

**A STUDY ON POVERTY IN SATAR COMMUNITY
OF SHANISCHARE VDC OF JHAPA, NEPAL**

A Thesis

**Submitted to the Central Department of Economics, Faculty of
Humanities and Social Sciences, Tribhuvan University in Partial
Fulfillment of the Requirements**

**For the Degree of
MASTER OF ARTS**

**in
ECONOMICS**

Submitted By

SARITA OJHA

Roll No. 414/065

Central Department of Economics

Tribhuvan University

Kirtipur, Kathmandu, Nepal

June, 2014

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Nepal is one of the small countries of the world. It lies in the central of Asia and is also known as the "Heart of Asia". It is land locked country situated in the lap of the Himalayan and home place of natural beauty with traces of artifacts where the majority of its population are engaged in agricultural activities. Nepal's economy is expected to grow by a mere 3.65 percentage in 2012 to downturn in manufacturing, treacle and tourism. The agriculture growth in the current year would decline to about 1.3 percent from last years 5 percent as a result of the uneven monsoon rains imparting adverse impact on agriculture output (CBS, 2012).

The concept of poverty is not a new subject. At present, poverty is one of the general features of developing countries like Nepal. Poverty in the present world cannot be viewed as an uni-dimensional concept, rather it is viewed as comprising the notions of lack of access to resources and opportunities, illiteracy, poor health, and lack of sanitation, deprivation of basic rights and security and powerlessness. Likewise, poverty is defined as the inability to consume a minimum amount of food and non-food items. Poverty can be defined in two ways: a) Absolute Poverty b) Relative Poverty. The situation where individuals can't afford the minimum requirements like feeding, lodging and clothing is called absolute poverty. In order to measure absolute poverty, minimum requirements or basic need goods are defined at first. And then the amount of money needed for buying minimum requirement goods is calculated. Persons who can't expenses that amount are classified as absolute poor. But Relative Poverty is not the study of affording minimum goods. In fact it is the equality or inequality of income distribution. Relative poverty exists when lower group holds higher amount of income and vice versa (Ghimire, 2008).

Development is multidimensional process involving changes in structures, attitudes and institution as well as acceleration of economic growth, the reduction of inequality and eradication of absolute poverty. The failure of development and governance in

Nepal created the preconditions poverty, inequality, social discrimination and lack of social justice and democracy-for widespread discontent. Locally elected bodies' disappearances, which were major fundamental activist for the development of rural area (84%), are not in active participation due to unstable political situation of Nepal. Discriminatory practices and the social exclusion of women and disadvantaged groups have also long been a source of frustration and conflict within local communities. The government has been ineffective in addressing the needs of poor, marginalized, disabled, and vulnerable is perceived as working against the interests of ordinary people, and is failing to address the underlying causes of internal conflict (Bhandari, 2010).

According to population census- 2011, 82.93 percent of people live in rural areas. So poverty in Nepal is predominately a rural phenomenon. According to Asian Development Bank, high incidence of poverty is the primary development concern in Nepal (CBS, 2012). Against this background poverty reduction is the primary objective of the long-term Agricultural Perspective Plan (NPC, 2012) of the government of Nepal. For the crusade against poverty in Nepal a lot of policies and programmed have been implemented. The government and the non- governmental organization have made a large of efforts to overcome the causes of poverty. In spite of various development efforts, the proportion of the country's population below the poverty line has been increasing and overwhelmingly concentrated in rural areas. Rural poverty alleviation is the biggest challenge to the government.

The idea of sustainable rural livelihood mainly streams from the past experiences of the various development efforts. Development is an urgent need of many underdeveloped nations. The appearance of the concept of development immediately after the World War II was due to the existence of the huge gap between the newly independent nations and their colonial masters. Many development strategies at that time such as state-led, market-led proved to be illusory and unfruitful because both strategies completely excluded the rural masses which ultimately resulted in huge disparity between rural and urban or traditional and modern sectors.

Such development strategies proved to be a big cost, the rural people were made helpless, dependent and poor. In this situation, development activists are devising new

alternative strategies, which give prime importance to the rural sector and the rural masses.

Poverty is a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life. It is also a relationship between the essential needs of the people survival and physical efficiency and their ability to satisfy them. Poverty has stood as a serious challenge to the country. According to Nepal living standard survey 2010/11, 25.16 percent of the total populations remained below the absolute poverty line among them about 10.1 percentage are counted as ultra poor of the poorest and the Gini coefficient, which indicates inequality between the poor and rich is 0.33 percent (CBS, 2013).

The Three-Year Interim Plan (2011) has adopted the objective of ensuring direct transformation in the lives of the common people through reducing existing unemployment, poverty and inequality and contributing to the establishment of peace in the country. The plan, which was formulated being centered on the main objectives and in a manner different from the previous plans by following more participatory process, has adopted re-construction, re-establishment and social reintegration as the first and foremost priority. To achieve these objectives, the plan has adopted strategies to: i) lay special stress on relief, re-construction and re-integration, ii) realize employment-oriented, pro-poor and broad-based economic growth, iii) increase effectiveness in the promotion of good governance and the delivery of service, iv) increase investment in physical infrastructure development, v) emphasize social development, and vi) conduct inclusive development and targeted programs.

The plan has given priority to issues such as re-construction and reestablishment, inclusiveness increasing investment in physical infrastructure like electricity, road, irrigation, communication etc. that support agriculture tourism and industry, and increase investment in education, health, drinking water and sanitation sectors so as to improve the human resource development. It targets to bring down the population living below the poverty line from the existing 30.5 percent to 25.16 percent (NPC, 2012).

Poverty is the major burning problem of both developing as well as underdeveloped countries in this present world, only the difference in its magnitude and type of it. It is a worldwide phenomenon and, however it differs in its magnitude from one country to another.

In case of Nepal, which is a small landlocked and agricultural country, suffers from the problem of mass poverty and unemployment. High population growth rate and increasing dependency on the backward agriculture may be attributing for its slow growth rate. Among them mass poverty is the main characteristic.

In Nepali context, poverty can be discussed in two aspects, one is based on per capita income and another is basic needs approach. Defining poverty with the per capita income approach, Nepal's GNI per capita is US\$ 395 in FY 2063/64 and US\$ 742 in FY 2069/70 (MoF, 2013). The population receiving less than 1\$ per day was estimated to be 30.8% (World Bank, 2012). According to world development report 2012, 24.1% Nepalese earn less than \$1 per day. The report published by Asian Bank in 2010, tells that more than 50% people earn less than 1.25 \$ per day. However government officials of Nepal deny this data. Another approach: Basic needs approach, Poverty is defined as the unavailability of basic requirements like clothes, shelter and food. As for example: a person needs average daily intake of 2256 calories and value of the lowest actual daily consumption of other basic necessities. If any person can't get that required amount of calories, he can be rated as poor. Due to the very high level of poverty, the Social Index of Nepal is also very low in comparison to the world level. Although the foreign investment is one of the main source of development of any economy, because of the lack of sufficient policies and infrastructures the role of foreign investment in Nepal is not satisfactory.

With the objectives of freeing from poverty and backwardness, the various social classes, communities and regions that not been able to join the mainstream of development due to economic, social and cultural reasons, social inclusion and targeted programs have been implemented. Such targeted programs cover women, Dalits, Indigenous people, Madhesis and backward sections, communities living in remote areas, ultra-poor and small farmer households. Amongst the annual average number of approximately 450 programs/projects implemented during the five years of the Tenth Plan (2002/03-2006/07) an average of 35 projects were implemented under

this strategy. Additionally, the TRIP has further prioritized the process of inclusive development and targeted program as a major strategy and adopted it. In the first year of the TYIP, i.e. FY 2007/08, the number of program/projects has reached 60 and three has been an increase even in the budget allocation (NPC, 2012).

Jhapa district lies in the far eastern part of Mechi zone, Nepal. Population density of Jhapa district is the highest among the district of the far eastern Tarai region. The total area of the district is 1606 square kilometer and it has been ranked the 41 district of Nepal. The altitude varies from 58m to 380m above the sea level. It is located between 2622 to 2690 north and 8739 to 8812 east. The average east-west length is 29 k.m. The district is bordered by Bengal and Bihar of India in the east and Ilam district in the north, Morang to the west and against Bihar of India to the south. The total population of the district is 810,636 with annual growth rate 1.64 percent. There are 188,085 numbers of households in the district and average households size is 4.31 (CBS, 2011).

The problem of poverty has been one of the most challenging problems. Poverty is the problem of developed and underdeveloped countries. In developed countries, poverty is defined as the failure to come up with a desired level of living whereas in underdeveloped countries, it means hungry, malnourished, illiterate, poverty strikes and survival oriented people. However, the problem of poverty is deeply rooted in underdeveloped countries. Especially, in rural areas, people are suffering from conflict condition of people, family, community, and political causes. So this conflict condition is also creating the poverty to the people.

The Santhal/Satar have their own history. Oral history of the Satar community claims that Santhals are descendants of Pilsu Handam and Pilsu Buhdi who came to Nepal from Hihidi Pipidi of New Zealand via Champagadh to Mohanjodda and Hadappa to Choichampa to Nepal. They first settled in Santghal Praganna, (Now Jharkhand state) of Dumka District in India. They entered into Morang then to Jhapa before the Sepoy mutiny in India in 1857.

Satar have a unique language and life style. Satar language is only one language speaking in Nepal under Dravid language family. They have original culture and like to live their own community. They are excluded from Mainstream of development. They covered 0.19% of Population in Nepal (CBS, 2007).

Participation of the Satar community in the development works is very rare. Majority of the group have dominance over them. To have a good governance and development of the society, participation of the disadvantage group will be one of the major tools in our country.

1.2 Statement of the Problem

The problem of poverty is basically the rural areas like Nepal. The problems of poverty is more active in Local Development Committees like Nepal where 3915 Village Development Committees are rural location of Nepal where 82.93 percentage are living (CBS, 2012). In rural and based on agricultural activities since the agriculture sector is the backbone of the development in the Nepal and its development play vital role to uplift the economy of nation.

The majority of the population of present is below the poverty line of income. The common people especially those in rural areas have not been able to reap the fruits of development. The important task of present is to initiate the development process in the rural areas. Rural poverty eradication is prime objective of the Government of Nepal in its every period of five year plan due to the clear-cut implementation procedure and commitment from political leaders, rural poverty is in same situation in the ruler areas. Nepal is an agrarian country, its majority people are fully of partially development on this occupation. There is disguised unemployment in agricultural in Nepal. The main cause is lack of alternative employment opportunities. The population is growing faster than the GDP and growth of off-farm sector is in imagination in Nepal. These inequalities in the distribution of income and wealth have been major causes for aggravation poverty; due to wider inequality the output of development has not given to the poor. The condition of poor is becoming more severe and as a result there is an increase in number of absolute poverty everyday.

Poverty is the burning problem of all the third world countries and of some of the developed countries also. In the developing countries like Nepal, vicious circle of poverty is present everywhere. So, to eliminate the problem of poverty from such developing countries is only a dream. Although all plans, policies, programs and projects are directed towards poverty and its reduction, no satisfied results are being obtained. The research questions for the study are:

-) What is the poverty situation of Satar Caste at Shanischare VDC?
-) What is the absolute, relatives and total poverty in the study area?

1.3 Objective of the Study

The general objective of the study is to analyze poverty situation of Satar community in Shanischare VDC of Jhapa district. The specific objectives of the study are as follows:

-) To analyze the poverty situation of Satar Caste at Shanischare VDC.
-) To identify absolute, relatives and total poverty in the study area.
-) To suggest and recommend some policy makers for the alleviation of poverty in Shanischare VDC.

1.4 Significance of the Study

It is the evident that poverty in Nepal is rural in nature because 82.93 percentage of total population lives in rural areas several estimate have been made the number of people living below the poverty line. According to Nepal Living Standard Survey 2010/11, 25.16 percentage of the total population have remained below the absolute poverty line among the about 10.1 percentage are counted as ultra poor or the poorest (CBS, 2012).

Nepal has completed tenth economic development plans. Through the experience of wide range policies focused against rural poverty in the country from first five year plan to now show no visible impact on the lives in the rural society. Instead of over the year the rural sector is adding the total number as well as proportion of the total population who is below the poverty line. Due to our inability to the non-poor and the

poor people are by passed. The main problem is to the design a composite index to identify poverty and suggest measures to curtail it.

Government of Nepal aimed that at the end of the Ninth Five- Year Plan the percentage of population below poverty line will be reduced by 10 percent. Through the implementation of successful poverty alleviation programs it is targeted to reduce to population below the poverty line to lend of 10 percent with in the coming twenty years.

This study shows real condition of Satar caste and helpful to increase their economic, education, etc. conditions and also helpful to policy makers in relation to poverty alleviation as well as other development efforts in the region. It might be a useful document for those who are interested to know about the Satar community.

This attempts to identify the economic condition of Satar community at Shanishare VDC of Jhapa district. It will be useful for the comparative analysis for other similar type of research studies. It also examines to some extent the basic causes of poverty among the rural people. This study reflects the relationship between poverty and other economic factor such as employment, education, land holding etc. This study also helps to suggest planners and researchers about rural poverty.

1.5 Limitations of the Study

The limitations of the study are:

-) Satar caste at Shanishare VDC of Jhapa is a study area.
-) Economic variables are more analyzed such as income, inequality of income and wealth, unemployment etc as the cause of poverty whereas socio-cultural variables such as caste, political powers etc are ignored.
-) The study is conducted with limited time frame and financial limitations. The monetary value of family members working in their own household land and house rent occupied by them has not been included in income.

1.6 Organization of the Study

The thesis has been organized into five chapters, namely Introduction, Review of Literature, Research Methodology, Measurement of Rural Poverty, Nature and Extent of Poverty Problem in the Study Area and Summary, Conclusion and Recommendations. The first chapter “Introduction” gives the concept definitions and background of poverty, kinds, types and levels of poverty, statement of problem, objectives of study, significance of study and limitations of study.

The second chapter “Review of Literature” provides the information about the published and unpublished documents and clear investigation on those documents related to the study topic. There is the revision of various books, journals, previous theses, dissertations, reports etc. related to the study topic.

The third chapter “Research Methodology” provides the idea and steps to be followed in the research. The type of research, its writing style, various terms used and their descriptions, data collection procedures and instruments, nature and sources of data, collection, presentation and analysis of data, etc. are described in this chapter.

The fourth chapter “data presentation and analysis” compares the present study with previous studies and calculates absolute, relative and total poor of the study area. Similarly, “Nature and Extent of Poverty Problem in Study Area” determines the relationships between various economic factors and poverty and analyses the poverty problem from different contexts. And at last but not the least “Summary, Conclusions and Recommendations” deals with major findings and their reliability, overall significances and main outcomes, overall thesis descriptions and its procedures, and recommendations to the planners, development practitioners, policy makers, related organization and persons.

CHAPTER TWO

REVIEW OF LITERATURE

In general every scientific research is based on past knowledge. The previous studies cannot be ignored because they provide the foundation for present study. So in this chapter contain review of the relevant literature found by the published book, journals, articles, thesis, newspaper, websites and previous theoretical and empirical research work which are related to support the present study.

2.1 Theoretical Review

The condition of physical infrastructure and services are worsening day by day which are the backbone for income generating activities and employment especially in rural area. According to the UNESCO, the illiteracy in Nepal is 37.3% among the male and 65.1% among the female. The lack of professional and conventional educational system, lack of enabling support mechanism, weak development activities and learning materials are responsible for worsening education. Health is a state of complete physical, mental and social well being not merely the absence of disease and deformity (WHO, 2011). Under 5 year age mortality rate is at 42 per 1000 live birth, which is highest in South Asia. The maternal mortality rate is at 350 per 100000 live births rank among the highest in the world (WHO, 2011).

Poverty primarily is a rural phenomenon. It is also primarily and 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 (World Bank, 1990)

Economists have defined poverty in different ways and expressed there in the 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 (World Bank, 2010)

Sen has defined poverty as of course a matter of deprivations. The recent shift in focus especially in the sociology literature from absolute to relative deprivation has provided as useful deprivation is essentially incomplete as an approach to poverty and

supplements the earlier approach, which deserves substantial reformulation, but not rejection relates to this irreducible core of absolute deprivation keeping issues of starvations and hunger out the center of poverty (Sen, 1999).

Sen has also emphasized on the liberty of people themselves to build their own capabilities. He has viewed development as freedom, He argued that freedom advances the capability of a person, which is the essence of development. According to him, what people call positively achieve is influenced by economic opportunities, political liberties, social powers, and the enabling conditions of good health, basic education, and encouragement and cultivation of initiatives. 'He further argues,' The institutional arrangement, of these opportunities can be meaningful only when people have freedom and liberty to participate in social choice and in the making of public decisions that impel the progress of these opportunities. 'Hence, social mobilization makes such a concept of development more appropriate and significant (Sen, 1999).

Poverty is the condition that in which a person either because of inadequate income or unwished expenditure does not maintain a scale of living high enough to provide his physical and mental efficiency and to enable him and his natural dependents to function usefully according to the standards of the society of which he is a member (Seddon, 2007).

Poverty is condition that is said exists when people lack of means to satisfy their basic needs. In the context, the identification of poor people than first requires a determination of what constitutes basic needs, these may be defined as narrowly as "Those necessary for survival" or as broadly as "Those reflecting the prevailing standard of living in the community". The first criterion would cover only those people near the boarder line of starvation or death from exposure the second would extend the people whose nutrition, housing and clothing through adequate to preserve life do not measure up to those of the population as a whole (World Bank, 2010).

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).They include people who are

chronically hungry, if not starving they are most often malnourished and frequently diseased. They are badly clothed and live in ramshackle housing under unsanitary conditions. Almost by definition, the poor lack sufficient resources to purchase food and other customary in the societies, the purchasing power living patterns customs and activities (UNDP, 2010).

Chamber has studied the poverty of the Third World specially the South Asia and identified some elements that constitute the cluster of disadvantages which contribute to poverty. He has termed this as *deprivation trap*. This trap includes poverty, physical weakness, isolation, vulnerability and powerlessness. He thinks all these disadvantages are interlinked and cannot be isolated. He also argues 'it is said that the poorer rural people must help themselves; but this, trapped as they are, they often cannot do. The initiatives, lies with outsiders who have more power and resources and most of whom are neither rural nor poor. In this regard, the rationality of social mobilization doesn't shrink but goes high because social mobilization focuses on building on building community organizations to directly articulate people's needs and priorities. Once sensitized communities build their own organization and develop their own leaders. No outsiders can hinder the progress of them if they are united through their own institutions (Chamber, 2004).

Many literatures have studied the nature, cause and effects of poverty in Nepal. According to a World Bank (2010) report entitled “ *poverty in Nepal: At the Turn of the Century*” poverty in Nepal is deep and complex, and only a concerted effort to improve public interventions while mobilizing community initiative holds hope for a reduction in poverty. The report further says " poverty is more widespread and deeper in file more remote areas in the mid- and far- western development regions and mountain belt. Poverty in rural Nepal is too deep and too entrenched to be rapidly or widely alleviated. Still a steady, sensitive effort at combating and reducing it can bring progress in the new century."

Poverty is a social phenomenon in which people cannot meet their basic necessities of life. In other words, poverty is an inability of an individual to fulfill the minimum requirement for survival. In this way, the poverty of an individual or people is measured on the basis of minimum level of consumption and income.

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 (World Bank, 2012).

Poverty is an important social field of study in economics. During the initial stage of capitalism, the great mass of the working population lived generalized poverty. Now a day, poverty is mostly related with the economics of under developed countries. In early day views of Marx, Malthus and Marshall have given important contribution for the economic development since various conceptual issues have defined then the subject.

The World Bank study shows that there is 34 percent of rural population below poverty line. According to this report, there is the existence of severe poverty in Nepal i.e. 51 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 (World Bank, 2010).

Poverty causes suffering among millions of people. Many of the poor cannot get the food, shelter, clothing and medical care that they need. Neediness causes malnutrition and poor health. It also produces feelings of frustration, hopelessness and a loss of dignity and self-respect. Governments and private organizations 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 a fifth of the world's population are so poor that their health and lives are endangered. The most widespread and severe poverty occurs in nations with few resources. These nations are sometimes called developing nations this article will deal mainly with poverty in the United States and other highly industrialized nations for information on poverty in other countries (World Bank, 2010).

Poverty is the lack of enough income and resources to live adequately by community standards. These standards and the definition of poverty vary according to place and time.

The World Bank used reference lines set at \$1 and \$2 per day in 2003 Purchasing Power Parity (PPP) estimated that in 2008, 1.2 billion people world-wide had consumption levels below \$1 a day – 24 percent of the population of the developing world and 2.7 billion lived on less \$2 day (World Bank, 2012).

According to Gillin and Gillin, poverty is that condition in which a person either because of inadequate income or unwished expenditure does not maintain a scale of living high enough to provide his physical and mental efficiency and to enable him and his natural dependents of function usefully according to the standards of the society of which he is a member.

The World Book Encyclopedia, poverty is the state or fact of being in want. People are poor if they lack enough income and resource to be adequately by the accepted living standards of their community.

According to the Britannia Encyclopedia; poverty is the condition that is said to exist when people lack the means to satisfy their basic needs. In the context the identification of poor people then first requires a determination of what constitutes basic needs. These may be defined as narrowly as 'those necessary for survival' or as broadly as 'those reflecting the prevailing standard of living the community'. The first criteria would cover only those people near the boarder line of starvation or death from exposure. The second would extend to people whose nutrition; housing and clothing though adequate to preserve life do not measure up to these of the population as a whole.

The rural poor; human capital for nation building- they include people who are chronically hungry, if not starving, they are most often malnourished and frequently diseased. The poor are usually illiterate or insufficiently educated. They are badly clothed and living in ramshackle housing under unsanitary conditions. Almost by definition the poor lack sufficient resources to purchase food and other necessities of life as well as to enjoy the living conditions, which are customary in the societies. The

purchasing power of the poor is so low that they are excluded from ordinary living patterns, customs and activities.

Poverty is understood, measured and evaluated in various dimension such as the income level, human development and social inclusion. Poverty line is determined by the marginal points that allow or do not allow consumption of minimal goods and services necessary in life with the purchasing power from the available income. Taking Rs. 7,696 as the average national poverty line as per the Nepal Living standard Survey (NLSS, 2010/11), 25.16 percent of the population of Nepal falls below the poverty line. Similarly, on the basis of the survey's benchmark of one dollar a day as per the purchasing power parity terms, 24.1 percent of the total population falls below the poverty line. In the context of poverty alleviation, it becomes extremely important to analyze poverty incidence, poverty gap and squared poverty gap.

Poverty incidence indicates the proportion of the population living below the poverty line, whereas poverty gap indicates how far and what percentage of the people are distributed below the line. The squared poverty gap indicator shows how deep the inequality exists even among the poor. As per the Nepal Living Standard Survey, the gaps between the urban and the rural as well as the various geographical regions and groups are still huge.

During an eight year period from FY 1995/96 through FY 2003/04, urban poverty decreased by 12 percentage points, whereas rural poverty has decreased only by 8.65 percentage points and the chief reasons for the decrease in the national poverty level by an average of 10.91 percent are the rapid growth of urbanization, rise in the remittance income, increase in the agricultural wages and the growth in the proportion of economically active population. However, the increase in income inequality during this period points to an increase in the gap between the poor and the rich in the country. The Gini coefficient, which measures the extent of income inequality reached 0.41 in FY 2003/04 and 0.33 in FY 2011/12. This implies a sharp increase in the income level of the rich vis-à-vis that of the poor (CBS, 2013).

Although an analysis of the trends during the Tenth Plan period shows some increase in expenditures, an annual average of 76.3 percent of the Tenth Plan, viz; FY 2002/03, 82.2 percent of the allocated amount was spent for targeted programs. Similarly,

during the second year viz; FY 2003/04, the expenditure percentage declined with 65.8 percent being spent. However, some improvement was noted in FY 2004/05, with 79.0 percent of the budget being spent. In FY 2005/06, out of the total allocated budget of Rs. 3.40 billion 77.3 percent was spent. Similarly, out of the apportioned budget of Rs. 4.74 billion in FY 2006/07, Rs. 3.65 billion was spent representing 77.0 percent of total. Thus, compared to the expenditure progress percentage of FY 2005/06 the expenditure progress remained static in FY 2006/07.

To assist in the creation of society by eliminating the prevailing regional, caste-based and other inequalities and discriminations besides narrowing down the disparities between the affluent and the excluded groups, the current TYIP has focused on the inclusive and targeted programs by reducing the gap between the available opportunities and access. The Interim Constitution of Nepal 2007, the composition of the Constituent Assembly, the stipulations in the provisions relating to the appointment in public positions including the civil services could be taken as some notable achievements in the direction of inclusiveness. The task of revising the Poverty Monitoring and Analysis System in accordance with the TYIP is moving forward. After the implementation of this system, the old monitoring and evaluation system, which used to focus on financial and physical progress, has witnessed noted improvements, and efforts are being made to institutionalize the system of monitoring the output and impact of the sectoral programs and projects.

After the introduction of this system, the annual reports of the first, second, third and fourth years of the Tenth Plan, also referred to as the Poverty Reduction Strategy Paper have been published based on the stipulated indicators, whereas the progress report for the fifth year is being prepared as the fifth and final evaluation. In pursuance of the objective of assisting in conducting programs by targeting the groups of people living below the absolute poverty line in accordance with the objective of extending direct support for the inclusive development and targeted programs as specified in the government of Nepal's Poverty Reduction Strategy Paper and the current TYIP, Poverty Alleviation Fund has been established under the Poverty Alleviation Fund Ordinance, 2060 and is operating as an autonomous institution under the Poverty Alleviation Fund Act, 2063.

It is well known that Nepal is a poor country with widespread poverty. However, the dimension of poverty varies from one region to another and one ethnic group to another. Although, the Nepal Living Standard Survey (NLSS, 2010/11 conducted by Central Bureau of Statistics CBS, 2011) stated that only 26.5 percent of the people are below poverty line but, various non-official reports showed the magnitude of poverty is much more higher than the official figures. Usually the 35 percent of people living in the rural areas are poorer as compared to urban areas 23 percent. Households belonging to occupational castes (lower castes) and other small ethnic groups are in miserable condition.

The definition of poverty is not unique and universal. People may be even poor, if various socio-economic indicators are taken as measurement of poverty. Therefore micro study is very useful to know about the cause of poverty. Most of the rural development programs and other package programs are committed to base on needs approach and are geared to alleviate poverty. For successful implementation of these programs, it is essential to understand poverty at the micro level, i.e. household level. The effectiveness of government and non-governmental programs on a given village may be evaluated with the help of micro assess studies. Government launches various programs with big promises and publicity to alleviate poverty in the country, but every time these turns out to be fallacious for implementation.

Considering the above facts it is clear that development efforts in Nepal are like pouring of water in sand. Low level of development of social along with economical activities, infrastructures and access of poorest and marginalized group on basic facilities and resources are the main obstacles in poverty alleviation in Nepal. Rural sectors development, problem solving through effective planning, coordination and implementation can change rural as urbanization. Reduce corruption, increase accountability, inclusive development and access in resources and basic facilities and all the pioneer of social development in Nepal.

Since poverty reduction is the primary objective of the Tenth Plan, various policies are being enforced to achieve that aim in accordance with the belief that it could be achieved only by increasing employment.

NLSS I, II and III (1995/96, 2003/04 and 2010/11) have studied for the purpose examine the effects of remittances on poverty reduction using three methods to evaluate the effects of migration and remittances on households. Consumption and poverty a household level analysis of migration choices estimated jointly with household consumption in each of the states using simultaneous switching regression model, a panel analysis of 72 districts of Nepal and a cross country model relating growth poverty and remittances. Households receiving remittance increased to 55 percent from 31.9 percent reported in NLSS 2010/11 (24 percent households received remittance in FY 1995/96). Of this income, 79 percent is used for daily consumption while only 2.4 percent is invested for capital formation.

The study based on Nepal Living Standard Survey (NLSS) 2010/11 shows that absolute poverty declined to 13 percent, 18 percentage point decline in absolute poverty in the six years between 2003/04 and 2010/11. That is like three percentage point decline each year. The NLSS III conducted in 2010/11 showed 25.16 percent of the population was under absolute poverty. The first NLSS in 1995/96 showed 42 percent of the population under absolute poverty. The latest survey is based on 7,200 samples of households selected randomly nationwide.

The Gini-coefficient has fallen to 0.33 from 0.41 recorded in the second NLSS 2010/11. The nominal average per capita income of the poorest 20 percent of the population has increased nearly fourfold to Rs 15,888 from Rs 4,003 registered in the second NLLS. However, such income of the richest 20 percent of the population merely doubled, to Rs 94,419 from Rs 40,486 over the period. Households headed by females has increased to 26.6 percent from 19.6 percent recorded in the second NLLS. The per capita consumption share of the poorest 10 percent, according to the survey, is Rs 11,093 whereas the share for the richest 10 percent is Rs 102,772. The nominal average household income has seen a 2.5-fold increment to Rs 202,374 from Rs 80,111 six years ago.

A cross-country model relating growth, poverty and remittances predicts that on average a 10 percent increases in total remittances should reduce poverty by 0.9%. The study summarized that there need to reform public sector, bilateral agreements, financial education etc. (CBS, 2012).

In accordance with the target of reducing the population living below the poverty line from 42.0 percent as at the time of Plan formulation to 32.0 percent by the end of the tenth five years plan period, programs were implemented keeping the principle strategies (high, sustainable and broad-based economic growth, social sector and rural infrastructure development, targeted program and good governance) at the central stage (NPC, 2012).

An analysis of poverty spread as per the survey shows that, 29.4 percent of Nepal's total poor live in rural mid and western hills. This figure is 23.6 percent in rural western hills, 23.5 percent in rural western terai, 18.9, percent in the rural western terai and 4.7 percent in urban areas. Similarly, of the total poor, 7.5 percent are estimated to live in the mountainous region, 47.1 percent in the hills and 45.5 percent in the terai.

According to the NLSS conducted in FY 2003/04 and 2010/11 to measure incidence of poverty, there is decrease in the population living below the poverty line in Nepal. Poverty gap has decreased particularly due to the greater inflow of the greater inflow of the remittance income, rise in wage rates in the agricultural sector and control of inflation. The proportion of population living below the poverty line, which was 30.5 percent in FY 2003/04, decreased by 5.0 percentage points in FY 2010/11 to reach 25.16 percent, whereas it decreased by 12.0 percentage points in urban areas and 8.65 percentage points in rural areas to reach 10 percent and 19.0 percent respectively. In addition, the poverty gap in Nepal is estimated to have remained at 7.55 percent and squared poverty gap at 2.70 percent (CBS, 2012).

In fact poverty is a social phenomena where no possible to fulfill the basic needs of the society, lack of anything also poverty but reality in the society unable to fulfill to basic needs e.g. housing, clothing, food, drinking water, health facility, basic education etc. But poverty is not similar all over the world it is based on per-capita income, national income; GDP also depends upon employment, industry, safe drinking water, health facilities and education. But poverty is measured by poverty line.

Poverty in Nepal can be viewed from two angles micro and macro. In micro level it is identify 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 if population, lack of marketing facilities, unemployment, technological activates and administrative inefficiencies.

Poverty is particularly rampant in the rural areas poor communities generally exist among peasants 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 back ward 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. In order to prevent such possibility, 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 and 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 poetry. As well as there is low level of per capital income in rural sector there is low rate of saving, which is 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.

Poverty is multi dimensional concept, comprising the nation of lack of access to resources and opportunities, illiteracy poor health and lack of sanitation, deprivation

of basic right and security and ownerless. Different focuses on the economic dominations of poverty. Poverty is defined as the ability to consume minimum amount of food and non-food item (CBS, 2012).

Poverty is not only the economic development of 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, malnourished, illiterate, poverty stricken and survival oriented peoples. About poverty most of the research works have been done in the context of developing countries of Latin America, Africa and Asia. But only few research works have been done in the context of Nepal.

The first attempt to define and quantify the level of poverty in Nepal was made by National Planning Commission in 1976/77 through a survey on employment, income distribution and consumption patterns. The minimum subsistence level of income and expenditure were used for derivation 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 centurion at that time gave a poverty estimated of 40.30 percent (NPC, 2007).

The Tenth Five Year Plan has set poverty alleviation as its main objectives with a determination of bringing down the number of the below poverty line from 38 percent to 32 percent. The plan also aim at improving the living standard of the people below poverty line, placing special emphasis on uplifting the living standard of those lacking productive assets and income generating resource and those counted as the poorest empowering socially and economically the backward, down trodden and weaker sections of society and lowering the high incidence of poverty by developing physical, social and economic infrastructure in the underdeveloped, remote regions of the country (NPC, 2007).

Poverty has been perceived from different perspectives. Income based poverty weakness in different aspects of human development and social exclusion are the

main aspect of poverty. The main indicator of income-based poverty is the percentage of people living below poverty line. Human development capacity indicators are also equally important because these indicators do not change as per the change in income-based indicators. The typology of these capacities includes access to existing resources, human resource development and participation in social/poetical decision-making process etc.

The first income poverty estimation on scientific basis was carried on in 1976/77, which estimated that 33 percent of total populations live below poverty line. The incidence of poverty was high in mid-western and far-western development regions along with rural areas highly affected. The next survey of 1984/85 estimated that 41.2 percent people live below poverty line. The difference in poverty incidence between various geographical and development regions was almost similar (NPC, 2007).

According to the next survey exclusively done in rural areas in 1990/91 it was estimated that high incidence of poverty fall hard on landless and small farmers; but poverty was not only limited to these groups. The latest extensive household survey was conducted on in 1995/96 to evaluate poverty and measure living standard of the Nepalese people. Another survey of the same kind has not been done yet.

It was estimated at the beginning of the Ninth Plan that 42 percent of population live below poverty line. The Nepal living standard measurement survey had estimated annual per-capita income of Rs.4404 to meet the expenses on daily minimum average of 2124 kilo calories from food basket and other non-food items requirements too. The income level at the current process of 2001 turns out to be Rs.6100 (NPC, 2007).

The mid-term evaluation of the Tenth Plan has estimated that 38 percent of populations live below poverty line. These micro levels of estimates do not provide disaggregated live poverty on geographical basis. According to Nepal Living Standard Survey 2003/04 (NLSS) 30.5 percent of rural population lives below poverty line. Where as the figure for urban sector is 25 percent only. There is a great difference between Kathmandu valley and other urban areas in this regard, too. It is estimated that 30 percent of people live below poverty line in urban areas excluding Kathmandu valley. The level of income inequality is high in urban areas. Since 86 percent of the total population lives in rural areas, the nature of poverty in Nepal is

rural oriented one. The poverty pressures in Terai and Mountains are similar, but it is extremely high in Himalayan region. By to development regions incidence of poverty in mid-western and far western development regions is the highest.

Similarly according to third Nepal Living Standard Survey 2010/11, 25.16 percent of rural population lives below poverty line. Where as the figure for urban sector is 19 percent only. There is a great difference between Kathmandu valley and other urban areas in this regard, too. It is estimated that 19 percent of people live below poverty line in urban areas excluding Kathmandu valley. The level of income inequality is high in urban areas and 85 percent of the total population lives in rural areas (CBS, 2012).

Poverty is a multi-dimensional and complex problem. The causes of poverty, by analyzing deferent aspects of income and human poverty are not only economic but also social and technological backwardness too.

One of the main causes of poverty is low economic growth rate. The stock taking of economic achievement of last three decades shows a lower economic growth rate of approximately 4 percent while annual population growth rate was about 2.5 percent. The per-capita income growth rate at a very low level could not contribute to mitigate poverty significantly.

In Nepal, the Tenth Plan defined poverty line in terms of consumption expenditure required to consume 2124 kcals per person per day. In 1996, it was calculated in terms of consumption expenditure Rs.4404 per person per annum. On the basis of that poverty line, a large percentage of population was below that line.

Although an analysis of the trends during the Tenth Plan period shows some increase in expenditures, an annual average of 76.3 percent of the Tenth Plan, viz; FY 2002/03, 82.2 percent of the allocated amount was spent for targeted programs. Similarly, during the second year viz; FY 2003/04, the expenditure percentage declined with 65.8 percent being spent. However, some improvement was noted in FY 2004/05, with 79.0 percent of the budget being spent. In FY 2005/06, out of the total allocated budget of Rs. 3.40 billion 77.3 percent was spent. Similarly, out of the apportioned

budget of Rs. 4.74 billion in FY 2006/07, Rs. 3.65 billion was spent representing 77.0 percent of total.

To assist in the creation of society by eliminating the prevailing regional, caste-based and other inequalities and discriminations besides narrowing down the disparities between the affluent and the excluded groups, the current TYIP has focused on the inclusive and targeted programs by reducing the gap between the available opportunities and access. The Interim Constitution of Nepal 2007, the composition of the Constituent Assembly, the stipulations in the provisions relating to the appointment in public positions including the civil services could be taken as some notable achievements in the direction of inclusiveness.

The task of revising the Poverty Monitoring and Analysis System in accordance with the TYIP is moving forward. After the implementation of this system, the old monitoring and evaluation system, which used to focus on financial and physical progress, has witnessed noted improvements, and efforts are being made to institutionalize the system of monitoring the output and impact of the sectoral programs and projects.

After the introduction of this system, the annual reports of the first, second, third and fourth years of the Tenth Plan, also referred to as the Poverty Reduction Strategy Paper have been published based on the stipulated indicators, whereas the progress report for the fifth year is being prepared as the fifth and final evaluation. In pursuance of the objective of assisting in conducting programs by targeting the groups of people living below the absolute poverty line in accordance with the objective of extending direct support for the inclusive development and targeted programs as specified in the government of Nepal's Poverty Reduction Strategy Paper

Nepal's Poverty Reduction Strategy Paper and the current Three Year Interim Plan, Poverty Alleviation Fund (PAF) has been established under the Poverty Alleviation Fund Ordinance, 2060 and is operating as an autonomous institution under the Poverty Alleviation Fund Act, 2063. The PAF has conducted programs based on local demands with the active participation of the poor and backward classes of society in accordance with the 5 directive principles of revising the destitute social inclusion, transparency, demand-based program and direct delivery of fund in the community.

Whereas the PAF has conducted programs in the 6 districts of Darchula, Magu, Pyuthan, Kapilvastu, Ramechhap and Siraha since FY 2004/05 as pilot test with the World Bank's grant support of US\$150 million and grant support of the government of Nepal, the pilot program has been expanded to 40 districts as of FY 2007/08 based on the success of the pilot program.

Poverty incidence in Nepal is estimated around 26.5 percent on the basis of that poverty line. In depth, 14.9 percent is estimated as poor while 10.1 percent as ultra poor. The depth of poverty has further been intensified by the problem of unemployment and underemployment. The rate of unemployment has been estimated to be 5.2 percent. The rate for the urban area is as high as 14.2 percent and for rural area is 4.2 percent. Likewise that rate of underemployment has been estimated to be 4.1 percent, the corresponding figures for rural and urban areas being 4.1 and 4.8 percent (CBS, 2012). Absolute poverty concerned with absolute standard of living in terms on calorie in take and nutrition levels, clothing sanitation, health, education and so on.

Poverty is lack of any thing but especially poverty measure in economy, basic need fulfillment etc. Nepal is a agricultural country so in Nepal poverty measures in agricultural land also. Especially Nepal is a rural country because rural areas make Nepal. So we must study about rural poverty, poverty of rural areas is called rural poverty. In rural area most of the people depend on agriculture so in rural area there are many problems like basic needs, education, health facility, drinking water, communication and roads etc. So we must study cause of poverty in rural areas.

In simple, rural poverty refers that 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 challenges.

Poverty means especially lack of education facilities, lack of communication, lack of good governance and mismanagement, environmental degradation, low productivity, high population growth, absence of appropriate industries etc. in the rural areas.

The Three-Year Interim Plan (2012) has adopted the objective of ensuring direct transformation in the lives of the common people through reducing existing unemployment, poverty and inequality and contributing to the establishment of peace in the country. The plan, which was formulated being centered on the main objectives and in a manner different from the previous plans by following more participatory process, has adopted re-construction, re-establishment and social reintegration as the first and foremost priority. To achieve these objectives, the plan has adopted strategies to: i) lay special stress on relief, re-construction and re-integration, ii) realize employment-oriented, pro-poor and broad-based economic growth, iii) increase effectiveness in the promotion of good governance and the delivery of service, iv) increase investment in physical infrastructure development, v) emphasize social development, and vi) conduct inclusive development and targeted programs. The plan has given priority to issues such as re-construction and reestablishment, inclusiveness increasing investment in physical infrastructure like electricity, road, irrigation, communication etc. that support agriculture tourism and industry, and increase investment in education, health, drinking water and sanitation sectors so as to improve the human resource development. It targets to bring down the population living below the poverty line from the existing 31 percent to 25.16 percent (NPC, 2012).

With the objectives of freeing from poverty and backwardness, the various social classes, communities and regions that not been able to join the mainstream of development due to economic, social and cultural reasons, social inclusion and targeted programs have been implemented. Such targeted programs cover women, Dalits, Indigenous people, Madhesis and backward sections, communities living in remote areas, ultra-poor and small farmer households. Amongst the annual average number of approximately 450 programs/projects implemented during the five years of the Tenth Plan (2002/03-2006/07) an average of 35 projects were implemented under this strategy. Additionally, the TRIP has further prioritized the process of inclusive development and targeted program as a major strategy and adopted it In the first year of the TYIP, i.e. FY 2007/08, the number of program/projects has reached 60 and three has been an increase even in the budget allocation (NPC, 2007).

2.2 Empirical Literature Review

Hamilton (1968) 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.

Jain (2001) studied on poverty and focused 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 1991 prices and he calculated that 36.2percentage 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 18.8percentage the total population lies in this group. Thus 55percentage 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.

Islam (2004) studied on rural poverty and analyzed the extent of poverty, distribution of income distribution of land holding, trends in poverty etc. He has used the secondary data supplied by NPC in 1998 and ILO's survey in 1984 to fulfill the objectives of the study.

The writer has asked two questions about the trend of poverty.

- a) Has there been an increase or decrease in proportion of population and household living in condition of poverty.
- b) What has been happening to the living condition of the poor?

Asian and South Asian countries like Pakistan, Bangladesh, and Thailand etc. (Islam, 2004).

Seddon (2007) studied and examined the cause of poverty in Nepal. According to this increasing population agriculture 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.

A joint study of World Bank and UNDP, Nepal: Poverty and income has intended to deepen our understanding of the nature of poverty in Nepal of its causes and constrains which prevent the poor from improving their conditions. It investigates the effect of development policies and strategies on personal income and seeks to identify the most promising area for raising income of the poor. The main objectives of this study were to purpose the outlines of a long-term country strategy to reduce poverty as well as to recommended specific measures for government and donor support. The study showed that the incidence of poverty is more serious in rural area. For this purpose, secondary data from NRM and other research organization have been used finally; it gives some priority alleviation strategy in Nepal (World Bank, 1990).

According to UNDP (2010), among the world's 6 billion populations, 2.3 billion (around 4 percent) people had income of less than US\$2 per day and 1.2 billion (around 20 percent) people had income of less than US\$1 per day and 14 percent of those were living in South Asia.

According to World Development Report (2010), the human poverty index value for Nepal was estimated at 30.6 (of rural was 38.0 and of urban was 25.2), a figure fairly closed to the HPI (42.2) reported in the global HDR 2010. The HPI value exceeded that of all the Asian countries except Bangladesh and Pakistan. Human poverty in rural areas surpassed that of urban areas. The incidence was most pronounced in the mountains followed by Terai and Hills. Likewise, it was heavily concentrated in the mid-western and far western developmental regions and was highest in the mid western mountains which was 1.7 times higher than that of central Hills where the HPI value was recorded to be the lowest. Similarly, considerable disparities in human poverty existed across districts. In Doti, HDI lied between 0.400 - 0.449 while far western region as a whole was 0.404 (2009) and 0.364 (1996 - adjusted) and in Doti,

HPI was between 50-65 while far western region as a whole was 48.5 (2008) and 50.7 (2008 - adjusted). In comparison to the periods, it was found that decline in HPI had been highest in mid-western, western and central developmental regions with the least progress in the far-western region. Ecologically there has been least progress in poverty reduction in Terai and the Mountains compared to the Hills. Nepal was hardly alone among the numerous countries worldwide that had allowed both historical and contemporary factors to perpetuate the gaps between its haves and have-nots (World Bank, 2012).

Bhandari et.al (2006) study on comparison of the magnitude of poverty between Hills and Terai regions of Nepal. The study highlights the hardships faced by rural poor. Not only this, they have also tried to show the future of rural poor. They have shown the relationship between malnourishment and poverty. According to their study, the prevalence of malnourishment in the hill is 75.

Adhikari (2007) in his research work assessed the impact of agricultural development activities on the poor including small and marginal farmers as well as landless rural people. The study focused that more absolutely poor live in rural areas than in urban areas and the institutional setting (including macro economic factors) is more important for development than the strategic institutions such as research extension, input and output markets credit irrigation and SFDP.

"The Multipurpose Household Budget Survey" conducted by Nepal Rastra Bank tried to show the income, consumption and employment situation in Nepal. Simple statically tolls like Ginni Coefficient has also been computed for the analytical purpose. In comparison of Ginni coefficient among various countries, it is revealed that there is high-income inequality in Nepal. The survey had found the national average monthly income as Rs.1233. Where it was Rs.1192 and Rs.1785 for rural and urban Nepal respectively, The annual average per capita income for rural and urban Nepal was speculated to be at Rs.2456 and Rs.4108 respectively, in rural Nepal 18.5 percent of all household with average monthly income of Rs.384 covers 6 percent of total income while 3 percent of household with and average monthly income of Rs.4225 and above received 12.8 percent of total income. The Ginni ratio based on prospectively. The survey found that 50 percent of the population of hills and 43.1

percent of population of rural area are living below the poverty line. Finally, the research concluded that Nepal is the very poor nation of the world (NPC, 2007).

Nepal has completed tenth economic plan (Five Year). Each and every plan provides major focus on poverty alleviation and the upliftment on living standards of the people. The first policy against the rural poverty appeared in Nepal. In early 1950's after the country achieved the independence "Land Reform Programme" was of the major antipoverty policies introduced in the second economic plans. Widening inequality in the cultivated land increasing income gap between the rich and poor in rural society was the main reason that land reform policy of 1963 was initiated in Nepal. At the fifth five-year plan (1975-80) the integrated rural development program (IRDP) implemented was one of the main anti-poverty policies.

The program was general in nature aimed to expand the income, employment and production of the rural poor thorough stimulating a agriculture activities as well as providing basic social services. Similarly small framer development program (SFDP) was initiated in 1975 with in aim to increase the income and employment opportunities of the rural poor by providing them access of credit to under taken agricultural as well as non-agricultural activities. the next anti poverty policy appeared during the Sixth Five Year plan 1980 in the form of food for work program. The program had an aim to reduce the food shortage in the rural areas through the increased food supply to the needy people and it response to build and maintain rural infrastructure through local participation. Established 'Grameen Vikash Bank' another anti poverty program in eight economic plans. Similarly 'AAFNO GAUN' 'AAFAIN BANAUN' was another poverty alleviation program implemented in 1995, 'GARIB SANG BISHASWOR' 'MAHILA JAGRATI' is another anti poverty program in Ninth economic plan.

Ghimire (2008) studied about poverty alleviation. through community organizations in Dolkha district and discussed the various causes of poverty and it's alleviation strategies of Nepal and of SAARC countries. He found that political and socio-cultural factors, economic and demographic factors and geographical factors were the causes of expanding and deepening of poverty in Nepal. He also discussed that lack of good governance, concentration of foreign and in the urban areas, low human

development investment were the main socio-political factors which were helping for chronic and pervasive poverty in Nepal.

Gautam (2010) studied on poverty in Dang District, used 108 sample households and 373 people for the collection of primary data to analyse the extent of poverty and the pattern of income distribution in the study area. Her study was based both on primary and secondary data. According to her study, 40.74 percent of households or 49.48 percent of population were absolute poor and 35.25 percent of households or 25.29 percent of people were relative poor in the study site.

She determined that various socio-economic characteristics and variables of society, like size of landholding, employment and educational status, type of the occupation etc. are the determinants of the nature of poverty problem of the study area. In her study she 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, in adequacies of anti poverty planning and actions in this regard, rising inequalities of income regional disparities, in appropriate technology, capital deficiency, selection of wrong investment strategies, lack of education, lack of skill development program and a number of social factor are also responsible.

Gautam also analyzed on the basis of both, primary data collected from 11 selected districts of mountains, hills and Terai and of politico-administrative regions and secondary data, the research paper was presented. To present the poorest and Socio-economically down trodden (Dalit) people villages from rural districts and particular locations from urban districts were selected. People from urban and semi urban areas were daily paid labourer or self employed small entrepreneurs which also included the street vendors, and homeless children or rag-pickers of urban areas. Socio-economically depressed groups like cobblers, sweepers, laundryman, tailors, push-cart operators, riskshaw pullers, squatters and briddhashram etc. were the low income groups of urban areas. To describe the absolute and relative poverty, three types of poverty named material poverty, intellectual poverty and entrepreneurial poverty have been defined. The causes of poverty were found to be lack of capital to invest, difficult geographical situation, poor health services, lack of electricity and drinking water, lack of fertilizer and low productivity, deforestation, expenditure being greater than income, inequitable distribution of land, high population growth, natural

calamities, uncontrolled inflation, corruption, nepotism, lack of patriotic feeling among people and so on. The study also recommended some strategies for poverty alleviation. They were the land of inheritance needs should be reviewed to check land fragmentation and relieve the pressure on land, vocational and technical training should be launched on a wide scale, the feudal structure of society and the rent seeking attitudes of people should be changed through the creation of new opportunities and environment for productive investment and so on (Ghale, 2010)

The people's movement of 1990 and 2006 raised the aspirations of the marginalized sections of Nepal's population but would not adequately deliver on its promises of socio-economic betterment. Discriminatory practices rooted on ethno-caste system had dominated Nepalese culture for centuries. Macro-economic policies had been largely ineffective in promoting pro-poor growth and ensuring equitable income distribution. The piecemeal approach of the reform process against the backdrop of increasing popular awareness of human rights fueled contradiction in Nepalese society, leading to violent conflict. Targeted programs should be built into holistic social mobilization efforts and socially mobilized communities could overcome their current tendencies to exclude the ultra poor while at the same time ensured that the non-poor were also included to reduce tensions within the community, changing the long standing institutional culture that governed Nepal's decision making processes simply would not take place without radical changes in mindsets of those who worked within team. According to the report, poverty alleviation was possible only by deepening democracy, removing discriminatory laws and practices, making macro policy reforms for pro-poor, transforming agriculture, expanding equitable education and the health facilities, building infrastructure, creating employment opportunities, empowering disadvantaged and marginalized groups and investing in the organizational capacity of poor etc. According to the report, 56 percent in mountains, 41 percent in Hills, 42 percent in Terai, 23 percent in Urban areas, 44 percent in rural areas and 42 percent in Nepal as a whole were below the poverty line.

Shrestha (2008) has stated that rural poor in countries such as Nepal are confronted by four basic, interrelated problems: poverty, ignorance, disease and civic inertia. The rural poor who comprise two thirds of the world population, would forever confront social peace as a distant dream unless they themselves are able to solve their basic

problems and achieve a standard of living equal to that of the rest of society. The rural poor have the potential for self-development - what they lack is the opportunity to release and develop their inherent powers.

Shrestha also mentioned that the rural powers have personal dignity and should therefore, be regarded with respect, not pity. RRN envisions a world where all human beings enjoy opportunities for progress and prosperity with equality, justice and peace. RRRSDP's mission is to better the lives of the rural poor; particularly women, the land less, small farmers, ethnic minorities and the most disadvantaged and socially oppressed strata of the Nepalese society. Particularly, the traditional occupational "untouchable" caste groups known as Dalits and the traditional bonded laborers, now freed, known as Kamaiyas, by providing them with opportunities for their own socio-economic empowerment.

Shrestha has also mentioned that implement development programs from a rights perspective aimed at improving the socio-economic status of the poorest of the poor in rural areas; also, arrest and reverse the acceleration of ecological degradation. To campaign at the local, a national and international level on the root causes of poverty, people's empowerment, human rights violations, social transformation and related development issues. To publish people-oriented educational, development and advocacy publications targeting the rural poor, field workers and practitioners involved in rural development.

In a study by Bhandari and Dangol (2006) analyze the causes of poverty in a village of Panchthar district. He used and collected primary data. Break-even technique is used to determine the Wolf point. To analyze the poverty, they have used minimum subsistence norm and Sen's poverty index. The nature of poor had been analyzed by taking into consideration the various factors like the size of land holding, literacy, family size and monthly income by ethnic group etc. In this study, they have identified the rural poor in Nepal into two category viz. Marginal farmers and small farmers. This study further argues that the poverty problems originates in agriculture productivity levels in the rural sector and has considerable implications for interclass and interpersonal relations.

Ghale (2010) studied about poverty among Chepang Community of Chitwan district used primary data on the basis of size of landholding, literacy, family size, monthly income by ethnic group etc. for the analysis of cause and nature of poverty of the study area. For data analysis purpose and for poverty analysis, breakeven technique was used to determine the Wolf point, Sen's poverty index, and the minimum subsistence norm. She found that about 96.06 percent of people were absolute poor and there was the absence of relative poor in the study site. Various econometric tools like Lorenze Curve, Gini coefficient, simple linear regression etc. were used for data analysis purpose. She found that lack of education and technical skills, lack of land resources, unemployment, low productivity along with the growth of the population, lack of income generating occupations and activities etc. were the main causes of poverty in the respective Chepang Community of the study site of Chitwan district.

Kafle (2010) wrote article about structural adjustment and poverty alleviation in Samachar. According to him, poverty situation in Nepal was characterized by wide variations between urban and rural areas, ecological zones, developmental regions, gender and so on. According to 1995/96 household survey, 44 percent of rural population lived in poverty and 23 percent of urban population were also in such condition. Around 90 percent of poor lived in rural areas. Poverty in mountainous region was 56 percent. In mid-western and far-western regions (Hills and Mountains), it was 7.2 percent whereas in rural mid western and far western Terai regions, it was 53 percent. According to the writer, three essential requirements for ensuring good progress in poverty reduction were political stability, strong government commitment political will to effectively implement the poverty reduction policies and good governance. He also recommended that three key issued that always policy makers should concentrate on should be: how to finance poverty reducing spending in a way that did not have a negative impact on micro-economic stability, what policies can improve macro-economic performance and what policies can protect poor from domestic and external shocks.

Bhandari (2010) has also mentioned that experience shows that poverty and bad governance mutually reinforce, as they foster exclusion of citizens from decision making processes, lack of access to basic services, lack of opportunity, dependency, and limit availability of public goods. Social mobilization must be institutionalized

within government for it to be effective. This would encourage participation in decision making, build capacity for participatory planning, build a common vision on development and ensure transparency. Institutionalization of such efforts can only be effective if a decentralized system of governance, including fiscal decentralization is in place and functional. Social mobilization can facilitate tripartite leadership at the local level, making civil society more effective as a third and legitimate partner in development. Creating demand for good governance through social mobilization must be complemented with increased capacity of the local government to manage and effectively respond to this demand and improve its governance practices. Capacity building efforts must therefore target civil society organizations (including CBOs, elected representatives, etc.) and government.

He stated that by organizing people to better manage their natural resources and fight against practices and organizations that degrade the environment through promoting appropriate legal, regulatory and institutional frameworks and policy dialogue

Acharya (2011) studied on nature of poverty and tried to examine the poverty of Dang District and to show the relationships between poverty and employment of the study area on the basis of both primary as well as secondary data collected from the sampled households and NPC, CBS, WB, NRB etc. respectively, for the purpose of the comparison and analysis. For data analysis purpose, various econometric tools like Ginni coefficient, Lorenze curve, Sen's poverty index, wolf point, range, regression etc. were used in her study. Her study showed that 48.57 percent of households or 57.87 percent of the population were absolute poor and 30 percent of households or 25 percent of population were relative poor and similarly, 21.43 percent of households or 17.13 percent of population were non-poor. In the study site, she found that level of income was highly dependent on agriculture. In her study, she also recommended that provision of adequate land according to family size, training to the labourer, provision of formal and informal education to wipe out their traditional beliefs and cultural defects etc. were essential for the reduction of poverty in the study site.

The study of Risal (2011) made a study on income distribution and consumption patterns in Nepal based on secondary data for the calculation of income distribution, consumption pattern and poverty with the application of various statistical tools. In this study the value of Ginni coefficient was found to be 0.35 and it was found a

positive correlation between total consumption, expenditure and income. The findings of this study shows that it is needed to raise the consumption patterns where low consumption was persistent.

Another study made on poverty alleviation policy and reality in Nepal: An Anthropological study on Andheri Narayansthan VDC of Okhaldhunga District indicated that the households having economically high status were generally dominant in social sectors whereas economically low status households had no access and benefits or of comparatively less benefits and access. Economically conditioned (high status), socially aware and culturally advanced (in the sense that if they are benefited with prevailing condition) households were brought up in the main stream of policy formulation and implementation efforts, and were more secure in terms of economic and social stagnation in the future. Socio-economically and culturally disadvantaged groups were always backward for they were incapable of exploiting the development mechanisms that were brought up with the policy attempts. Socio-cultural and geographical (altitude, climate, natural resources) conditions had tremendous effects on the formation of socio-economic backgrounds of a particular society (Rai, 2011).

The studies show that there is the major problem of poverty for the developing countries like Nepal. Different financial institutions help to avoid the poverty by providing assets at low interest and other investments to the poor. From the different views of different researchers and authors, it can be able to know a lot about the poverty problem of rural areas which present all over the country and can be alleviated through the provision of money with low or no interest, different skills for behavioural education and other traditional concepts for the local rural poor people. This study has given special attention to the extent and nature of the poverty of the study area, i.e., Satar caste at Shanischare VDC, one of the terai VDCs, of the Jhapa district of Nepal which is a rural setup having distinct socio-economic characteristics. The current study tries to find the missing elements in the concept of poverty.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study is based on the micro study of poverty. The study analyses the existing state of poverty in a specific area is identified in the case study of the present study. This study is based on descriptive as well as exploratory research design. Through the help of exploratory research design social, cultural, political and economic causes and consequences has been pointed and presented. Similarly descriptive research is followed to find out the fact that how deprivation and affected by the different tools of poverty.

3.2 Selection of the Study Area

The main reason of the selection of study topic is to measure the nature and extent of poverty of the Satar community at Shanischare VDC of Jhapa district of Nepal. The main objective of this chapter is to throw light on the methodology used in present study. The purpose of the study is basically to explore the problems, impacts of poverty in Satar caste at Shanischare VDC of Jhapa. The study area is Shanischare VDC of Jhapa of Eastern Development Region of Nepal. This VDC has been selected because researcher herself resides in this village. There are many people who are living with low living standard in this village. This VDC has been chosen for the study to understand the causes of poverty and process of poverty alleviation and its negative impacts of rural community health of rural areas people and environment.

For the overall development of the country, development of the rural VDC is must. Shanischare VDC is one of the rural VDCs of eastern Nepal. So, the most of the inhabitants of Satar caste in this VDC even could not able to taste the fruit of development and even unknown. They are burning in poverty, living in poverty and dieing in poverty. So, to empower the people for their own development should be the main aim of the educated persons. So, reduction in poverty is very necessary to empower them. Most of the Satar people of study VDC are absolute poor and almost two thirds of the populations are poor. So, poverty and its vicious circle are widespread and non-breakable for the study VDC. So, to give emphasis on the vicious

circle of poverty of the study site, this study is carried out. The study of the poverty of the whole country is out of reach due to various limitations and it would be the first step for the researcher to develop rural Nepal or to alleviate poverty. The rural people of Nepal are spending a very difficult life and so, it is necessary to upgrade their lifestyle for making their lifestyle easier. The problems of the hilly areas of Nepal and of the study VDC are also put forward in this dissertation.

3.3 Sources of Data

The study is based on primary as well as secondary data. Primary data was mainly collected through the structured questionnaire and observation. In addition to the primary source of relevant informations were collected from secondary sources i.e. data published by National commutation, different articles of District Development Committee and other organizations.

3.4 Sampling Procedure and Sample Size

Every types of social research is carried out by the collection of data from the samples which are drawn from population because the study of the whole population is out of reach due to limited time frame and budget. Samples are the source of primary data. In this research, the sampling procedure was the judgement sampling because in this sampling method, every element of the population had an equal chance of being selected. Similarly, for key informants, the judgement sampling is used. Out of the total 130 Satar households of the Shanischare VDC ward no. 5 to 9, 75 respondents had been selected for household survey which represented 57.69 percent of the total Satar people. The sampling size used in this study was given in table number 3.1. In order to obtain the information by taking personal interview with the household heads, other desired inquires to full fill the objectives of the study are with the help of local well informed people. The selection of sample size is given in the following table 3.1.

Table 3.1: Sample Size of Respondents' Household of Shanischare VDC

Ward No.	Total Number of Households	Number of Sampled Respondents
5	1	3
6	24	19
7	70	29
8	30	16
9	5	8
Total	130	75

Source: VDC Profile of Shanischare, 2013

3.5 Data Collection Tools and Technique

That data for the present study are generated from the following method of data collection techniques.

3.5.1 Interview Schedule

Interview schedule has been prepared so as to meet the purpose of the study. Basically, household survey was conducted to obtain quantitative data, such as population characteristics, age and sex composition, educational status, landholding size, livestock numbers and types, economic status of respondents.

This technique was applied for its flexibility to provide opportunity to know the opinion of the respondents. However, interviewing is a simple, two way conversation between an interrogation and informant. American psychiatric, Harry Stand who points out that as men can be learnt from verbal expressions as from vocal, that is pertaining to the use of sounds. A checklist is prepared for interview which gives information about the history of rural people, present and past socio-economic conditions and the changes on various aspects of their lives and how they perceived these changes. At the same time formal and informal interview was conducted side by side.

3.6 Data Processing

The raw data collected through completed questionnaire was tabulated and master sheet of information was made on order to incorporate the tabulated and master sheet of information was made in order to incorporate the tabulated and master sheet of

information was made in order to incorporate different socio economic characteristics such as income, landholding, farming size, level of education etc.

3.7 Methods and Tools Used for Data Analyses

Various statistical tools are used to measure the poverty and its extent. Especially, these analytical tools are used to estimate the absolute, relative and total poverty line. Similarly, some other statistical tools are also used to show the relationship between poverty and other factor such as income inequality, unemployment, level of education etc.

3.7.1 Method of Estimating Absolute Poverty

The minimum substance norm is followed to estimate absolute poverty line. The household whose per-capita income is below minimum substance level is known absolute poor.

Minimum substance norm followed by FAO is used estimate the absolute poverty line. According to FAO estimation the per-capita per day calorie requirement for survival for Nepal is 2256, which requires neat consumption of 605gms of cereals and 60gms of pulse. To obtain per-capita per day value of 605gms of cereals and 60gm of pulses, they are multiplied by their respectively local market price with this total value. We add the consumption expenditure made on other basic essentials of life to derive the minimum substance level of income.

According the National Planning Commission expenditure on minimum food requirement for survival for Nepal is 2256, which requires meat consumption of 605gms of cereals and 60gm of pulses. They are multiple by their respective local market price with this total value, we add the consumption substance level of income. According to National Planning Commission expenditure on minimum food requirement i.e. 60gms of cereal and 60gms of pulses secure only 65percentage of substance consumption will be spent on another food and non-food items.

3.7.2 Computations of Total Poverty Line

For computing total poverty line Keynesian consumption function and wolf- point technique will used. We use matrix method to calculate the value of a and b from data. The wolf gives us total poverty line, so the household that falls below this point income is termed as poor.

- a) In Keynesian consumption function it is assumed that consumption is the function of income. Thus it is expressed as.

$$C_i = a + bY_i$$

Where,

a = represents autonomous consumption

b = represents marginal propensity to consume

C_i = represents consumption expenditure

Y_i = represents income

- b) Computation of Wolf-point.

Wolf-point is known as break-even point and implies equality between income and expenditure i.e. C_i and Y_i (income and expenditure) are equal in Keynesian consumption function, mathematically.

$$C_i = a + bY_i$$

If C_i and Y_i are equal, following expression can be obtained wolf-pint = $\frac{a}{1 - b}$.

To compute wolf-point we have to know the value of a and b of Keynesian consumption function, they e have to do regression analysis as fallows.

$$C_i = a + bY_i$$

$$C_i - Xna \Gamma b \quad Y_i$$

$$C_i Y_i \quad Xa \quad Y_i \Gamma b \quad Y_i^2 .$$

We use matrix method to calculate the value of a and b from above question.

The wolf gives us total poverty line, so the household that falls below this point income is termed as poor.

3.7.3 Derivation of Relative Poverty Line

The relative poverty line is derived on the basis of absolute poverty line and wolf-point because the relative poverty level is income level between the absolute poverty line and the wolf-point.

3.7.4 Estimation of Non-Poor

Those households are considered to be non-poor whose income is above the break even level of income (wolf point) i.e. above the equality point of income and expenditure and who can save it desire.

3.8 Computation of Magnitude or Intensity of Poverty Situation

Sen's poverty index is used to estimate the intensity of the existing situation of the poverty in the study area. We calculate it in two ways.

3.8.1 Computation of Sen's Poverty Index with Considering Inequality Among Poor

For this we use following expression

$$P^* = \frac{X}{C_p^*} [C_p^* Z C_p (1 Z G_p)]$$

Where,

P_x = poverty index

X = percentage of population below absolute poverty line

C_p^* = poverty line in per capita per day

C_p = per-capita, mean income of absolute poor

G_p = Gini co-efficient of the absolute poor

In theoretical notion, it is considered that if the value of poverty index (P^*) approaches near to zero there is low intensity of poor. And if it (P^*) approaches near to one, there is high degree of intensity of poverty.

3.8.2 Variance

It should be deviation of data of individual items from the mean value so, it is useful to apply for the estimations of the dispersion of the data which finally shows the inequality is the distribution.

$$\text{Symbolically } V = \frac{\sum_{i=1}^n f_i (\bar{y} - y_i)^2}{n}$$

Where,

V = variance

\bar{y} = Income of the individual

y_i = mean income

n = number of observation

3.8.3 Mean Deviation

Mean deviation is used to measure the equality in the distribution of income. It also measures variation of each item from its value. If the value of mean deviation is zero it indicates that there is perfect equality and if it is one, it expresses that there is perfect inequality. It is calculated by using the following formula.

$$\text{M.D.} = \frac{\sum_{i=1}^n | \bar{y} - y_i |}{n}$$

Where,

M.D. = mean deviation

y_i = income of the individual

\bar{y} = mean income

n = number of observation

3.8.4 Coefficient of Variation

It is the ratio of standard deviation to mean it is calculated as.

$$\text{C.V.} = \frac{\sqrt{\text{Var}}}{\bar{y}}$$

Where,

C.V. = co-efficient of variation

\bar{Y} = mean income

Var = variance

3.8.5 Range

Range is the simplest method to measure inequality. It is the difference between highest and lowest item of the given series as ratio of its mean.

$$\text{Symbolically } R = \frac{\text{max.y} - \text{min.y}}{\bar{y}}$$

Where,

R = range (O < R < N)

Max.y = maximum income

Min.y = minimum income

\bar{Y} = mean income

As the value of R tends to zero it implies that there is equality in the distribution of income and vice versa.

3.9 Calculation of Income Distribution and Extent of Income Inequality

Various statistical tools are used to measure the distribution of income and extent of income inequality. Among these, some common tools are given below.

3.9.1 Lorenz Curve

Lorenz curve method also helps to measure the inequality of income distribution. It is a graphical method. In this method, on the X-axis we measure the cumulative percentage of household and on the Y-axis we measure the cumulative percentage of income. The perfect equality in income is expressed by drawing a straight line through the intercept of X and Y-axis. It shows the difference between equal distributions of income in the study area. As the area between actual and equal distribution lines increases; the inequality in the distribution of income also increases and if the area decreases the inequality in the distribution of income decreases.

3.9.2 Ginni Coefficient

Ginni coefficient measures the inequality in income distribution. The value of Ginni coefficient is always positive. We should take only the absolute value of the result even if we sometimes encounter with a negative value. For ungrouped data, Ginni coefficient can be calculated by using the following formula if data are arranged in ascending order.

$$G = \frac{1}{n} \left[\sum_{i=1}^{n-1} 2Y_i - Y_n \right]$$

For, $Y_1 \leq Y_2 \leq \dots \leq Y_n$

Where,

n = the number of observation

\bar{Y} = the mean value of variable (Y)

Y_i = the variable value for the i^{th} observation, and

G = Ginni co-efficient ($0 < G < 1$)

The higher the value of the Ginni co-efficient the higher will be the inequality. Similarly, lower value of the Ginni co-efficient indicates lower inequality. When the value of Ginni co-efficient approaches to zero or exact equal to zero, it is the symbol of perfect equal distribution of income in society.

3.9.3 Correlation

Correlation between income and expenditure is calculated because these two are highly correlated phenomena. The correlation gives the relation between any two factors.

Mathematically, it can be expressed.

$$r = \frac{\sum_{i=1}^N y_i C_i - \bar{y} \sum_{i=1}^N C_i}{\sqrt{\sum_{i=1}^N y_i^2 C_i - \bar{y}^2 \sum_{i=1}^N C_i} \sqrt{\sum_{i=1}^N C_i^2 - \bar{C}^2 \sum_{i=1}^N C_i}}$$

Where,

r = correlation co-efficient

Y_i = income of the i^{th} households

C_i = consumption expenditure of the i^{th} households

N = number of observation.

The value of correlation ranges between 1. if the value of correlation coefficient is negative, it implies that there is inverse relationship between the variables and if it is positive, this implies direct relationship between variable.

3.10 Data Analysis and Interpretation

The collected data are analyzed and interpreted on the basis of research design. After completing the field survey, collected data during field work were edited and tabulated as per the need of report mirror. Moreover in order to make the report more precise, figures and tables have been enclosed with this report similarly, chapter-subchapter have been divided.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Estimation of the Poverty Line and the Poor

In the present study, in order to define the extent of poverty in the study area, mainly two types of poverty lines are estimated absolute poverty line and relative poverty line. The absolute poverty line is determined on the basis on minimum income required to purchase the subsistence calorie requirement per day per person i.e. know as subsistence norm. The relative poverty line is determined by Keynesian consumption notion of break-ever point. An individual whose income is above absolute poverty line and below the break-ever point is known as relative poor. In other words, break-even point is the level of income where it just equals the consumption expenditure. The break-even point is known as total poverty line and people below the break-even point are considered as total poor. Therefore the total poor is the sum of absolute poor and the relative poor in the study area.

4.2 Absolute Poverty Line and the Absolute Poor

The absolute poverty line is determined on the basis of minimum income required to purchase the subsistence calorie requirement per day per person for the survival and social existence which is know as subsistence norm.

According to World Bank (1990) the calorie required for survival level in Nepal is 2256 per person per day. This requires a net consumption of 605 grams of pulses (mas, masuro rahar etc) pre head daily for survival. From the consumption of the above quality of cereals will provide 2042 calories and from the above quality of pulses will provide 214 calories. But there are no special study has been carried out so far to the minimum daily calories requirements of the people of the study area.

To derive the value of 605 grams of various cereals like rice, wheat, maize etc and 60 grams of various pulses like mas, masuro, rahar etc are taken which is commonly available in the local market. Therefore, the value of 60 grams of cereals and 60 grams of pulses are calculated NRs 7.53 and NRs 4.05 respectively on the basis of

current local market price. Thus, the value of 2256 calorie per capital per day is estimated be NRS 11.58x365=Rs. 4226.7 (See Annex-2)

According to NPC, the expenditure on food items covers only 65 percent of total subsistence expenditure; the remaining is for meeting other basic non-food requirement such as clothing, housing etc. The calculated value NRS 10.96 for the present study area gives us only 65 percent of their expenditure per-capita per day. Remaining 35 percent of total expenditure is expended on non-food items.

The value of minimum average daily consumption expenditure on non-food item is estimated to be NRS 5.90 per person per day for the study area. By summing up the expenditure on both food and non-food items, we arrive at the absolute poverty line in the study area for the year 2013. The absolute poverty line income per capita per day for the study area Shanischare VDC of Jhapa district comes out be NRs. 17.48 on the basis of subsistence norm.

Thus, those households whose per capita daily income is less than NRs. 17.48 are known as absolutely poor households various researchers have estimated absolute poverty line in different time and different place of Nepal. The comparison of the absolute poverty line in the present study and some other past studies are shown in the table.

Table 4.1: Absolute Poverty Line in Study Area

S.N.	Study Area	Average daily value of 2256 calories (605gms of cereals and 60gms of pulses (NRs)	Lowest average actual daily consumption expenses on other (non-food)	Absolute poverty line (NRs)
1	Shanischare V.D.C., Jhapa	11.58	5.90	17.48

Field Survey, 2014 and appendix-2

The present estimate of absolute poverty line i.e. (Rs. 11.58x365=Rs. 4226.7) annual is highest compared to previous studies due to time lag between present studies and previous studies, geographical features, inflation etc.

The analysis of the absolute poor among the sample households and sampled population of the different studies is presented in this table.

Table 4.2: Absolute Poor Households and Population in Study Area

S.N.	Study Area	Total No. of Households (HHs)	Households (HHs) below poverty line		Total Population	Population below poverty line	
			Households (HHs)	Percent		Population	Percent
1	Shanischare V.D.C, Jhapa	75	35	46.6	431	196	45.48

Field Survey, 2014

4.3 Relative Poverty Line and the Relative Poor

Relative poverty line is estimated with the help of wolf point. The wolf point level of income is that levels of income which is just equal to expenditure. Relative poverty level refers to that level of income, which lies between wolf point and absolute poverty line. Therefore, the households or population, whose income level lies below this point and above the absolute poverty line, are called relatively poor. Such households are just able to meet the minimum expenditure but not total expenditure.

In the present study, the value of Wolf point found to be Rs.20.25 per capita per day (See Annex-4) and absolute poverty line is 11.58 per capital per day (See Annex-2). For the study area those households or population were relative poor whose income levels lies between these two-income levels. Out of 75 total sampled households and 431 populations 14 households and 73 people are relatively poor. Thus, it is found that 18.66 percent households and 16.93 percent people were relatively poor. The comparison of the relative poor among the sampled households and sampled population of the different studies is presented in the table 4.3.

Table 4.3: Relative Poor in Study Area

S.N.	Study Area	Relative Poor Households		Relative Poor Population	
		No.	%	No.	%
1	Shanischare V.D.C., Jhapa	14	18.66	73	16.94

Field Survey, 2014

4.4 Total Poverty Line and the Total Poor

The income level, which lies below the Wolf point, indicates total poverty line. Wolf point is defined as the point of equality between income and expenditure per capita per day in the Keynesian consumption function. Total poverty is the sum of absolute poverty and relative poverty. Total poverty is also called as upper poverty line. From the study, it was found that 49 households or 61.65 percent were total poor, 35 households or 43.75 percent were absolute poor and 14 households or 17.5 percent were relative poor respectively. These data were presented in table 4.4.

Table 4.4: Absolute, Relative, Total and Non-Poor in the Study Area

S.N	Types of poor	Households		Population	
		Number	Percent	Number	Percent
1	Absolute poor	35	46.66	196	45.48
2	Relative Poor	14	18.66	73	16.94
3	Total Poor	49	65.33	269	62.42
4	Non- Poor	26	34.67	162	37.58
	Total	75	100.00	431	100.00

Field Survey, 2014

Total Poverty Line and the total Poor in Shanischare V.D.C is given in following table. Total poverty line (per capita per day and total poor is presented in table 4.5.

Table 4.5: Total Poverty Line and the Total Poor in Study Area

S.N	Study Area	Total poverty line (per capita per day NRs.)	Poor		Total population	
			No.	%	No.	%
1	Shanischare V.D.C., Jhapa	20.25	49	61.25	269	61.13

Field Survey, 2014

Total poverty is the sum of absolute poverty and relative poverty. Total poverty is also called as upper poverty line. The Wolf point for the present study is NRs. 20.25 and on this basis, it is found that 61.25 percent of sampled households or 61.13 percent of sampled population were poor.

4.5 Income Distribution in the Study Area

The main cause of poverty is unequal distribution of income. Unequal distribution of income is a world wide problem. Nepal is one of the developing countries and is not far from this problem. In the rural areas of Nepal there is a wide gap between haves and have not resulting into poor people getting poorer and rich people getting richer day by day. The standard of living of people is mainly determined by income. It is the inequality in the distribution of income, which is considered as main cause of unemployment, poverty, etc. Therefore, it is necessary to analyze the exiting patter of income among the poor and a non-poor household is examined. To examine the actual patter of income and wealth distribution in the study area the Ginni co- efficient and loran curve are used.

4.5.1 Income Distribution Among Sampled Households

In order to study the income distribution and inequality on its distribution, the sample households of the study area are distributed into ten income group. Each group occupies 10 percent of total sample household's i. e. in each decile group there are 8households. It has ranked from low income group to high. Thus, the first decile covers 10 percent households of low income group and last decile coves 10 percent households of high income group. In the present study, the per capita daily income is taken to draw Lorenz curve as well as to estimate the value of Ginni-co-efficient ratio.

The following table and figure represents a picture of income distribution per capita per day of sample households into decile group.

Table 4.6: Income Distribution among sampled Households per Capita

Group	No. HHS	Percentage of HHs	Cumulative Percentage of HHs	Income	Percentage of Income	Cumulative Percentage of Income
1	7	9.33	10	45.65	2.80	2.8
2	7	9.33	20	63.95	3.92	6.72
3	7	9.33	30	86.18	5.28	12.00
4	7	9.33	40	115.69	7.10	19.1
5	7	9.33	50	136.43	8.37	27.47
6	8	10.66	60	153.46	9.41	36.88
7	8	10.66	70	175.73	10.78	47.66
8	8	10.66	80	208.16	12.78	60.44
9	8	10.66	90	267.72	16.41	76.85
10	8	10.66	100	377.53	23.15	100
	75	100	---	1630.5	100.00	--

Field Survey, 2014

The table 4.6 shows that higher disparity in income distribution among sample households. It was seen that top ten percent of Household's members have received 23.15 percent of total income where as bottom 10 percent of households members receive only 2.8 percent of total income.

The table 4.6 of income distribution can be reflected in the following graphical expression called Lorenz curve.

The Lorenz curve shows the difference between equal distribution of income and actual distribution of income. The area between Lorenz curve and the line of equal distribution is known as the area of concentration. The basic notion is that the greater the area of concentration, the large magnitude of income inequality and vice versa.

The Ginni co-efficient of the absolute poor households according to daily households is 0.20 (Annex-6)

Table 4.6 shows that 25.71 percent was the lowest income group households among absolute poor households earn only 14.55 percent of total income where as the 22.87 percent top income group receives 34.66 percent of total income. This indicates that there was a high disparity in the income distribution among the absolute poor households. It is clear that there was the existence of income inequality in the study area.

To measure the extent of inequality in the study area, we have to fine out the value of area of concentration. Thus, to find out the value of area of concentration or extent of inequality, we compute Ginni co-efficient ratio. Considering the per capital per day income, Ginni co-efficient ratio is 0.32 among the total sample households (see Annex-5)

4.5.2 Income Distribution Among Absolute Poor

In order to examine the income distribution among absolute poor household, total 35 absolute poor households are divided into 4 groups. The first three group contain 9 households and last group contain 8 households

Table 4.7: Income Distribution Among Absolute Poor Household

Group	No. of Households	Percent of Households	Cumulative percent of Households	Income	Percent of Income	Cumulative percent of Income
1	9	25.71	25.71	52.46	14.55	14.55
2	9	25.71	51.42	77.22	21.41	35.96
3	9	25.71	77.13	105.93	29.38	65.34
4	8	22.87	100.00	125	34.66	100
Total	35	100.00	--	360.61	100.00	--

Field Survey, 2014

In the present study, the value of Ginni –co-efficient ratio is found to be as 0.20 (Annex-6). The Ginni co- efficient ratio among the absolute poor households in study area is shown in the following table 4.8 below.

Table 4.8: Ginni co-efficient Ratio and Sen's Poverty Index of the Absolute Poor in Study Area

S.N	Co-efficient Ratio	Value
1	Ginni Co-efficient	0.20
2.	Sen's Poverty Index considering income inequality	0.224
3.	Sen's Poverty Index without considering income inequality	0.170

Field Survey, 2014

4.5.3 Sen's Poverty Index

Considering, the question "How poor are the Poor?" Sen.'s poverty index has been calculated. It is based on the ordinal welfare concept. It shows the intensity of the poverty problem. The value of poverty index considering income inequality is found to be 0.224 and without considering income inequality is found to be 0.170 among absolute poor household (see Annex 6). It shows higher intensity of poverty due to inequality in income distribution among poor.

4.5.4 Poverty Problem and Its Nature in the Study Area

Poverty is a multidimensional and multi-sectoral phenomenon. There are several views on poverty expressed by different writers and researcher. Most of them, however, state that rural poverty is characterized by a small land holding, low income and a substance oriented approach to agriculture. As someone talks about the poverty problem in Nepal, it implies rural poverty and hence it has a link with land ownership because land is the most important source of rural income and status. The dynamic of poverty, inequality and nutritional deficiencies are related to each other through complex chain of interaction. Each of these phenomenons reinforces the other and they are all influenced at the same time by a number of other socio economic parameters.

In this chapter the nature of poverty and its relation with other variable such as education income size of landholding etc. are taken into consideration regarding this problem. We know that poverty has a strong correlation with the socio-economic structure such as ethnic composition.

Thus, the analysis is focused on socio-economic characteristics of the study area and their relationship with the poverty problem.

4.5.4.1 Educational Status and Poor

Most of the people in the study area are poor due to insufficient education which may be a serious cause of individual poverty. If the people are educated it will increase the quality, job opportunity, standard of living, inner skill. Therefore, it can be said that lack of education and, major cause of poverty. There is a negative relationship between education and the poverty. Table 4.9 shows the educational condition of the total sampled households of the study area.

Table 4.9: Education Status and the Poor among the Total Sample Household

Level of Literacy	No of HHs Head	% of HHS Head	Poor	% Of Poor	Non Poor	% of Non poor
Literate(Primary Education)	36	47.50	28	80.00	10	22.22
Illiterate	24	32.50	5	14.29	21	46.67
Up to SLC	10	12.50	2	5.71	8	17.78
Higher education	5	7.50	-	-	6	13.33
Total	75	100.00	35	100.00	45	100.00

Field Survey, 2014

In the present study out of 75 total sample households 47.5 percent households heads were literate, 32.5 percent households were illiterate. Level education 12.5 percent were up to SLC and only 7.5 percent household's heads are higher educated.

It is clearer from table 4.9 that poverty problem is higher among the literate people than that of illiterate. Out of 35 total poor households 28 (80percentage) household were in absolutely poor among the illiterate households head group. Among the

literate group out of 26 households head only 5 (14.29 percentage) households head were found to be poor. Out of 6 to 10 classes household heads are only 2 (i.e 5.71) household head is found to be poor. And no poor household heads are found to be in higher education level.

Table 4.10: Educational Status of Absolute Poor Household Heads and the per capita

Literacy	Status	Household Head		Population		Daily per capita mean income
		No	%	No	%	
Literate (Primary education)		28	80.00	27	13.78	15.54
Illiterate		5	14.29	9	4.59	8.93
Up to S.L.C		2	5.71	---	4.59	16.50
Higher education		-	-	-	-	-
Total		35	100	196	100	10.30

Field Survey, 2014

From the table 4.10, it is clear that literate households heads had very high mean income per capita per day, 80 percent absolute poor household head are literate and their mean income per capita per day is only Rs. 15.54 which was far below that the income required for minimum subsistence. As the level of education increases the mean income per capita also increased. Thus in the present study the per capita mean daily income of the households having primary education and higher education was 14.45 and 16.5 respectively, among the absolute poor.

4.5.4.2 Size of Land Holding and Poor

Most of the people in rural Nepal are poor due to possession of insufficient land to generate income. The extent of poverty is highly affected by the size of land is one of the main factors determining economic status of the rural households. The following table 4.11 showed the relationship between the size of land holding and the income level of absolute poor in the study area.

Table 4.11: Distribution of Sample Households According to the size of Landholding for Cultivation

S.N	Size of land Holding	Household		Population		Per capita daily mean income
			Head			
1.	Landless	8	22.86	57	29.08	5.86
2.	Upto 0.5 Katta	18	51.43	93	47.45	9.82
3.	0.5 to 2 Katta	7	20.00	34	17.35	14.93
4.	2 to3 Katta	2	5.71	12	6.12	16.23
5.	3 to5 Katta	-	-	-	-	-
6.	5 to7 Katta	-	-	-	-	-
7.	Above 7 Katta	-	-	-	-	-
	Total	35	100	196	100	10.30

Field Survey, 2014

From the table 4.11, it is clear that there was positive relationship between the size of land holding and the income level. Income level is found to be significantly higher in the case of large size of land holding than that of smaller size land holding. Thus, the poverty problem is highly correlated with those households who have smaller size of landholding. Among the 35 poor household 8 (i.e 22.86) households heads have no land ore landless and their per capita daily mean income in Rs. 5.86 similarly, 18 (15.43) households' head have less than 0.5 Katta and their mean per capita daily income is Rs. 9.82.

4.5.4.3 Occupational Status and Poor

An individual's occupation plays crucial role in determining his economic status. In other words the income levels of every households or individuals are highly influenced by the main occupation in which they are involved. The largest percentage of people in the study area is engaged in agriculture and it is their main occupation due to low productivity of land small size of land holding etc their income is low. The following table shows the distribution of poor occupation and their mean income.

Table 4.12: Distribution of Absolute Poor Households and Population by Main Occupation and per Capita Income

S.N	Main Occupation	No. of HHS	Percent	Daily per capita mean income
1	Agriculture	19	54.29	9.54
2	Agriculture labour	13	37.14	7.81
3	Service	2	5.71	9.86
4	Business	1	2.61	9.23
	Total	35	100.00	10.30

Field Survey, 2014

From the table 4.12, it is clear that out of 35 total absolute poor households 19 (54.29 percentage) households head were engaged in agriculture as the main occupation and 13 (37.14percentage) households' heads were agricultural labour. Agricultural labors earn lowest daily per capita income (7.81percentage) compared to other groups who were engaged in business or other non-agricultural activities. it could be because of lower productivity of land and inadequate technology of farming.

4.5.4.4 Employment and Poor

Employment is the basic determinant of income. There is direct relationship between poverty and employment. If population of a country is fully employed the existence of poverty is low due to their earning. On the other hand if the people are unemployed their income is low and there appears high degree of poverty.

To determine the relationship between the poverty and poverty employment it is assumed that 10 to 60 years ago group of people were in working age group. Above 60 and below 10 years were of non working age group. The following table shows the distribution of population by working age group.

Table 4.13: Distribution of Population by Working Age Group

S N.	Group of Population	Number of people			Percentage		
		Male	Female	Both	Male	Female	Both
1	Working age	145	123	268	63.68	61.17	62.50
2	Non- working age	85	78	163	36.32	38.83	37.5
		230	201	431	100	100	100

Field Survey, 2014

From the table 4.13, it is clear that out of total sample population 62.5 percent were found to be in working age group and remaining 37.5 percent were in non working age group.

For the purpose of the study unemployed, semi-employed and fully employed, population among the working age group have been categorized as such those people who work nine month or more than nine months in a year as fully employed those who work less than nine months and more than three months as semi-employed and those who work less than three months in year as unemployed population. The level of employment of absolute poor household head is shown in table 4.15 below.

Table 4.14: Level of Employment of Absolute Poor Households Head

S.N.	Level of Employment	No. of HHS	Percent
1	Unemployed	9	25.71
2	Semi-employed	21	60.00
3	Fully employed	5	14.29
	Total	35	100.00

Field Survey, 2014

From the table 4.14, it is clear that out of 35 poor household head 9 (25.71) households heads were unemployed 21 (i.e 60 percentage) households heads were semi-employed only 5 (14.29) households heads are fully employed.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The concept of poverty is not a new subject. In present poverty is one of the general features of developing countries like Nepal. Poverty in the present world cannot be viewed as an uni-dimensional concept, rather it is viewed as comprising the notions of lack of access to resources and opportunities, illiteracy, poor health, and lack of sanitation, deprivation of basic rights and security and powerlessness. Likewise, poverty is defined as the inability to consume a minimum amount of food and non-food items. Poverty can be defined in two ways: a) Absolute Poverty b) Relative Poverty. The situation where individuals can't afford the minimum requirements like feeding, lodging and clothing is called absolute poverty. In order to measure absolute poverty, minimum requirements or basic need goods are defined at first. And then the amount of money needed for buying minimum requirement goods is calculated. Persons who can't expenses that amount are classified as absolute poor. But Relative Poverty is not the study of affording minimum goods. In fact it is the equality or inequality of income distribution. Relative poverty exists when lower group holds higher amount of income and vice versa.

Poverty is a social phenomenon in which a section of the society is unable to fulfill even its basic necessities of life. It is also a relationship between the essential needs of the people survival and physical efficiency and their ability to satisfy them. Poverty has stood has serious challenge to the country. According to Nepal living standard survey 2010/11, 25.16 percent of the total populations remained below the absolute poverty line among them about 10.1 percentage are counted as ultra poor of the poorest and the Ginni coefficient, which indicates inequality between the poor and rich is 0.33 percent. The summary of the findings were as follows:

-) From the study area Rs 11.58 per capita per day has been drawn as the absolute poverty line. Based on this, it is found that 46.6 percent households or 45.48 percent population is absolute poor. The Wolf point or upper poverty

line for the study area had been estimated as 20.25 per capita per day. According to this 65.33 percent households or 62.42 percent population in the study area were poor.

-) The objective of this study was to assert the extent of absolute and relative poverty in the study area. Some of the poor are landless or those who had their own land in very small size were 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.
-) The difference between the total poor and the absolute poor is called relative poor. It was found that 18.66 percent households and 16.94 percent population were relative poor in the study area. It is found that 34.67 percent households and 37.58 percent population were non-poor in the study area.
-) The mean income of the total sample household is found to be Rs. 20.38 per capita per day. Similarly, the mean income of the absolutely poor households is found to be 10.30 per capital per day that was far below the absolute poverty line.
-) As the value of Ginni coefficient among the total sample households is 0.32, there is existence of inequality in the distribution of income among the total sample households. As the value of Ginni coefficient among the absolute poor households is 0.20. It indicates that there is the existence of income unequal, even among the absolute poor households.
-) The calculated value of Sen's poverty index considering inequality is 0.22 and without considering inequality is 0.17. It shows higher intensity of poverty due to total inequality in income distribution among poor. It was found that the marginal propensity to consume of absolutely poor households was very high i.e.0.72.
-) There was a high disparity in the landholding in the study area, because most of the poor households were found to landless, agricultural laborers or marginal land holders. The poverty problem was higher among the illiterate

people in the study area. Because it was found that out of 35 total absolute poor households 28 (80 percentage) households head were illiterate.

-) The level of income is dependent on education and employment. The nature of poverty is found to be more serious among the occupational caste group in the study area. Out of 35 total absolute poor households 13 households were of occupational caste people. From the field survey, it is proved that, most of the people spent a large proportion of their income on liquor consumption, smoking and traditional festivals.

5.2 Conclusion

Poverty is one of the main characteristics of the rural areas of Nepal because more than eighty percent people live in rural areas and most of them were engaged in agriculture sector for their livelihood. Therefore, it is concluded that the maximum percent of the poverty problem was in agriculture sector. The productivity in agriculture sector is very low on 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 assert the extent of absolute and relative poverty in the study area and findings proved that around fifty percent people were absolute poor 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 were frequently ill due badly suffering from hunger and malnutrition. they were 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 were illiterate in regards to ethnic group most of the poor were occupational caste as they become the age of 8 or 9, they had to work for earning

5.3 Recommendations

On the basic of the major findings of the study, the following are the recommendations:

-) In the rural area more people are forced to involved in agriculture due to lack of alternative employment opportunities and the employment opportunities in agriculture sector should be transferred to other productive sector. For these cottage industries should be encouraged.
-) Electricity, transportation and communication facilities should be expanded in the study area because these facilities can develop the market for the local production and these facilities can also help to establish the cottage industries which can raise the living standard of the poor.
-) Large family size is another serious problem of poverty in the study area. So, the importance of family planning should be taught to the villagers.
-) As the educated households have relatively higher income in the study area, it is clear that education may help to reduce the extent of poverty. So programs for human resource development like primary education, adult literacy, skill development, basic health care, nutrition and drinking water facilities should be increased.
-) To increase enrollment of school age children in school and to control the drop out, compulsory education program should be launched. Scholarship should be provided to those children who cannot afford to continue their study because of poverty. The scholarship should be provided particularly to children belonging to occupational caste as they are not enrolled and they also have dropouts.
-) The middle and lower cast people spend a large proportion of their income for unproductive consumption such as liquid cigarette and tobacco. This should be discouraged and the social organizations should take appropriate steps in this regard.

-) Almost all occupational caste people have small size of land holding. So government should provide alternative opportunity of employment for the occupational cast people.
-) The services of financial institution should be expanded to provide facilities to poor people at minimum interest rate so that they can establish the cottage industries in the area.
-) Special technical support program and awareness program should be launched to establish the cottage industry in the area.

REFERENCES

- Adhikari, G. (2007). *Institutional practices and the Nepalese poor*. Kathmandu: Win Rock Project.
- Acharya, K. (2011). *Nature of poverty in Nepal*. An Unpublished M.A. Dissertation in Economics, T. U., Kathmandu
- Bhandari, B.N., & Dangol, B. S. (2006). *Rural poverty and the poor in Nepal*. Kathmandu: Win Rock Project.
- Bhandari, B. (2010). *Social mobilization for poverty alleviation (A case study of Hangpang VDC of Taplejung district)*. An Unpublished M.A. Dissertation in Economics. Patan Multiple Campus, T. U., Kathmandu
- CBS, (2013). *Nepal in figures*. Kathmandu: Nepal Government /NPCS.
- CBS, (2007). *Nepal living standards survey report 2003/04*. Kathmandu: Nepal Government /NPCS.
- CBS, (2012). *Nepal living standards survey report 2010/11*. Kathmandu: Nepal Government /NPCS.
- CBS, (2012). *Statistical year book, Nepal 2012*. Kathmandu: Nepal Government /NPCS.
- Chamber, R. (2004). *Rural development: putting the last first*. New York: Longman Inc.
- Gautam, A. (2010). *Poverty in rural Nepal: A case study of Ramjha VDC, Lamjung district*. An Unpublished M.A. Dissertation in Economics, T. U., Kathmandu
- Gautam, B. (2007). *Poverty in Tarigaun VDC, Dang district*. An Unpublished M.A. Dissertation in Economics, T. U., Kathmandu
- Ghale, M. (2010). *Poverty among Chepang community in Siddhi VDC, Chitwan district*. An Unpublished Master's Dissertation, T.U., Kathmandu.
- Ghimire, H. (2008). *A Study of poverty alleviation. through community organizations in Dolkha district*. Kathmandu: A thesis submitted to Centre for Development Studies, Pokhara University, Kathmandu

- Hamilton, D. (1968). *A Primer on the economics of poverty*. New York: Random House.
- Islam, K. (2004). *Poverty and income distribution in rural Nepal*. Bangkok: Azizur Rahaman Khan and Body Lee ARTEP.
- Jain, S.C. (2001). *Poverty of prosperity in Nepal*. New Delhi: Development Publisher.
- Kafle, S. D. (2010). *Structural adjustment and poverty alleviation*. Kathmandu: Nepal Rastra Bank Samachar
- Nepal Government (2002). *Tenth five year plan*. Kathmandu: National Planning Commission Secretariat central Bureau of Statistics.
- NPC, (2012). *A study of employment income distribution and consumption*. Kathmandu: National Planning Commission Secretariat
- NPC, (2007). *Multi-purpose household budget survey: A study on income distribution employment and consumption pattern in Nepal*. Kathmandu: National Planning Commission Secretariat
- Prasain, B.R. (2011). *Poverty and fertility in Nepal: A case study of Bhatauli VDC, Ramechhap district*. An Unpublished M.A. Dissertation in Economics, T. U., Kathmandu
- Rai, J. K. (2010). *Poverty alleviation policy and reality in Nepal: An anthropological study on Andheri Narayansthan VDC of Okhaldhunga district*. An Unpublished M.A. Dissertation in Economics, T. U., Kathmandu
- Risal, S. (2011). *Study on income distribution and consumption patterns in Nepal*. An Unpublished M.A. Dissertation in Economics, T. U., Kathmandu
- Seddon, D. (2007). *Nepal a state of poverty*. New Delhi: Vikash Publishing House Pvt.
- Sen, A. K. (1999). *Poverty and famines: An essay on entitlement and the deprivation*. New Delhi: Oxford University Press.
- Shrestha, S. (2008). *Study of rural poor in Nepal (A case study of Sittalpati VDC of Sankhuwasabha district)*. An Unpublished M.A. Dissertation in Economics, T. U., Kathmandu

World Bank (1990). *World development report 1990*. New York: Oxford University Press

World Bank (2010). *World development report 2010*. Washington D.C.: Oxford University Press.

World Bank (2012). *World development report 2011*. Washington D.C.: Oxford University Press