

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Nepal is developing country so poverty is one of the burning and perplexing issues in the current arena. Sociologist gives more attention about the poverty of the rural areas. Poverty is the major enemy of our nation. Poverty in Nepal can be viewed from two angles micro and macro. In micro level it identifies in terms of low caloric intake, lack of basic health facilities, illiteracy, high infant mortality, inadequate shelter, low purchasing power and high rural to urban migration. In macro level it can be expressed in term of high rate of growth of population, lack of marketing facilities, unemployment, technology less activities and administrative inefficiencies.

Poverty is particularly rampant in the rural areas. Poor communities generally exist among people with marginal land holding, occupational casts, *dalits*, tribes and matriarchal households. Targeted efforts are also required to provide basic needs as well as minimum social services and assurance of required to the backward rural and destitute group through the creation and expansion of opportunities for income generation and employment. If the employment opportunities created by investment are not well managed and necessary arrangements to increase productivity are not made, capital will gradually replace labor. Similarly, if the rights and interests of the labor are not protected and due remuneration is not provided, it deteriorates the management labor relations. Such situation can displace labor and adversely affect investment, leading to decrease in employment opportunities. Institutional development is essential to protect labor's right and interest as well as to create harmonious relationship with the management.

Poverty is mostly concentrated in the rural areas of under developed countries like Nepal. Poverty in rural areas is basically caused by low productivity of agriculture. The limited base and inadequate growth rate of non-agricultural sector in the economy. Similarly the lack of exploitable mineral resources, poor agricultural policy and topographical disadvantages are also responsible for its economic backwardness and poverty. Poverty primarily is a rural phenomenon. It is also primarily an agriculture phenomenon. A related characteristic of the poor is that they lack assets. They either have very small amounts of unproductive land or no land at all they lack of human largely in an agriculture setting (HDR and WB, 1990). Economists have defined poverty in different ways and expressed there in different criteria in general term poverty can be defined as "The inability to attain minimal standard of living or situation where some one is not possible to meet the assumed as the cause of poverty (WDR, P-26).

Absolute poverty occurs when people fail to receive sufficient resources to support a minimum of physical health and efficiently often expressed in terms calories or nutritional levels. Relative poverty is defined by the general standard of living in different societies and what is culturally defines as being poor rather than some absolute level of deprivation (Dictionary of Sociology).

1.2 STATEMENT OF THE PROBLEM

The first target of the Millennium Development Goals is to decrease the extent of extreme poverty by one-half by the year 2015. Poverty remains a predominantly rural problem, with a majority of the world's poor located in rural areas. It is estimated that 76 percent of the developing world's poor live in rural areas. Disparities between rural and urban areas is on the rise, particularly in many developing and transitional countries.

Globally, rural people and rural places tend to be disadvantaged relative to their urban counterparts and poverty rates increase as rural areas become more remote (UNDP 2006).

The economic development of any country depends upon not only on the availability of natural resources but also on the extent of its rational utilization. Poverty in Nepal is widespread, deep and severe and is identified as the most important factor leading to the unsustainable use of natural resources (Smith et al. 2003). For all round development of the country, careful utilization of the natural resources is necessary. Participation of all stakeholders in the utilization of resources has been identified as one of the suitable means for sustainable use of natural resources.

The problem of poverty is especially in the rural areas of the countries like Nepal. The problems of poverty is more intense in local development committees in rural location i.e. 3915 Village Development Committees where 83 % people are living (Census 2011). Rural areas based on agricultural activities play vital role to uplift the economy of nation. In case of Sandakpur Rural Municipality-4, there are the means of transportation, electricity, communications, water supply, basic health facilities, high schools level but the standard of people is not improving in expected way.

But such poverty alleviation efforts and programmes have not fulfilled the expectations of the people. Likewise due to inability to identify the poor, a large share of the development benefits goes to the non-poor. As a result, rural poverty in Nepal has reached at alarming state. The government has repeatedly promised and committed to the people to abolish the massive poverty. This is still only a mere dream.

Present research try to answer the following research questions:

-) What is the state of poverty condition of Sandakpur Rural Municipality-4, Ilam?
-) What are the causes of poverty in the study area?

1.3 OBJECTIVES OF THE STUDY

Objective of this study, in general, is to explore overall situation of rural poverty of the village based upon the facts examined by tools and methodologies. In particular the following specific objectives are set:

- 1 To examine the state of poverty of Sandakpur Rural Municipality-4, Ilam.
- 2 To find out the causes of poverty in the study area.

1.4 SIGNIFICANCE OF THE STUDY

Poverty is one of the burning and perplexing issues in the current arena. Its impact on the population is one of the significant in the academic field. What measures can be undertaken to manage it? What is the poverty state of Sandakpur Rural Municipality-4? How particular ways will work effectively in the reduction of poverty in Sandakpur Rural Municipality-4, Ilam?

The significance of this study is primarily concerned with the above raised questions. Besides, this study will help to understand the poverty and poverty related constraints rampant in the village. It will predominantly help to concretize the poverty nature of the same village. This gives more effective poverty reduction ideas.

On the other side, this research has academic value. It would be a useful reference for the students of Sociology, libraries, organizations including NGOs and INGO and others interested to introduce development

activities. It is also useful for further studies related to poverty and it would be beneficial to get deep into the problem.

It will help to explore the current situation of poverty in the study area which is significant to the local leaders, teachers and farmers as well as to the local and district level planners and administrators. Similarly it is useful for local organizations, NGOs and INGOs, educational institutions, health workers and the social mobilizers.

1.5 ORGANIZATION OF THE STUDY

This research is organized in five chapters. The first chapter 'Introduction' contains Background of the Study, Statement of the Problem, Objectives of the Study, Significance of the Study and Organization of the Study. The second chapter presents 'Literature Review'. Chapter three contains 'Research Methodology' which includes Research Design, Universe and Sampling Procedure, Social Indicators, Nature of Data, Tools and Its Validation, Data Collection Techniques. Chapter four is related with Data Analysis and Presentation. Last chapter deals with 'Summary and Conclusions.

1.6 LIMITATION OF THE STUDY

Although the researcher tried his most to reduce the limitations of this study there are some methodological and tool based limitations. First, only fooding, clothing, housing, health and education are taken as the indicators. In fact, no standardized tool of poverty indexes in perfect level could have followed. Not being the quantitative research it has not following any perfect statistical techniques or any test. The qualitative research depends on the field survey, interview and the self-observation data. Other limitations are the sampling procedure and administration of questionnaire.

CHAPTER II

LITERATURE REVIEW

2.1 THEORETICAL REVIEW

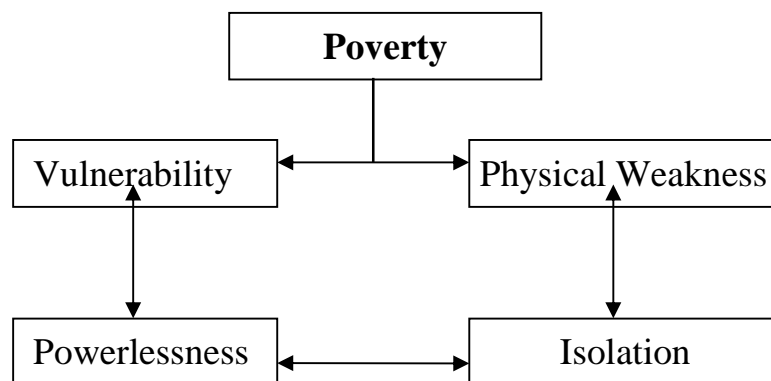
Theoretical Framework: Since poverty affects overall development of an individual it determines the state of any society of a particular time. Poverty contributes to physical weakness through lack of food malnutrition leads to low immune response to infections, inability to afford for the health services give serious health problems. Non-schooling, lacking pure water, communications, electricity, road, no access to employment, remoteness, inequality all these things imply backwardness. In fact this all is itself poverty. Injustice, powerlessness and low standard of living propagates humiliation and weak psychology and down moral. Hence the poor loses the voice (Upadhaya, 2007).

The traditional society is still in transition although development practices are being carried out in a planned way at least from 2013 BS. Why the ideas are not working? The trickle-down approach, Centre/ State led approach, Modernization approach are all gone in vain. Dependency of the nation and villages is going higher day by day. Globalization has injected the roots on the ground of world system theory establishing the permanent exploitative mechanism. The local productions and skills are now the matter of history. How this all happened to happen? Development turned into under development. The transport system, after the long wait, does not export the village productions instead; it imports materials from foreign districts and foreign country. The infrastructure and services provided have demanded more purchase power to the rural people. Meanwhile they have nothing to sell. Thus, the gap created which is, in fact, poverty.

I have conceptualized that neither the community development follows particular development model nor particular theory can predict and guide the rural community and its poverty. Rural community has a great influence of Structural Functionalism. Modernism is compulsive intervention of internal and external bourgeoisie development experts. World System is the reality that any rural area is a part of internal and external world becoming the satellite to feed the core. Marxism is almost inactive because of the less chances of conflict and struggles. Structural functionalism, modernism and world system are the primary theories leaving effects to this VDC.

Powerlessness contributes to poverty in many ways not only the exploitation by the elites. It limits or prevents, access to resources from the state, legal redress for abuses, ability to dispute wage or interest rates and it entails weakness in negotiating the terms of distress sales, and only feeble influence on government to provide services for the poorer people and places. Isolation is linked with powerlessness through the inability of those who are powerless to attract government aid, schools, good staff, or other resources. Powerlessness also makes the poor more vulnerable to sudden demands for the repayment of loans (Chambers 1983: 112-114).

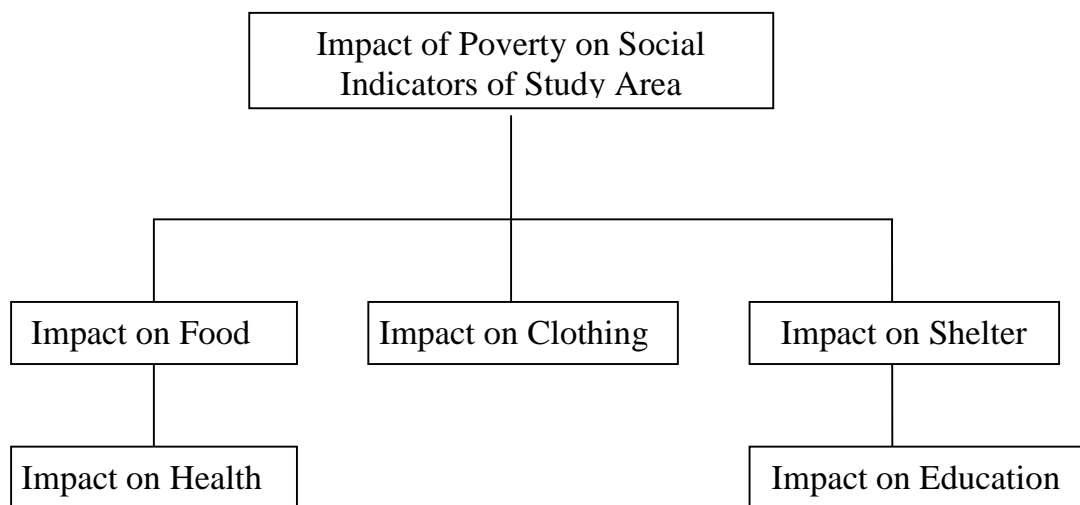
Figure 2.1: Poverty Circle



Source: Chamber 1983

This is variously described as the vicious circle of poverty, the syndrome of poverty and the poverty trap. Linking the five clusters shown in the figure 1.1 gives possible causal relations which in their negative forms interlock like a web to trap people in their deprivation. The strength of these linkages has been illustrated above by starting with each cluster in turn.

Figure 2.2: Impacts of Poverty



Obviously, the impact of poverty is seen through different social indicators. The social indicators are Fooding, Clothing, Shelter, Health, Education etc. Besides these aspects other different parts of social life are addressed as associated with the poverty level existing in the study area.

Poverty is a complex phenomenon not easy to conceptualize. Poverty is said to exist when the resource of family or individuals are inadequate to provide a socially acceptable standard of living (Johnson 1996). That condition in which a person either because of inadequate or unwise expenditure does not maintain a standard of living high enough to provide for his physical and mental efficiency and to enable him and his natural

dependents to function usefully according to the standard of society in which he is a member (Gillen and Gillen 1982).

Poverty is not only the economic problem developed countries but it is also the problem of developed countries. However, the problem of poverty is deeply rooted in developed countries, in developed countries, poverty is defined the failure to come up a desire level of living standard whereas in underdeveloped countries it means hungry, malnourishment, illiteracy and survival oriented peoples. About poverty most of the research work have been done in the context of developing countries of Latin America, Africa and Asia. But, only few proper authentic research work have been done in the context of Nepal.

Poverty causes suffering among millions of people. Many of the poor cannot buy the food, shelter, clothing and medical care that they need. Deprivation causes malnutrition and poor health. It also produces feelings of frustration, hopelessness and a loss of dignity and self-respect. Governments and private organization have tried to reduce or eliminate poverty. But it remains a widespread and serious world problem. The different definitions of poverty from country to country make it difficult to determine how many people are poor. It is estimated that more than 1 billion people about one fifth of the world's population are so poor that their health and lives are endangered. The most wide spread and severe poverty occurs in nations with few resources. (The World Book Encyclopedia Volume 15).

D. Hamilton discusses about the meaning of poverty in his book. He has examined income and its distribution. He has also taken the income inequality as the major factor of poverty he has used Lorenz curve to show it geometrically. He makes distinction between absolute poverty and relative poverty. However, he uses relative concept for analytical

purpose. He has made a due consideration on how to eliminate poverty. He has used secondary data. (Hamilton, 1968)

David Seddon, in his book "Nepal: A State of Poverty" has examined the cause of poverty in Nepal. According to this increasing population, agricultural crisis and the wide gap between rich and poor are the main reasons for poverty. The writer has taken primary data for the analysis of poverty through field survey between 1974 and 1982. The writer has also used secondary data. The writer has given due consideration on the struggle for basic essential of life. Mr. Seddon has recommended some policies giving high emphasis on the role of government. (Seddon, 1987)

The dependency theorists advocate that underdevelopment of the third world countries was due to the exploitation of developed countries. The process of development in rural areas can be compared with the core-periphery model by John Friedman. As of this model, the cores are centrally located areas, which absorbs resources from periphery. Thus exploitation occurs. One of the important aspects of rural poverty is extraction of surplus production. Which is caused by colonialism, neo colonialism and single world economy i.e. capitalism. Similarly it is affected by uneven exchange between third world and developed world or rural and urban areas. The other factors affecting poverty are identified as poor health and nutrition, quality less education, contaminated environment, natural disaster, shortage and uneven distribution of resources, war and destruction, rapid population growth, degradation of the environment, inappropriateness and prejudice in development policies over rural development sector.

The Human Development Report 2004 sets out to address four crucial questions that lie at the heart of the crisis facing the country today:

) Why do poor still remain disempowered?

-) Why have development efforts to date fallen short of tackling critical social and economic issues?
-) How has this affected the process of deepening democracy?
-) Why have these factors led to heightening the conflict?

2.1.1 The Poverty of (Marxist) Theory: Peasant Classes, Provincial Capital, and the Critique of Globalization in Nepal

This paper maps the geographical contours of socio-economic transitions that are currently underway in Nepal that link caste and capital, rural and urban, peasants and the state in diverse ways. It explains regional variations in the emergence and impacts of provincial capital and how these affect patterns of (primitive) accumulation, and argues against common Marxist derivations of the relationship between capitalism and de-peasantization. Emphasizing the persistent significance of political and economic dominance by sections of the peasantry in Nepal, their capacity to determine the nature and future of capitalist development in Nepal through control of provincial capital and the state is highlighted. Political power of rural elites and a large labor force dominated by informal sector workers with persistent rural roots, impact both the spatial manifestations of capital investment and flows, and the nature of labor processes and relations. Encompassing sectors at different stages of capitalist development, and with different rural-urban demographics, the Nepali social formation reflects unique class fractions and caste divides crucial for understanding the specific manifestation of ongoing economic transformations and crises. A comprehension of rural-urban connections, cleavages and conflicts is essential to humanize the history of contemporary struggles of and around the working class in Nepal. A set of propositions are offered for theorizing provincial capital in Nepal, in

the course of discussing three inter-related themes: a) debates about current agrarian crisis, b) provincial capital and urban processes, and c) the socio-cultural and political implications of informality and informal labor.

2.2 CONCEPTUAL REVIEW

Nepal's poverty is mostly concentrated in the rural areas where 85 percent of its total population lives (NPC: 2008). Although, Nepal's economy is basically based on agriculture, its productivity has been declining continuously. The reasons for poor performance in the agricultural sector are due to lack of well fertile land, lack of irrigation, implementation of traditional methods, small and fragmented land holding and lack of improved and credit facilities.

Poverty, once thought to be the natural condition of a class of people, has metamorphosed into something of a problem with the maturity of the development discourse. From disease to terrorism, poverty is blamed for many things (Adhikari 2011). Poverty is having very little money; not having enough money for basic needs (Oxford 2005).

"Putting the Last First" writes rural development is a strategy to enable a specific group of people, poor rural women and men to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of rural development. The group includes small scale farmers, tenants and the landless. (Chambers: 2005).

The Dictionary of Sociology distinguishes the difference between relative poverty and absolute poverty. Absolute poverty occurs when people fail to receive sufficient resources to support a minimum level of physical

health and efficiency that often expressed in terms of calories or nutrition levels. Relative poverty is defined as the general standard of living in different societies and what is culturally stated as being poor and ultra poverty line is below the absolute poverty line its half by the gestation as a rule of thumb. The most commonly used way to measure poverty is based on income or consumption level. A person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the "Poverty line". What is necessary to satisfy basic needs varies across time and societies. Therefore, poverty lines vary in time and place, and each country uses lines, which are appropriate to its level of development, social norms and values (WB: 99).

The definition of poverty varies from region to region depending upon their economic status. The characteristics of poor people in rural area can be identified as landlessness, too little land, large family malnutrition, ill health, illiteracy, high infant mortality, low life expectancy, low income, irregular income, weak position, isolation due to poor communication focus on survive and indebtedness (Dixon 1990). The rural people under poverty have their economy below subsistence level. They have little access to political power and little say in decision making. The five major characteristics of poor people can be identified as powerlessness, isolation, poverty, physical weakness and vulnerability (Chamber 1983). The explanation of rural poverty can be made with the help of socio-cultural factor, economic factor, political factor and environmental factor.

The suffering of the poor are, indeed, less observed than their misdeeds :not from any want of compassion but because they are less known : and this is true reason why we so often hear them mentioned with abhorrence,

and so seldom with pity . . . They starve and freeze and not among themselves , but they beg , and steal and rob among their betters. (Fielding :1753 opp. cit. Golding and Middleton: 1982)

An effort was made to avoid cross-classifications and to eliminate conditions not usually productive of dependence. The discussion at this time turned largely upon the difference between a "condition" and a "cause." The following classification was adopted: (1) Causes within the family: disregard of family ties; intemperance; licentiousness, dishonesty or other moral defects; lack of thrift, industry or judgment; physical or mental defects; sickness, accident or death. (2) Causes outside the family: lack of employment not due to employee; defective sanitation; degrading surroundings; unwise philanthropy; public calamity; and other unclassified causes (Lilian :1908).

the commonest cause of the poverty that approaches pauperism is incapacity, resulting in most chronic cases from sickness or other degenerate and degenerating conditions. Weakness of some sort is the most typical characteristic of the destitute classes. Manifestly, our analysis of causes is only preliminary. It has hardly more value than that of a physician who should try to determine the causes of disease by examining carefully the persons of a large number of patients ; by recording temperatures and respirations and pulsations, and by studying the other characteristics of those who were sick. To get at the remote causes of illness he would have to inquire, first, regarding the habits and heredity of the individuals, and, second, regarding the climatic, sanitary, and other conditions of their life and work. So also the remote causes of the weakness that begets poverty must be learned by wider investigations than any here attempted (Amos: 1894)

2.3 REVIEW OF EMPIRICAL STUDIES

Nepal was one of the poorest countries in the world with a per capita income 210\$ in 1997 (WBR 1999). It was 340\$ in 2008 (WBR 2009) positioning Nepal in the fourteenth poorer state. Regarding human development Nepal was in the 142th position in 2008 whereas it was 138 in last year (UNDP 2009). Corresponding low level of consumption i.e. 51 percent of the total income of household is spent on food. Nepal is the poorest country from Asia (WBR 2008/09). Most of the poor live in the rural areas of Nepal. During the fiscal year, 1995/96, 44 percent of the rural people and 23 percent of the urban people were under the poverty line (NLS Survey 1996). 31% of the total population of Nepal was below poverty line at the end of Tenth Plan (NPC 2009).

Rowntree's book "Poverty: A Study of Townline (1901)" was based investigation in Newyork. For Rowntree, poverty was a condition in which earning was insufficient to meet the minimum requirements of a healthy and productive life. Rowntree (1941) published a secured study 40 years after the first. He felt that a single and invariant definition of poverty would not be justice to the social reality, which varies across time and space.

The first attempt to define and quantify the level of poverty in Nepal was made by NPC in 1976/77 through a survey on employment, income distribution and consumption patterns. The minimum subsistence level of income and expenditure was used for derivation of the poverty line. An income level of Rs. 2 per capita per day at 1976/77 prices was taken as the minimum substance level. This out of level was based on the expenditure required to buy food, giving average daily intake of 2256 calories and value of the lowest actual daily consumption of other basic

necessities this gave a poverty estimated of 40.30 percent (NPC. Vol IV, 1978 P-32).

The World Bank study in 1990 showed that there is 74 percent of rural population below poverty line. According to this report, there is the existence of severe poverty in Nepal i.e. 71 percent of total population live in poverty especially in rural areas. The study has used various socio-economic indicators to show the exact situation of poverty i.e. health, education, basic service etc. (WDR 1991, P-67).

A case study of Purna Jhanga Jholi VDC of Sindhuli district by J. P. Aryal (1993) has analyzed the nature of poverty and he has concluded that 41.42 percent of households and 16.91 percent of people are relative poor. A research carried out on 'rural Poverty in Nepal' has used secondary data and descriptive method to highlight the dimension of poverty. It has applied data on land owners, tenure income, food production, consumption, employment, literacy, health and other demographic measures. Rural poverty in Nepal is associated with various economic factors such as population growth, minimal land holding, per capita low productivity of land, lack of marketing facilities, food, educational attainment and overall socio-economic structure that favors the rich over the poor (Dahal, 1978).

"Poverty to prosperity in Nepal" written by S.C. Jain focuses on the various poverty problems in Nepal and recommends some long terms policies to reduce it. His study is based on the sample survey done by National Planning Commission. He categorizes the poor people into two groups poorest of poor and the poor about poverty line. In the former case he takes the people who have income less than NRS 2 per day in 1977 prices and he calculated that 36.2% of the total population falls in this group. In the latter case, there falls the people whose per capita daily

income ranges from NRS 2.00 to 2.68 and he estimated that 18.8% the total population lies in this group. Thus 55% of total population is poor in Nepal. According to him, 87 percent of the total poor live in rural areas of Nepal. He recommends some policies for additional income generation in order to raise the living standard of the poor people of Nepal (Jain, 1981).

Efforts to measure the extent of poverty has also been done by Shrestha (1994) in 'Rural Poverty in Nepal' and introduced the notion of absolute poverty and established poverty line based on minimum required calories per person per day. The author analyses the extent and level of poverty lacking primary data from Markhu VCD of Makawanpur district. The study concludes that 59.7 percent people and 60 percent households are absolute poor in the study area.

The Living Standard Survey of Nepal (CBS: 1996) had covered 3,373 households from 730 districts while estimating the size of living below the poverty line. Per capita consumption level had been treated as the criterion. The living standard survey determined 2124 calories necessary for per capita per day. The per capita annual expense to purchase that calorie equivalent of food is to be Rs. 2637. If expenditure on non-food item is added, the per capita annual expenditure is estimated to start at Rs 4404. Based on this, the size of population living below the poverty line has been found 42 percent. Out of this, 24.9 percent is poor and 17.10 percent is estimated to be ultra poor. Population under poverty line has been described according their geographical condition. Geographic region-wise, 41 percent and 42 percent of the total population is below the poverty line in the mountain. Similarly, 23 percent in the urban area and 44percent people in rural area live below t he poverty line. The study included that higher poverty concentration prevails in the rural area then the urban area (CBS, 1996).

Anil Prasad Gautam, in this study has examined the cause of poverty in Nepal. According to him low national consumption/expenditure, heavy unemployment along with misemployment, explosive growth rate of population, inadequacies of anti poverty planning and actions. Rising inequalities of income, regional disparities, inappropriate technology, capital deficiency, selection of wrong investment strategies, lack of education, lack of skill development program and a number of social factors are also responsible (Gautam, 1996).

Regarding the cause of poverty, Mr Byrn and Stone concludes that "The cause of poverty are many and varied; poor families have little education, few earners and more children than to middle or upper class families. The characteristics of the poor are not necessarily the cause of poverty. Discrimination may be one of the important cause of poverty (Shrestha 1997). According to Ghai et al, "The problem of mass poverty in the third world is primarily one of the rural poverty". APROSE (1998) conducted a field survey to assess the poverty situation in 255 VDCs of 15 districts of Nepal. This study concluded that more than two-third population of the country was living in a critical poverty.

A study of poverty at Pokhara Sub-metropolitan City (Srivastav 1998) has categorized the poor households into two groups, that is (a) very poor and (b) poor on the basis of total consumption criterion. To identify as very poor and poor households, various indicators have been used like total consumption expenditure, composition of consumption expenditure, saving and social indicators like housing, clothing, education, health etc. With regard to the composition of consumption expenditure 67.40 percent families seen to be very poor and remaining 32.60 percent as poor. Regarding housing 26.30 percent families have been found as very poor and remaining 73.70 percent as poor. This study concludes that 4.20

percent of total active members are fully employed and remaining 95.80 percent as partially employed.

Eliminating poverty by accelerating the rate of growth of family income will depend on the ability of the economy to accelerate the growth of productivity and to utilize fully the available labor and capital resources. This is true for both Negroes and whites. After full employment is reached, an accelerated growth of productivity will not eliminate the gap between white and Negro incomes

(though it will make training programs and the elimination of discrimination easier and more effective), but this fact would seem to be no reason for sacrificing the large (and equal) gains that would accrue to both whites and Negroes from a faster rate of growth (Lester : 1967).

The underdevelopment of the periphery must be traced back to their relations with and dependence on the centre. In other words, one can understand what is happening in the underdeveloped countries only when one sees that they develop within the framework of a process of dependent production and reproduction. This system is a dependent one because it reproduces a productive system whose development is limited by those world relations which necessarily lead to the development of only certain economic sectors, to trade under unequal conditions, to domestic competition with international capital under unequal conditions, and to an industrial structure that can only lead to perverse growth. This theoretical step, needless to mention, transcends the theory of development now fashionable in the metropole, which seeks to explain the situation of the underdeveloped countries as a product of the slowness or failure to adopt the patterns of efficiency characteristic of developed countries (Justinian :1971).

2.4 NEPAL LIVING STANDARDS SURVEY 2010-2011

Central Bureau of Statistics (CBS) carried out Nepal Living Standards Survey (NLSS) for the first time in 1995/96. The second round of the NLSS was conducted in 2003/04. The Nepal Living Standards Survey 2010/11 (NLSS-III) is the third round of the survey conducted by the CBS as a follow up of the previous two rounds. All the three surveys followed the Living Standards Measurement Survey (LSMS) methodology developed and promoted by the World Bank. NLSS-II enumerated 3912 households from 326 PSUs compared to 3373 households from 274 PSUs in NLSS-I. NLSS-II also interviewed 1160 households from 95 panel PSUs that were enumerated in NLSS-I. NLSS-III enumerated 7,020 households, of which 5,988 households are from the cross-section sample and the remaining 1,032 are from the panel sample. NLSS-I for the first time, provided a measure of “extent and dimension” of poverty in Nepal. The survey findings became popular among decision makers in the government agencies, the general public and the international agencies as well. It was realized that a second round of the survey was needed to update the results and to assess the impact of policies and programs on poverty and social indicators over the years (since the NLSS-I was conducted). Accordingly, the second round of the survey (NLSS-II) was carried out in 2003/04 after 8 years of the first survey. The findings of the NLSS-II helped the government to monitor progress in improving national living standards and the survey became a good basis for monitoring the Millennium Development Goals (MDGs) over time. Realizing the importance of time series data, the Government of Nepal decided to conduct another round of the Nepal Living Standards Survey. Accordingly, the Central Bureau of Statistics for the third time conducted the survey in 2010/11 (NLSS-III). The survey was carried out

with the assistance from the World Bank. NLSS III is a nation-wide household survey conducted year round through February 2010 to February 2011 which consists of multiple topics related to household welfare. The Nepal Living Standards Survey, 1995/96 (NLSS-I) was a milestone in the collection of data for the objective measurement of the living standards of the people and for determining the level of poverty in the country. The survey covered a wide range of topics related to “household welfare” (demography, consumption, income, access to facilities, housing, education, health, employment, credit, remittances and anthropometry, etc.).

The main objective of the NLSS-III is to update data on the living standards of the people. The survey aims to assess the impact of various government policies and programs on the socioeconomic changes in the country during the last 7 years. Further, the survey aims to track changes experienced by previously enumerated households during the past fifteen and seven years.

CHAPTER III

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

This study is based on fieldwork. The research design was descriptive and exploratory. It is descriptive in the sense that this study has sought to describe the situation of rural poverty of Sandakpur Rural Municipality-4. It is exploratory in the sense that it has tried to explore the underlying factors of poverty and furthermore it wired to explore the reasons as well. In fact, this research design is directed to achieve the particular goals of the research target.

3.2 SELECTION OF STUDY AREA

The study area was in Sandakpur Rural Municipality-4 of Ilam district which lies on the Eastern Development Region of Nepal. This village is located at the centre part of Ilam district connecting to Sandakpur Rural Municipality-4. The geographical location of this village lies between 28° 7' N to 28° 13' N latitude and 84° 7' E to 84° 12' east longitude(VDC Profile, Mabu: 2014). This Sandakpur Rural Municipality-4 is the birth place of the researcher and hence it is believed that the data collection and analysis was more effective. The key persons provided the data in an intensive way and exchanged the feelings about the village and its poverty condition.

3.3 UNIVERSE AND SAMPLING PROCEDURE

The Sandakpur Rural Municipality-4 of Ilam consists of 835 households which is the universe of this study. The total population in the sampled village is 1555. Out of 350 households from the sample area (Ilam District Profile: 2015), 50 households are taken as a sample unit for the

study. These wards are purposively selected to collect data. The systematic survey was adopted to determine the household to be surveyed. Thus 14.28 % of the total numbers of households are included as sampling unit for the collection of relevant information.

3.4 SOCIAL INDICATORS FOR STUDY

The social indicators of the rural poverty are food, shelter, land holding, education, occupation, assets, health and other services. These indicators are the indexes of poverty.

3.5 NATURE OF DATA

This study will be based on primary as well as secondary data from the prospective of data collection procedure. On other side, both qualitative and quantitative data are used. This all aims to fulfill the targeted objectives. Primary data are collected by using structured questionnaire, direct observation, interview and field survey. Secondary data, as the supplement, are collected from the published reports of different organizations and articles in different journals. Especially the publications of Central Bureau of Statistics, National Planning Commission, Nepal Rastra Bank, Agricultural Development Bank, District office of Ilam are taken as source of data.

3.6 TOOLS AND ITS VALIDATION

Structured Questionnaire, Key-informant Interview Outline, Direct Observation, Note System are the tools and techniques to gather data. The questionnaire and interview outline was developed taking the reference of previous study on rural poverty and also taken into discussion with supervisor before administrating it. For the purpose of validation of questionnaire, a pilot study was done in five random households.

3.7 DATA COLLECTION TECHNIQUE

To collect necessary data the following methods of data collection are used.

3.7.1 STRUCTURED QUESTIONNAIRE

The nature of questionnaire is structured in type. Structured questionnaire was primarily quantitative and a bit qualitative in nature. The questionnaire consisting questions pertaining to the inquiry were prepared. The blank had been filled by taking interview with the hand of sample household's respondent. The researcher himself visited door to door to the sample household to collect relevant data.

3.7.2 KEY-INFORMANT INTERVIEW

Unstructured interview was conducted with key-informant to collect supplementary information about situations of rural poverty in the study area. Five local leaders from five wards, two teachers from village school, one from each NGO workers, development activist, political leaders, leader of women group will be taken as key-informant interview to collect appropriate information for the study. Information obtained from unstructured interview will be recorded in a personal diary to collect data.

3.7.3 DIRECT OBSERVATION

It is possible to get all necessary information neither from structured questionnaire nor from interview. Therefore qualitative information was collected through direct observation. Researcher himself is well known to the village and observed the study area during the study time as well to understand its physical and socio-economic setting from the research eye. Observation included livelihood pattern and overall socio-cultural activities.

3.8 DATA ANALYSIS AND INTERPRETATION

After collecting the responses through the various tools and techniques, the researcher made a fair form of data to accommodate in electronic media. Then the data was properly tabulated, analyzed and interpreted keeping in mind the objectives of the study. The report exposes the rural poverty situation in reference to the social variables like food, shelter, occupation, income, land holding, and education of the study area. For this purpose, the Word Processing Software is used wisely. The standard format for the research report is followed.

While presenting the data, simple statistical tools like frequency and percentage was used. Likewise, tabulation and graphical representation have also been used. In order to present some quantitative data figures, chart, diagram was used too. Most serious efforts have been made to interpret data to get the reality as far as possible.

CHAPTER IV

DATA ANALYSIS AND PRESENTATION

The culture of Sandakpur is obviously influenced by Buddhism. In terms of religion Buddhism comes in priority. The population of Buddhist and Hindu people is respectively 3707 and 327. Gurung, Rai, Limbu, Sherpa Magar, Dalits (Kami, Damai, Sarki and Sunar) have their different particular cultures. Buddhist festivals like Loshar, Buddha Purnima etc. are in practice. The fundamental patterns of division of caste are now being diluted even if there are more than eleven caste groups (Gautam, 2060).

People used to produce paddy, barley, maize, mass and other grains. Soil is not so fertile so some time people have to import from neighboring villages. The production and export of ghee was one of the means of livelihood. Slowly the village too became dependent to the modernization constraints and crippled down its agricultural activities (Chhetri, 2003).

Now, this Sandakpur is acquainted with the motorable road for last eleven years. Public services like electricity, telecommunications (mobile in large scale) and drinking water supply systems are available. There are ten schools including one Higher Secondary scattered in different wards. Agricultural and pastoral activities are in subsistence. Goat farming is emerging as one of the possible earning means even it is too in the traditional approach. The economic activities are becoming passive each year because of the heavy out migration. The road and the transportation facility are facilitating the import rather than export lacking the production of export materials. Peasants, daily wage workers, teachers, shopkeepers, ex-service men are the main professionals.

4.1 SEX-WISE POPULATION COMPOSITION

Table 4.1: Sex-wise Population Composition of Sample Wards

Sample Areas	No. of HH	Population						HH Size
		Total	%	Male	%	Female	%	
Dada Gaun	71	294	18.91	119	40.47	175	59.53	4.14
Gumba Dada	117	544	34.98	255	46.87	289	63.13	4.64
Shomabare	72	324	20.84	142	43.83	182	56.17	4.5
Milan Chowk	91	393	25.27	178	45.29	215	54.71	4.31
Total	351	1555	100	694	44.63	861	55.37	4.43

Source: V.D.C. Profile, Mabu (Shrawan-2073)

In every ward the female population is higher than the male population. Male population is only 55.37 in the Sandakpur. In case of sample, the percentage of male population is 44.63 percentage.

4.2 AGE GROUP COMPOSITION OF SAMPLE HOUSEHOLDS

Table 4.2: Age Group Composition of Sampled Households

Age group	Sampled Areas				Total	%
	Dada Gaun	Gumba Dada	Shomabare	Milan Chowk		
0-14	17	18	25	18	78	27.65
15-59	30	57	54	38	179	63.83
60+	5	8	7	5	25	08.51
Total	52	82	110	60	282	99.99
Households	9	14	17	10	50	100

Source: Field Survey, 2018

In other words the population of the active age group (15-59) is 63.83 %. Which is not so critical in the sense that the ratio of economically active and dependent population.

4.3 OCCUPATION DISTRIBUTION OF SAMPLE HOUSEHOLDS

Table No 4.3: Occupational Distribution of Sample Households

S.N.	Occupation	No. of Households	%
1	Agriculture	32	64
2	Service (Including Gorkha Army)	6	12
3	Wage-labor	4	8
4	Business	3	6
5	Foreign Employment	5	10
	Total	50	100

Source: Field Survey, 2018

All the 50 households have economically active members. In total 64% respondent's family are involved in agriculture activities. 8 % respondents' families are involved in wage labour where as 12 % respondents' family are involved in service. 6 % respondents family are involved in business and 10% respondents' family are in foreign employment.

4.4 EDUCATIONAL STATUS OF THE SAMPLE HOUSEHOLDS

Table 4.4: Education Status by Sample Population (6⁺ age)

S.N.	Level of Education	Sample Population			%
		M	F	Total	
1.	Illiterate	12	37	49	17.75
2.	Just literate (Grade 1-5)	40	44	84	30.65
3.	Literate (Grade 6-10)	58	30	88	32.12
4.	S.L.C. Passed	24	14	38	13.87
5.	Higher Education	15	2	17	6.20
Total		149	127	276	100

Source: Field Survey, 2018

Table no. 4.4 shows shows the level of education in the study area. About 30.65 percent of population is just literate and 62.77 percent population is under S.L.C excluding the illiterates. As the Sandakpur had literacy rate 59 percentage in 2011 we assume it better according to national figure of 54.1 percentage of National Census 2011.

Total illiterate population consists of 17.75 percent of the population above 6 year. Only 20 percent of them are S.L.C. passed and only 6.20 percent have received higher education. Before few decades, this percentage was even lower.

4.5 FAMILY SIZE

Family is micro social institutions. It is informal mechanism of social control which is based on blood relationship, we feeling, loving caring, collectiveness etc. Normally family means a social unit made of father mother and children.

Table 4.5: Family Size of the Sample Households

S.N.	Family Size	Magar	Dalit	Brahmin	Chhetri	Newar	Gurung	Total	%
1	Up to 3	2	0	0		0	0	2	4.0
2	4 – 5	20	8	2	2	0	0	32	64
3	6 – 7	4	2	2	1	1	1	11	22
4	8 & above		0	2	1	1	1	5	10
	Total	26	10	6	4	2	2	50	100

Source: Field Survey, 2018

The family size does not seem significantly influencing the poverty level in rural areas. Many better off families found having more than 6 family members whereas the weaker families found having 3 to 4 family members.

4.6 SIZE OF CULTIVATED LANDHOLDING

Table 4.6: Sample Households by Size of Land Holding

S.N.	Size of Land Holding	No. of Households	%
1	Landless	2	4.0
2	0 – 2 ropani	18	36
3	3 – 5 ropani	5	10
4	6 – 8 ropani	6	12
5	9 – 11 ropani	4	8.0
6	12 – 14 ropani	6	12
7	15 and above	9	18
Total		50	100

Source: Field Survey, 2018

Out of 50 households two poor households are landless as shown in the above table. 36% of households have less than 2 Ropani of land where 10% of households have 5 Ropani land including the *Khet* and *Pakho* again, 12% of households have 8 Ropani, 8% of households have 11 Ropani, 12% of households have 14 Ropani and only 18% of households have above 15 Ropani of land.

Although the amount of land holding is normal the production is less so that it only caters 30% people for the whole year. In fact all the land is non irrigated. The irrigation of village field is determined by the monsoon. Where it could be irrigated from the water of stream there is no settlement of the people.

4.7 Size of Cultivated Land

As in other rural parts of the country land is the main asset or means of production. Unfortunately, there is no means of permanent irrigation. The nature of land on the basis of irrigation facility is presented in the below table which indicates the fertility of the land as well.

Table 4.7: Size of Cultivated Land

S.N.	Type of Land	Amount in ropani	Average per HH	%
1	<i>Khet</i> (seasonal irrigation)	1308	8.72	58.76
2	<i>Pakho</i> (monsoon irrigation)	912	6.12	41.24
	Total	2220	14.84	100

Source: Field Survey, 2018

The average size of land holding is 14.84 *ropani*. Despite the fact that every HH have 8.72 *ropani* of *Khet* and 6.12 *ropani* of *Pakho* the food is not sufficient to the Sandakpur. Fundamentally the quality of land and its

nature is hilly. Irrigation depends only on monsoon. Professional and technological approaches are not used to have agricultural production. Thus catering only 30 percentages of Households for the whole year by their own production is the food reality of this Sandakpur.

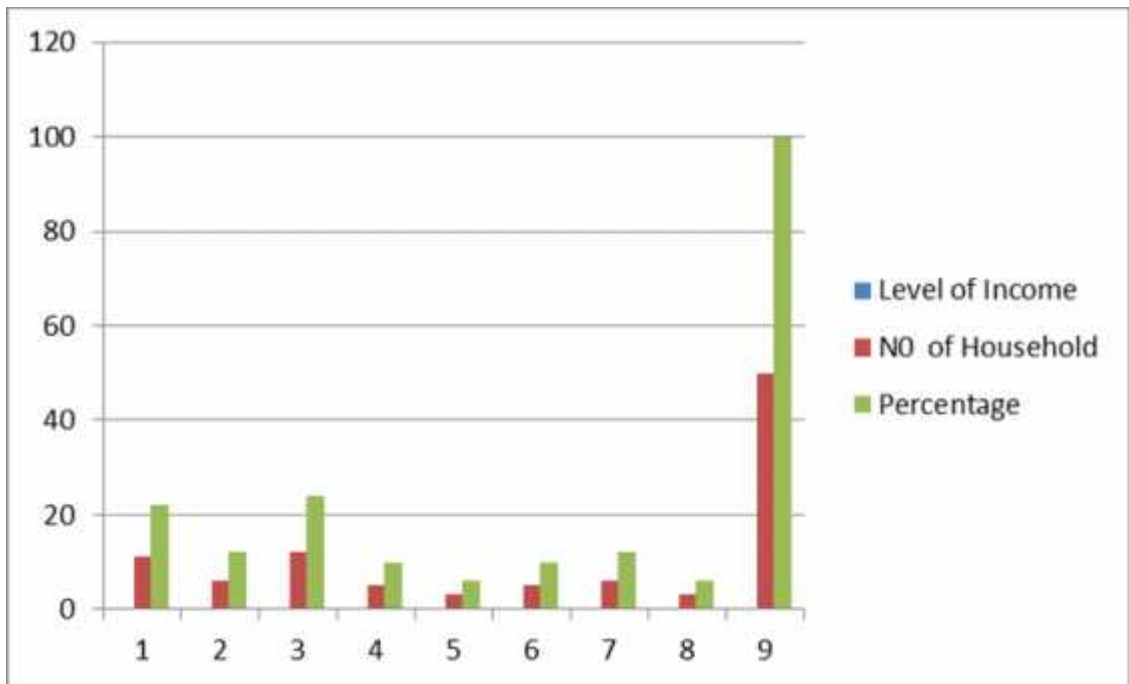
4.8 PEOPLES' INCOME SOURCES IN SANDAKPUR

Agriculture and husbandry, trade and industry, employment and pension, foreign employment, wage labour and so on are the main income sources of the family in Sandakpur. The income source of the family has been presented in Table 4.8.

**Table 4.8 Income Sources in Study Area (Annually)
Respondents Distribution on the basis of Income**

S. N.	Level of Income	No. of Household	Percentage
1	Less than LSS RS19261	11	22
2	Less than 40000	6	12
3	Less than 60000	12	24
4	Less than 80000	5	10
5	Less than 100000	3	6
6	Less than 120000	5	10
7	Less than 140000	6	12
8	Above 140000	3	6
	Total	50	100

Source: Field Survey, 2018



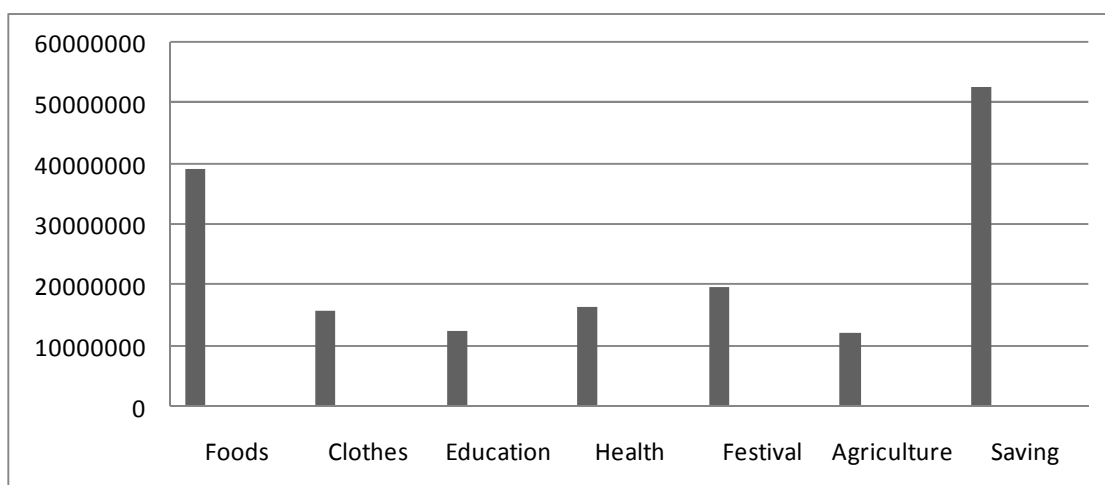
Source: Field Survey, 2018

Table 4.8 shows 22 percentage respondents are absolute poverty. According to Living Standard Survey of 2011 less than Rs.19261 annual income is belong to absolute poverty. 12 percentage have income less then Rs.40000. 24 percentages have less than Rs.60000. Only 10 percentage respondents have less than Rs. 80000 income whereas 6 percentages have less than Rs. 100000 income. 10 percentage respondents have less than Rs. 120000 income. 12 percentage respondents have less than Rs.140000 income whereas only 6 percentage respondents have above Rs. 140000 income.

4.9 FAMILY'S AREAS OF EXPENDITURE IN SANDAKPUR

According to the VDC profile (2073), families in Sandakpur were utilized their income in the expenditure of foods, clothes, education, health, festival, and agriculture which are presented in the following chart;

**Figure 4.9 Families' Areas of Annual Expenditure in Sandakpur
(In Rupees)**



Source: VDC profile, Mabu (Shrawan, 2073)

Chart 4.9 shows food was the highest area of expenditure where 33.72 percent income of total was used in it. Likewise 13.66 percent, 10.77 percent, 14.26 percent, 17.05 percent and 10.55 income was used gradually in clothes, education, health, festival and agriculture. The above data shows 68.87 percent income was used in different expenditures and only 31.13 percent income was saved. It reveals that some families in Malma were able to save some portion of their income.

4.10 HOUSING STRUCTURE

The houses are important indexes too for analyzing the poverty/prosperity level. The prevalence of the traditional houses is becoming dilute with the new ones with *jasta* roof. The newly made houses are of almost this type.

Table 4.10 : Housing Structure of the Sample Households

S.N.	House Structure	No. of House	%
1	Rough wood, bamboo and mud wall	1	2
2	Stone and mud wall with straw roof	2	4
4	Stone and mud wall with Jasta roof	34	68
5	Cemented wall with <i>jasta</i>	11	22
6	Having no home	2	4
	Total	50	100

Source: Field Survey, 2018

Table 4.10 depicts the types of houses of the sample households. The furniture, internal home appliances and other quality materials also indicates the economic aspect of the family but this part is excluded in this study in the sense that while the gross proof and evidences are manifested why the latent subtle proofs needed to search.

4.11 LEVEL OF FOOD SUFFICIENCY ON THE STUDY AREA

72 % people responded that the food produced on their own field is insufficient.

Table 4.11: Level of Food Sufficiency of the Sample Households

S.N.	Food Sufficient for	HH No.	%
1	Less than one month	8	16
2	Three months	12	24
3	Six months	11	22
4	Nine months	4	8
5	Twelve months	15	30
	Total	50-	100

Source: Field Survey, 2018

This is a very striking point that the villagers work the whole year on their fields but only 30 percentage Households are self-reliant on their productions. This is the area of production where 92 percentage Households are involved. 44.4 percentage economically active age group people have devotion on agricultural activities whereas only 70 percentage of the total population faces the food scarcity.

4.12 TYPE OF ENERGY IN USE

Table 4.12 shows the type of energy used by the sample Households.

Table 4.12: Type of Energy Used by Households

Type of Energy	Firewood	Bio-gas	LP-gas
No. of Households	49	4	2
%	98	8	4

Source: Field Survey, 2018

Number of households using both firewood and bio-gas is 4, LP-gas and firewood both is 1, LP-gas only was 1. Thus, 98 % of the household use firewood as the dominant source of energy that obviously is one of major poverty index.

4.13 DEPENDENCY RATE

Table 4.13 shows the rate of dependents' on the sample households. The dependent population rate is 36.16 percentage whereas 63.83 percentage of people are working from the economically active age group.

Table 4.13: Dependents' Number of Sample Households

No of dependent Population	1	2	3	4
Households No	51	36	21	30

Source: Field Survey, 2018

4.14 THE STATE OF FEMALE LEADERSHIP

Table 4.14 shows the number of households under the leadership of female by the sample wards.

Table 4.14: State of Female Leadership in Sample Households

S.N.	Sample Wards	No. of Households	Households Under Female Leadership	% of Female Leadership
1	2	71	15	21.12
2	3	117	78	66.66
3	5	72	33	45.83
4	6	91	21	23.07

Source: Field Survey, 2018

This seems indicating the amount of gender equality on the Sandakpur but there are many other jeopardizing factors that let females take responsibility. Normally it is because of the out migration of the male member of the family. Sometimes it is because of the death of the husband and other male in-laws. Normally the sex balance in leadership of a family contributes in poverty alleviation.

CHAPTER V

CAUSES OF POVERTY IN THE STUDY AREA

In simple, rural poverty refers existence of poverty in the rural areas. Its nature may be either absolute or relative. In general, rural poverty in developing economies is absolute poverty at the mass level. As a hurdle in the path of development in the developing economies, such poverty always remains as a challenge. Poverty is a complex phenomenon as a heap of factors such as capital, land, education, employment, wage rate etc. The researcher knows that the less educated, the young, the old aged, households headed by women, unemployed and underemployed, fully employed in low income paid job etc. have created high poverty rate in the study area. Often a number of factors can be identified as the causes of poverty. Therefore, structural causes of rural poverty with respect to the sample households are as follows:

5.1 WEAK ECONOMIC ACTIVITIES

Though people are busy in agriculture, service, wage-labour, foreign service and business they are having less economic benefits. The agriculture keeping busy 92 percentage of Households and 44.4 percentage of total population is almost subsistence. Only 30 percentage of the Households are capable of supplying required amount of food they need during the whole year. Similarly wage-labour is neither regularly available nor paid well amount. Regarding the profession of service, some work in local schools, some work in government posts, private sector in different districts of Nepal. A major part has gone for Foreign Service mainly in India, Arabian countries, Europe and other countries too. Since only those who earns less than needed to settle in city reside in the village the poverty situation of the Sandakpur is not improving.

The more number of people are involved in agriculture the less chance to be any country economically strong. Although every house has economically active member and in total 180 people are from the economically active age group the condition of economic activity is critical. There is not a single industry. This means there is no use of technology at all. There is no big industry only cottage industry and dairy 10.88 percentage people are in foreign employment, only 6 percentage people are involved in business the condition of poverty is severe. Although natural resources like river and jungle has been utilized by the other project as well as other areas people. Native people are unable to utilize the resources in a productive and integrated way. Lacking the sufficient population there is neither any market nor any business consequently leading the Sandakpur in the deep-rooted poverty. Moreover, the service and wage-labour they do is paid less and the agricultural product is not sufficient for them. In gist there very less objects to sell out (export) in comparison to the objects to purchase (import). This is the root cause of the poverty prevailing around the Sandakpur .

Figure 5.1: Relation of Capital, Investment and Production

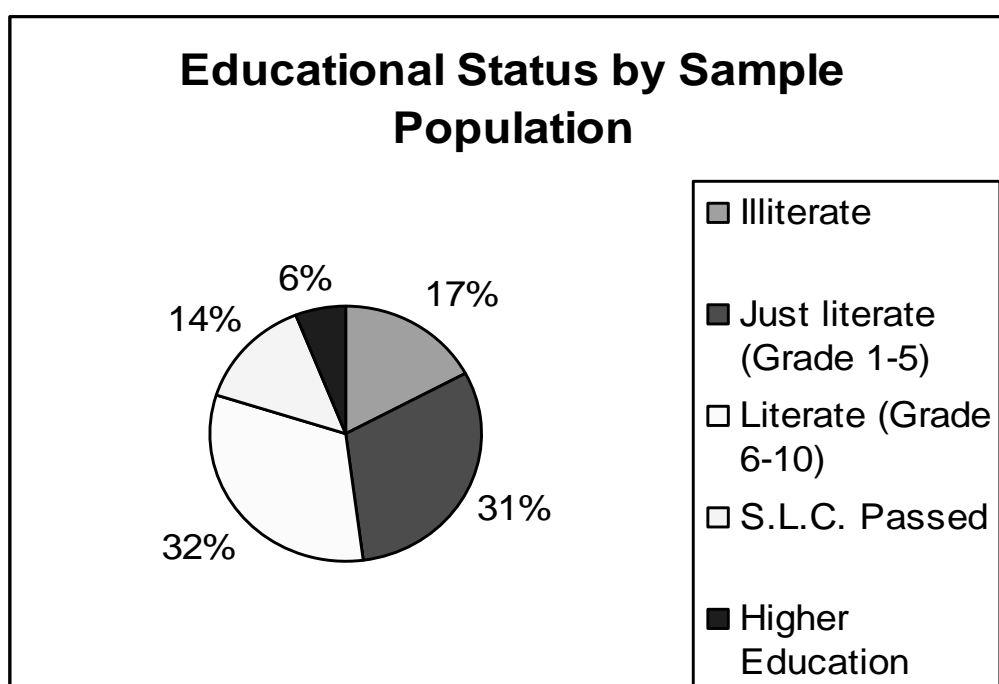


5.2 LOW LEVEL OF EDUCATION

One of the prominent causes of poverty is lack of education. While discussing the causes of poverty sample household's educational backwardness can be cited as one of the foremost reasons. So the situation of rural poverty is also influenced by the literacy status of society. Most of the poor people are usually found illiterate either due to their low income or illiteracy heredities.

The above table shows the level of education in the study area. About 30.65 percent of population is just literate and 62.77 percent population is under S.L.C excluding the illiterates. Total illiterate population consists of 17.75 percent of the population above 6 year. Only 20 percent of them are S.L.C. passed and only 6.20 percent have received higher education. Before few decades, this percentage was even lower. The data in the above table has been presented in a pie-diagram below:

Figure 5.2: Educational Status by Sample Population



Source: Field Survey, 2018

5.3 MISSING YOUTH POPULATION AND EFFORTS

Neither there is proper ratio of youth population nor any united effort of production of any thing is carried out by the residents of the Sandakpur . Lacking the entrepreneurship, amidst the availability or possibilities of many professions or production activities the Sandakpur people is facing the poverty in all dimensions.

Despite of the availability of the transportation service, electricity, communications, drinking water and schools for a decade the state of

poverty remains severe. It concludes the primary thing essential for the reduction of poverty is the production of what we can consume or sell. In absence of these factors, the out migration is increasing leaving the helpless peoples only i.e. child, old, females in the village. This kind of manpower can't contribute to the development in one side and in the another side youths in the village are skillless and not making any united effort to have output from the available resources.

5.4 LACK OF PROPER FERTILE LAND

This Sandakpur lies in the hilly region and furthermore the Sandakpur itself is a hill. Thus, inclined land having irrigation problems and non-professional agricultural system the agricultural production is not sufficient to the Sandakpur. The top parts of the hills in the Sandakpur are generally dry and stony. These parts therefore are usually barren and not useful for cultivation, and habitation. Thus the infertile land discourages people to harvest grains, cereals and beans. The pastoral system too is subsistence type. Some are earning so that to partially assist their annual expenses.

Land is one of the major assets of the study area and a major factor determining the socio-economic status of the rural household. Landless condition and limited access to land are the major factors responsible for poverty. There is positive relationship between productive land holding and income while a negative relationship between unproductive land holding and poverty. 60 percentage of the population are having less than ten *ropani* of land including both *khet* and *Pakho*.

Table 5.3: Size of Land Holding
Sample Households by Size of Land Holding

S.N.	Size of Land Holding	No. of Households	%
1	Landless	2	4.0
2	0 – 2 ropani	18	36
3	3 – 5 ropani	5	10
4	6 – 8 ropani	6	12
5	9 – 11 ropani	4	8.0
6	12 – 14 ropani	6	12
7	15 and above	9	18
Total		50	100

Source: Field Survey, 2018

(Note: Land size is measured in Ropani and both Khet and Pakho have included).

Out of 150 households, two poor households are landless as shown in the above table. 10 percentage of households have less than two *ropani* of land. Only 27 Households have 15 *ropani* land including the *khet* and *pakho* both. Although the amount of land owning is normal the production is less so that it only caters 30 percentage people for the whole year. In fact all the land is non-irrigated properly. The irrigation of village field is determined by the monsoon. Where it could be irrigated from the water of stream there is no settlement of the people. The valley people have to walk minimum of 45 minutes from the village to reach their *bensi*. Only the plantation of paddy is the custom of this *bensi* field which occupies more than 50 percentage of the field.

Even more now a days it is of less meaning that whether a family owns more land. Because of the out migration, old-aged people, steep and no irrigated land non-agricultural sentiment/atmosphere the proper utilization of the land is not being too. People have no more attraction towards the substantial agricultural system and the professionalism and modern agricultural system has not became possible. No level of enthusiasm is remaining on the villagers towards this long run agriculture letting them only survive witnessing the different outer world.

People who used to produce grains and sell to local and other market now are only feeding themselves and their siblings staying in the cities. Most of them have given their field other to farm because of the lack and interest and crisis of work force.

5.5 POOR STATE OF WAGE LABOUR

Wage labour is not the interest of anyone. Once lacking the production means it is one of the compulsions to continue to survive. It again maintains the 'vicious circle of poverty' and the person falls on the poverty trap. In this Sandakpur , because of the lacking of economic activities very few human resource is required. It is required only for the seasonal agriculture while harvesting paddy, maize, wheat and millet etc. People cannot afford laborers due to the poor economic condition. They do it by turn by turn i.e. *Parma* System. On the other hand, they are paid less for their wage. In some cases they are unpaid or grains are offer instead of their remuneration. Amidst these circumstances, there are people who depend on wage labor. This gives us one ray to understand the poverty level of the Sandakpur.

The lack of productive assets and potential human capital means that the households have to exclusively earn from their physical labor for sustenance. Hence poverty problems across households can be explained

in terms of this exclusive dependence on wage labour. Intensity of poverty varies across the households and the same is an account of variations in the characteristics of employment such as employment availability and earning and dependency rate. Obviously the village wage is very low and which is also seasonal implying the high rate of unemployment. This all suggests one of the causes of poverty 'depending on the wage income' can be counted influential. This also varies house to house on the study area. The statistics shows 30 % of the total people from working age group from 24 houses involve in wage labour.

5.6 HIGH DEPENDENCY RATIO

The part of dependent population is also one of the reasons of poverty. This is true also in case of Sandakpur. The percentage of population under 15 years is 27.65 and above 16 is 08.51. Thus the total dependent population percentage is 36.16. Thus the ratio of economically active population to the dependent age group population is 1: 0.57. Since the underemployment and unemployment is very high the economically active population should also be counted under the dependent population in fact. But above data is presented in term of the number of economically active age group and the other.

5.7 HIGH RATE OF UNEMPLOYMENT

Obviously there is no means of employment besides the schools for some teachers and Sandakpur office and Sub-Health Post for assistant workers only. Agricultural employment is negligible because of lack of professional farming system. People do their work in collaboration on the turn by turn basis i.e. *Parma*. People go to the nearest cities, India and Arabian countries to earn hard. Because of the need of heavy investment for European and American job market people from the Sandakpur normally cannot reach there. Similarly due to the crisis of investment they

are not being able to invest for business purposes. Income generating and production oriented activities aren't started yet in the absence of strong determination, united effort and dynamic leadership.

5.8 LOW LEVEL OF HOUSEHOLD INCOME

People have limited resources for their daily expenditures. Only 30 percentage people are independent in food and grains for the whole year.

Every agricultural activities/production is of subsistence level. Livestock, nominal cash crops are being produced which is working like the drop of water in the ocean in the context of the demand of the people in their daily and occasional necessities. Opposite to the decades ago, due to many reasons stated in different parts of this dissertation, the state of the Sandakpur is helpless loosing most of its strengths.

CHAPTER VI

SUMMARY AND CONCLUSION

6.1 SUMMARY

Although People of Sandakpur are laborious but, 72 percentage people responded that the food produced on their own field is insufficient for them. They have limited access to land, irrigation and credit facilities. They are reported to be rather slow in adopting modern agricultural techniques. 60 percentage people are having less than 10 *ropani* of land both including *khet* and *pakho*. The percentage of population under 15 years is 27.65 and above 60 is 08.51. Thus the total dependent population percentage is 36.16. Thus the ratio of economically active population to the dependent age group population is 1: 0.57. The condition of education is not satisfactory. 17.75 percentage of total population is illiterate and 30.65 percentage of it was found just literate having educated with below than fifth grade. Only 13.87 percentage of people have SLC graduation and many of them are residing outside the Sandakpur to acquire more education or for some other profession for the struggle of life. 6.20 percentage of people are having higher degree.

Out of 150 households, two poor households are landless. 10 % of households have less than two *ropani* of land. Only 15 Households have 15 *ropani* land including the *khet* and *pakho* both. Although the amount of land owning is normal the production is less so that it only caters 30 percentage people for the whole year. In fact all the land is non irrigated properly. The irrigation of village field is determined by the monsoon. Where it could be irrigated from the water of stream there is no settlement of the people. The valley people have to walk minimum of 45 minutes from the village to reach their *bensi*. Only the plantation of

paddy is the custom of this *bensi* field which occupies more than 50 percentage of the field.

The infertile land discourages people to harvest grains, cereals and beans. The pastoral system too is subsistence type. Some are earning so that to partially assist their annual expenses. Lacking the entrepreneurship, amidst the availability or possibilities of many professions or production activities the Sandakpur people is facing the poverty in all dimensions. In Sandakpur most of the peoples are in farming occupation only few persons are in different sectors like army, police, businessman, teacher and so others, nowadays most of the young people are going aboard country and peoples migrating to Kathmandu, Hetauda, Chitwan district and other places is very high. It is because of different factors like less agricultural productivity, decreasing interest on subsistence agriculture and other professions in search of the better standard of living and alternative ways of earning. Gender disparities also found in this Sandakpur. Women employment and participation in social and political activities is very limited. Most of the women are confined in the household activities being subordinated by the male member. Even in the labour market women are paid Rs.250-300 whereas men get 450-500 for the same work and time. The discrimination between son and daughter is clearly seen in terms of their recognition, education, marriage age, freedom etc. The women' legal right in parental property ensured by the Interim Constitution 2072 B.S. is still not in practice.

Neither there is proper ratio of youth population nor is any united effort for production of anything carried out by the residents of the Sandakpur. Lacking the entrepreneurship, amidst the availability or possibilities of many professions or production activities the Sandakpur people is facing the poverty in all dimensions. Despite of the availability of the

transportation service, electricity, communications, drinking water and schools for a decade the state of poverty remains severe. It concludes the primary thing essential for the reduction of poverty is the production of what we can consume or sell. In absence of these factors, the out migration is increasing leaving the helpless peoples only i.e. child, old, females in the village.

6.2 CONCLUSION

There are the means of transportation, electricity, communications, water supply, basic health facilities, high schools up to 10 class level but the standard of people is not improving in expected way. Therefore, the poverty and development concerned to something else rather than in the infrastructures and facilities.

As in other rural areas, due to lack of industries and institutes the employment opportunities are lacking beyond agricultural sector. In reality a large number of rural people are incapable of meeting basic requirement like food, cloths, shelter, health, education etc. i.e. rural people have facing poverty problems.

Poverty in rural areas is basically caused by low productivity of agriculture. The limited base and inadequate growth rate of non-agricultural sector in the economy. Similarly the lack of exploitable mineral resources, poor agricultural policy and topographical disadvantages are also responsible for its economic backwardness and poverty. As well as there is low level of per capita income in rural sector there is low rate of saving, which turn lead to low rate of investment and capital formations. In connection with these realities, the reliance of farmers on traditional inputs and prevailing technology can also be assumed as the cause of poverty. development effort of the government are also very limited. The private sector is also not properly developed.

All these factors are accountable for wide spread of poverty among the people living in the Sandakpur.

Landless condition and limited access to land are the major factors responsible for poverty. There is positive relationship between productive land holding and income while a negative relationship between unproductive land holding and poverty.

Poverty is one of the main characteristics of the rural areas of Nepal because more than 88 percent people live in rural areas and all most all of them are engaged in agricultural sector for their livelihood. Therefore, we can say that the maximum percent of the poverty problem is in agriculture sector. The productivity in agriculture sector is very low an account of irrigation, fertilizers and agricultural credits, backward technology, small and fragmented holding of land etc

Poverty is the main obstacle to the economic growth of the country. The problem of poverty arises due to various reasons such as small size of land holding lack of market facilities lower literacy rate unemployment problem, large family size etc.

The objective of this study was to explore overall situation of rural poverty of the village based upon the facts examined by scientific tools and methodologies. Particularly, to identify the state of rural poverty of Sandakpur of Ilam and to suggest some effective measures for reducing poverty in the study area were two objectives. 72 percentage of the people are facing food deprivation. They have land, more or less, giving insufficient grain production for the twelve months. Neither professional harvesting of vegetable or livestock nor any employment possibility in alternative sectors is seen. This means it has very less production of goods and commodities and almost no sells at all.

Some of the poor are landless or those who have their own land in very small size are living in very small hut with very large family size so far their feeding is concerned they are ill-fed badly suffering from hunger and malnutrition they are frequently ill due badly suffering from hunger and malnutrition. They are frequently ill due to insufficient nutrition as are their clothing is concerned they are badly clothed most of them wear rags and torn clothes in regards to education most of the poor are illiterate in regards to ethnic group most of the poor are occupational caste as they become the age of 8 or 9, they have to work for earning

The country has enormous potential for raising GDP through maximum utilization of opportunities available in the areas of agro-processing industry, tourism, hydropower, high-value herbs processing industry, education and health. Mobilization of domestic and foreign investments becomes very much necessary for enhancing the use of available exclusive natural wealth. Amidst the current uneasy atmosphere to attract investments, attention of all concerned needs to be drawn towards this reality. It is a challenging responsibility of creating interest of all concerned towards the fact that investments in such industries can make solid contribution towards reducing unemployment and alleviate poverty.

The more number of people are involved in agriculture the less chance to be any country economically strong. Although every house has economically active member and in total 180 people are from the economically active age group the condition of economic activity is critical. Similarly, wage-labour is neither regularly available nor paid well. In gist, there are very less objects for export purpose in comparison to the objects to import. This is the root cause of the poverty prevailing around the Sandakpur.

A big question mark has emerged on our skill of overall economic management in a situation where the Nepalese economy entangled in the vortex of economic sluggishness amidst the double-digit price rise thereby adversely affecting the purchasing power and living standard of Nepalese people. Hence, there is the necessity of wider reform initiatives on development efforts, investments, and regulatory areas for expanding the economy. The nation is also being made to bear adverse supply shock due to frequent Bandhs, chakka jams, strikes etc. For this, national imperative is making sufficient legal arrangements and ensuring effective enforcement of those provisions for completely banning Bandhs, strikes especially against transportation and movements of the people for allowing the country's economy move ahead in a smooth and natural way, and also providing relief to the people's livelihood.

6.3 RECOMMENDATION OF THE STUDY

-) Basic infrastructures, road, accommodations, drinking water, etc were very essential for development. So it should be established as soon as possible.
-) Majority of the inhabitants of local people settled by ethnic groups. Their culture should be conserved and promoted in the path of development.
-) In modern world information technology governs the society. So, publicity of that place as a famous eastern destination should be initiated at national, hill region and Local Level Government.
-) Rural tourism and creation of employments should be taken as the amulet to eradicate the overall prevailing problems in the rural areas. For this, the district level attempt should be on the generation of high investment in these areas.
-) Government, NGOS and INGOS should give priority to enhancement of poverty of the rural areas like Sandakpur of Ilam.

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QUESTIONNAIRE

Name:..... Caste:

Age: Religion:

Ward No.: Occupation:

House No: Education:

1. Please write your family structure by age, sex education and occupation .

S.N.	Age	Sex	Education	Occupation
1				
2				
3				
4				
5				
6				

2. What is the nature of your house, tick one?

1. Rough wood, bamboo and mud wall
2. Stone and mud wall with straw roof
3. Stone and mud wall with *Jasta* roof
4. Stone and mud wall with stone roof
5. Cemented wall with *jasta*
6. Other type

7. Having no home
8. Number of rooms in the house (write)

3. What type of cultivated land you have with amount in ropani?

Type of Land	Area (in ropani)
Irrigated	
Non- irrigated	
Total	

4. What is the main source of irrigation?

- a) Kulo b) Stream
- c) Monsoon rain d) Others

5. Is the food production sufficient for your family?

- a) Yes b) No

6. Food sufficient period.

- a. Nill (less than one month) b. For three months
- c. for nine months d. For six months
- e. for 12 months f. more than one year

7. Have you benefited from any NGO/INGO for poverty alleviation programme?

If yes, which NGO/INGO?

8. Do your children attain school daily?

- a) Yes b) No

9. From were your family takes health services?

- a) Health Post b) Hospital
- c) Traditional Practitioner d) Private Clinic

Name of Occupation	Female	Male	Total
Agriculture			
Wage labour			
Service			
Business			
Others			

16. What is employment status of working age member?
- a) Fully employed b) Semi-employed
b) Unemployed
17. Number of dependent members on economically active member.
- a) No dependent b) One c) Two
d) Three e) 4 and more
18. Does you family income sufficient for your household needs?
- i. Yes b) No
- If No, how much is insufficient? Rs
19. What is the cause of insufficient income (if)?
- a. Lack of sufficient land.
b. Lack of sufficient manpower.
c. Lack of employment.
d. Lack of market for agro products.
20. Annual income of your family from agricultural product.

Product Name	Production Amount	Price per Unit	Total Income
Paddy			
Corn			
Millet			
Wheat			
Potato			
Pulses			
Vegetable			
Oilseeds			
Fruits			
Others			

21. Annual income from horticulture .

- a. From milk product c) Chicken and eggs
b. Fruits and cash crops d) Other

22. Annual expenditure details.

Expenses Item	Amount Rs
Food	
Clothing	
Shelter	
Education	
Health/Personal care	
Festival / Custom	
Firewood / Lighting	
Transport	
Smoking / Liquor	
To pay interest	
Others	

23. Home appliances used.

- a.
- b.
- c)
- d)

24. Schooling pattern.

- a. Local Community School
- b. Community School at City
- c) Local Institutional School
- d) Institutional School at City

25. Livestock detail.

Name of Livestock	Number

26. What type of support and programs do you seek from the government for poverty alleviation?

.....

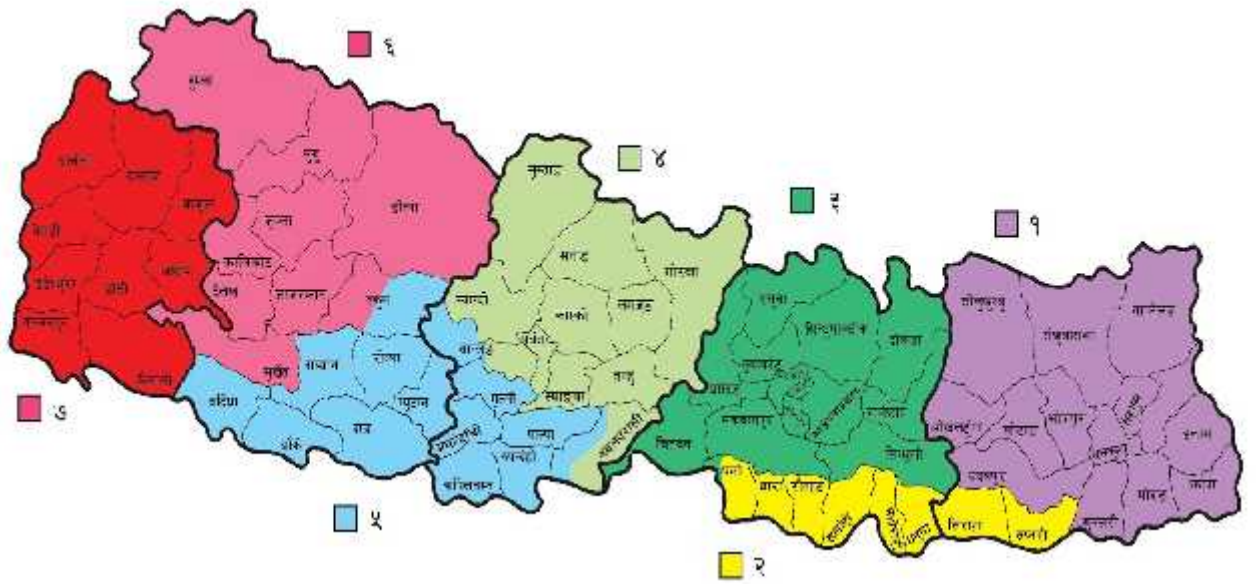
27. What is your suggestion for reducing poverty level for raising the standard of living?

.....

28. What is poverty?

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Map of Nepal



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Map of Study Area

ईलाम जिल्ला

