global challenges such as climate change and social inequity, calls for robust leadership from higher education institutions (Schwab, 2016). By examining how non-traditional entrepreneurs successfully identified and capitalized on emerging opportunities, the study sheds light on the lived realities of market creation. These insights can inform sweeping reforms in teaching methods, learning objectives, and evaluation criteria, thereby cultivating graduates who are equipped to tackle the grand challenges of our time (Kiron, Kruschwitz, Reeves, & Goh, 2013).

Furthermore, the proposed framework for integration of entrepreneurship, sustainability, and inclusivity within degree programs aims to enhance not only employability but also long-term societal impact. By aligning higher education with the pursuit of new, ethically grounded market spaces, universities can revitalize their mission and remain vital social institutions in an era of rapid technological and economic transformation (Etzkowitz, 2008). The potential ripple effects include the creation of job markets that do not yet exist, fostering economic development in underserved regions, and accelerating the transition to circular and socially responsible business models (Silvestri & Veltri, 2017).

From a policy perspective, insights from this research can guide resource allocation, funding priorities, and accreditation standards. Governments worldwide have begun to emphasize innovation and entrepreneurship as keys to national competitiveness (WEF, 2020). However, policy often lags behind practice, especially in rapidly evolving fields such as sustainability-driven innovation. By providing empirical evidence and conceptual frameworks, this study can inform policies that incentivize universities to invest in cross-disciplinary entrepreneurship programs, sustainability initiatives, and inclusive educational practices.

Finally, this study bears importance for private sector stakeholders, particularly corporations that rely on highly skilled graduates to fill roles in R&D, management, and strategic growth. Partnering with

universities that are actively promoting disruptive innovation—rather than incremental improvements—can yield new ventures, technologies, and partnerships that benefit both the private sector and society (Porter & Kramer, 2011). Through joint initiatives, corporations can also contribute expertise, mentorship, and funding, thereby reinforcing a mutually beneficial ecosystem that accelerates the transition from classroom concepts to transformative market realities.

## **Literature Review**

This literature review critically examines the key theoretical frameworks, empirical studies, and scholarly debates that situate higher education within a rapidly shifting global context. Specifically, it delves into (1) the evolving role of universities, (2) the rise of entrepreneurial education, (3) theories of market creation, and (4) the emerging emphasis on sustainability and inclusivity. Together, these strands of research underscore the gaps and opportunities for reimagining higher education as a catalyst for new market creation.

### **The Evolving Role of Universities**

#### **Historical Perspectives**

The modern university has undergone multiple transformations in line with social, economic, and technological changes. Initially, medieval universities in Europe focused on theology, law, and medicine, reflecting societal needs of the time (Rüegg, 2011). Post-Enlightenment universities emphasized research-based education, exemplified by the Humboldtian model, which integrated teaching and scientific inquiry (Altbach, 2016). From the late nineteenth to the mid-twentieth century, institutions gradually expanded to serve broader publics, culminating in what Trow (1974) calls the shift from “elite” to “mass” higher education.

During this expansion, universities assumed a dual role: serving as the gatekeepers of advanced knowledge and functioning as primary conduits for social mobility (Marginson, 2016). This broader participation was linked to economic growth, as newly trained professionals flowed into burgeoning industries. Over time, the mission of universities further evolved to include engagement in “nation-building” and regional development (Delanty, 2001). This shift was particularly pronounced in the United States after World War II, where the GI Bill accelerated mass college enrollment, and research universities contributed significantly to technological advancement (Geiger, 2017).

#### **Contemporary Challenges**

In the current era, often termed the Fourth Industrial Revolution, universities grapple with unprecedented complexity (Schwab, 2016). Advances in artificial intelligence, biotechnology, and digital platforms challenge not only the content of academic programs but also the mode of knowledge delivery (Christensen & Eyring, 2011). Online education and alternative credentialing systems have disrupted traditional degree models, leading to questions about the long-term viability of the “brick-and-mortar” campus (Craig, 2015).

Moreover, metrics used to evaluate universities—such as rankings, grant funding, and graduate employability—can exert a conservative influence, channeling resources toward established disciplines and partnerships rather than speculative, cross-cutting initiatives (Hazelkorn, 2015). In parallel, economic disparities and the surging cost of education have raised concerns about access and equity (Leach, 2013). As a result, scholars argue that universities must embrace new paradigms

of knowledge creation and dissemination that prioritize ethical, sustainable, and inclusive outcomes over narrow measures of success (Etzkowitz & Zhou, 2017; Mulgan, 2010).

## **Entrepreneurial Education in Higher Education**

### **Defining Entrepreneurial Education**

Entrepreneurial education has been defined as “the process of providing individuals with the ability to recognize commercial opportunities and the insight, self-esteem, knowledge, and skills to act on them” (Jones & English, 2004, p. 416). Traditionally housed within business schools, entrepreneurial education has gained momentum throughout various academic fields, from engineering to social sciences, reflecting a broader acceptance of entrepreneurship as a key driver of economic development (Neck, Greene, & Brush, 2014).

This approach typically involves courses on business planning, venture finance, innovation management, and lean startup methodologies (Ries, 2011). Practitioners of entrepreneurial pedagogy frequently advocate for experiential learning models, such as simulations, internships, hackathons, and project-based collaborations (Mwasalwiba, 2010). These methods aim to blend theoretical knowledge with practical skill sets, enabling students to move beyond classroom exercises into the realm of real-world venture creation (Fayolle & Gailly, 2008).

### **Critiques of Current Entrepreneurial Education**

While entrepreneurial education has grown in prominence, critics argue that it often remains confined to teaching specific business or technological competencies without sufficiently addressing the wider societal impact of new ventures (Hindle, 2007). Many programs measure success in terms of student startups launched, venture capital funding raised, or patent applications filed (Bae, Qian, Miao, & Fiet, 2014). Although these metrics can indicate the vibrancy of a startup culture, they do not necessarily capture outcomes related to sustainability, equity, or ethical innovation.

Another limitation is the tendency to focus on technology-driven entrepreneurship, overshadowing social entrepreneurship and inclusive development models (Volkman, Tokarski, & Ernst, 2012). This bias can sideline ventures aimed at addressing local or global social issues, which may not promise immediate profitability or fit the high-growth venture capital model (Santos, 2012). Additionally, existing entrepreneurial curricula may overemphasize individualistic narratives—celebrating the “lone genius” entrepreneur—thereby neglecting collective, community-based, or cooperative modes of innovation (Blenker, Dreisler, & Kjeldsen, 2006).

### **Shifts Toward an Integrative Approach**

Recent scholarly work advocates for a more integrative model of entrepreneurial education—one that merges business acumen with ethical, social, and environmental considerations (Elkington & Hartigan, 2008). In this paradigm, educators draw on interdisciplinary collaborations, involving

fields such as design thinking, sustainability science, public policy, and social psychology. By embedding these perspectives into core curricula, universities can help students develop a more holistic view of entrepreneurship, extending beyond profit motives to include societal impact (Kickul & Lyons, 2012).

An increasing number of institutions have launched programs that explicitly address the United Nations Sustainable Development Goals (SDGs) as part of entrepreneurship training (Shekhar & Green, 2021).

For example, courses in social entrepreneurship challenge students to design business models that solve problems related to poverty, health, and environmental degradation (Yunus, Moingeon, & Lehmann-Ortega, 2010). This approach is consistent with the notion that entrepreneurs are uniquely positioned to tackle systemic challenges, precisely because they can create new markets aligned with social and environmental imperatives (Siegener, Pinkse, & Kolk, 2018).

## **Market Creation Theories**

### **From Schumpeter to Disruptive Innovation**

The concept of market creation is deeply rooted in the work of Joseph Schumpeter (1934), who argued that entrepreneurship drives economic development through a cycle of “creative destruction.” According to Schumpeter, new ventures disrupt existing market structures by introducing innovations that redefine consumer needs, business processes, and competitive landscapes. Decades later, Clayton Christensen and colleagues refined the concept with the theory of disruptive innovation, illustrating how new entrants could initially target niche segments, eventually reshaping entire markets (Christensen, Raynor, & McDonald, 2015).

These frameworks emphasize the catalytic role of entrepreneurs in altering economic trajectories. However, Schumpeterian and Christensenian models generally adopt a firm-centric perspective, focusing on how competitive forces shift within existing market structures (Garud & Giuliani, 2013). While they acknowledge that new markets can emerge from disruptive innovations, neither theory fully addresses the broader societal and environmental contexts in which such disruptions occur (Markman, Russo, Lumpkin, Jennings, & Mair, 2016).

### **Blue Ocean Strategy and Beyond**

W. Chan Kim and Renée Mauborgne’s (2005) “blue ocean strategy” popularized the notion of creating uncontested market spaces rather than fighting for dominance in existing “red oceans” of competition. By identifying latent consumer needs and novel value propositions, ventures can theoretically bypass direct competition. This perspective expands on Schumpeter by emphasizing the strategic processes through which organizations can uncover or invent entirely new demand segments.

However, critics note that blue ocean strategy tends to focus on commercial gains and often lacks explicit guidance on social or environmental dimensions (O’Cass & Sok, 2013). A newer wave of scholarship extends the market-creation framework to encompass sustainability and social objectives. For instance, Santos (2012) introduces the concept of social value creation as a parallel process that may or may not align with profit-oriented strategies. Similarly, Porter and Kramer (2011) advocate for “shared value” approaches that systematically integrate social responsibility into core business models.

### **Linking Market Creation to Social Innovation**

Social innovation literature further expands the conversation by highlighting how novel solutions emerge in response to pressing societal challenges (Mulgan, 2010). While traditional entrepreneurship frameworks often assume that market demand already exists, social innovation can spur the creation of markets where demand is latent or unrecognized (Murray, Caulier-Grice, & Mulgan, 2010). For example, microfinance institutions effectively created a market for financial services among previously unbanked populations (Armendáriz & Morduch, 2010). Similarly, off-grid solar companies in developing regions have catalyzed local energy markets while addressing energy poverty and reducing carbon emissions (Bensch, Peters, & Schmidt, 2016).

These examples illustrate how market creation intersects with sustainability and inclusivity goals. Entrepreneurs do not merely discover existing inefficiencies; they proactively shape consumer behavior, regulatory environments, and cultural norms. Consequently, the ability to envision “something from nothing” becomes a core entrepreneurial skill—one that current higher education structures may not consistently foster (Spinosa, Flores, & Dreyfus, 1999).

## **Sustainability, Inclusivity, and Higher Education**

### **Rising Importance of Sustainability**

Sustainability, once a peripheral concern, has moved to the forefront of educational and corporate agendas due to escalating threats like climate change, resource depletion, and social inequalities (Rockström et al., 2009). In response, universities worldwide have introduced or expanded programs in sustainability science, environmental management, and climate policy (Clark & Harley, 2020). Some institutions have gone further, embedding sustainability across a range of disciplines, from business to engineering (Lozano, 2011).

However, the integration of sustainability into higher education remains uneven (Leal Filho et al., 2018). Many programs address sustainability as an add-on or elective course rather than a pervasive lens through which all subjects are taught (Barth, Godemann, Rieckmann, & Stoltenberg, 2007). As a result, students may graduate with compartmentalized knowledge of environmental issues, lacking the transdisciplinary skills necessary to tackle complex, interdependent global challenges (Wiek, Withycombe, & Redman, 2011).

### **The Imperative of Inclusivity**

Inclusivity, particularly regarding marginalized and underserved communities, is another pillar gaining urgency in discussions of educational reform. The United Nations Educational, Scientific and Cultural Organization (UNESCO, 2017) underscores the role of higher education in promoting equitable access to learning opportunities. Nonetheless, socioeconomic barriers, racial and gender disparities, and systemic biases persist, limiting the diversity of both student populations and faculty representation (Marginson, 2016).

Inclusivity extends beyond admissions policies. It also pertains to curricular content, pedagogical approaches and the types of innovation that universities prioritize (Giroux, 2010). For example, community-based participatory research (CBPR) integrates local stakeholders directly into the research and development process, ensuring that the outputs reflect community needs (Strand, Marullo, Cutforth, Stoecker, & Donohue, 2003). When effectively implemented, inclusivity can spur innovations that address unmet needs in areas such as affordable housing, accessible healthcare, and culturally relevant education, thereby co-creating markets that serve disadvantaged groups (George, McGahan, & Prabhu, 2012).

### **Synthesizing Sustainability and Inclusivity: The Triple Bottom Line**

The concept of the “triple bottom line”—encompassing economic, social, and environmental performance—aligns with both sustainability and inclusivity goals (Elkington, 1998). Within this framework, market creation is not solely about identifying profitable opportunities but also about generating beneficial social and environmental outcomes. Scholars like Stubbs and Cocklin (2008) posit that entrepreneurial ventures structured around the triple bottom line are more likely to incorporate long-term stakeholder value, thereby reducing the risk of exploitative or environmentally destructive practices.

Higher education institutions can promote triple bottom line thinking by offering interdisciplinary courses, integrating sustainability case studies into business curricula, and partnering with local and



international organizations focused on social innovation (Etzkowitz & Zhou, 2017). Such initiatives can, in turn, catalyze the development of student-led projects that envision new market spaces grounded in ethical and inclusive principles.

## **Gaps in the Literature and Implications for Higher Education**

### **Insufficient Focus on Market Creation**

A recurring theme is that the vast majority of entrepreneurship education research centers on improving student competencies for establishing ventures in existing markets (Fayolle & Gailly, 2008; Neck & Corbett, 2018). Relatively less attention is paid to how universities can directly support market *creation*, especially in contexts where the market does not yet exist or where pressing social and environmental issues remain unaddressed by traditional business models (Santos, 2012). This gap is critical because, as the abstract underscores, many high-profile

disruptors who shape new sectors—whether in technology, green energy, or social enterprise—often operate outside the confines of traditional academic structures (Isaacson, 2011).

**Limited Integration of Sustainability and Inclusivity in Entrepreneurial Education** While sustainability and social impact are increasingly recognized as important, most programs treat them as specialized niches, separate from mainstream entrepreneurship courses (Kickul & Lyons, 2012). The few integrated programs that do exist often lack institutional support or remain limited to pilot initiatives without sufficient scalability or resources (Rey-Garcia & Mato-Santiso, 2019). As a result, students eager to tackle climate change, social justice, or other systemic challenges may find minimal opportunities within formal curricula. They may turn to student clubs, hackathons, or extracurricular incubators, but these are often peripheral to their academic progression and degree requirements (GEM, 2020).

### **Overemphasis on Individualism and Technological Disruption**

Current academic literature and practice in entrepreneurship education frequently romanticize the “lone hero” founder narrative or the concept of “technological solutionism” (Moroz & Hindle, 2012). This approach can overshadow collective action, community-based entrepreneurship, and policy engagement, all of which are vital for addressing complex social and environmental challenges (Westley, Antadze, Riddell, Robinson, & Geobey, 2014). Consequently, many entrepreneurship programs fail to convey the importance of ecosystems, partnerships, and multi-stakeholder collaborations in launching ventures that create value for marginalized communities or that aim to solve global-scale problems (World Economic Forum [WEF], 2020).

### **Need for Structural and Pedagogical Transformations**

The literature makes a compelling case for rethinking the structural and pedagogical underpinnings of higher education (Mulgan, 2010; Schwab, 2016). Universities can no longer rely on narrowly defined learning outcomes focused primarily on technical competencies. Instead, they must foster a combination of imaginative thinking, ethical judgment, resilience, and collaborative problem-solving (Rittel & Webber, 1973). Yet, the review also reveals a lack of cohesive frameworks guiding such transformations. Most discussions remain fragmented, focusing on either curriculum reform, entrepreneurial ecosystems, or sustainability initiatives in isolation (Lozano, 2011).

## METHODOLOGY

This section details the methodological framework underpinning this study's secondary research and case-based examination of high-impact startups. The research design is tailored to identify critical gaps in the current higher education system and explore how successful entrepreneurs address societal and environmental challenges—often without extensive reliance on traditional academic pathways. By focusing on publicly available documents, archival materials, and established case studies of market-creating ventures, this approach provides a structured yet flexible method to analyze the interplay between higher education and disruptive entrepreneurship.

### Overall Research Strategy

#### Rationale for a Secondary Research Approach

Secondary research is particularly suited for this investigation because it enables the aggregation of diverse data sources related to both higher education models and entrepreneurial success stories (Bryman, 2016). Given that many high-impact startups and their founders are extensively covered in business media, academic publications, and policy reports, secondary research offers a rich repository of information without necessitating primary data collection. Moreover, the breadth of existing documentation—ranging from peer-reviewed journal articles to corporate websites—allows for a comprehensive understanding of how new markets emerge and the role (or absence) of higher education in that process (Creswell, 2014).

#### Integration of Case Studies

Within the broader secondary research framework, a multiple case study design offers in-depth exploration of how specific startups break away from conventional educational paths to create new market spaces (Yin, 2018). Drawing on rich descriptions from secondary data, each case illuminates the strategies, resource mobilization techniques, and entrepreneurial mindsets driving market disruption. By comparing and contrasting these cases, the research uncovers patterns that may inform how universities can better support or emulate such innovative trajectories (Stake, 2006).

### Case Selection

#### Selection Criteria

To ensure relevance and analytical depth, the study employs a purposive sampling strategy (Patton, 2015). High-impact startups were chosen based on three primary criteria:

1. **Documented Market Creation:** Evidence that the startup introduced a product or service that significantly altered consumer behavior, addressed an unmet social/environmental need, or led to the formation of an entirely new market segment (Christensen, Raynor, & McDonald, 2015).
2. **Societal and Environmental Significance:** Startups that explicitly integrate sustainability, inclusivity, or ethical considerations into their business models, thus aligning with the study's focus on transformative, socially oriented entrepreneurship (Elkington, 1998).
3. **Robust Secondary Data Availability:** Publicly accessible and credible sources (e.g., journal articles, media profiles, company reports, interviews published in reputable outlets) sufficient to construct a detailed account of the venture's origins, growth, and strategic direction (Bryman, 2016).

## Rationale for Global Coverage

Market creation and higher education reforms are global phenomena (Marginson, 2016). To account for possible regional and cultural variations, the sample includes startups headquartered in different parts of the world. This global approach offers a more comprehensive view of how contextual factors—regulatory environments, resource availability, and local educational systems—intersect with entrepreneurial innovation (Bruton, Ahlstrom, & Obloj, 2008). Nonetheless, the underlying focus remains on extracting lessons that can inform higher education reforms, regardless of geographic location.

## Data Sources and Collection

### Types of Secondary Sources

Drawing on a breadth of existing documentation, the study utilizes:

1. **Academic Literature:** Peer-reviewed articles examining entrepreneurial education, sustainability-driven ventures, inclusive growth, and the broader role of universities in societal transformation (Fayolle & Gailly, 2008; Neck, Greene, & Brush, 2014).
2. **Company and Organizational Websites:** Startups' official portals, which offer mission statements, sustainability reports, product roadmaps, and milestone announcements (Elkington & Hartigan, 2008).
3. **Business and Policy Reports:** Analyses from global organizations (e.g., World Economic Forum, OECD, World Bank) that detail market trends, innovation ecosystems, and the evolving demands placed on higher education (WEF, 2020).
4. **Media Coverage:** Articles and profiles from reputable business outlets (e.g., *Bloomberg*, *Forbes*, *The Economist*) that provide third-party insights into startup trajectories, founder backgrounds, funding rounds, and market impact (Isaacson, 2011).
5. **Publicly Available Interviews and Speeches:** Statements from founders, investors, and industry experts shared through conferences, podcasts, online video platforms, and corporate press releases (Johnston, 2017).

## Data Organization

All collected materials were cataloged using a reference management system to maintain organized, easily searchable records (Gibson & Brown, 2009). Documents were tagged by startup name, publication year, and thematic relevance—such as “educational gap,” “market disruption,” “sustainability orientation,” and “scaling strategy.” This systematic indexing facilitated subsequent coding and thematic analysis (Braun & Clarke, 2006).

## Analytical Framework

### Thematic Analysis

Since the study aims to illuminate complex phenomena—namely, the interplay between higher education and disruptive market creation—a thematic analysis approach was adopted (Braun & Clarke, 2006). This involved iterating through the following steps:

1. **Familiarization with the Data:** Each documents were reviewed in its entirety, annotating key passages related to entrepreneurial innovation, educational experiences, and the societal or environmental goals of the startup.
2. **Initial Coding:** Relevant segments were coded using labels that captured core concepts, such as “lack of formal education,” “founding motivation,” “university incubator experience,” “sustainability metrics,” or “community engagement” (Gibson & Brown, 2009).
3. **Theme Identification and Review:** Codes were clustered into potential themes—e.g., “Agile Skill Acquisition,” “Institutional Barriers,” “Socio-Environmental Impact,” and “Alternate Learning Networks.” These themes were refined through iterative comparisons, ensuring they accurately represented the data.
4. **Cross-Case Synthesis:** Once themes were established within individual case narratives, a cross-case analysis was conducted to determine which patterns recurred across multiple startups and which were unique to specific contexts (Miles, Huberman, & Saldaña, 2014).
5. **Interpretation:** The resulting insights were linked back to the research questions, highlighting how current academic structures might support or impede market creation, what non-traditional educational pathways high-impact founders pursued, and how potential reforms could align entrepreneurial skill-building with sustainability and inclusivity (Neuman, 2014).

### Conceptual Framework Integration

Throughout the analysis, concepts from the literature review—such as Schumpeterian disruption, social innovation, and triple bottom line entrepreneurship—served as analytical lenses (Schumpeter, 1934; Mulgan, 2010; Elkington, 1998). This approach ensured that empirical findings were contextualized within established theoretical debates while allowing for the identification of emergent constructs not fully captured by existing models (Eisenhardt, 1989).

### Reliability and Validity

#### Triangulation

Triangulation in this study involved the cross-verification of information from multiple secondary sources, reducing the likelihood of selective reporting or biased interpretations (Yin, 2018). For instance, if a media profile claimed that a startup founder left university to focus on disruptive technology, the researcher cross-checked this claim with founder interviews published elsewhere, official company statements, and, when available, investor or partner testimonies.

#### Transparency and Auditability

A transparent audit trail was maintained by systematically documenting each step of the data collection and analysis process (Bryman, 2016). Every sourced article, corporate report, or public interview was cataloged, annotated, and linked to specific themes. This level of documentation enables other researchers or stakeholders to trace the logic behind the study’s coding and thematic development (Lincoln & Guba, 1985).

#### Ethical Considerations

Although this research relies exclusively on publicly available secondary data, ethical considerations still apply in terms of accurately representing sources and respecting intellectual property (Johnston,

2017). Because no direct human subjects were interviewed or surveyed, formal institutional review board (IRB) approval was not required. Nonetheless, standard best practices for ethical research—including respect for copyright, accurate citation, and faithful representation of reported events—were rigorously followed (Orb, Eisenhauer, & Wynaden, 2001).

### Methodological Limitations

As with any research design, certain limitations shape the scope and conclusions of this study:

1. **Dependence on Public Narratives:** High-impact startups, especially those in the media spotlight, often have well-crafted public relations materials that may obscure negative aspects or failures (Isaacson, 2011). By triangulating multiple sources, the study attempts to mitigate this issue, but residual bias cannot be entirely ruled out (Bryman, 2016).
2. **Focus on Success Stories:** Case studies primarily highlight ventures that achieved substantial market creation. This focus may overlook equally instructive lessons from failed startups or those that have not gained media attention (Sull, 2004).
3. **Lack of Primary Data:** Relying solely on secondary information means the research is unable to probe deeper into founders' motivations or institutional decision-making processes in real-time. Direct interviews could have added richer context, but were beyond the scope of this study.
4. **Contextual Nuances:** Each startup operates within unique regulatory, economic, and cultural environments. Comparisons across regions or industries must be approached with caution, as contextual factors could influence both entrepreneurial strategy and the role of formal education (Bruton et al., 2008).

## FINDINGS

Building on the secondary research design and multi-case analytical framework outlined in Section 3, this section presents key findings regarding how current higher education frameworks align—or fail to align—with the imperatives of market creation, sustainability, and inclusivity. The data originate from a synthesized review of existing scholarly work, organizational reports, and detailed case studies of high-impact startups. The findings are organized around three major themes corresponding to the study's overarching research questions: (1) Critical gaps in current higher education structures (RQ1), (2) the pathways and practices of successful entrepreneurs who bypassed or minimized traditional academia (RQ2), and (3) insights that inform future curricular and institutional reforms (RQ3). While each theme is discussed separately, significant overlaps highlight the multifaceted and interdependent nature of university education and entrepreneurial innovation.

### Overview of Cross-Case Observations

Across the sampled high-impact startups—ranging from renewable energy ventures to digital platforms serving marginalized communities—several recurring characteristics emerged. First, founders consistently reported (in interviews available through media outlets or company archives) that conventional academic programs did not provide the agility, interdisciplinary skill sets, or ethical frameworks needed to tackle emerging global challenges (Christensen & Eyring, 2011). Second, many of these companies integrated sustainability and inclusivity goals into their core business models from the outset, rather than treating social and environmental impacts as peripheral concerns (Elkington &

Hartigan, 2008). Third, even where universities offered entrepreneurship support—such as incubators or pitch competitions—founders often found these resources too narrowly focused on tech-centric or profit-first metrics, neglecting systemic social or environmental issues (Mwasalwiba, 2010).

The data also reveal important regional nuances. For instance, startups from emerging economies were more likely to address unmet basic needs—like clean water or affordable financial services—reflecting market voids but also underscoring the role of social drivers in catalyzing entrepreneurial solutions (George, McGahan, & Prabhu, 2012). Conversely, ventures in more developed economies tended to focus on software-as-a-service (SaaS) or cutting-edge technologies, occasionally overlooking community engagement unless required for regulatory or public-relations purposes (Chang & Rieple, 2013). Despite such contextual differences, all cases exhibit a tension between the rapid, experimental ethos of disruptive entrepreneurship and the often rigid, siloed, and risk-averse structures of higher education (Neck & Corbett, 2018).

### Gaps in Current Higher Education Frameworks (RQ1)

The first research question aims to identify *critical gaps in current higher education frameworks* that hinder the development of market-creating graduates. Three major gaps emerged from the cross-case analysis:

#### Overemphasis on Specialized, Technocratic Skills

Many universities heavily prioritize discipline-specific, technocratic competencies—e.g., programming, engineering design, or financial modeling—at the expense of broader, integrative thinking (Altbach, 2016). While these competencies are valuable, they often do not encourage the entrepreneurial mindset required for market creation, which demands creativity, adaptability, and systems-level problem-solving (Schumpeter, 1934).

- **Documented Cases:** Founders from two digital health ventures in the study reported that their formal education offered robust medical and technical knowledge but did not teach them how to pivot quickly, engage with regulatory complexities, or develop low-cost solutions for underserved populations (Elkington & Hartigan, 2008). They learned these skills ad hoc or through post-graduation accelerators.
- **Institutional Programs:** A review of entrepreneurship curricula from major universities revealed that even flagship “innovation courses” were heavily oriented toward business planning and incremental process improvements, with minimal attention to the broader societal or ecosystem impacts of entrepreneurship (Fayolle & Gailly, 2008).

The lack of integrative, cross-disciplinary training restricts students’ ability to see beyond established market parameters. Graduates become adept at fitting into existing corporate structures, but less capable of envisioning or building entirely new market spaces—particularly those addressing “wicked” social or environmental problems (Rittel & Webber, 1973).

#### Marginalization of Sustainability and Inclusivity

Though many universities have sustainability initiatives and diversity offices, these agendas often remain peripheral to mainstream curricular activities (Leal Filho et al., 2018). As a result, the entrepreneurial pursuits of students or faculty rarely incorporate sustainable or inclusive objectives unless pursued in specialized programs such as social entrepreneurship electives (Mulgan, 2010).



- **Startup Contrast:** Several studied ventures—especially those in renewable energy—emphasized sustainability from day one. Founders lamented that their universities offered minimal formal support, providing instead a generic suite of resources for tech entrepreneurship without addressing the unique challenges of implementing environmentally viable supply chains or impact-measurement frameworks (Bocken, Short, Rana, & Evans, 2014).
- **Curriculum Analysis:** Course catalogs at sampled universities showed few required modules on sustainability science or inclusive growth for business or STEM majors. Sustainability was often relegated to optional courses or extracurricular clubs (Lozano, 2011).

By underprioritizing sustainability and inclusivity, universities miss opportunities to cultivate ventures that can address pressing global challenges and simultaneously create new markets. Entrepreneurs who do embark on such missions frequently do so with limited institutional guidance or recognition, relying instead on external communities of practice (Rockström et al., 2009).

### **Risk-Aversion and Bureaucratic Silos**

Research intensiveness, publication metrics, and rigid departmental structures foster a cautious culture in many universities (Hazelkorn, 2015). Faculty are incentivized to specialize and publish in narrow subfields, while interdepartmental collaboration faces structural hurdles. This culture can stifle radical experimentation or multi-disciplinary initiatives crucial for market-creating entrepreneurship (Clark, 1998).

- **Interviews and Secondary Accounts:** Publicly available interviews with startup teams highlight how institutional bureaucracies delayed projects, withheld seed funding for “unproven” ideas, and prioritized short-term partnerships with established corporations. As a result, student founders often sought external incubators or venture funding that offered more creative latitude (Bercovitz & Feldman, 2006).
- **Documentation of University Governance:** Strategic plans from selected universities emphasize graduate employability and research commercialization in partnership with existing industry players, but rarely discuss championing new, socially oriented sectors— indicating a gap in institutional ambition (Etzkowitz & Zhou, 2017).

Risk-averse cultures discourage the kind of boundary-pushing innovations that can spark new markets. Moreover, siloed academic structures hinder the cross-pollination of ideas between disciplines (e.g., between computer science and environmental studies), an essential factor in addressing complex societal needs (Delanty, 2001).

### **Pathways of Non-Traditional Entrepreneurs (RQ2)**

The second research question seeks to uncover how successful market creators, particularly those who did not follow traditional academic trajectories, acquire the skills, networks, and knowledge necessary for disruptive innovation. Analysis of the selected startups—drawn from secondary data such as founder interviews, media profiles, and official press releases—reveals several interlocking pathways:

#### **Experiential and Peer-Driven Learning**

Rather than relying on formal coursework, many successful entrepreneurs cited peer networks, online forums, open-source communities, and industry gatherings as pivotal learning platforms (Neck, Greene,

& Brush, 2014). These channels offered real-time problem-solving and exposure to cutting-edge practices, contrasting with universities' typically slower, more structured curricula.

A notable fintech startup in the study, launched by two founders without college degrees, credited open-source coding communities (e.g., GitHub) and peer mentorship circles for honing their technical skills and business strategies. Over time, they developed a product addressing financial inclusion for low-income populations in South Asia, effectively creating a new market segment for mobile-based savings. Their learning process was iterative and experimental, unimpeded by rigid academic requirements.

### **Rapid Prototyping and Agile Adaptation**

High-impact disruptors often champion rapid prototyping—introducing minimally viable products quickly, gathering user feedback, and pivoting as needed (Ries, 2011). This contrasts with the more deliberate, hypothesis-driven methodologies taught in many universities, where lengthy project timelines and extensive research proposals can delay market entry.

A case study of a renewable energy startup in Sub-Saharan Africa revealed that the founding team launched small-scale pilots in off-grid communities before finalizing their technology. Their agility allowed them to rapidly iterate based on user feedback, attracting nonprofit and governmental partners who recognized the system's viability in underserved regions (Bensch, Peters, & Schmidt, 2016). None of the founders had advanced degrees in business; instead, they leveraged localized knowledge and on-the-ground experiments to refine their approach.

### **Mission-Driven Collaboration**

Another hallmark among entrepreneurs bypassing traditional education is their pursuit of strategic collaborations grounded in aligned missions. These alliances range from non-governmental organizations (NGOs) to socially responsible corporations, offering access to capital, distribution channels, and credibility (George et al., 2012).

Founders of a consumer-goods startup focusing on biodegradable packaging forged early partnerships with environmental NGOs. These NGOs provided research on biodegradable materials and connected the founders with ethical supply-chain partners. Through this collaboration, the startup effectively created a new market niche for zero-waste consumer packaging. Formal academic institutions played a minor role, mentioned only as a background source for a few research papers on bioplastics (Clark & Harley, 2020).

### **Culturally Embedded Innovation**

In certain contexts, market creation arises from deep cultural understanding—an asset that might not be easily imparted in generalized academic programs (Bruton, Ahlstrom, & Obloj, 2008). Founders from local communities often leverage tacit knowledge of traditions, language, and social norms to design context-appropriate solutions.

A healthcare startup in rural South America integrated indigenous medical practices with modern telehealth services. The founders, primarily from the local community, did not pursue higher education abroad. Instead, their immersion in local cultural practices allowed them to create a service model that resonated with both patients and traditional healers. They effectively opened a new healthcare market that bridged conventional and modern medicine (Sarasvathy, 2001).

## Insights Informing Future Reforms (RQ3)

The third research question centers on identifying pedagogical and institutional reforms that can prepare graduates for market creation focused on sustainability and inclusivity. While the cases generally highlight deficiencies in current academic structures, they also suggest practical pathways for innovation:

### Embedding Entrepreneurial Mindsets in Core Curricula

Students across disciplines—from engineering to the arts—could benefit from exposure to market-creation principles, design thinking, and systems-based problem-solving (Wiek, Withycombe, & Redman, 2011). The case analyses indicate that early, foundational instruction in entrepreneurial mindset development—rather than capstone or elective courses—may foster creative risk-taking and social awareness.

Several universities have piloted first-year programs combining liberal arts inquiry with entrepreneurial project-based learning. In these pilots, students co-develop ventures addressing local community challenges, merging theory with hands-on practice (Neck & Greene, 2011). While few examples exist at large scale, initial results suggest enhanced student engagement and readiness to tackle unstructured problems (Herrington & Weaven, 2018).

### Cross-Disciplinary Collaboration and Studio-Based Learning

Some of the most innovative case study ventures relied on cross-functional teams, integrating insights from fields like engineering, design, public policy, and sociology (O'Rourke & Williamson, 2019). Universities that facilitate collaborative, studio-based learning environments can mimic this dynamic, giving students experiential exposure to interdisciplinary problem-solving (Brown & Kuratko, 2015).

Design labs within select institutions have begun pairing business students with environmental science majors and computer programmers to jointly tackle sustainability challenges. Real-world case competitions, extended over entire semesters, allow teams to prototype and test solutions, culminating in a public pitch day with industry experts (Etzkowitz & Zhou, 2017). Such structures more closely resemble the iterative, agile approach adopted by non-traditional entrepreneurs.

### Incorporating Sustainability and Inclusivity as Core Metrics

Rather than treating sustainability and inclusivity as peripheral, universities can embed these dimensions into academic objectives and assessment criteria. This alignment ensures that entrepreneurial initiatives receive institutional support, funding, and recognition comparable to tech-centered or purely profit-driven ventures (Rockström et al., 2009).

Some business schools have launched “Social and Environmental Impact” tracks, requiring student startups to incorporate impact metrics—like reductions in carbon footprint or improvements in local living conditions—into their pitch decks and business plans (Kickul & Lyons, 2012). Faculty mentors from various departments (e.g., social sciences, ecology) are assigned to each team, reflecting a holistic perspective on venture development (Silvestri & Veltri, 2017).

### University-Community Partnerships and Real-World Engagement

Startups in the study often thrived by aligning closely with the needs of local communities or underserved markets. Universities could replicate this model by establishing partnerships that foster community-based participatory research and service-learning projects, enabling students to co-create solutions with

community stakeholders (Strand, Marullo, Cutforth, Stoecker, & Donohue, 2003).

In practice, a handful of institutions have established “innovation hubs” located near low-income neighborhoods. Students work alongside local residents, nonprofits, and municipal agencies to identify pressing challenges—like food deserts or inadequate public transportation—and prototype solutions. By weaving these real-world engagements into degree requirements, universities reinforce the idea that market creation can and should address deep-rooted societal issues (George et al., 2012).

### Synthesis of Key Findings

Pulling together the themes from Sections 4.2 through 4.4, the following insights emerge:

#### 1. Higher Education Gaps:

- o **Technocratic Focus:** Many universities emphasize specialized skills for established industries, neglecting holistic entrepreneurial training for new market creation.
- o **Peripheral Treatment of Sustainability and Inclusivity:** Social and environmental objectives frequently remain electives or side projects rather than core academic pillars.
- o **Risk-Averse Culture:** Institutional structures often value safety and predictability over the experimentation vital for disruptive innovation.

#### 2. Non-Traditional Entrepreneurial Pathways:

- o **Experiential and Peer-Driven Learning:** High-impact founders often learn from hands-on, real-world engagements and digital networks.
- o **Rapid, Iterative Experimentation:** Minimal bureaucracy and agile pivoting strategies help entrepreneurs respond swiftly to evolving market conditions.
- o **Mission-Centric Collaborations:** Alliances with NGOs, local communities, and ethical investors create ecosystems supportive of long-term social impact.

#### 3. Reform Possibilities:

- o **Curricular Integration:** Early introduction of entrepreneurial mindsets and sustainability frameworks across all disciplines.
- o **Cross-Functional, Studio-Based Environments:** Encouraging interdisciplinary teams that mirror real-world entrepreneurial dynamics.
- o **Institutional Realignment:** Incorporating sustainability and inclusivity metrics into funding, mentorship, and accreditation to incentivize truly transformative ventures.

Collectively, these findings underscore the urgency and feasibility of reshaping higher education to meet the societal demands of the Fourth Industrial Revolution. Realigning institutional missions, revising curricular priorities, and forging deeper community partnerships could bridge the current gap between conventional academic training and the disruptive potential exemplified by many market-creating entrepreneurs.

The secondary data analysis and multi-case exploration confirm that higher education, as traditionally

conceived, does not fully nurture the competencies necessary for creating new, socially impactful markets. While universities excel in imparting technical knowledge and conducting specialized research, they often lag in fostering the creative, transdisciplinary, and socially attuned skill sets required for disruptive entrepreneurship. Simultaneously, case studies of high-impact startups reveal alternative learning pathways—rooted in real-world experimentation, social networks, and mission-driven collaboration—that enable founders to navigate complex market gaps and address sustainability and inclusivity challenges.

These findings serve as a foundation for the discussion that follows, wherein the implications for curriculum design, institutional policies, and stakeholder engagement will be assessed in greater depth. By aligning key lessons from successful market disruptors with cutting-edge pedagogical and institutional reforms, higher education stands poised to reclaim its role as a vital catalyst for societal transformation in the years to come.

## DISCUSSION

Building on the empirical insights presented in Section 4, this section offers a critical interpretation of how the study's findings relate to the broader theoretical debates and practical challenges discussed in the Literature Review (Section 2). In particular, it explores how higher education can more effectively align itself with the creation of new markets that prioritize sustainability, inclusivity, and ethical innovation. The discussion is organized around three core areas: (1) Reassessing the role of universities as catalysts for disruptive innovation, (2) integrating sustainability and inclusivity into mainstream entrepreneurship education, and (3) outlining strategic institutional reforms that could bridge existing gaps.

### Reassessing the Role of Universities as Catalysts for Disruptive Innovation

**Contradiction Between Traditional Academic Metrics and Market Creation** Universities have historically been engines of knowledge production, contributing significantly to technological advances and socio-economic development (Trow, 1974; Altbach, 2016). However, as highlighted in the findings (Section 4.2), many institutions remain bound by traditional metrics of success—publication output, disciplinary specialization, and graduate employability—rather than championing the risk-taking essential for truly disruptive ventures (Hazelkorn, 2015). This contradiction resonates with Schumpeter's (1934) model of creative destruction, which underscores the entrepreneurial impetus to redefine market boundaries. When academic cultures discourage experimentation and prioritize predictable outcomes, they underutilize their capacity to be epicenters of genuine market creation.

The high-impact startups examined in this study show that market creation flourishes under conditions of agility, collaborative learning, and minimal bureaucratic oversight (Neck & Greene, 2011). Rather than focusing on incremental improvements in established industries, these ventures frequently leapfrogged to new market segments—especially in contexts like clean energy or financial inclusion (George, McGahan, & Prabhu, 2012). By contrast, many universities remain oriented toward aligning graduates with existing industry structures, an approach that can inadvertently limit the development of truly radical innovations (Fayolle & Gailly, 2008). Therefore, a key takeaway for higher education institutions is the need to recalibrate their performance indicators: from near-term employability to the longer-term social and environmental impacts of graduate-led ventures.

### Tension Between Theory and Practice

Another tension lies in the interplay between abstract academic theory and the practice-oriented needs

of disruptive entrepreneurs. Conventional curricula focus heavily on conceptual frameworks—be they in engineering design, business theory, or scientific research—while the experiential, trial-and-error learning modes characteristic of market creators remain underrepresented (Mwasalwiba, 2010). This discrepancy echoes the findings of Neck, Greene, and Brush (2014), who point out that meaningful entrepreneurship education often hinges on experiential, iterative processes rather than purely conceptual instruction.

In many of the cases studied (Section 4.3), founders gained essential competencies—such as rapid prototyping, agile adaptation, and mission-driven collaboration—beyond the confines of university classrooms. Peer-to-peer learning communities, online forums, and grassroots incubators replaced formal academic coursework. These observations suggest that if universities wish to reclaim a central role in incubating innovative ideas, they must better integrate applied, project-based opportunities into the curriculum (Brown & Kuratko, 2015). Doing so could amplify students' ability to translate theoretical knowledge into tangible solutions, a hallmark of successful market disruptors.

### **Integrating Sustainability and Inclusivity into Entrepreneurial Education**

#### **Moving Beyond a Peripheral Approach**

Echoing much of the sustainability literature (Rockström et al., 2009; Lozano, 2011), the findings reveal that universities often treat sustainability and inclusivity as peripheral to mainstream entrepreneurship education. Courses in “social entrepreneurship” or “environmental management” may be available as electives, but they seldom shape the core learning pathways of the majority of students. This fragmented approach obscures the fact that sustainability and inclusivity can be powerful catalysts for market creation, as evidenced by startups in the study that directly address climate change, resource scarcity, and marginalized communities (George et al., 2012).

Elkington and Hartigan (2008) argue that social and environmental problems can stimulate new demand segments and global business opportunities. The case studies support this notion, showing how ventures that tackle fundamental needs—clean energy, financial accessibility, healthcare—can stimulate the emergence of novel market niches or entire sectors. However, for universities to capitalize on this potential, sustainability must be woven into the fabric of the entrepreneurial curriculum, from introductory modules to capstone projects (Mulgan, 2010). This entails reassessing core assumptions in business and engineering education, where profit-driven metrics often overshadow social and ecological considerations (Bocken, Short, Rana, & Evans, 2014).

#### **Institutionalizing Triple Bottom Line Thinking**

A key mechanism for integrating sustainability and inclusivity into higher education is institutionalizing the triple bottom line concept—encompassing economic, social, and environmental dimensions—across the curriculum (Elkington, 1998). The evidence from the study's sample of startups indicates that triple bottom line approaches foster resilience and long-term impact, partly because they align with evolving consumer demands and public policy priorities (Porter & Kramer, 2011). Startups rooted in emerging economies, in particular, displayed how environmental stewardship and social equity can serve as competitive differentiators, attracting both local stakeholders and international partners (Bruton, Ahlstrom, & Obloj, 2008). For triple bottom line thinking to take hold, universities must undertake a systematic shift. Rather than restricting sustainability to specialized programs, institutions could integrate such themes into fundamental business and technical courses, requiring students to assess environmental impacts, ethical concerns, and social externalities.



Additionally, performance metrics for new ventures— such as pitch competitions or incubator success rates—should consider environmental impact or social value creation alongside financial viability (Kickul & Lyons, 2012). This shift not only imparts necessary skills for market-creating graduates but also upholds the ethical imperatives of the Fourth Industrial Revolution, wherein technology must be harnessed responsibly to address global challenges (Schwab, 2016).

## **Strategic Institutional Reforms to Bridge Current Gaps**

### **Redefining Incentive Structures**

One of the most recurring barriers identified in the findings is the risk-averse culture stemming from traditional incentive systems. Faculty promotions often hinge on narrow research metrics, while funding allocations prioritize partnerships with established corporations (Clark, 1998; Hazelkorn, 2015). This environment can stifle the interdisciplinary collaborations and bold experimentation vital for market creation (Etzkowitz & Zhou, 2017).

To mitigate this issue, universities could pilot incentive structures that explicitly reward cross-disciplinary grant applications, incubator mentorship, community-engaged research, and the launch of socially impactful ventures. Drawing from examples in progressive institutions, “innovation fellowships” or “entrepreneur-in-residence” programs can recognize both faculty and external entrepreneurs who foster socially responsible market creation within the academic environment (Neck & Corbett, 2018). Promotions and tenure criteria might also begin to factor in societal impact measures, thereby legitimizing the pursuit of socially and environmentally oriented entrepreneurship as a scholarly endeavor.

### **Embedding Market-Creation Skills Across Disciplines**

The persistent gap between specialized training and holistic entrepreneurial thinking highlights a pressing need for embedded market-creation skills in all disciplines. The conventional siloed model—business students learn about entrepreneurship, engineering students learn about product design, and social science students learn about community engagement—often fails to replicate the integrated reality of disruptive ventures (Brown & Kuratko, 2015). Instead, the success stories in the study point to the necessity of cross-functional teams and cross-pollination of ideas.

Universities could address this by offering foundational courses that blend entrepreneurial problem-solving, sustainability, and inclusivity across all majors, effectively creating a shared baseline of skills and consciousness (Wiek, Withycombe, & Redman, 2011). For instance, an engineering curriculum might incorporate modules on social impact assessment and stakeholder engagement, while business students tackle technical feasibility and environmental life-cycle analyses. This interdisciplinary approach not only equips students with diverse skill sets but also encourages them to form collaborative networks, a key determinant of successful market disruption (Etzkowitz & Zhou, 2017).

### **Expanding University-Community-Industry Linkages**

Several case studies highlighted how disruptive startups thrived when they aligned themselves with community needs or partnered with local NGOs, bridging knowledge gaps and securing legitimacy (Strand, Marullo, Cutforth, Stoecker, & Donohue, 2003). Community-based participatory research models offer a template for integrating these practices into higher education. By fostering collaborations that go beyond superficial consultations, universities can enable students and faculty to engage in co-creation with community stakeholders, focusing on underexplored areas with high social or environmental potential (George et al., 2012).

On the industry side, partnerships typically funnel research resources into established corporate R&D pipelines (Bercovitz & Feldman, 2006). For market creation, however, industry collaborations might need to extend beyond mature corporations. Startups, impact investors, and regional innovation clusters can provide valuable insights into emerging sectors, from cleantech to inclusive finance (Schwab, 2016). Universities could formalize relationships with venture studios or impact investment funds that specialize in triple-bottom-line ventures, giving students direct exposure to the realities of early-stage market development (Kickul & Lyons, 2012).

## CONCLUSION AND RECOMMENDATIONS

### Overarching Summary of Research Findings

Throughout this research, a consistent theme has emerged: the most transformative entrepreneurial ventures often defy the structural constraints and mindsets commonly found in mainstream higher education. While universities excel at imparting specialist skills and knowledge, they frequently neglect the combination of agility, creativity, social consciousness, and cross-disciplinary collaboration that underpins disruptive market creation. The **secondary research** and **case studies of high-impact startups** reveal that founders who created new market spaces—especially in domains of sustainability and social impact—often acquired their capabilities outside conventional academic pathways.

1. **Critical Gaps in Higher Education Frameworks:** Institutions emphasize discipline-specific, technocratic competencies at the expense of fostering holistic entrepreneurial mindsets. The marginal treatment of sustainability and inclusivity, coupled with rigid, risk-averse structures, impedes the kind of radical experimentation required for novel market creation.
2. **Alternative Pathways of Market Creators:** Successful disruptors, especially those lacking advanced formal education, typically leverage experiential learning, peer networks, mission-driven partnerships, and culturally embedded insights to develop and refine their ventures. Rather than relying on set curricula, they engage in continual trial-and-error processes, often forging cross-sector alliances to address fundamental needs such as energy access, financial inclusion, and healthcare provision.
3. **Prospects for Curricular and Institutional Reform:** Embedding entrepreneurial thinking, sustainability, and inclusivity into the heart of higher education can equip graduates to tackle urgent societal challenges. This integration involves project-based learning, risk-friendly funding models, cross-disciplinary collaboration, and stronger community-university-industry linkages that collectively support market creation aligned with social and environmental well-being.

These findings demonstrate a pressing need for systemic shifts in how universities define and operationalize their missions. By recognizing that job readiness alone no longer suffices, higher education can pivot toward empowering a new generation of graduates to conceive and enact transformative ventures that serve both economic and societal objectives.

### Recommendations for Key Stakeholders

The following recommendations outline how different groups—university administrators, faculty, policymakers, and industry leaders—can collectively foster an educational ecosystem that prioritizes market creation and social responsibility.

## University Administrators

### 1. Revise Strategic Priorities and Funding Models:

- o **Incentivize Cross-Disciplinary Ventures:** Allocate dedicated budgets to support faculty and student projects that bring together diverse fields (e.g., engineering, design, business, social sciences) to tackle “wicked” problems such as climate change or social inequities.
- o **Redefine Institutional Metrics of Success:** Move beyond simplistic measures like graduate employment rates and research publication counts. Instead, factor in the societal, environmental, and market-disruptive impacts of university-affiliated ventures.

### 2. Cultivate a Risk-Tolerant Culture:

- o **Entrepreneurial Fellowships and Awards:** Reward faculty and students who take on riskier, more experimental initiatives—particularly those aimed at underserved markets or systemic sustainability challenges.
- o **Flexible Governance Structures:** Streamline bureaucratic procedures (e.g., for research funding or new course approvals) to allow rapid iteration and collaboration with external partners.

### 3. Strengthen Community and Industry Partnerships:

- o **Local Innovation Hubs:** Launch on-campus or near-campus incubators that engage local entrepreneurs, NGOs, and public agencies. These hubs can serve as real-world test beds for market-creating ventures addressing community-specific needs.
- o **International Alliances:** In a globalized economy, collaborate with universities and industry networks across different regions to share resources, expertise, and market insights.

## Faculty and Curriculum Designers

### 1. Embed Entrepreneurship and Sustainability Across Disciplines:

- o **Mandatory Foundational Courses:** Introduce first-year modules that integrate basic entrepreneurial skills (e.g., design thinking, market research, stakeholder engagement) with critical sustainability and inclusivity themes.
- o **Project-Based Learning:** Replace or supplement lectures with experiential, team-based projects that simulate real-world market creation, requiring students to engage with end-users, pilot new ideas, and iterate in response to feedback.

### 2. Promote Interdisciplinary Collaboration in the Classroom:

- o **Studio-Based Pedagogy:** Adopt design-studio models where students from multiple majors collaborate on complex, open-ended challenges—mirroring the cross-functional nature of successful startups.
- o **Co-Teaching and Joint Appointments:** Encourage faculty from different departments (e.g., business, computer science, environmental studies, sociology) to design and co-teach courses that blend theoretical perspectives with hands-on ventures.

3. Integrate Ethical, Social, and Environmental Metrics into **Assessment**:

- o **Sustainability and Inclusivity Criteria:** When students pitch new venture ideas or develop prototypes, require assessments to include impact measurement—how effectively the proposed solution addresses ecological footprints or socio-economic disparities.
- o **Reflection and Critical Thinking:** Institute reflection components, such as journals or peer evaluations, that prompt students to consider broader implications and moral responsibilities tied to entrepreneurship.

## Policymakers

1. **Reform Accreditation and Funding Guidelines:**

- o **Innovation and Impact Criteria:** Update accreditation standards to recognize universities that demonstrate measurable success in fostering disruptive, socially responsible entrepreneurship.
- o **Inclusive Funding Mechanisms:** Offer grants or public-private partnerships that reward interdisciplinary research and development, especially those that tackle global challenges like climate resiliency or social equity.

2. Establish Policy Frameworks to Support Emergent **Markets**:

- o **Regulatory Sandboxes:** Create conducive environments where new ideas— particularly in regulated sectors like healthcare or financial services—can be tested without excessive bureaucratic barriers.
- o **Tax Incentives and Subsidies:** Offer incentives to companies that collaborate with universities on market-creating ventures aimed at improving sustainability or inclusive growth. This reduces the inherent risk of innovation while encouraging broader social benefits.

3. Support Capacity-Building in Underserved **Regions**:

- o **Rural and Urban Development Programs:** Direct public funds to universities in underserved areas, enabling them to become local engines of market creation, talent development, and community transformation.
- o **International Collaboration:** Partner with universities in emerging economies to share best practices, research infrastructures, and funding opportunities, thereby fostering globally networked innovation ecosystems.

## Industry Leaders and Investors

1. **Value Practical Skills and Societal Impact in Hiring:**

- o **Beyond Academic Pedigree:** Emphasize entrepreneurial capability, track records in problem-solving, and commitment to ethical practices over formal degree attainment. Doing so signals to universities that holistic skill sets and social responsibility are valued in the market.
- o **Holistic Employee Development:** Create continuous learning pathways within organizations that help employees refine entrepreneurial, sustainability-oriented competencies, bridging any gaps left by higher education.

## 2. Forge Collaborative R&D with **Universities**:

- o **Joint Innovation Labs**: Invest in or co-sponsor on-campus labs that focus on co-creating products and services aimed at high-impact social or environmental challenges.
- o **Mentorship and Knowledge Sharing**: Encourage corporate leaders and technical experts to serve as mentors, guest lecturers, or project advisors, offering students real-world exposure and guidance.

## 3. Adopt Responsible Investment **Strategies**:

- o **Social and Environmental Due Diligence**: Assess potential ventures not only by financial returns but also by their triple bottom line impacts.
- o **Inclusive Accelerators and Incubators**: Work with universities to launch programs specifically for underserved entrepreneurs, catalyzing market creation in overlooked communities.

## Final Thoughts: Positioning Higher Education for the Fourth Industrial Revolution

The concluding argument of this study is that **higher education has reached a pivotal juncture**. The complex, interdependent challenges of the Fourth Industrial Revolution—spanning climate crises, demographic shifts, and rapid technological evolution—cannot be navigated through incremental improvements to existing economic models alone (Schwab, 2016). Instead, new markets must arise to address unmet needs, foster inclusive prosperity, and safeguard the planet. As evidenced by the entrepreneurs and ventures examined here, the capacity for such transformation already exists; the question is whether universities will adapt quickly enough to nurture these disruptions or risk marginalization.

By **reimagining curricula**, realigning **institutional incentives**, and forging **cross-sector alliances** that embrace both humanistic and innovative ideals, universities can assert their centrality in shaping the future. They can birth cohorts of graduates who are not merely job-ready but **future-ready**—capable of designing, implementing, and scaling ventures that uplift local communities, champion environmental stewardship, and drive equitable economic growth. Far from negating the importance of formal academic credentials, this vision enriches the value of higher education: graduates gain the perspectives and capacities to shape entirely new sectors, ultimately positioning academia as a **true catalyst** for global progress.

## Works Cited

- Altbach, P. G. (2016). *Global perspectives on higher education*. Johns Hopkins University Press.
- American Psychological Association [APA]. (2020). *Publication manual of the American Psychological Association* (7th ed.). American Psychological Association.
- Angrosino, M. V. (2007). *Doing cultural anthropology: Projects for ethnographic data collection*. Waveland Press.
- Armendáriz, B., & Morduch, J. (2010). *The economics of microfinance* (2nd ed.). MIT Press.
- Audretsch, D. B., & Thurik, A. R. (2001). What's new about the new economy? *Industrial and Corporate Change*, 10(1), 267–315.

- Bae, T. J., Qian, S., Miao, C., & Fiet, J. O. (2014). The relationship between entrepreneurship education and entrepreneurial intentions: A meta-analytic review. *Entrepreneurship Theory and Practice*, 38(2), 217–254.
- Barth, M., Godemann, J., Rieckmann, M., & Stoltenberg, U. (2007). Developing key competencies for sustainable development in higher education. *International Journal of Sustainability in Higher Education*, 8(4), 416–430.
- Bensch, G., Peters, J., & Schmidt, C. M. (2016). The intensive margin of technology adoption—Experimental evidence on improved cooking stoves in rural Senegal. *Journal of Health Economics*, 48, 63–76.
- Bercovitz, J., & Feldman, M. (2006). Entrepreneurial universities and technology transfer: A conceptual framework for understanding knowledge-based economic development. *The Journal of Technology Transfer*, 31(1), 175–188.
- Blenker, P., Dreisler, P., & Kjeldsen, J. (2006). Entrepreneurship education—the new challenge facing the universities. *Education + Training*, 48(8/9), 445–456.
- Bocken, N. M. P., Short, S., Rana, P., & Evans, S. (2014). A literature and practice review to develop sustainable business model archetypes. *Journal of Cleaner Production*, 65, 42–56.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.
- Brown, T. E., & Kuratko, D. F. (2015). *The impact of design and innovation on entrepreneurship education*. (White paper/conference paper; online source.)
- Bruton, G. D., Ahlstrom, D., & Obloj, K. (2008). Entrepreneurship in emerging economies: Where are we today and where should the research go in the future. *Entrepreneurship Theory and Practice*, 32(1), 1–14.
- Bryman, A. (2016). *Social research methods* (5th ed.). Oxford University Press.
- Chang, J., & Rieple, A. (2013). Assessing students' entrepreneurial skills development in live projects. *Journal of Small Business and Enterprise Development*, 20(1), 225–241.
- Charmaz, K. (2014). *Constructing grounded theory* (2nd ed.). SAGE Publications.
- Christensen, C. M., & Eyring, H. J. (2011). *The innovative university: Changing the DNA of higher education from the inside out*. Jossey-Bass.
- Christensen, C. M., Raynor, M. E., & McDonald, R. (2015). What is disruptive innovation? *Harvard Business Review*, 93(12), 44–53.
- Clark, B. R. (1998). *Creating entrepreneurial universities: Organizational pathways of transformation*. Pergamon Press.
- Clark, W. C., & Harley, A. G. (2020). Sustainability science: Toward a synthesis. *Annual Review of Environment and Resources*, 45, 331–386.
- Craig, R. (2015). *College disrupted: The great unbundling of higher education*. St. Martin's Press.
- Creswell, J. W., & Plano Clark, V. L. (2017). *Designing and conducting mixed methods research* (3rd ed.). SAGE Publications.



- Delanty, G. (2001). *Challenging knowledge: The university in the knowledge society*. Society for Research into Higher Education & Open University Press.
- Denscombe, M. (2010). *Ground rules for social research: Guidelines for good practice* (2nd ed.). Open University Press.
- Drucker, P. F. (1985). *Innovation and entrepreneurship: Practice and principles*. Harper & Row.
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25–32.
- Elkington, J. (1998). *Cannibals with forks: The triple bottom line of 21st century business*. New Society Publishers.
- Elkington, J., & Hartigan, P. (2008). *The power of unreasonable people: How social entrepreneurs create markets that change the world*. Harvard Business Press.
- Etzkowitz, H. (2008). *The Triple Helix: University–industry–government innovation in action*. Routledge.
- Etzkowitz, H., & Zhou, C. (2017). *The Triple Helix: University–industry–government innovation and entrepreneurship*. Routledge.
- Fayolle, A., & Gailly, B. (2008). From craft to science: Teaching models and learning processes in entrepreneurship education. *Journal of European Industrial Training*, 32(7), 569–593.
- Garud, R., & Giuliani, A. P. (2013). A narrative perspective on entrepreneurial opportunities. *Academy of Management Review*, 38(1), 157–160.
- Geiger, R. L. (2017). *American higher education since World War II: A history*. Princeton University Press.
- George, G., McGahan, A. M., & Prabhu, J. (2012). Innovation for inclusive growth: Towards a theoretical framework and a research agenda. *Journal of Management Studies*, 49(4), 661–683.
- Gibson, W. J., & Brown, A. (2009). *Working with qualitative data*. SAGE Publications.
- Giroux, H. A. (2010). Dumbing down teachers: Rethinking the crisis of public education and the retreat of democracy. *Review of Education, Pedagogy, and Cultural Studies*, 32(4–5), 339–381.
- Hazelkorn, E. (2015). *Rankings and the reshaping of higher education: The battle for world-class excellence* (2nd ed.). Palgrave Macmillan.
- Herrington, J., & Weaven, S. (2018). Developing entrepreneurial skills through a reflection-action learning design. *Innovations in Education and Teaching International*, 55(5), 532–540.
- Hindle, K. (2007). Teaching entrepreneurship at university: From the wrong building to the right philosophy. In A. Fayolle (Ed.), *Handbook of research in entrepreneurship education* (Vol. 1, pp. 104–126). Edward Elgar Publishing.
- Isaacson, W. (2011). *Steve Jobs*. Simon & Schuster.
- Johnston, M. P. (2017). Secondary data analysis: A method of which the time has come.

*Qualitative and Quantitative Methods in Libraries*, 3(3), 619–626.

Jones, C., & English, J. (2004). A contemporary approach to entrepreneurship education.

*Education + Training*, 46(8/9), 416–423.

Kickul, J., & Lyons, T. S. (2012). *Understanding social entrepreneurship: The relentless pursuit of mission in an ever changing world*. Routledge.

Kim, W. C., & Mauborgne, R. (2005). *Blue ocean strategy: How to create uncontested market space and make the competition irrelevant*. Harvard Business Review Press.

Kiron, D., Kruschwitz, N., Reeves, M., & Goh, E. (2013). The benefits of sustainability-driven innovation. *MIT Sloan Management Review*, 54(2), 69–73.

Kvale, S., & Brinkmann, S. (2015). *InterViews: Learning the craft of qualitative research interviewing* (3rd ed.). SAGE Publications.

Leach, L. (2013). Participation and equity in higher education: Are we going back to the future?

*Oxford Review of Education*, 39(2), 267–286.

Leal Filho, W., Shiel, C., do Paço, A., Mifsud, M., Veiga Ávila, L., Londero Brandli, L., & Molthan-Hill, P. (2018). Reinvigorating the sustainable development research agenda: The role of the sustainable development goals (SDG). *International Journal of Sustainable Development & World Ecology*, 25(2), 131–142.

Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry*. SAGE Publications.

Lozano, R. (2011). The state of sustainability reporting in universities. *International Journal of Sustainability in Higher Education*, 12(1), 67–78.

Marginson, S. (2016). *Higher education and the common good*. Melbourne University Publishing.

Markman, G. D., Russo, M., Lumpkin, G. T., Jennings, P. D., & Mair, J. (2016). Entrepreneurship as a platform for pursuing multiple goals: A special issue on sustainability, ethics, and entrepreneurship. *Journal of Management Studies*, 53(5), 673–694.

Miles, M. B., Huberman, A. M., & Saldaña, J. (2014). *Qualitative data analysis: A methods sourcebook* (3rd ed.). SAGE Publications.

Moroz, P. W., & Hindle, K. (2012). Entrepreneurship as a process: Toward harmonizing multiple perspectives. *Entrepreneurship Theory and Practice*, 36(4), 781–818.

Mulgan, G. (2010). Measuring social value. *Stanford Social Innovation Review*, 8(3), 38–43.

Murray, R., Caulier-Grice, J., & Mulgan, G. (2010). *The open book of social innovation*. The Young Foundation/NESTA.

Mwasalwiba, E. (2010). Entrepreneurship education: A review of its objectives, teaching methods, and impact indicators. *Education + Training*, 52(1), 20–47.

Neck, H. M., & Corbett, A. C. (2018). The scholarship of teaching and learning entrepreneurship.

*Entrepreneurship Education and Pedagogy*, 1(1), 8–41.

- Neck, H. M., & Greene, P. G. (2011). Entrepreneurship education: Known worlds and new frontiers. *Journal of Small Business Management*, 49(1), 55–70.
- Neck, H. M., Greene, P. G., & Brush, C. G. (2014). *Teaching entrepreneurship: A practice- based approach*. Edward Elgar Publishing.
- Neuman, W. L. (2014). *Social research methods: Qualitative and quantitative approaches* (7th ed.). Pearson.
- OECD (Organisation for Economic Co-operation and Development). (2019). *Education at a glance 2019: OECD indicators*. OECD Publishing.
- Orb, A., Eisenhauer, L., & Wynaden, D. (2001). Ethics in qualitative research. *Journal of Nursing Scholarship*, 33(1), 93–96.
- O’Cass, A., & Sok, P. (2013). The role of intellectual resources, product innovation capability, reputational resources, and marketing capability combinations in firm growth. *International Small Business Journal*, 31(5), 436–458.
- O’Rourke, D., & Williamson, A. (2019). The emerging wave of university-based impact investment funds: A review. *Stanford Social Innovation Review*. (Online source; no stable URL provided.)
- Patton, M. Q. (2015). *Qualitative research and evaluation methods* (4th ed.). SAGE Publications.
- Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89(1/2), 62–77.
- Rey-Garcia, M., & Mato-Santiso, V. (2019). Beyond the academy: Towards a wider vision of stakeholder engagement in social entrepreneurship research. *Journal of Social Entrepreneurship*, 10(2), 142–157.
- Ries, E. (2011). *The lean startup: How today’s entrepreneurs use continuous innovation to create radically successful businesses*. Crown Business.
- Rittel, H. W. J., & Webber, M. M. (1973). Dilemmas in a general theory of planning. *Policy Sciences*, 4(2), 155–169.
- Rockström, J., Steffen, W., Noone, K., Persson, Å., Chapin, F. S. III, Lambin, E., & Foley, J. A. (2009). Planetary boundaries: Exploring the safe operating space for humanity. *Ecology and Society*, 14(2), 32–64.
- Rüegg, W. (Ed.). (2011). *A history of the university in Europe* (Vol. 4). Cambridge University Press.
- Santos, F. M. (2012). A positive theory of social entrepreneurship. *Journal of Business Ethics*, 111(3), 335–351.
- Sarasvathy, S. D. (2001). Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review*, 26(2), 243–263.
- Schumpeter, J. A. (1934). *The theory of economic development*. Transaction Publishers. Schwab, K.

- (2016). *The fourth industrial revolution*. Crown Business.
- Shekhar, S., & Green, P. (2021). Educating for sustainable development goals through project- based learning. *Journal of Education for Sustainable Development*, 15(2), 1–18.
- Siegner, M., Pinkse, J., & Kolk, A. (2018). Broadening the range of vision: Towards a multidimensional conception of value in social entrepreneurship. *Journal of Social Entrepreneurship*, 9(2), 137–153.
- Silvestri, A., & Veltri, P. (2017). Social impact creation and value capture in social enterprises. *Journal of Social Entrepreneurship*, 8(2), 174–188.
- Spinosa, C., Flores, F., & Dreyfus, H. (1999). *Disclosing new worlds: Entrepreneurship, democratic action, and the cultivation of solidarity*. MIT Press.
- Stake, R. E. (2006). *Multiple case study analysis*. Guilford Press.
- Strand, K., Marullo, S., Cutforth, N., Stoecker, R., & Donohue, P. (2003). *Community-based research and higher education: Principles and practices*. Jossey-Bass.
- Stubbs, W., & Cocklin, C. (2008). Conceptualizing a “sustainability business model.” *Organization & Environment*, 21(2), 103–127.
- Sull, D. N. (2004). Disciplined entrepreneurship. *MIT Sloan Management Review*, 46(1), 71–77.
- Trow, M. (1974). Problems in the transition from elite to mass higher education. In *Policies for higher education* (pp. 55–101). OECD.
- UNESCO. (2017). *Education for sustainable development goals: Learning objectives*. UNESCO Publishing.
- Volkman, C., Tokarski, K., & Ernst, K. (2012). *Social entrepreneurship and social business: An introduction and discussion with case studies*. Springer.
- WEF (World Economic Forum). (2020). *The Global Competitiveness Report 2020*. World Economic Forum.
- Westley, F., Antadze, N., Riddell, D., Robinson, K., & Geobey, S. (2014). Five configurations for scaling up social innovation: Case examples of nonprofit organizations from Canada. *Journal of Applied Behavioral Science*, 50(3), 234–260.
- Wiek, A., Withycombe, L., & Redman, C. L. (2011). Key competencies in sustainability: A reference framework for academic program development. *Sustainability Science*, 6(2), 203–218.
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). SAGE Publications.
- Yunus, M., Moingeon, B., & Lehmann-Ortega, L. (2010). Building social business models: Lessons from the Grameen experience. *Long Range Planning*, 43(2–3), 308–325.

# Artificial Intelligence: An Academic Masterpiece Aligns with Buddhist Principles

 **Shakti Dhar Yadav**

*Asst. Lecturer*

*Lumbini Buddhist University*

## ABSTRACT

Artificial Intelligence (AI) is transforming academic institutions by enhancing teaching, research, and administrative processes. It personalizes learning, improves engagement, and accelerates research through data analysis and pattern recognition. AI also modernizes administrative tasks like grading and scheduling. However, its integration raises challenges, including data privacy concerns, algorithmic bias, resistance to change, and ethical issues related to transparency and accountability. This study explores AI's impact on education, highlighting its benefits and moral dilemmas.

AI incorporates Buddhist philosophy, emphasizing principles like Ahimsa (non-harm), Karunā (compassion), and Paññā (wisdom) to guide responsible development and use of AI. These principles ensure AI aligns with human dignity and societal welfare. The study provides practical recommendations for educators, policymakers, and researchers to integrate AI ethically, promoting transparency, fairness, and inclusivity in academic settings.

## KEYWORDS

*AI in education, personalized learning, academic research, Buddhist principles, Buddhist philosophy, data privacy, ethics.*

## Introduction

Artificial Intelligence (AI) has the power to change how academic institutions work. It can improve personalized learning, support research, make administrative tasks easier, and change how students are assessed. AI tools can adapt lessons to meet each student's needs, helping them stay engaged and remember what they learn better (Selwyn 75). In research, AI helps by analyzing data and making predictions, which speeds up discoveries (Russell and Norvig 58). It also helps academic institutions run more smoothly by automating tasks and managing resources more efficiently (Davenport and Ronanki 87).

However, using AI also brings some serious challenges. These include worries about data privacy, biased algorithms, lack of trust in technology, and unclear decision-making processes. If not used carefully, AI can make inequalities worse, risk student privacy, and reduce trust in how decisions are made (O'Neil 67). To avoid this, academic institutions need strong ethical rules, proper training for teachers and students, good security systems, and AI tools that can explain their actions.

Academic institutions can use AI fairly and helpfully with the right approach. This means setting up clear rules, teaching people how to use AI safely, and keeping a close watch on how it's used. As AI continues to grow, academic institutions must focus on fairness, accountability, and inclusion. This will make sure AI supports learning and helps students succeed without causing harm (Binns 90).

AI is becoming more important in education, changing how teachers teach, how students learn, and how academic institutions are managed. It can make education better and easier to access by personalizing lessons and helping with decisions based on data. But using AI also brings ethical, technical, and practical problems that academic institutions must handle carefully.

Academic institutions can turn to Buddhist values like *Ahimsa* (non-harm), Wisdom, right livelihood, *mindfulness*, and *Karunā* (compassion) to guide the use of AI in education. These values teach that AI should not harm students or teachers. It should be used with care and respect to support everyone's well-being. A thoughtful and mindful approach helps academic institutions use AI in ways that respect people's dignity and independence.

Buddhist ethics also teach us to act with good intentions. AI developers should aim to create systems that are fair and helpful for all, not just for making money (Lama, 45). The idea of wisdom (*Panna*) reminds us that all people are connected. This helps us think about the ethical problems AI can bring to education. With this in mind, AI can become a tool that helps both students and teachers grow, think deeply, and stay connected to the needs of society. Buddhist teachings guide us to use AI in ways that truly help humanity, using wisdom and mindfulness to lead the way (Nhat Hanh, 103).

### Statements of the Problem

AI has the power to greatly improve how academic institutions work, but its use also brings many challenges. One major problem is data security. AI systems collect and analyze large amounts of personal information from students and teachers, which creates serious privacy concerns. If not managed properly, this data could be misused or exposed.

Another problem is that AI tools can sometimes make unfair decisions. They may judge students unfairly or leave out underrepresented groups, which can make existing inequalities in education even worse. Also, many teachers and students do not fully understand how AI works. Without proper training, they may struggle to use these tools, leading to resistance and a growing gap between those who can use AI and those who cannot (Zuboff 121).

A big issue is that AI systems often work like "black boxes." This means that it is hard to understand how they make decisions, especially in grading, tracking student progress, or making admissions choices (Binns 90). Without clear explanations, it's difficult to make sure AI is being fair and accurate. Academic institutions may find it hard to trust and manage these systems without strong accountability and oversight.

In addition, using AI in academic institutions can be expensive. It requires a lot of money to set up, update, and monitor AI systems. These financial and technical needs make it hard for many academic institutions to use AI in a practical and sustainable way.

### Objectives of the study

Artificial Intelligence (AI) continues to reshape various aspects of academic institutions—from personalized learning and research innovation to administrative efficiency—it brings both promising opportunities and serious challenges. The rapid integration of AI in education demands careful analysis of its impacts, especially regarding ethical concerns, data privacy, algorithmic fairness, and technological accessibility. The following objectives outline the specific aims this research intends to achieve.

1. To examine the potential applications of AI in academic institutions.
2. To evaluate the importance and challenges of AI.



3. To provide ethical guidelines to academic institutions' policies and AI developers from Buddhist perspectives/ principles.

### **Research Methodology**

This study uses a qualitative research approach, mainly through a literature review. It reviews scholarly articles, books, and reports that discuss how AI is used in education, the ethical issues it raises, and the problems faced during its implementation. The study also looks at Buddhist literature, including books and articles, to understand how Buddhist principles can be used to guide the ethical use of AI. It carefully examines topics such as data privacy, fairness in AI-based assessments, and ways to reduce resistance to AI in educational settings.

### **Possibilities of AI in Academic Institutions**

AI is changing how academic institutions work. It improves learning, research, and administrative tasks. In education, AI tools like adaptive learning platforms adjust lessons based on how students are doing. This helps students stay engaged and learn better. Tools like automated grading and plagiarism detection make assessment easier and save time for teachers. AI chatbots also help students by answering their questions quickly.

#### **i. Personalized Learning and Adaptive Education**

AI makes learning more personal. It adjusts content to match each student's needs and learning style. Platforms like Coursera and edX use machine learning to track student progress. They give suggestions based on how students perform (Selwyn 75). Adaptive learning systems give students the support they need. This helps them understand topics better and remember them longer.

#### **ii. Enhancing Research and Academic Insights**

AI helps researchers work faster and better. It looks at large sets of data, finds patterns, and creates models to predict outcomes. Researchers use tools like natural language processing (NLP) and machine learning to study data. These tools save time and help make discoveries (Russell and Norvig 58). AI tools also check for plagiarism, which keeps academic work original and honest.

#### **iii. Administrative Efficiency and Institutional Management**

AI makes administrative work easier. It automates simple tasks, cuts down on paperwork, and helps with planning. Chatbots answer student questions, which reduces the work for staff. AI also helps academic institutions development plan. It predicts enrollment numbers, helps with budgets, and improves student retention (Davenport and Ronanki 87).

#### **iv. Revolutionizing Assessment and Evaluation**

AI is changing how students are assessed. Automated grading systems and smart feedback tools help check student work. AI tools use sentiment analysis, speech recognition, and pattern detection to understand how students are doing. Platforms like Turnitin and Gradescope use AI to grade written work and give helpful comments (Brynjolfsson and McAfee 94).

### **Importance of AI in Academic Institutions**

AI is very useful in academic institutions and universities. It helps improve learning, research, and academic management. AI makes education more personal by adjusting to each student's needs. It can grade assignments, check for plagiarism, and answer student questions. This helps reduce the work of teachers.

In research, AI helps analyze data, find patterns, and run tests, which makes discoveries faster. Academic institutions also use AI to track how students are doing and predict who might need extra help. This helps improve student success. AI makes tasks like scheduling and managing resources easier, which makes education better, fairer, and more creative.

#### **i. Making Education More Accessible**

AI helps make education easier for everyone to access, especially for students with disabilities. Tools like speech-to-text and text-to-speech help students who have trouble seeing or hearing. This makes learning more inclusive (Topol 112). AI translation tools help students understand different languages. This allows more people to learn from courses around the world.

#### **ii. Helping Teachers Teach Better**

AI supports teachers by doing simple and repetitive tasks. This gives teachers more time to focus on teaching and helping students. AI systems can study student performance. This helps teachers see where students are struggling and change their lessons to help (Smith 102). AI-powered virtual assistants also make lessons more fun and interactive.

#### **iii. Improving Decision-Making in Academic Institutions**

AI helps academic leaders make better decisions. It looks at student data, performance records, and how resources are used. This helps academic institutions plan better and improve the quality of education (Bughin et al. 45). AI also helps with budgeting and managing academic buildings and services.

#### **iv. Increasing Student Engagement and Motivation**

AI makes learning more interesting. Educational games and interactive lessons powered by AI keep students engaged. Tools like adaptive quizzes and simulations make learning fun. This helps students stay motivated and understand better (Johnson and Brown 78).

#### **v. Advancing Academic Research**

AI helps researchers by quickly looking through large amounts of data. It can do tasks like reading research papers and finding patterns. This saves time and helps researchers discover new things faster. Machine learning models help make predictions and new insights (Lee 56).

#### **vi. Improving Cyber Security in Academic institutions**

As academic institutions become more digital, AI helps protect them from cyber threats. It watches for unusual online behavior and stops hacking, phishing, and data leaks. This keeps academic and student information safe (Williams 134).

### **Challenges of AI in Academic Institutions**

Using AI in academic institutions and universities also brings many problems. AI uses a lot of student data, which can create privacy and security risks. Too much use of AI might reduce critical thinking and personal contact between teachers and students. Teachers also need proper training to use AI tools well. There are also ethical concerns like maintaining academic honesty and stopping the misuse of AI during exams. It is important to fix these problems so AI can be used responsibly in education.

#### **i. Ethical and Privacy Concerns**

AI can cause problems with ethics and privacy. It collects and stores large amounts of student data. If this

data is not protected, it can be hacked or misused. Academic institutions must follow privacy laws to protect student information (O'Neil 67).

## **ii. Bias and Fairness Issues**

AI can be unfair. If the data it learns from has bias, AI may make wrong or unfair decisions. This can affect grading or who gets accepted into a academic. It can also harm students from minority or underrepresented backgrounds (Frey and Osborne 48).

## **iii. Resistance to Change and Digital Divide**

Some teachers and students do not trust or understand AI. They may not want to use it. Also, not all students have access to AI tools or the internet. This creates a digital gap. Students from poor families may not get the same learning experience (Zuboff 121).

## **iv. Transparency and Accountability**

AI decisions are often hard to understand. This makes it difficult for teachers and academic leaders to know how AI makes decisions. Without clear explanations, it is hard to make sure the system is fair—especially in grading and admissions (Binns 90).

## **v. Dependence on AI and Loss of Human Interaction and Creativity**

Relying too much on AI can hurt student-teacher relationships. It can reduce important skills like communication, problem-solving, and creativity. AI can help students learn, but it cannot replace human care and guidance (Selwyn 105).

## **vi. High Costs and Technical Challenges**

Setting up AI tools is expensive. Academic institutions need money for software, training, and support. Many academic institutions with small budgets cannot afford AI. Also, AI systems need experts to manage and fix them. Some academic institutions may not have access to these experts (Brynjolfsson and McAfee 88).

## **vii. Ensuring AI Adaptability and Continuous Improvement**

AI needs regular updates to keep up with changing educational needs. Academic institutions must work with developers to improve AI tools. This takes time, effort, and planning, which can be hard for many academic institutions (Russell and Norvig 112).

## **Supervision, Guidance, and Control Measures of AI from Buddhist Principles**

AI is changing many industries. However, it brings ethical challenges, such as bias, privacy violations, and threats to human control. To address these issues, proper supervision and regulation of AI are necessary. Buddhism offers ethical guidance through values like wisdom (*Paññā*), mindfulness (*Sati*), compassion (*Karunā*), and non-harm (*Ahimsa*). These principles can help ensure that AI operates fairly and responsibly.

### **i. Ethical Mindfulness (*Sati*) in AI Supervision**

In Buddhism, mindfulness (*Sati*) is the practice of being aware and attentive to prevent harm. In the context of AI, mindfulness means actively monitoring AI systems to ensure they do not cause harm to society. This concept is similar to the "Right Mindfulness" from the Noble Eightfold Path, which encourages careful reflection on actions and their consequences (Rahula 49). To ensure that AI systems follow ethical standards, they should undergo regular audits and be assessed for harm or bias (Floridi and Cowls 699).

## ii. Non-harm (*Ahimsa*) as a Guiding Principle

Ahimsa is a key Buddhist principle that teaches non-violence and the prevention of harm. In AI development, this principle means that AI systems should avoid causing suffering, bias, or violating privacy. Policies should be put in place to ensure that AI serves humanity in a way that minimizes harm. This approach also calls for transparency and clear accountability in AI design (Dignum 57).

## iii. Right Intention (*Sammā Sankappa*) in AI Development

"Right Intention" in Buddhism refers to the motivation behind actions (Gethin 193). When developing AI systems, developers must focus on creating technology that benefits people, not just on making profits. The development of AI should prioritize fairness, care, and positive social outcomes.

## iv. Compassion (*Karunā*) in AI Decision-Making

Compassion (*Karunā*) is at the core of Buddhist ethics. It is about acting with kindness and caring for the well-being of others. For AI to align with compassion, its decisions must consider the welfare of all stakeholders. Compassionate AI needs human oversight, fair data practices, and mechanisms to address biases (Tegmark 66).

## v. Wisdom (*Paññā*) as a Control Mechanism

Wisdom (*Paññā*) in Buddhism refers to using good judgment to make decisions (Buddhadasa 122). In AI, wisdom can be applied through the creation of explainable AI systems. These systems should be transparent and allow users to understand the reasoning behind AI's decisions. Ethical guidelines and regulations must also be in place to prevent harmful applications of AI and to ensure alignment with moral standards.

## vi. Right Speech (*Sammā Vācā*) and Data Ethics

In Buddhism, "Right Speech" refers to speaking truthfully and avoiding harmful communication (Harvey 215). AI tools, such as chatbots and content generators, must adhere to ethical standards. They should not spread misinformation or hate. Governments and tech companies need to promote algorithmic transparency and implement human oversight to ensure AI-generated content is ethical and truthful (Benkler 213).

## vii. Interdependence (*Pratītyasamutpāda*) in AI Design

Interdependence teaches that everything in the world is connected. In AI design, this means considering the wider impacts of AI systems on society, the economy, and the environment (Garfield 45). AI should not be developed in isolation; instead, developers must take into account its broader effects on all people and ecosystems.

## viii. Equanimity (*Upekkha*) in AI Governance

Equanimity, in Buddhist terms, refers to maintaining balance and fairness in all situations (Bodhi 78). AI systems should be designed to treat all individuals equally and avoid biases that could harm underrepresented or marginalized groups. Diverse datasets and regular audits for bias are essential for ensuring fairness and impartiality (O'Neil 156).

## ix. Renunciation (*Nekkhamma*) in AI Development

Renunciation in Buddhism means letting go of harmful desires (Harvey 98). In AI development, this principle advises against creating systems that exploit users for profit. For example, AI systems that encourage addiction, such as those used in social media algorithms, should be avoided.

#### **x. Right Livelihood (*Sammā Ājīva*) in the AI Industry**

"Right Livelihood" in Buddhism encourages ethical work that does not harm others (Rahula 63). AI professionals must avoid working on projects that contribute to harm. This includes developing AI for harmful uses, such as surveillance overreach or military applications that may cause violence.

#### **xi. Impermanence (*Anicca*) and Adaptability in AI Systems**

Impermanence teaches that all things are constantly changing (Gethin 102). In AI, this means systems must be adaptable to meet new challenges and ethical standards. As technology evolves, policies must also change to address new developments in AI and its societal impact.

#### **xii. Generosity (*Dāna*) in AI Accessibility**

Generosity in Buddhism involves sharing resources for the benefit of others (Bodhi 145). AI should be made accessible to everyone, especially underserved and low-income communities. Governments should promote policies that ensure equitable access to AI, such as providing free AI-driven educational tools for all students (Benkler 198).

#### **xiii. Karmic Responsibility in AI Accountability**

*Karma* refers to the idea that actions have consequences (Harvey 76). AI developers and companies must take responsibility for the outcomes of their systems. If an AI system causes harm, the developers must address it and take corrective action to prevent future harm.

#### **xiv. Mindful Consumption (*Appamāda*) in AI Usage**

Mindful consumption in Buddhism emphasizes responsible and sustainable use of resources (Buddhadasa 89). In the context of AI, this means ensuring that AI systems minimize their environmental impact by reducing energy and data consumption. Users should also be educated on the ethical implications of AI technologies (Russell 92).

#### **xv. Community (*Sangha*) and Collaborative AI Governance**

The concept of *Sangha* in Buddhism refers to a community that works together for mutual benefit (Garfield 56). AI governance should involve collaboration between governments, corporations, and civil society. This collective approach will help ensure that AI is used ethically and in ways that benefit society as a whole.

### **Findings**

This study shows how AI is changing academic institutions. It is improving personalized learning, making research faster, and streamlining administrative tasks. AI tools are helping make education more accessible, automating assessments, and supporting decisions based on data. Some of the key findings are:

#### **i. AI Enhances Academic Efficiency**

AI makes education better by personalizing learning. It helps researchers work more efficiently and improves how academic institutions manage their operations. AI also makes education more accessible for everyone and encourages student engagement. With AI, decisions can be based on data, making education smarter and more efficient.

#### **ii. Ethical and Privacy Challenges Persist**

Even though AI can help, it also brings problems related to privacy, bias, and fairness. Academic institutions

need to make sure that they use AI ethically, meaning they should protect student data, avoid biased decisions, and be transparent about how AI works. Strong guidelines are needed to deal with these issues.

### iii. Buddhist Principles Offer Ethical AI Guidance

Buddhism teaches values like *Ahimsa* (non-harm), *Karunā* (compassion), and *Paññā* (wisdom), which can guide the responsible use of AI. These principles help ensure that AI is fair and inclusive. By following these Buddhist teachings, AI can be used in ways that do not harm people and consider the well-being of all involved.

### iv. Need for AI Literacy and Policy Development

For AI to be used safely and effectively, both educators and students need to understand how it works. Proper training is important. Also, clear rules and policies are needed to address the risks AI may pose and to make sure it is used in the best possible way.

### v. Balanced AI Integration

AI should be used alongside, not in place of, human interactions in education. It is important to keep creativity, critical thinking, and ethical responsibility at the center of teaching. AI can assist in education, but it cannot replace the value of human relationships and guidance.

### Conclusion

AI holds immense potential to revolutionize academic institutions, enhancing personalized learning, research capabilities, administrative efficiency, and assessment methodologies. Its importance in promoting educational accessibility, improving teaching effectiveness, and strengthening institutional decision-making is undeniable. However, AI also presents challenges, including ethical concerns, bias issues, digital divide, and transparency gaps. Mitigating these challenges requires ethical AI guidelines, faculty and student training, security measures, and a commitment to AI transparency. By adopting responsible AI practices, academic institutions can harness AI's transformative power while minimizing its risks.

AI supervision, guidance, and control from a Buddhist perspective emphasize mindfulness (*Sati*), non-harm (*Ahimsa*), right intention (*Sammā Sankappa*), compassion (*Karunā*), wisdom (*Paññā*), and ethical speech (*Sammā Vācā*). These principles ensure AI aligns with ethical values, prioritizes human well-being, prevents harm, promotes fairness, and maintains transparency in decision-making.

### Works Cited

- Benkler, Yochai. *Network Propaganda: Manipulation, Disinformation, and Radicalization in American Politics*. Oxford Publication, 2018.
- Benkler, Yochai. *The Wealth of Networks: How Social Production Transforms Markets and Freedom*. Yale University Press, 2006.
- Benkler, Yochai. *The Wealth of Networks: How Social Production Transforms Markets and Freedom*. Yale University Press, 2006.
- Binns, Reuben. "Algorithmic Accountability and Public Reason." *Philosophy & Technology*, vol. 31, no. 4, 2018.
- Binns, Reuben. "Fairness in Machine Learning: Lessons from Political Philosophy." *Proceedings of the 2018 Conference on Fairness, Accountability, and Transparency*, 2018.



- Binns, Reuben. *Fairness in Machine Learning: Lessons for AI in Education*. Oxford University Press, 2020.
- Bodhi, Bhikkhu. *The Noble Eightfold Path: Way to the End of Suffering*. Buddhist Publication Society, 1994.
- Bodhi, Bhikkhu. *The Noble Eightfold Path: Way to the End of Suffering*. Buddhist Publication Society, 1999.
- Bostrom, Nick. *Super Intelligence: Paths, Dangers, Strategies*. Oxford University Press, 2014.
- Brynjolfsson, Erik, and Andrew McAfee. *Machine, Platform, Crowd: Harnessing Our Digital Future*. W.W. Norton & Company, 2017.
- Brynjolfsson, Erik, and Andrew McAfee. *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies*. W.W. Norton & Company, 2014.
- Buddhadasa, Bhikkhu. *Handbook for Mankind*. Buddhist Publication Society, 2017.
- . *Handbook for Mankind*. Buddhist Publication Society, 1998.
- . *Handbook for Mankind*. Dhammasapa, 1956.
- Bughin, Jacques, et al. "Notes from the AI Frontier: Modeling the Impact of AI on the World Economy." *McKinsey Global Institute*, 2018.
- Bughin, Jacques, et al. *Artificial Intelligence: The Next Digital Frontier?* McKinsey Global Institute, 2017.
- Dalai Lama. *The Art of Happiness*. Riverhead Books, 1998.
- Davenport, Thomas H., and Rajeev Ronanki. "Artificial Intelligence for the Real World." *Harvard Business Review*, vol. 96, no. 1, 2018, pp. 108-116.
- Dignum, Virginia. *Responsible Artificial Intelligence: Designing AI for Human Values*. Springer, 2019.
- Dignum, Virginia. *Responsible Artificial Intelligence: How to Develop and Use AI in a Responsible Way*. Springer, 2019.
- Floridi, Luciano, and Josh Cows. "A Unified Framework of Five Principles for AI in Society." *Harvard Data Science Review*, vol. 1, no. 1, 2019.
- Floridi, Luciano, and Josh Cows. "A Unified Framework of Five Principles for AI Governance." *Philosophy & Technology*, vol. 32, no. 4, 2019.
- Frey, Carl Benedikt, and Michael Osborne. "The Future of Employment: How Susceptible Are Jobs to Computerisation?" *Technological Forecasting and Social Change*, vol. 114, 2017.
- Garfield, Jay L. *Engaging Buddhism: Why It Matters to Philosophy*. Oxford University Press, 2015.
- Gethin, Rupert. *The Foundations of Buddhism*. Oxford University Press, 1998.
- Harvey, Peter. *An Introduction to Buddhism: Teachings, History, and Practices*. Cambridge University Press, 2013.
- Harvey, Peter. *An Introduction to Buddhist Ethics*. Cambridge University Press, 2000.

- Johnson, Mark, and Lisa Brown. *AI in Education: Interactive Learning and Student Engagement*. Academic Press, 2021.
- Kumar, Neelam, and Singhal, Ruchi. "AI and Human Rights: Ethical Challenges." *AI & Society*, vol. 35, no. 3, 2020.
- Lee, Kai-Fu. *AI Superpowers: China, Silicon Valley, and the New World Order*. Houghton Mifflin Harcourt, 2018.
- Macy, Joanna. *Mutual Causality in Buddhism and General Systems Theory*. State University of New York Press, 1991.
- Miller, Keith W. *Ethics in AI Development*. MIT Press, 2021.
- Nhat Hanh, Thich. *The Heart of the Buddha's Teaching: Transforming Suffering into Peace, Joy, and Liberation*. Broadway Books, 1998.
- O'Neil, Cathy. *Weapons of Math Destruction: How Big Data Increases Inequality and Threatens Democracy*. Crown Publishing, 2016.
- Rahula, Walpola. *What the Buddha Taught*. Grove Press, 1959.
- Rahula, Walpola. *What the Buddha Taught*. Grove Press, 1974.
- Russell, Stuart, and Peter Norvig. *Artificial Intelligence: A Modern Approach*. Pearson, 2020.
- Russell, Stuart. *Human Compatible: Artificial Intelligence and the Problem of Control*. Viking, 2019.
- Schmidt, Eric, and Jared Cohen. *The New Digital Age: Reshaping the Future of People, Nations, and Business*. Knopf, 2013.
- Selwyn, Neil. *Education and Technology: Key Issues and Debates*. Bloomsbury Publishing, 2016.
- Selwyn, Neil. *Education and Technology: Key Issues and Debates*. Bloomsbury, 2017.
- Selwyn, Neil. *Should Robots Replace Teachers? AI and the Future of Education*. Polity Press, 2019.
- Smith, Noah. "AI and Education: Opportunities and Challenges." *Educational Review*, vol. 12, no. 3, 2020, pp. 97-105.
- Tegmark, Max. *Life 3.0: Being Human in the Age of Artificial Intelligence*. Knopf, 2017.
- Topol, Eric. *Deep Medicine: How Artificial Intelligence Can Make Healthcare Human Again*. Basic Books, 2019.
- Williams, Richard. *Cyber Security and AI: Protecting Digital Education Systems*. Oxford University Press, 2022.
- Zuboff, Shoshana. *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power*. Public Affairs, 2019.

# Case Studies of Tourism as Soft Power: How Countries Leverage Tourism to Enhance International Relations

 **Shree Prasad Bhattarai**

*Asst. Prof*

*Lumbini Buddhist University*

## ABSTRACT

In an increasingly interconnected world, tourism has emerged as a vital instrument of soft power, enabling nations to enhance their global influence through cultural exchange, economic engagement, and diplomatic relations. Unlike traditional forms of power, tourism fosters mutual understanding and goodwill, strengthening international ties without coercion. This paper examines how countries strategically use tourism as a diplomatic tool to improve their global image, attract foreign visitors, and promote cultural heritage. Through case studies of South Korea's Hallyu (Korean Wave), Japan's cultural tourism, and the United Arab Emirates' global tourism infrastructure, the study highlights effective tourism diplomacy practices. Additionally, the paper explores the challenges and ethical considerations involved in leveraging tourism for diplomatic purposes. By analyzing tourism's role in international relations, this research underscores its potential to foster peace, cooperation, and sustainable diplomatic engagement.

## KEYWORDS

*Tourism diplomacy, soft power, cultural exchange, international relations, nation branding, economic diplomacy, global influence, hospitality, cultural heritage, tourism strategy.*

## Introduction

In an increasingly globalized world, countries are recognizing the significance of soft power in shaping their international relations. Defined by Joseph Nye in the early 21st century, soft power refers to a country's ability to influence others through attraction and persuasion, rather than coercion or force (Nye, 2004). One of the most powerful tools of soft power is tourism, which serves as a bridge to foster goodwill, cultural exchange, and diplomatic ties between nations. By promoting national culture, heritage, and values through tourism, countries are able to improve their global standing and enhance their relationships with other states. This seminar project delves into the role of tourism as a tool of diplomacy, exploring how nations leverage this soft power instrument to improve their international relations, promote economic growth, and strengthen diplomatic ties.

Tourism has long been a powerful mechanism of cultural diplomacy, wherein governments actively promote their culture and heritage to foreign audiences, generating mutual understanding and positive perceptions. As international travel becomes more accessible, governments increasingly see tourism as an opportunity to boost their "brand" and improve their relations with other countries. Countries that successfully use tourism as a diplomatic tool typically organize large-scale cultural exchange programs,

international sporting events, and collaborative tourism efforts. These initiatives not only create opportunities for people-to-people exchanges but also allow countries to demonstrate their hospitality, values, and contributions to global culture (Anholt, 2010).

The significance of tourism as a diplomatic tool is particularly evident in case studies from countries such as South Korea, Japan, and the United Arab Emirates (UAE). South Korea, for instance, has capitalized on the global popularity of Hallyu (the Korean Wave), including K-pop, Korean cinema, and food, to boost tourism and cultural diplomacy (Choi, 2014). Japan's tourism diplomacy centers on its unique cultural identity, leveraging its hospitality and historical sites to foster positive relationships with foreign visitors (Takahashi, 2018). Meanwhile, the UAE has built a global tourism hub through Dubai's strategic investment in infrastructure and tourism development, reinforcing its role as a leader in the Middle East (Al-Ali, 2017). These countries have successfully utilized tourism not just for economic development, but also as a vehicle for soft power, advancing their foreign policy goals and enhancing diplomatic ties.

This research aims to analyze the various ways countries leverage tourism for enhancing international relations, focusing on the strategic use of tourism as soft power. Through examining case studies from these and other nations, this paper will provide insight into how tourism acts as a multifaceted diplomatic tool, fostering peace, cooperation, and mutual understanding between nations. The paper will also explore the challenges and limitations of tourism diplomacy and the ethical considerations involved in leveraging tourism for diplomatic purposes.

### **Overview of Tourism as Soft Power**

Soft power, a term coined by political scientist Joseph Nye in the late 20th century, refers to a country's ability to influence others through attraction and persuasion rather than coercion or military force (Nye, 2004). It encompasses a nation's cultural values, political ideals, diplomatic strategies, and its ability to project a positive image on the global stage. Unlike hard power, which relies on economic or military dominance, soft power is rooted in non-coercive forms of influence, such as cultural exchanges, public diplomacy, and the global appeal of a country's values and norms. Tourism plays a crucial role in soft power dynamics, as it provides an opportunity for countries to showcase their culture, heritage, and hospitality to international audiences. By creating positive experiences for foreign visitors, countries can foster goodwill, enhance their image, and build relationships that translate into greater diplomatic and economic ties.

Tourism contributes to soft power by facilitating people-to-people exchanges, which are essential for mutual understanding and cultural diplomacy. When tourists visit a country, they not only experience its natural beauty, food, and entertainment but also engage with its culture, traditions, and way of life. This exposure helps to create an image of the country that extends beyond the political realm, portraying it as a place of warmth, creativity, and innovation. Through such exchanges, countries can shift perceptions, build positive reputations, and enhance their cultural influence abroad. Additionally, tourism diplomacy often includes cultural programs, sporting events, and international festivals, all of which are designed to enhance bilateral relations and increase a nation's presence on the global stage. Countries that successfully leverage tourism for diplomatic purposes are often seen as more influential in global affairs, as they combine economic, cultural, and diplomatic efforts to foster long-term international cooperation.

### **The Role of Tourism in Enhancing International Relations through Cultural Diplomacy and Exchange**

Tourism serves as a powerful tool for cultural diplomacy, a form of public diplomacy where countries promote their cultural assets to strengthen ties and improve international relations. By organizing events

such as international exhibitions, festivals, and cultural exchanges, countries use tourism to create opportunities for individuals from different nations to meet, interact, and share experiences. Cultural diplomacy through tourism helps to break down stereotypes, build mutual respect, and cultivate positive perceptions of a nation's values and way of life. This form of soft power, rooted in people-to-people exchanges, enables nations to foster peaceful relationships, stimulate global dialogue, and promote understanding among diverse cultural groups. For example, Japan's "Visit Japan" campaign not only boosts its tourism sector but also acts as a vehicle to share its traditional arts, cuisine, and innovation with the world, thus strengthening its cultural influence internationally (Takahashi, 2018).

Moreover, tourism can function as a tool of economic diplomacy by creating mutually beneficial relationships between countries. As tourism facilitates international connections, it also helps generate trade and investment opportunities, contributing to both the local and global economy. Countries with established tourism-friendly policies, infrastructure, and hospitality industries have the ability to attract international tourists, business partners, and investors, further enhancing their standing in the international community. For instance, the United Arab Emirates (UAE), particularly Dubai, has used tourism to project an image of modernity and cosmopolitanism, attracting international visitors and business ventures. The development of world-class infrastructure and hosting of global events like the World Expo has solidified the UAE's position as a diplomatic hub and a major player in the global economy (Al-Ali, 2017). This showcases how tourism, beyond its economic benefits, also works as a means to further diplomatic relations and cement long-lasting partnerships between nations.

### **Importance of the Study**

Tourism, as a diplomatic tool, has emerged as an influential method for countries to engage with the global community. Its capacity to build diplomatic ties, foster goodwill, and increase global influence has become increasingly evident in the 21st century, where globalization has created more interconnected societies. Tourism allows countries to engage in soft power diplomacy, enabling them to shape perceptions, strengthen relationships, and enhance their image on the world stage (Nye, 2004). As an integral part of public diplomacy, tourism enables cultural exchanges and international collaboration, ultimately benefiting both the host nation and visiting countries. This study explores how tourism contributes to diplomacy, emphasizing its role in building positive international relations and enhancing a country's influence through people-to-people exchanges, cultural diplomacy, and economic cooperation.

One of the key ways tourism enhances diplomatic relations is by creating platforms for direct interaction between citizens of different nations. When individuals visit foreign countries, they not only gain firsthand exposure to different cultures and values but also build mutual understanding and respect. These exchanges help to dispel misconceptions and stereotypes, fostering a deeper connection between nations (Chong, 2019). For example, the "Cultural Exchange" programs between the United States and China have helped in breaking down cultural barriers and improving bilateral relations through shared experiences. Through tourism, countries can project their values, history, and cultural uniqueness, which plays a key role in strengthening diplomatic ties. This approach goes beyond state-to-state diplomacy and incorporates the human element of cross-cultural understanding, which ultimately leads to goodwill and cooperation in other areas such as trade, education, and technology (Zhou, 2020).

Additionally, tourism has the potential to enhance a country's global influence by serving as a tool for public diplomacy. Countries that successfully use tourism as a form of soft power position themselves as attractive, desirable destinations and build long-lasting relationships with other nations. These relationships can extend beyond tourism into other aspects of international relations, such as trade

agreements, investments, and collaborations in research and development (Li, 2019). The United Arab Emirates (UAE) offers a prime example of this, where tourism has been used to project its image as a modern, cosmopolitan, and diverse nation. The development of infrastructure such as the Burj Khalifa, luxury resorts, and hosting international events like the World Expo have not only made Dubai a global tourism hub but have also elevated its diplomatic status (Al-Ali, 2017). In this sense, tourism serves not only as a tool for economic growth but also as an avenue for enhancing a nation's global influence.

Furthermore, tourism fosters economic diplomacy by encouraging business partnerships and collaborations. International tourism boosts local economies, creates jobs, and generates revenues, which can be reinvested in improving infrastructure and services, further enhancing the country's global appeal. This, in turn, attracts foreign investment and strengthens economic ties between nations. The growth of international tourism in countries such as Thailand, South Korea, and Japan has resulted in both an increase in diplomatic cooperation and a strengthened international image, making them important players in regional and global economic systems (Chong, 2019). This aspect of tourism diplomacy plays a critical role in maintaining and expanding a country's influence within international organizations, trade blocs, and multilateral forums.

The ability to leverage tourism as a diplomatic tool also extends to regional cooperation, particularly in areas such as tourism clusters, shared natural resources, and collaborative environmental initiatives. Multilateral tourism agreements can help countries in a region collaborate on shared goals, such as promoting sustainable tourism practices, reducing carbon footprints, and enhancing cultural preservation. The European Union (EU) is a notable example of regional cooperation in tourism, where cross-border tourism initiatives have led to greater collaboration in transportation, infrastructure, and cultural exchange. As the tourism industry increasingly becomes a pillar of global diplomacy, countries must strategically position themselves to maximize its potential for fostering diplomatic ties, influencing foreign policy, and bolstering international relations.

### **Research Objectives:**

1. **To Analyze How Countries Use Tourism as a Diplomatic Tool** This objective aims to explore the strategic use of tourism as a form of soft power in international relations. It will examine how countries harness tourism to project a positive national image, strengthen cultural diplomacy, and enhance bilateral or multilateral relations. The research will focus on the policies, strategies, and international initiatives that nations implement to leverage tourism for diplomatic purposes, fostering goodwill and cooperation on the global stage.
2. **To Identify Successful Case Studies Where Tourism Has Enhanced International Relations** The second objective is to investigate specific examples of countries that have effectively utilized tourism to improve diplomatic ties. By analyzing successful case studies, the research will highlight how tourism-based initiatives, such as cultural exchange programs, tourism partnerships, and international events, have contributed to fostering stronger diplomatic relations and enhancing global influence. This will provide practical insights into the successful integration of tourism within foreign policy frameworks.

### **Theoretical Framework**

The conceptual framework for understanding the role of tourism as a soft power tool in international relations is built upon key theories and models from the disciplines of international relations, political science, and tourism studies. The framework integrates concepts from *soft power theory*, *cultural*



*diplomacy*, and *public diplomacy* to analyze how tourism can enhance a country's global influence, foster international goodwill, and build diplomatic ties.

1. **Soft Power Theory (Nye, 2004)** Soft power, a concept introduced by Joseph Nye in the early 1990s, refers to the ability of a country to shape the preferences and behaviors of other nations through non-coercive means, such as culture, values, and diplomacy (Nye, 2004). Unlike hard power, which relies on military or economic force, soft power is derived from a nation's cultural appeal, political values, and foreign policies. Tourism, as a form of cultural exchange, is considered a potent tool of soft power. It enables countries to project a positive image and influence international perceptions by promoting their culture, heritage, and values (Nye, 2004).
2. **Cultural Diplomacy (Anholt, 2007)** Cultural diplomacy involves the use of a country's culture to build relationships and influence foreign public opinion (Anholt, 2007). Tourism is one of the most accessible and effective vehicles for cultural diplomacy, as it allows people from different nations to engage directly with a country's culture, traditions, and lifestyle. By offering a platform for cultural exchange, tourism enables countries to share their heritage and foster mutual understanding. This exchange also promotes peaceful relations and cooperation by creating more favorable views of the host country among international visitors.
3. **Public Diplomacy (Melissen, 2005)** Public diplomacy is another relevant concept, which focuses on the ways governments communicate with foreign publics to achieve diplomatic objectives (Melissen, 2005). In the context of tourism, public diplomacy strategies often include promoting tourism as a way to create positive narratives about a country. This approach is based on the idea that tourism can facilitate open dialogue, build relationships, and increase global awareness about a nation's achievements, values, and culture.
4. **Global Tourism and Economic Diplomacy (Mingus, 2017)** The relationship between tourism and economic diplomacy is also crucial in understanding the role of tourism in international relations. Tourism can boost a country's economic profile and international visibility, leading to stronger trade ties and investment opportunities (Mingus, 2017). By promoting destinations and encouraging foreign tourism, governments can increase both economic and diplomatic influence on the global stage.

### **Concept of Soft Power**

**Definition of Soft Power** Soft power, as defined by Joseph Nye (2004), refers to the ability of a country to influence others and shape their preferences through non-coercive means. Unlike hard power, which relies on military strength and economic leverage, soft power operates through the appeal of culture, values, and policies. Nye (2004) argues that nations that possess strong cultural ties, attractive political values, and positive diplomatic relations can enhance their global influence by utilizing soft power. It is through these mechanisms that countries can persuade other states or foreign populations to align with their interests without resorting to force or compulsion. Soft power is thus a subtle but potent tool for international relations, offering countries the opportunity to improve their image, foster goodwill, and build long-term diplomatic ties.

In the context of global diplomacy, soft power functions as a central tool for shaping international attitudes and fostering cooperative relationships, especially in a world where economic and military power alone may not suffice in addressing complex global challenges (Nye, 2004). Nye identifies three primary sources of soft power: cultural appeal, political values, and foreign policy. For instance,

countries that promote human rights, democracy, and freedom as core values often garner soft power, attracting international support and goodwill. Additionally, nations that are seen as role models in terms of social stability, environmental stewardship, or technological innovation can project soft power on the global stage.

Mechanisms through which Tourism Functions as Soft Power Tourism is one of the most direct and impactful mechanisms through which countries can leverage their soft power. By welcoming international visitors, countries create opportunities for people-to-people exchanges, fostering deeper cultural understanding, and generating goodwill. Tourism, when managed strategically, acts as a form of *cultural diplomacy*, allowing a nation to present itself in a favorable light and promote its cultural heritage, traditions, and values to the world. This can help reshape the global perception of a nation and contribute to the building of long-lasting international relationships.

Cultural Diplomacy is one of the most prominent ways in which tourism serves as soft power. Cultural diplomacy involves the use of a country's cultural resources—art, music, literature, cuisine, architecture, and more—to influence foreign publics and promote peaceful international relations (Anholt, 2007). Through tourism, countries have the opportunity to showcase their culture and history in a manner that encourages respect and appreciation from other nations. Cultural exchanges, such as art exhibitions, culinary festivals, or music performances, enable visitors to experience firsthand the unique attributes of a country's identity and heritage. This can create a more positive and nuanced view of the country, enhancing its soft power.

Additionally, people-to-people exchanges facilitated by tourism provide another channel for soft power. These exchanges can take the form of educational programs, tourist visits, volunteer opportunities, or international internships, allowing people from different countries to interact and collaborate. Such exchanges foster mutual understanding, increase empathy, and break down stereotypes, all of which contribute to building diplomatic trust and goodwill (Melissen, 2005). When individuals from one country have positive personal experiences in another country—whether through travel, learning, or working—they are more likely to form favorable opinions of that country, which, in turn, enhances the nation's global standing.

In summary, tourism functions as a tool of soft power by promoting a country's culture, fostering people-to-people exchanges, and facilitating diplomatic dialogue, all of which contribute to the enhancement of a nation's global image and influence. Through cultural diplomacy and engagement with international visitors, countries can subtly shape perceptions, build lasting relationships, and enhance their international presence.

### **Cultural Diplomacy and International Relations**

The Role of Tourism in Promoting Cultural Exchange Tourism serves as an effective vehicle for cultural diplomacy, which is increasingly recognized as an essential tool for promoting international relations and global understanding. Cultural diplomacy refers to the use of cultural resources and exchanges by governments to influence foreign publics and enhance bilateral or multilateral relationships (Melissen, 2005). Tourism plays a crucial role in this process by providing opportunities for people-to-people exchanges, which promote mutual respect and understanding among diverse cultures. Through travel, individuals experience firsthand the cultural practices, traditions, and social norms of other societies, fostering greater appreciation and reducing prejudices. These encounters can break down cultural barriers, leading to more amicable diplomatic relationships between countries.

Moreover, tourism-based cultural exchanges can enhance the soft power of a nation. By hosting foreign visitors and engaging in international tourism initiatives, countries have the opportunity to showcase their cultural heritage, language, arts, and history. For instance, many nations leverage tourism as a way to highlight their cultural and historical sites, promoting them not only as tourist attractions but as symbols of national pride and identity. These exchanges also create opportunities for countries to position themselves as leaders in global cultural dialogue, which is central to soft power (Anholt, 2007). Through such diplomatic efforts, tourism helps countries extend their influence globally, making them more attractive as trade partners, allies, and potential sources of investment.

**The Significance of National Identity and Heritage in Diplomatic Strategies** National identity and heritage are fundamental elements of cultural diplomacy. Countries often utilize their unique cultural attributes—such as monuments, traditional festivals, art, and folklore—as key components of their diplomatic strategies. National heritage not only showcases a country's historical significance but also serves to reinforce its values and identity on the world stage. For example, UNESCO World Heritage Sites, which often become major tourist attractions, symbolize a nation's commitment to preserving its cultural and natural heritage. These sites, along with national festivals and traditional art forms, become a medium for diplomatic engagement and foster a positive image of the country internationally (Smith, 2003).

By emphasizing their cultural identity, countries can build a strong narrative that reflects their values and aspirations, which can resonate with international audiences. The strategic use of national identity in tourism can also enhance a country's image, attract tourism, and generate positive public diplomacy. Countries like Japan, through its promotion of cultural exchange programs such as tea ceremonies or art exhibitions, have demonstrated how national identity can be strategically utilized in foreign policy (Nye, 2004). Tourism, in this context, acts as a mechanism to export a country's culture globally, ensuring its values and heritage are shared and respected.

### **Tourism as a Strategic Tool**

**The Role of Tourism in Building Trust and Collaboration Between Nations** Tourism is increasingly seen as a strategic tool for fostering international collaboration and trust between nations. In the context of international relations, tourism goes beyond mere economic exchange—it is a means of creating interpersonal bonds and goodwill among countries. One key aspect of this is the ability of tourism to bring people from different cultural backgrounds together, allowing for shared experiences that transcend political or ideological differences. When citizens of different nations interact through travel, they not only gain a deeper understanding of one another's culture but also create interpersonal relationships that can form the foundation for long-term diplomatic ties.

For example, programs such as student exchanges, diplomatic tours, or international tourism initiatives help to break down stereotypes and build bridges between countries. These exchanges often result in positive interactions that lead to stronger bilateral relations. Tourism is also instrumental in creating platforms for collaboration between governments, NGOs, and businesses, particularly in regions where political tensions may exist. Through the facilitation of tourism-related events like conferences, cultural festivals, or sports events, nations can form partnerships that lead to economic and diplomatic cooperation (Smith, 2003). Moreover, these collaborations enhance trust by demonstrating goodwill and mutual respect, which are essential components of successful international relations.

Furthermore, the long-term diplomatic benefits of tourism as a strategic tool lie in its ability to foster economic interdependence. Countries that engage in high levels of tourism exchange are more likely to form robust economic and political partnerships due to shared interests in sustainable tourism practices,

mutual economic benefits, and collaborative ventures in areas such as infrastructure development and cultural preservation (Anholt, 2007). Thus, tourism's capacity to foster collaboration and trust makes it a vital tool in shaping modern diplomatic strategies.

### **Literature Review**

The concept of *soft power* has gained increasing importance in international relations, particularly as global diplomatic strategies evolve beyond traditional hard power tactics, such as military and economic influence. Soft power, as defined by Joseph Nye (2004), refers to a country's ability to shape the preferences of others through appeal and attraction rather than coercion or payment. In this context, tourism has emerged as a powerful tool within the framework of soft power, helping countries promote their cultural identity, strengthen diplomatic ties, and enhance their global influence (Nye, 2004; Anholt, 2007).

### **Tourism and Soft Power**

Tourism as a diplomatic tool operates through various mechanisms such as cultural diplomacy, people-to-people exchanges, and international tourism events. Cultural diplomacy, which promotes mutual understanding and builds positive relationships through cultural exchange, has been recognized as an important dimension of soft power. As argued by Melissen (2005), cultural diplomacy aims to influence foreign publics by engaging them with a country's culture, traditions, and values, enhancing the image and reputation of the nation globally. Through tourism, people from different backgrounds can engage in direct interaction, breaking down stereotypes, and cultivating trust between countries (Smith, 2003).

Research indicates that countries with strong tourism sectors can utilize this resource to create lasting diplomatic bonds. According to Anholt (2007), cultural and tourism diplomacy plays a significant role in reinforcing a country's soft power by providing a platform for dialogue, cooperation, and exchange of ideas. The promotion of heritage sites, arts, and traditional practices through tourism is a key strategy for countries seeking to project their culture abroad, as these aspects often symbolize national pride and identity (Nye, 2004). For example, countries like Japan and South Korea have effectively used cultural diplomacy to promote their national identity through tourism campaigns that highlight their rich history and cultural practices, such as the cherry blossom festival and traditional tea ceremonies (Yoshino, 2012).

### **Tourism and National Identity in Diplomatic Strategy**

National identity is a core component of a country's diplomatic strategy. The preservation and promotion of cultural heritage through tourism can project a nation's values and ideals on the world stage. Nations leverage their unique cultural attributes, such as monuments, traditional festivals, and art forms, to create an appealing image internationally. The concept of *national branding*, as discussed by Anholt (2007), connects tourism and soft power by associating a country's tourism offerings with its national identity and broader diplomatic objectives. Countries like France, Italy, and Egypt have successfully employed tourism to promote their cultural assets as part of a national brand, attracting both tourists and international attention to their heritage (Dinnie, 2008).

The relationship between tourism and national identity is particularly evident in countries that use their rich history and heritage sites as tools for enhancing diplomatic relations. The promotion of UNESCO World Heritage Sites, for instance, provides a platform for countries to assert their cultural significance while simultaneously engaging in international cooperation on issues like conservation and sustainable tourism (Smith, 2003). Through such initiatives, countries not only preserve their heritage but also develop a diplomatic narrative that attracts tourists and global interest, fostering a sense of shared

identity and fostering international goodwill.

### **Tourism as a Strategic Diplomatic Tool**

Tourism's role as a strategic tool extends beyond cultural diplomacy to include economic cooperation, people-to-people exchanges, and building long-term diplomatic relationships. Tourism can help countries build trust, increase mutual understanding, and foster collaboration across a range of diplomatic issues. For instance, global tourism events, such as the Olympics or World Expos, provide countries with opportunities to promote their culture and identity to a global audience, facilitating both bilateral and multilateral exchanges. These platforms act as “soft power megaphones,” amplifying a country’s diplomatic efforts and helping to position them as influential players in international politics (Cummings, 2008).

Moreover, tourism's impact on fostering diplomatic ties extends to the economic sphere. Tourism promotes trade and investment by encouraging foreign exchanges and business partnerships, which often lead to greater political cooperation. For example, China’s “Silk Road” initiative, as part of the Belt and Road Initiative (BRI), not only facilitates infrastructure projects but also strengthens tourism connections between participating countries, enhancing cultural and economic ties across regions (Li, 2019). Similarly, India has used tourism as a diplomatic tool to enhance relations with its neighbors, such as Nepal and Bhutan, promoting people-to-people ties that contribute to regional stability and cooperation (Sharma, 2019).

### **Challenges and Limitations of Tourism as Soft Power**

Despite the evident benefits, the use of tourism as a soft power tool is not without its challenges. The impact of tourism on international relations can be influenced by various factors, such as political tensions, economic disparities, and environmental sustainability concerns. Tourism can exacerbate diplomatic challenges if not managed effectively. For example, tourism-related activities might create cultural misunderstandings, environmental degradation, or economic inequalities, which could strain relations between countries (Ghimire, 2018). Additionally, tourism can sometimes be a double-edged sword; while it fosters goodwill, it can also result in dependency on foreign revenue, creating vulnerability in certain countries (Miller, 2017).

Countries also face the challenge of ensuring that tourism policies align with their broader diplomatic objectives. As noted by Melissen (2005), tourism diplomacy requires careful management to ensure that the benefits of tourism align with a country's foreign policy goals. Otherwise, tourism can be perceived as merely a commercial venture rather than a genuine tool for diplomatic engagement.

### **Tourism and Diplomacy: An Overview of Academic Studies**

Tourism as a tool for diplomacy has gained significant attention in the academic world, particularly in the context of how countries use it to influence international relations, foster goodwill, and strengthen economic ties. Academic studies have long recognized the multifaceted role that tourism plays in global diplomacy, particularly in terms of “soft power.” The term *soft power*, coined by Joseph Nye (2004), refers to the ability of a country to influence others through attraction and persuasion rather than coercion or military force. In the case of tourism, this means leveraging cultural, historical, and natural assets to build relationships and improve a country’s global standing.

One of the earliest discussions of tourism's role in diplomacy came from scholars like Bremmer (2012), who highlighted how countries utilize tourism not only to boost their economies but also to promote

diplomatic agendas and cultural exchange. Bremmer (2012) pointed out that tourism provides countries with a direct means to engage with foreign publics, create a positive image abroad, and establish lasting ties with international partners. By hosting international events, promoting heritage sites, and facilitating travel, nations can strengthen their bilateral and multilateral relationships. These interactions, in turn, create opportunities for dialogue, conflict resolution, and collaboration on key global issues.

Furthermore, tourism plays a significant role in international relations, especially in fostering economic diplomacy. Economic diplomacy refers to the use of international trade, investment, and economic agreements to pursue national interests on the global stage. According to Hall (2008), tourism has become a key aspect of economic diplomacy as it not only generates revenue but also provides opportunities for cross-border business relationships, investment in infrastructure, and broader economic integration. Countries like Thailand and Singapore have successfully integrated tourism into their diplomatic strategies, turning tourism into a key engine of growth and a facilitator for trade relations (Ghimire, 2018).

### **The Intersection of Tourism, International Relations, and Economic Diplomacy**

The intersection of tourism, international relations, and economic diplomacy can be seen in how nations use tourism to achieve broader geopolitical and economic goals. Tourism impacts international relations in a variety of ways: it strengthens bilateral ties, facilitates people-to-people exchanges, and opens new markets for trade and investment. This is particularly true in countries that have tourism sectors linked to their national branding strategies. As Anholt (2007) argues, tourism and national branding are inherently connected, as a country's tourism industry serves as an effective channel for communicating the values, culture, and potential of a nation on the world stage. Through tourism, countries can build an attractive image, cultivate positive perceptions, and strengthen their diplomatic influence.

In the realm of economic diplomacy, tourism also serves as a mechanism for fostering deeper economic ties between nations. Countries with thriving tourism industries frequently collaborate on joint ventures, trade deals, and tourism-related investments. For example, China's Belt and Road Initiative (BRI) not only aims to improve infrastructure but also seeks to enhance tourism connectivity across Asia, Europe, and Africa, further contributing to regional integration (Li, 2019). This strategic use of tourism highlights its growing significance as a tool for enhancing global economic diplomacy.

In conclusion, academic studies on tourism as a tool for diplomacy underscore the critical role tourism plays in international relations and economic diplomacy. By fostering cross-cultural understanding, strengthening bilateral and multilateral ties, and promoting economic growth, tourism has become an essential instrument in the diplomatic toolbox of nations. As globalization continues, tourism will likely remain central to diplomatic strategies aimed at enhancing global influence and fostering cooperation among nations.

### **Case Studies on Tourism and Soft Power**

Tourism, as a tool for soft power, has been increasingly recognized by countries around the world as a strategic method to enhance international relations, boost cultural influence, and foster positive diplomatic ties. In his influential work, *Competitive Identity* (2010), Simon Anholt outlines the concept of "nation branding" and the role tourism plays in enhancing a country's image and reputation. According to Anholt, countries that effectively utilize tourism to project their cultural values, historical assets, and economic opportunities are better positioned to influence other nations through attraction rather than coercion. Tourism, in this context, becomes a key component of a country's broader soft power strategy, promoting national identity, increasing international awareness, and creating opportunities for



diplomatic engagement.

Anholt (2010) identifies the intersection between tourism and soft power, explaining how nations can leverage tourism to communicate their unique cultural identity, strengthen their international standing, and influence global opinions. By hosting international tourists and cultural events, or by promoting key national attractions, countries can increase their global presence, shape perceptions, and enhance their diplomatic influence. Tourism, therefore, is not only a tool for economic growth but also a potent instrument for the projection of soft power.

### **Successful Use of Tourism in Diplomatic Strategies**

Several countries have successfully utilized tourism as a key component of their diplomatic and soft power strategies. A prominent example is South Korea, which has effectively used its tourism sector to enhance its international profile and foster goodwill. The Korean Wave, or *Hallyu*, which refers to the global spread of South Korean culture through K-pop, Korean dramas, and cuisine, is one of the most successful applications of tourism as soft power. By exporting its culture through tourism, South Korea has gained significant cultural influence in the global arena (Chung, 2015). Additionally, the promotion of South Korea's UNESCO World Heritage sites and cultural landmarks has attracted millions of international visitors, facilitating greater cultural exchange and fostering stronger international ties (Chung, 2015). This use of tourism aligns with Anholt's (2010) theory of nation branding, as South Korea uses tourism as a means of shaping its global image and reinforcing its position as a leading cultural hub.

Similarly, Japan has successfully integrated tourism into its soft power strategy. Japan has long been a champion of cultural diplomacy, using tourism to showcase its traditional arts, cuisine, technology, and modern culture. The Japanese government's tourism campaigns, including "Visit Japan" and the opening of tourist-friendly policies, have led to a surge in international visitors, who are encouraged to experience both Japan's ancient traditions and its cutting-edge technologies. By hosting major international events like the 2020 Tokyo Olympics (postponed to 2021 due to COVID-19), Japan has used tourism to bolster its diplomatic ties, enhance its cultural influence, and attract foreign investment (Kato, 2017). The country has also promoted exchange programs to share its culture with the world, leveraging tourism as an effective diplomatic tool in both the economic and cultural spheres.

The United Arab Emirates (UAE), particularly through the city of Dubai, has made significant strides in using tourism as a key component of its soft power strategy. Dubai has transformed itself into a global hub for tourism, business, and culture by hosting world-class events like Expo 2020 and developing state-of-the-art attractions such as the Burj Khalifa, the Palm Jumeirah, and the Dubai Mall. The UAE's tourism sector has helped position the country as an international leader in innovation, luxury, and sustainable development, further enhancing its global influence. Through its ambitious tourism campaigns, the UAE has used tourism as a diplomatic tool to foster business ties, increase its cultural footprint, and project its image as a modern, globalized nation in the heart of the Middle East (El-Masry, 2018).

These case studies demonstrate the growing importance of tourism in soft power strategies, where countries utilize their cultural, historical, and economic resources to improve diplomatic relations, increase international recognition, and ultimately increase their influence in the global arena. The success of countries like South Korea, Japan, and the UAE in using tourism for soft power highlights the potential of tourism to shape perceptions, foster international collaboration, and contribute to long-term diplomatic relationships.

## **Methodology**

### **Research Approach**

This study will employ a qualitative research approach, with a specific focus on case studies. Qualitative research allows for an in-depth exploration of how tourism is used as a tool for diplomacy and soft power, offering valuable insights into the mechanisms through which tourism shapes international relations. The research will involve the analysis of selected countries that have adopted tourism as a diplomatic tool, focusing on their strategies, the implementation of tourism-based policies, and the impacts these strategies have had on diplomatic relations and cultural exchange.

Through the analysis of these cases, the study aims to explore how tourism helps enhance a nation's image, foster international goodwill, and increase its global influence. The research will not only focus on the economic aspects of tourism but also on the cultural, political, and social dimensions that tourism facilitates in shaping international perceptions and fostering collaborative relationships. By focusing on case studies of countries that have successfully utilized tourism as a soft power tool, the research aims to identify patterns, strategies, and outcomes that can serve as a model for other nations.

### **Data Collection**

The data collection process will involve both primary and secondary sources to ensure comprehensive insights into the role of tourism in diplomacy and soft power.

#### **Primary Sources:**

Interviews with diplomats, tourism experts, and government officials: Semi-structured interviews will be conducted with key stakeholders involved in tourism policy-making, international relations, and diplomatic outreach. This will include diplomats from embassies, tourism ministers or directors, and experts in international relations who have experience working with tourism as a diplomatic tool. Interviews will focus on understanding the strategic use of tourism for fostering international relations, building goodwill, and increasing cultural exchange.

Field visits and direct observations: Whenever possible, field visits will be conducted to tourist hotspots or destinations promoted as part of diplomatic campaigns. This will allow the researcher to gain firsthand insights into how tourism operates as a diplomatic tool in the real world.

#### **Secondary Sources**

Government reports: These reports, such as those from tourism ministries or foreign affairs departments, will provide official insights into national tourism strategies and policies. They are essential for understanding how governments frame tourism within their diplomatic agendas.

Tourism industry publications: Reports, policy documents, and case studies published by tourism boards, international organizations like the World Tourism Organization (UNWTO), and industry journals will provide relevant data on tourism trends and their impact on international relations.

Academic journals: Scholarly articles and books that analyze the intersections between tourism, international relations, and soft power will be used to contextualize findings and support the theoretical framework of the study.

## Case Study Selection Criteria

For this research, case studies will be selected based on the following criteria:

1. **Countries with Active Tourism Diplomacy Policies:** Countries that have explicitly integrated tourism as a strategic element of their foreign policy and diplomatic initiatives will be prioritized. This includes countries that actively promote their tourism sectors as a means of engaging with the international community and building diplomatic relations.
2. **Countries with Measurable Success in Using Tourism for International Relations:** To ensure relevance and depth in the analysis, only countries that have demonstrated measurable success in leveraging tourism to enhance their international standing will be selected. These include nations whose tourism strategies have led to improved diplomatic relations, enhanced soft power, or tangible economic and cultural benefits. Countries like South Korea, Japan, and the UAE, which have been recognized globally for their effective use of tourism in diplomacy, will serve as prime examples for analysis.

By selecting these specific cases, the study aims to provide concrete evidence of the effectiveness of tourism in shaping international relations and soft power strategies, while also allowing for comparisons between different approaches and outcomes.

## Data Analysis

Once data is collected, it will be analyzed through a thematic analysis approach. This involves identifying and categorizing key themes that emerge from the interviews, government reports, and secondary literature. Themes will include aspects such as:

- Tourism policies and strategies employed by countries.
- Cultural diplomacy initiatives and their role in fostering international ties.
- Economic and diplomatic outcomes of tourism-based strategies.
- Challenges and limitations faced by countries in using tourism as a diplomatic tool.

Through this analysis, the study will highlight the factors that contribute to the success or failure of tourism-based diplomatic strategies and provide actionable recommendations for other countries seeking to implement similar approaches.

## Limitations of the Study

While the methodology aims for a comprehensive understanding of the role of tourism in soft power diplomacy, the study will be subject to several limitations. These include potential biases in the availability and accessibility of primary data, especially when relying on interviews with government officials and tourism experts. Additionally, as the research focuses on case studies, the findings may not be universally applicable to all countries, especially those with less developed tourism sectors. However, the study will aim to provide valuable insights into the broader trends and strategies that can inform future tourism diplomacy efforts.

Case Studies on Tourism as Soft Power: How Countries Leverage Tourism to Enhance International Relations

### **Case Study 1: South Korea**

South Korea has emerged as a powerful example of using tourism as a tool for soft power through its Hallyu (Korean Wave). The Korean Wave refers to the global spread of South Korean culture, including K-pop, K-dramas, Korean films, and Korean cuisine. This cultural phenomenon has not only significantly influenced global entertainment but has also been a strategic diplomatic tool for South Korea. As South Korea's pop culture spreads globally, it attracts millions of tourists, particularly to Seoul, while also fostering positive perceptions of the country. The K-pop industry alone has played a substantial role in increasing international interest in South Korea, contributing to the country's reputation as a cultural powerhouse (Choi, 2018).

South Korea's cultural exchange programs are another key element in its tourism diplomacy. For instance, South Korea has established Korean cultural centers in various countries, offering language courses, art exhibitions, and culinary experiences. These programs encourage cultural exchange and deepen people-to-people ties, thus enhancing diplomatic relations and facilitating a favorable global image. In addition to the cultural influence, the tourism sector benefits significantly from Hallyu's global appeal, contributing to both economic growth and the enhancement of South Korea's international relations. South Korea's strategic promotion of its cultural assets showcases how tourism can be a vital component of a nation's foreign policy and diplomatic strategy.

### **Case Study 2: Japan**

Japan is another excellent example of a country leveraging tourism to enhance international relations through its Omotenashi (Japanese hospitality) philosophy. Omotenashi emphasizes the deep respect for guests and is central to Japan's tourism diplomacy. This philosophy is evident in Japan's meticulous attention to service quality in the hospitality sector, which not only attracts tourists but also strengthens Japan's image as a welcoming, culturally rich, and friendly nation. Japan's emphasis on hospitality has been pivotal in improving bilateral relations with countries around the world by fostering goodwill and mutual respect (Hara, 2017).

Moreover, Japan has strategically used major international events, such as the Tokyo Olympics 2020, to boost its tourism and diplomatic relations. The Tokyo Olympics provided Japan with an opportunity to showcase its culture, modern infrastructure, and technological advancements to the world. The hosting of the Olympics allowed Japan to foster stronger diplomatic ties with participating countries and presented an opportunity for cultural exchange and tourism promotion. Japan's role as a host for such large-scale events reinforces its position as a leading global tourism and diplomatic hub, with the tourism sector acting as a bridge for economic and diplomatic collaboration.

### **Case Study 3: United Arab Emirates (UAE)**

The United Arab Emirates (UAE) has strategically used tourism as a central component of its foreign policy and global influence. Dubai, the UAE's tourism hub, has transformed into a global city that draws millions of international visitors annually, making it a focal point of diplomatic activity. Dubai's tourism infrastructure, including iconic landmarks like the Burj Khalifa, Palm Jumeirah, and Dubai Mall, reflects the UAE's ambitious vision to position itself as a world-class destination for business, leisure, and culture. The UAE's investment in tourism infrastructure has helped the country to diversify its economy beyond oil, making tourism a key driver of economic diplomacy (Al Qassimi, 2020).

Dubai's role as a global tourism hub also supports its diplomatic objectives. The UAE uses its tourism

assets to promote its image globally, attracting foreign investment, fostering cultural exchange, and positioning itself as an influential actor in international relations. For instance, through tourism and cultural diplomacy, the UAE has hosted high-profile events such as Expo 2020 Dubai, which served not only as a platform for economic and cultural exchange but also as a tool for strengthening international ties and fostering cooperation between nations. The UAE exemplifies how tourism can play a central role in a nation's diplomatic strategy, contributing to both cultural outreach and economic diversification.

#### Case Study 4: France

France is a classic example of a country that has long used tourism as a tool for maintaining cultural influence and enhancing international relations. France's UNESCO World Heritage Sites, along with its world-renowned art, cuisine, and culture, attract millions of tourists every year, positioning France as one of the top global tourist destinations. French tourism diplomacy is based on preserving its cultural heritage and sharing it with the world, thereby strengthening its image as a global cultural leader (Delgado, 2018).

The French government has also integrated tourism into its economic diplomacy by leveraging tourism to promote French products, culture, and expertise abroad. The country's tourism policies support a broader foreign policy agenda by encouraging tourists to visit cultural landmarks such as the Louvre Museum, Eiffel Tower, and Palace of Versailles, which fosters mutual cultural understanding and strengthens diplomatic ties with visitors. In addition, France's tourism sector contributes significantly to its economy, with the tourism industry being a primary source of employment and revenue. Through its global cultural influence and tourism initiatives, France remains a key player in using tourism as a diplomatic tool to enhance its soft power and economic outreach.

#### Effectiveness of Tourism as Soft Power

Tourism has proven to be an effective tool in enhancing diplomatic relations for many countries, as illustrated in the selected case studies. For instance, South Korea's Hallyu (Korean Wave) has effectively increased global awareness and appreciation for Korean culture, which in turn has fostered closer diplomatic ties with countries across the world. The rise of K-pop, Korean cinema, and cuisine has contributed significantly to cultural diplomacy by creating positive perceptions, opening up new channels for cooperation, and boosting tourism (Choi, 2018). Similarly, Japan's philosophy of Omotenashi (hospitality) has not only attracted international tourists but also helped the country foster goodwill and mutual respect with other nations, thereby enhancing its diplomatic ties (Hara, 2017).

The UAE, with its strategic investments in tourism infrastructure, has leveraged its cities, particularly Dubai, to project soft power. Dubai's role as a global tourism hub has also strengthened the UAE's international relations, with tourism playing a critical role in the country's broader foreign policy goals, including cultural exchange and economic partnerships (Al Qassimi, 2020). Furthermore, France's emphasis on cultural heritage through tourism has maintained its global influence by promoting its national identity, attracting international visitors, and enhancing its diplomatic presence (Delgado, 2018). These case studies collectively demonstrate the effectiveness of tourism as a soft power strategy that facilitates cultural exchange and strengthens international relationships.

Comparative analysis of these case studies reveals that each country has tailored its tourism diplomacy strategy to fit its unique national identity and goals. While South Korea focuses on cultural exports such as music and film, Japan emphasizes hospitality and global event hosting. The UAE has invested heavily in infrastructure, while France has capitalized on its cultural heritage. Each approach highlights

the diverse ways tourism can be used to foster diplomatic ties, though common themes of cultural exchange and global connectivity emerge across all case studies.

### **Challenges and Limitations**

Despite its advantages, there are significant challenges and limitations associated with using tourism as a soft power tool. Economically, over-reliance on tourism can expose countries to fluctuations in global travel trends, geopolitical instability, and the volatility of global markets. For example, events like the COVID-19 pandemic and regional conflicts can drastically impact tourism numbers, affecting countries that rely heavily on this sector for both economic gains and diplomatic engagement. The UAE, for instance, faced difficulties when global travel restrictions were imposed, which disrupted its tourism-dependent economic activities and soft power projection (Al Qassimi, 2020).

Politically, tourism diplomacy can become a double-edged sword. Countries that are too reliant on tourism as a diplomatic tool may risk becoming overly dependent on a single foreign policy strategy, which can lead to challenges in other areas of diplomacy. This over-reliance could undermine other forms of diplomatic engagement, such as political negotiations or military alliances. Moreover, tourism-related cultural diplomacy may sometimes be viewed as a form of cultural imperialism or exploitation, especially if the tourism initiatives are perceived as an attempt to project power or influence over other cultures.

Socially, there are concerns about the environmental and social sustainability of tourism, especially in countries with fragile ecosystems or vulnerable communities. Unchecked growth in tourism can lead to overcrowding, environmental degradation, and cultural commodification, which might undermine the very cultural diplomacy that these countries seek to foster. For example, while Japan's tourism diplomacy is largely successful, it also faces challenges with the strain on natural resources and local communities caused by the influx of international tourists (Hara, 2017).

### **Tourism and Global Influence**

Tourism contributes significantly to a nation's global influence by enhancing its cultural presence, fostering international goodwill, and facilitating economic partnerships. Unlike traditional forms of hard power, such as military or economic influence, tourism allows countries to project their soft power in a non-coercive manner. Through tourism, nations can create positive perceptions of their culture, values, and way of life, which in turn promotes international cooperation, trade relations, and peaceful diplomatic engagements (Nye, 2004).

For instance, France's use of tourism to project cultural influence through its UNESCO World Heritage Sites and globally recognized cuisine has allowed it to maintain a significant role in global cultural diplomacy (Delgado, 2018). Similarly, South Korea's global cultural exports, from K-pop to Korean films, have greatly enhanced its soft power, with tourism being a key avenue for engaging with global audiences and promoting cultural exchange (Choi, 2018).

Tourism also enables countries to attract foreign investments, thereby enhancing their economic influence. By showcasing their cultural richness, natural landscapes, and heritage sites, nations can position themselves as desirable travel destinations and business hubs, thus improving their standing on the global stage.



## Conclusion

### Summary of Key Findings

The study of tourism as a soft power tool in the selected case studies highlights its effectiveness in fostering international relations and cultural diplomacy. Tourism has enabled countries like South Korea, Japan, the UAE, and France to increase their global influence, build goodwill, and strengthen their diplomatic relationships. South Korea's Hallyu, Japan's Omotenashi philosophy, the UAE's tourism infrastructure, and France's cultural diplomacy through tourism serve as powerful examples of how countries can use tourism as a strategic diplomatic tool. The case studies underscore the potential of tourism to build trust, foster collaboration, and enhance a nation's international standing.

However, while tourism offers significant benefits, there are notable challenges, including economic dependence, political risks, and environmental sustainability issues. These challenges highlight the need for countries to adopt balanced and diversified diplomatic strategies that incorporate tourism but do not rely solely on it as a means of soft power projection.

### Policy Recommendations

To enhance the effectiveness of tourism as a diplomatic tool, it is recommended that countries:

1. Diversify their soft power strategies by incorporating multiple elements, such as trade diplomacy and multilateral cooperation, alongside tourism.
2. Invest in sustainable tourism practices that prioritize environmental conservation and cultural preservation.
3. Expand cultural exchange programs and international events to build long-term diplomatic ties.

Additionally, countries should ensure that their tourism diplomacy is aligned with broader foreign policy goals, such as regional cooperation, conflict resolution, and economic development.

### Future Research

Future research could explore emerging trends in tourism diplomacy, such as digital diplomacy, the impact of virtual tourism (e.g., virtual reality tours), and post-pandemic tourism strategies. Investigating how these trends influence the role of tourism in global relations could offer new insights into the evolving landscape of international diplomacy.

### Works Cited

- Al-Ali, J. (2017). Dubai: The making of a global city. *Tourism Management*, 61, 75-82.
- Al Qassimi, S. (2020). Tourism and soft power in the UAE: Economic diplomacy in the age of globalization. *Middle East Journal of Tourism*, 5(3), 45-60.
- Anholt, S. (2007). *Competitive identity: The new brand management for nations, cities, and regions*. Palgrave Macmillan.
- Anholt, S. (2010). *Competitive identity: The new brand management for nations, cities, and regions*. Palgrave Macmillan.
- Choi, Y. (2014). The Korean wave: Korean media go global. *Media, Culture & Society*, 36(7), 935-

946.

- Choi, Y. (2018). The global rise of K-pop: Analyzing the impact of Hallyu on South Korean tourism and international relations. *Asian Journal of Communication Studies*, 10(2), 125-140.
- Chong, Y. (2019). Soft power in tourism: Enhancing diplomatic relations through cultural exchanges. *Journal of International Relations*, 27(4), 55-67.
- Delgado, J. (2018). French cultural diplomacy and its role in tourism: Maintaining global influence through heritage and art. *Journal of International Cultural Diplomacy*, 9(4), 70-85.
- Hara, K. (2017). Omotenashi and its role in Japan's tourism diplomacy. *Japan International Relations Journal*, 21(1), 112-129.
- Li, W. (2019). The role of tourism in global diplomacy and international relations. *Tourism Economics Review*, 13(2), 34-45.
- Melissen, J. (2005). *The new public diplomacy: Between theory and practice*. Palgrave Macmillan.
- Mingus, K. (2017). Tourism, Economic Diplomacy and Global Development. *Journal of Global Economic Studies*, 13(1), 19-32.
- Nye, J. S. (2004). *Soft power: The means to success in world politics*. PublicAffairs.
- Smith, M. K. (2003). *Issues in cultural tourism studies*. Routledge.
- Takahashi, M. (2018). Japan's tourism diplomacy: A review of cultural and international relations. *Journal of Asian Studies*, 34(2), 100-116.
- Zhou, L. (2020). Tourism and international relations: A growing relationship. *Journal of Cultural Diplomacy*, 11(3), 22-39.



### Declaration of 18<sup>th</sup> N.E.W.S. Conference and Vice Chancellors' Symposium

1. **Ensure Inclusive and Accessible Education**
  - o Facilitate higher education access for students affected by pandemics and other vulnerabilities.
  - o Establish universities based on logical mapping, HR projection and necessity.
2. **Develop Market-Oriented and Morally Guided Curricula**
  - o Incorporate Eastern philosophical and ethical principles in all curricula
  - o Link curricula and research with labor market demands.
  - o Align educational strategies with SDG goals.
3. **Leverage Technology and AI for Academic Excellence**
  - o Develop ethical leadership in higher education
  - o Use AI to improve higher education governance and improving learning quality.
  - o Address AI-related stress through Yoga and Meditation programs.
4. **Standardize and Strengthen Higher Education with Increased Investment**
  - o Ensure uniformity in curricula across universities.
  - o Establish a Nepal Qualifying Agency (NQA) leading to global university rankings.



LUMBINI  
BUDDHIST  
UNIVERSITY



UNIVERSITY  
GRANTS  
COMMISSION



5. **Enhance Faculty and Student Mobility**
  - o Promote faculty exchange programs nationally and internationally.
  - o Promote credit bank, credit transfer and joint degree programs.
6. **Encourage Skill Development and Practical Learning**
  - o Shift focus from just curriculum implementation to student- and lab-centered learning.
  - o Provide industry-driven training, seminars, and workshops.
7. **Promote Indigenous Knowledge and Cultural Integration**
  - o Incorporate traditional medicine into modern studies.
  - o Promote collaborative investment on research and development of traditional and integrative medicine.
8. **Foster Innovation and Research Collaboration**
  - o Establish a common incubation center for research and innovation.
  - o Strengthen networking and academic partnerships for collaborative research and innovation.
9. **Utilize Tourism and Vocational Training for Economic Growth**
  - o Develop tourism-focused academic programs (e.g., Agro-tourism, student tourism, spiritual tourism, adventure tourism, etc.).
  - o Offer free short-term courses for tourists.

*[Handwritten signatures and initials]*



LUMBINI  
BUDDHIST  
UNIVERSITY



UNIVERSITY  
GRANTS  
COMMISSION



10. **Prevent Brain Drain Through Employment-Oriented Education**
- o Introduce skill-based courses to retain talent.
  - o Provide student counseling and career-oriented training.
11. **Prioritize the ongoing decade (2080 BS-2090 BS) as “Decade of Academic Excellence and Constructive Education (अबको दशक प्राशिक र सिर्जनात्मक)”**

Prof. Devraj Adhikari, PhD  
Chairman  
University Grants Commission

Prof. Subarna Lal Bajracharya, PhD  
Vice Chanacellor  
Lumbini Buddhist University

Prof. Abhaya Kumar Singh  
Vice Chanacellor  
Nalanda University

Prof. Dhurba Kumar Gautam, PhD  
Vice Chanacellor  
Mid West University

Prof. Kavita Shah  
Vice Chanacellor  
Siddhartha University

Prof. Dhaneshwor Nepal, PhD  
Vice Chanacellor  
Nepal Sanskrit University

Prof. Amar Prasad Yadav, PhD  
Vice Chanacellor  
Rajasrshi Janak University

Prof. Bed Raj KC, PhD  
Vice Chanacellor  
Pokhara University



Prof. Biju Kumar Thapaliya, PhD  
Vice Chanacellor  
**Purbanchal University**

Dr. Bikash Lamichhane  
Vice Chanacellor  
**Rapti Academy of Health Sciences**

Dr. Pradip Gyawali  
Vice Chanacellor  
**Madan Bhandari Academy of  
Health Sciences**

Prof Binod Prasad Dhakal, PhD  
Vice Chanacellor  
**Lumbini Technological University**

Prof. Naba Raj Devkota  
Vice Chanacellor  
**Gandaki University**

Prof. Tri Ratna Manandhar, PhD  
Former Vice Chancellor

Prof. Upendra Kumar Koirala, PhD  
Former Vice Chancellor

Prof. Hridaya Ratna Bajracharya, PhD  
Former Vice Chancellor





## Some representative glimpses of the program











































# लुम्बिनी बौद्ध विश्वविद्यालय LUMBINI BUDDHIST UNIVERSITY

Lumbini, Nepal