APPENDICES

APPENDIX A

RATES OF RETURN FOR WAGED WORKERS BASED ON ESTIMATIONS OF THE EARNINGS FUNCTION ANALYSIS BY GENDER AND RURAL/URBAN AREAS: BASIC MODEL

BASIC MODEL: SCHOOLING ENTERED AS CONTINUOUS VARIABLE

THE RETURNS TO YEARS OF SCHOOLING IN OVERALL NEPAL

Table 1
Earnings Function Results for all Workers by Gender in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.089	.079	.080
	(36.98)***	(27.31)***	(18.85) ***
Years of experience	.034	.025	.035
	(13.97)***	(11.46) ***	(6.72) ***
Experience squared	-.000	-.000	-.000
	(10.24)***	(8.12) ***	(6.24) ***
Weeks worked per year (In)	1.014	.977	1.020
	(122.78)***	(95.76) ***	(85.52) ***
Constant	5.66	5.777	5.753
	(154.75)***	(121.20) ***	(108.45) ***
R- squared	.85	.87	.83
Number of observation	4331	1440	2891

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 2
Earnings Function Results for all Workers by Gender in Urban Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.104	.089	.122
	(21.35)***	(15.70)***	(13.13)***
Years of experience	.052	.053	.047
	(9.75)***	(8.15)***	(5.23)***
Experience squared	-.000	-.000	-.000
	(6.41)***	(5.17)***	(3.70)***
Weeks worked per year (In)	.994	.990	.924
	(48.68)***	(37.43)***	(30.32)***
Constant	5.493	5.690	5.428
	(64.55)***	(52.91)***	(38.38)***
R- squared	.81	.76	.86
Number of observation	1062	758	340

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 3
Earnings Function Results for all Workers by Gender in Rural Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.067	.058	.030
	(22.12)***	(15.73)***	(5.45)***
Years of experience	.021	.022	.004
	(8.00)***	(6.56)***	(1.23)
Experience squared	-.000	-.000	-.000
	(5.96)***	(4.81)***	(1.94)*
Weeks worked per year (In)	1.003	.999	.979
	(113.61)***	(86.90)***	(87.27)***
Constant	5.892	6.009	6.098
	(143.39)***	(110.17)***	(107.95)***
R- squared	.83	.81	.87
Number of observation	3269	2133	1136

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO YEARS OF SCHOOLING BY ECOLOGICAL BELT

Table 4
Earnings Function Results for all Workers by Gender and Mountain Belt in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.049	.026	.045
	(6.04)***	(2.67)**	(3.30)***
Years of experience	.012	.014	-.010
	(1.67)*	(1.69)*	(1.01)
Experience squared	-.000	-.000	-.000
	(0.73)	(1.17)	(1.09)
Weeks worked per year (In)	1.072	1.069	1.079
	(41.24)***	(33.49)***	(37.17)***
Constant	6.031	6.261	6.070
	(57.34)***	(49.23)***	(43.51)***
R- squared	.85	.84	.93
Number of observation	398	275	123

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 5
Earnings Function Results for all Workers by Gender and Hill Belt in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.098	.083	.100
	(25.17)***	(17.18)***	(15.40)***
Years of experience	.045	.044	.040
	(11.73)***	(9.19)***	(6.87)***
Experience squared	-.000	-.000	-.000
	(7.71)***	(5.96)***	(5.48)***
Weeks worked per year (In)	.995	1.008	.954
	(70.93)***	(55.51)***	(49.38)***
Constant	5.619	5.776	5.636
	(96.46)***	(75.66)***	(66.67)***
R- squared	.85	.82	.88
Number of observation	1725	1150	575

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 6
Earnings Function Results for all Workers by Gender and Terai Belt in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.072	.069	.041
	(22.37)***	(17.73)***	(6.82)***
Years of experience	.024	.026	.009
	(7.56)***	(6.48)***	(2.03)*
Experience squared	-.000	-.000	-.000
	(6.43)***	(5.20)***	(2.63)***
Weeks worked per year (In)	1.028	1.037	.974
	(98.40)***	(76.80)***	(67.65)***
Constant	5.734	5.765	5.983
	(116.28)***	(90.68)***	(83.85)***
R- squared	.85	.84	.87
Number of observation	2208	1466	742

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO YEARS OF SCHOOLING BY TYPES OF SCHOOL

Table 7
Earnings Function Results for all Workers by Private and Public Schools in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Public School	Private school
Years of schooling	.089	.131
	(36.2)***	(6.6)***
Years of experience	.033	.080
	(13.3)***	(3.5)**
Experience squared	-.001	-.001
	(9.8)***	(2.3)*
Weeks worked per year (In)	1.019	.857
	(123.6)***	(8.9)***
Constant	5.676	5.351
	(152.9)***	(17.8)***
R- squared	.85	.74
Number of observation	4218	91

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO YEARS OF SCHOOLING BY RELIGION

Table 8
Earnings Function Results for all Workers by Gender and Hindu in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.089	.080	.079
	(33.51)***	(24.71)***	(16.52)***
Years of experience	.033	.035	.025
	(12.42)***	(10.36)***	(5.81)***
Experience squared	-.000	-.000	-.000
	(8.98)***	(7.27)***	(5.33)***
Weeks worked per year (In)	1.020	1.027	.981
	(112.28)***	(87.95)***	(75.62)***
Constant	5.660	5.732	5.783
	(140.76)***	(109.89)***	(95.24)***
R- squared	.86	.84	.88
Number of observation	3458	2305	1153

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 9
Earnings Function Results for all Workers by Gender and Buddhist in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.093	.082	.093
	(10.67)***	(7.86)***	(7.48)***
Years of experience	.043	.039	.034
	(5.44)***	(3.94)***	(3.22)***
Experience squared	-.000	-.000	-.000
	(3.91)***	(2.84)***	(2.51)**
Weeks worked per year (In)	1.046	1.065	.991
	(35.33)***	(28.61)***	(26.46)***
Constant	5.638	5.833	5.624
	(48.90)***	(39.82)***	(38.03)***
R- squared	.84	.83	.91
Number of observation	412	279	133

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 10
Earnings Function Results for all Workers by Gender and Muslim in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.039	.034	-.017
	(3.93)***	(2.79)**	(1.08)
Years of experience	-.003	-.006	.007
	(0.35)	(0.49)	(0.89)
Experience squared	-.000	-.000	-.000
	(0.29)	(0.56)	(1.08)
Weeks worked per year (In)	.987	.970	1.039
	(29.28)***	(23.57)***	(27.63)***
Constant	6.195	6.351	5.723
	(40.05)***	(32.37)***	(34.09)***
R- squared	.77	.75	.92
Number of observation	275	194	81

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 11
Earnings Function Results for all Workers by Gender and Others in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.115	.112	.048
	(7.78)***	(6.06)***	(1.97)*
Years of experience	.058	.053	.023
	(4.67)***	(3.44)***	(1.23)
Experience squared	-.000	-.000	-.000
	(3.21)***	(1.88)*	(1.20)
Weeks worked per year (In)	.980	1.012	.919
	(23.86)***	(18.04)***	(18.96)***
Constant	5.157	5.219	5.801
	(26.17)***	(21.11)***	(18.99)***
R- squared	.80	.81	.84
Number of observation	186	113	73

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO YEARS OF SCHOOLING BY ECONOMIC SECTOR

Table 12
Earnings Function Results for all Workers by Gender and Non-Agriculture Sector in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.080	.074	.101
	(23.57)***	(21.03)***	(10.54)***
Years of experience	.047	.044	.049
	(12.92)***	(11.20)***	(5.13)***
Experience squared	-.000	-.000	-.000
	(8.98)***	(7.34)***	(4.32)***
Weeks worked per year (In)	.937	.968	.805
	(67.39)***	(66.64)***	(20.45)***
Constant	5.934	5.939	6.042
	(102.42)***	(96.73)***	(39.74)***
R- squared	.79	.80	.76
Number of observation	2072	1760	312

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 13
Earnings Function Results for all Workers by Gender and Agriculture Sector in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.038	.030	.015
	(9.12)***	(5.06)***	(2.44)*
Years of experience	.006	.004	.001
	(2.14)*	(1.10)	(0.30)
Experience squared	-.000	-.000	-.000
	(1.36)	(0.58)	(0.74)
Weeks worked per year (In)	.970	.950	.973
	(106.29)***	(64.09)***	(95.02)***
Constant	6.087	6.249	6.125
	(133.24)***	(84.68)***	(108.90)***
R- squared	.83	.78	.88
Number of observation	2259	1131	1128

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO YEARS OF SCHOOLING BY INCOME QUINTILES

Table 14
Earnings Function Results for all Workers by Income Quintiles in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Poorest 40%	Next 40%	Richest 20%
Years of schooling	.041	.053	.098
	(8.80)***	(12.55)***	(17.47)***
Years of experience	.016	.026	.044
	(4.38)***	(7.26)***	(7.48)***
Experience squared	-.000	-.000	-.000
	(3.43)***	(6.27)***	(4.12)***
Weeks worked per year (In)	.950	1.002	1.013
	(84.80)***	(81.38)***	(41.86)***
Constant	6.018	5.996	5.591
	(105.78)***	(105.12)***	(57.49)***
R- squared	.81	.82	.78
Number of observation	1738	1709	884

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO YEARS OF SCHOOLING IN OVERALL NEPAL (NLSS I)

Table 15
Earnings Function Results for all Workers by Gender in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.081	.069	.086
	(28.60)***	(20.78)***	(14.78)***
Years of experience	.033	.037	.024
	(11.43)***	(10.50)***	(4.94)***
Experience squared	-.000	-.000	-.000
	(9.64)***	(8.89)***	(4.90)***
Weeks worked per year (In)	1.030	1.040	.993
	(94.26)***	(78.14)***	(57.60)***
Constant	5.106	5.155	5.195
	(109.57)***	(89.38)***	(71.31)***
R- squared	.78	.77	.79
Number of observation	3696	2527	1169

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 16
Earnings Function Results for all Workers by Urban in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.084	.077	.080
	(14.59)***	(11.01)***	(8.05)***
Years of experience	.045	.046	.043
	(6.37)***	(5.61)***	(3.35)***
Experience squared	-.000	-.000	-.000
	(4.72)***	(4.22)***	(2.71)**
Weeks worked per year (In)	.891	.844	.941
	(24.07)***	(17.52)***	(18.09)***
Constant	5.689	5.974	5.370
	(40.37)***	(33.10)***	(25.32)***
R- squared	.68	.61	.79
Number of observation	611	453	158

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 17
Earnings Function Results for all Workers by Rural in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.056	.041	.048
	(15.73)***	(10.18)***	(4.90)***
Years of experience	.026	.029	.011
	(8.32)***	(7.88)***	(2.25)*
Experience squared	-.000	-.000	-.000
	(7.34)***	(7.12)***	(2.61)**
Weeks worked per year (In)	.998	1.002	.957
	(88.38)***	(74.46)***	(52.63)***
Constant	5.283	5.365	5.427
	(105.01)***	(86.71)***	(66.80)***
R- squared	.74	.74	.74
Number of observation	3085	2074	1011

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO YEARS OF SCHOOLING BY ECOLOGICAL BELT

Table 18
Earnings Function Results for all Workers by Mountain Belt in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.023	-.002	-.006
	(2.32)*	(0.18)	(0.28)
Years of experience	.028	.017	.015
	(3.54)***	(1.84)*	(1.24)
Experience squared	-.000	-.000	-.000
	(3.24)***	(1.78)*	(1.52)
Weeks worked per year (In)	1.049	1.091	.928
	(38.99)***	(36.32)***	(20.16)***
Constant	5.371	5.597	5.607
	(43.69)***	(37.64)***	(28.56)***
R- squared	.76	.80	.73
Number of observation	496	342	154

Note: t-statistics are in parentheses; p<0.05 (*).
Source: NLSS I.

Table 19
Earnings Function Results for all Workers by Hill belt in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.073	.055	.086
	(17.97)***	(11.15)***	(11.74)***
Years of experience	.033	.034	.035
	(7.54)***	(6.55)***	(4.70)***
Experience squared	-.000	-.000	-.000
	(5.60)***	(5.28)***	(4.00)***
Weeks worked per year (In)	1.100	1.125	1.032
	(63.81)***	(52.68)***	(40.28)***
Constant	5.064	5.175	5.042
	(72.76)***	(58.99)***	(47.95)***
R- squared	.82	.80	.85
Number of observation	1502	1047	455

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 20
Earnings Function Results for all Workers by Terai Belt in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.066	.057	.056
	(14.07)***	(11.00)***	(4.08)***
Years of experience	.023	.030	.005
	(5.70)***	(6.22)***	(0.75)
Experience squared	-.000	-.000	-.000
	(5.38)***	(5.82)***	(1.01)
Weeks worked per year (In)	.978	.967	.975
	(63.25)***	(52.01)***	(37.83)***
Constant	5.260	5.301	5.386
	(75.77)***	(63.20)***	(46.17)***
R- squared	.73	.73	.73
Number of observation	1698	1138	560

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO YEARS OF SCHOOLING BY TYPES OF SCHOOL

Table 21
Earnings Function Results for all Workers by Public and Private Schools in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Public school	Private School
Years of schooling	.080	.111
	(27.86)***	(2.93)**
Years of experience	.033	.083
	(11.11)***	(1.77)***
Experience squared	-.000	-.001
	(9.4)***	(1.24)
Weeks worked per year (In)	1.030	1.085
	(94.15)***	(6.33)***
Constant	5.117	4.396
	(109.04)***	(7.21)***
R- squared	.78	.72
Number of observation	3652	40

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO YEARS OF SCHOOLING BY RELIGION

Table 22
Earnings Function Results for all Workers by Hindu in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.080	.069	.086
	(26.70)*	(19.54)*	(13.18)*
Years of experience	.033	.037	.022
	(10.52)***	(9.83)***	(4.13)***
Experience squared	-.000	-.000	-.000
	(8.78)***	(8.19)***	(4.13)***
Weeks worked per year (In)	1.023	1.031	.986
	(87.14)***	(72.22)***	(52.68)***
Constant	5.119	5.158	5.239
	(102.55)***	(83.68)***	(65.64)***
R- squared	.78	.77	.78
Number of observation	3190	2169	1021

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 23
Earnings Function Results for all Workers by Budhist in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.075	.067	.075
	(7.67)***	(5.63)***	(.44)
Years of experience	.042	.041	.047
	(3.96)***	(3.28)***	(2.77)**
Experience squared	-.000	-.000	-.000
	(3.46)***	(3.10)***	(2.33)*
Weeks worked per year (In)	1.049	1.069	1.004
	(26.87)***	(23.03)***	(17.39)***
Constant	5.246	5.374	5.032
	(34.14)***	(28.57)***	(23.22)***
R- squared	.81	.82	.86
Number of observation	290	209	81

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 24
Earnings Function Results for all Workers by Muslims in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.102	.093	-.027
	(5.13)***	(3.97)***	(0.28)
Years of experience	.036	.042	.012
	(2.67)***	(2.50)*	(0.70)
Experience squared	-.000	-.000	-.000
	(2.41)*	(2.16)*	(1.01)
Weeks worked per year (In)	1.109	1.112	1.019
	(18.91)***	(15.36)***	(11.13)***
Constant	4.649	4.641	5.138
	(17.91)***	(13.82)***	(17.26)***
R- squared	.76	.74	.78
Number of observation	157	110	47

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 25
Earnings Function Results for all Workers by Others Religion in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.080	.059	.067
	(3.35)***	(1.85)*	(1.15)
Years of experience	.043	.046	.039
	(1.67)*	(1.32)	(0.98)
Experience squared	-.000	-.000	-.000
	(1.67)*	(1.44)	(0.87)
Weeks worked per year (In)	1.116	1.124	1.121
	(17.23)***	(12.60)***	(11.97)***
Constant	4.659	4.860	4.450
	(12.64)***	(10.14)***	(7.26)***
R- squared	.87	.86	.91
Number of observation	59	39	20

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO YEARS OF SCHOOLING BY INCOME QUINTILES

Table 26
Earnings Function Results for all Workers by Income Quintiles in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Poorest 40%	Next 40%	Richest 20%
Years of schooling	.042	.048	.070
	(6.86)***	(9.62)***	(12.70)***
Years of experience	.029	.025	.038
	(6.32)***	(5.75)***	(6.15)***
Experience squared	-.000	-.000	-.000
	(5.42)***	(5.30)***	(5.51)***
Weeks worked per year (In)	.897	1.024	1.060
	(55.44)***	(64.63)***	(34.85)***
Constant	5.398	5.321	5.296
	(73.62)***	(74.46)***	(45.65)***
R- squared	.69	.76	.74
Number of observation	1402	1505	789

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO YEARS OF SCHOOLING BY ECONOMIC SECTOR

Table 27
Earnings Function Results for all Workers by Gender and Non-Agriculture Sector in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.058	.053	.073
	(15.52)***	(13.55) ***	(6.45) ***
Years of experience	.039	.037	.046
	(9.19) ***	(8.43) ***	(3.46) ***
Experience squared	-.000	-.000	-.000
	(7.36) ***	(-6.67) ***	(3.04) ***
Weeks worked per year (In)	.989	1.016	.899
	(61.02) ***	(59.10) ***	(18.88) ***
Constant	5.528	5.514	5.533
	(79.18) ***	(75.76) ***	(25.23) ***
R- squared	.79	.80	.73
Number of observation	1539	1341	198

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 28
Earnings Function Results for all Workers by Gender and Agriculture Sector in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Years of schooling	.021	.008	.020
	(4.03) ***	(1.35)	(1.68)
Years of experience	.014	.018	.008
	(4.08) ***	(3.90) ***	(1.60)*
Experience squared	-.000	-.000	-.000
	(3.84) ***	(3.69) ***	(2.07)*
Weeks worked per year (In)	.964	.950	.959
	(75.31) ***	(53.43) ***	(54.24) ***
Constant	5.425	5.492	5.467
	(96.04) ***	(67.00) ***	(70.17) ***
R- squared	.72	.71	.75
Number of observation	2157	1186	971

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

APPENDIX B
RATES OF RETURN FOR WAGED WORKERS BASED ON ESTIMATIONS OF THE EARNINGS FUNCTION ANALYSIS; 2003/04: EXTENDED MODEL
EXTENDED MODEL: SCHOOLING LEVELS ENTERED AS DUMMY VARIABLES
THE RETURNS TO EDUCATION IN OVERALL NEPAL

Table 29

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.387	.274	.312
	(16.01)***	(9.57)***	(7.04)***
Secondary	.776	.657	.849
	(22.78)***	(16.45)***	(14.59)***
Tertiary	1.543	1.436	1.492
	(32.94)***	(27.30)***	(15.53)***
Experience	.022	.023	.013
	(9)***	(7.64)***	(3.66)***
Experience squared	-.000	-.000	-.000
	(7.05)***	(6.08)***	(3.81)***
In week	1.022	1.020	.973
	(123.84)***	(96.88)***	(85.3)***
Constant	5.936	6.087	5.991
R-squared	.85	.83	.88
Adj-R-squared	.850	.836	.881
Number of observation	4331	2891	1440

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS II.

Table 30

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Urban Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.407	.197	.631
	(7.15)***	(3.11)***	(5.4)***
Secondary	.828	.609	1.214
	(13.03)***	(8.63)***	(9.79)***
Tertiary	1.484	1.302	1.639
	(21.65)***	(17.51)***	(10.86)***
Experience	.042	.044	.038
	(7.79)***	(7.03)***	(3.92)***
Experience squared	-.000	-.000	-.000
	(5.75)***	(5.14)***	(3.01)***
In week	1.020	1.007	.945
	(51.49)***	(40.44)***	(30.55)***
Constant	5.791	6.062	5.634
R-squared	.82	.79	.86
Adj-R-squared	.819	.788	.859
Number of observation	1062	758	304

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS II.

Table 31
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Rural Nepal, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.337	.240	.163
	(12.78)***	(7.56)***	(3.54)***
Secondary	.647	.570	.439
	(14.44)***	(10.99)***	(5.40)***
Tertiary	1.210	1.076	Dropped
	(10.43)***	(8.83)***	
Experience	.014	.014	.002
	(5.13)***	(4.29)***	(0.69)***
Experience squared	-.000	-.000	-.000
	(3.99)***	(3.47)***	(1.54)
In week	1.007	.998	.975
	(111.39)***	(84.80)***	(85.92)***
Constant	6.066	6.223	6.147
R-squared	.82	.80	.87
Adj-R-squared	.825	.807	.878
Number of observation	3269	2133	1136

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO EDUCATION BY ECOLOGICAL BELT

Table 32
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Mountain Belt, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.271	.062	.331
	(3.87)***	(.77)	(2.91)**
Secondary	.543	.304	.806
	(4.75)***	(2.37)*	(4.7)***
Tertiary	.943	.725	Dropped
	(3.67)***	(2.77)**	
Experience	.007	.009	-.010
	(1.04)	(1.14)	(1.09)
Experience squared	-.000	-.000	.000
	(0.38)	(0.85)	(1.04)
In week	1.067	1.060	1.064
	(40.62)***	(32.94)***	(38.37)***
Constant	6.166	6.400	6.120
R-squared	.85	.84	.93
Adj-R-squared	.849	.841	.936
Number of observation	398	275	123

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 33
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Hill Belt, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.395	.223	.361
	(9.80)***	(4.64)***	(5.19)***
Secondary	.767	.557	.969
	(15.02)***	(9.33)***	(11.35)***
Tertiary	1.516	1.327	1.623
	(24.14)***	(18.85)***	(13.03)***
Experience	.033	.033	.024
	(8.41)***	(6.98)***	(4.12)***
Experience squared	-.000	-.000	-.000
	(5.99)***	(5.22)***	(3.51)***
In week	1.017	1.022	.955
	(73.39)***	(58.47)***	(49.11)***
Constant	5.922	6.139	5.947
R-squared	.85	.83	.88
Adj-R-squared	.852	.838	.884
Number of observation	1725	1150	575

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 34
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Terai Belt, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.333	.256	.205
	(10.59)***	(6.99)***	(3.33)***
Secondary	.685	.638	.504
	(13.67)***	(11.07)***	(5.33)***
Tertiary	1.390	1.359	.871
	(17.73)***	(15.68)***	(4.77)***
Experience	.014	.015	.005
	(4.54)***	(3.89)***	(1.21)
Experience squared	-.000	-.000	-.000
	(4.25)***	(3.57)***	(1.92)*
In week	1.033	1.033	.972
	(98.13)***	(76.12)***	(67.31)***
Constant	5.937	6.039	6.053
R-squared	.85	.84	.87
Adj-R-squared	.854	.843	.876
Number of observation	2208	1466	742

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO EDUCATION BY RELIGION

Table 35
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Hindu Religion, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.380	.273	.281
	(14.32)***	(8.66)***	(5.65)***
Secondary	.763	.644	.830
	(20.95)***	(15.15)***	(12.71)***
Tertiary	1.517	1.409	1.457
	(30.11)***	(25.08)***	(13.10)***
Experience	.022	.024	.012
	(8.06)***	(7.16)***	(2.84)***
Experience squared	-.000	-.000	-.000
	(6.28)***	(5.70)***	(3)***
In week	1.031	1.030	.979
	(113.87)***	(89.54)***	(75.32)***
Constant	5.925	6.058	6.015
R-squared	.86	.84	.88
Adj-R-squared	.860	.847	.881
Number of observation	3458	2305	1153

Note: t-statistics are in parentheses; p<0.05 (***); p<0.01 (*****); p< 0.1 (*****)
Source: NLSS II.

Table 36
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Buddhist Religion, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.442	.285	.513
	(5.03)***	(2.78)**	(3.82)***
Secondary	.713	.663	.816
	(5.28)***	(3.83)***	(5.14)***
Tertiary	1.342	1.175	1.609
	(9.31)***	(7.16)***	(7.19)***
Experience	.031	.026	.023
	(3.73)***	(2.5)**	(2.22)*
Experience squared	-.000	-.000	-.000
	(2.83)***	(2)*	(1.74)***
In week	1.064	1.075	1.000
	(35.79)***	(28.72)***	(27.65)***
Constant	5.890	6.137	5.811
R-squared	.84	.83	.91
Adj-R-squared	.843	.833	.911
Number of observation	412	279	133

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 37
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Muslim Religion, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.278	.171	Dropped
	(2.61)* *	(1.42)	
Secondary	.444	.342	Dropped
	(2.35)*	(1.63)***	
Tertiary	Dropped	Dropped	Dropped
Experience	-.008	-.013	.007
	(0.91)	(1.07)	(.80)
Experience squared	-.000	.000	-.000
	(0.74)	(.98)	(1.02)
In week	.984	.965	1.031
	(28.73)***	(22.96)***	(27.97)***
Constant	6.299	6.499	5.757
R-squared	.77	.75	.92
Adj-R-squared	.769	.746	.917
Number of observation	275	194	81

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 38
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Others Religion, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.443	.311	.146
	(3.78)***	(2.31)*	(.7)
Secondary	1.017	1.078	.058
	(3.81)***	(3.64)***	(.13)
Tertiary	1.923	2.121	1.114
	(5.93)***	(5.44)***	(2.57)**
Experience	.035	.036	.007
	(2.85)***	(2.29)*	(.41)
Experience squared	-.000	-.000	-.000
	(1.93)***	(1.33)	(0.48)
In week	.983	1.027	.905
	(23.30)***	(18.73)***	(17.77)***
Constant	5.646	5.691	6.114
R-squared	.79	.81	.85
Adj-R-squared	.792	.806	.838
Number of observation	186	113	73

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO EDUCATION BY TYPES OF SCHOOL

Table 39

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Public Schools, 2003/04; Dependent Variable = In Y.

Variable	Public School	Private School
Primary	.388	.180
	(16.1)***	(0.8)
Secondary	.779	.989
	(22.3)***	(4.2)***
Tertiary	1.525	1.753
	(31.0)***	(6.8)***
Experience	.021	.066
	(8.5)***	(3.0)***
Experience squared	-.001	-.001
	(6.7)***	(2.2)*
In week	1.028	.800
	(124.5)***	(8.4)***
Constant	5.935	6.133
	(155.9)***	(19.4)***
R-squared	.85	.78
Adj-R-squared	.85	.76
Number of observation	4218	91

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO EDUCATION BY ECONOMIC SECTOR

Table 40

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Non-agriculture Sector, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.268	.196	.556
	(7.56)***	(5.45)***	(4.75)***
Secondary	.604	.531	.989
	(14.28)***	(12.07)***	(8.22)***
Tertiary	1.320	1.267	1.530
	(24.76)***	(23.17)***	(9.58)***
Experience	.036	.032	.041
	(10.05)***	(8.48)***	(4.25)***
Experience squared	-.000	-.000	-.000
	(7.69)***	(6.17)***	(3.81)***
In week	.947	.975	.824
	(69.73)***	(69.37)***	(21.28)***
Constant	6.247	6.286	6.182
R-squared	.80	.82	.77
Adj-R-squared	.802	.819	.765
Number of observation	2072	1760	312

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 41
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Agriculture Sector, 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.220	.171	.094
	(7.52)***	(4.18)***	(2.17)*
Secondary	.223	.145	.057
	(2.08)*	(1.08)	(0.28)
Tertiary	Dropped	Dropped	Dropped
Experience	.002	.001	-.000
	(.84)	(0.46)	(0.2)
Experience squared	-.000	-.000	-.000
	(.39)	(0.18)	(0.35)
In week	.970	.948	.973
	(105.64)***	(63.78)***	(94.78)***
Constant	6.169	6.326	6.157
R-squared	.83	.78	.88
Adj-R-squared	.832	.783	.889
Number of observation	2259	1131	1128

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO EDUCATION BY INCOME QUINTILE

Table 42
Results of Earnings Functions with Schooling Entered as Dummy Variables by Quintile Group, 2003/04; Dependent Variable = In Y.

Variable	Poorest 80%	Richest 20%
Primary	.304	.394
	(11.85)***	(5.78)***
Secondary	.508	.738
	(10.48)***	(10.30)***
Tertiary	1.017	1.358
	(6.41)***	(17.78)***
Experience	.014	.036
	(5.60)***	(6.13)***
Experience squared	-.000	-.000
	(4.77)***	(3.83)***
In week	.997	1.033
	(116.34)***	(43.49)***
Constant	6.092	5.901
R-squared	.81	.79
Adj-R-squared	.817	.793
Number of observation	3447	884

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

THE RETURNS TO EDUCATION IN OVERALL NEPAL (NLSS I)

Table 43

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.394	.281	.413
	(14.32)***	(9.01)***	(6.53)***
Secondary	.822	.713	.920
	(14.48)***	(11.04)***	(8.53)***
Tertiary	1.353	1.223	1.531
	(23.20)***	(19.14)***	(10.96)***
Experience	.025	.029	.013
	(8.60)***	(8.41)***	(2.85)***
Experience squared	-.000	-.000	-.000
	(7.76)***	(7.73)***	(3.21)***
In week	1.041	1.042	1.005
	(94.66)***	(78.41)***	(57.97)***
Constant	5.270	5.357	5.337
	(110.36)***	(91.09)***	(72.55)***
R-squared	0.77	0.77	0.79
Adj-R-squared	0.779	0.777	0.790
Number of observation	3696	2527	1169

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS I.

Table 44

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Urban Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.504	.400	.442
	(7.40)***	(5.02)***	(3.29)***
Secondary	.697	.618	.690
	(7.86)***	(5.90)***	(4.49)***
Tertiary	1.163	1.046	1.234
	(13.95)***	(10.82)***	(7.35)***
Experience	.041	.044	.032
	(5.68)***	(5.33)***	(2.46)*
Experience squared	-.000	-.000	-.000
	(4.49)***	(4.32)***	(2.17)*
In week	.931	.881	.988
	(25.25)***	(18.55)***	(18.46)***
Constant	5.744	6.041	5.465
	(40.06)***	(33.01)***	(25.33)***
R-squared	0.67	0.61	0.78
Adj-R-squared	0.672	0.609	0.779
Number of observation	611	453	158

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS I.

Table 45
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Rural Nepal, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.275	.161	.234
	(9.30)***	(4.88)***	(3.16)***
Secondary	.665	.532	.849
	(7.32)***	(5.64)***	(2.53)***
Tertiary	1.105	.970	Dropped
	(8.44)***	(7.37)***	
Experience	.020	.024	.006
	(6.33)***	(6.43)***	(1.36)
Experience squared	-.000	-.000	-.000
	(5.90)***	(6.17)***	(1.87)***
In week	1.001	1.00	.957
	(87.47)***	(73.65)***	(52.29)***
Constant	5.413	5.507	5.509
	(107.02)***	(88.96)***	(70.62)***
R-squared	0.73	0.74	0.73
Adj-R-squared	0.7308	0.747	0.737
Number of observation	3085	2074	1011

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO EDUCATION BY ECOLOGICAL BELT

Table 46
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Mountain Belt, 1995/96; Depe00ndent Variable = In Y.

Variable	Overall	Male	Female
Primary	.020	-.017	-.050
	(0.25)	(1.56)	(0.34)
Secondary	.224	-.045	Dropped
	(0.83)	(0.17)	
Tertiary	.695	.483	Dropped
	(1.32)	(0.95)	
Experience	.021	.010	.015
	(2.60)***	(1.06)	(1.25)
Experience squared	-.000	-.000	-.000
	(2.51)	(1.13)	(1.53)
In week	1.052	1.089	.927
	(38.84)***	(36.44)***	(20.00)*
Constant	5.498	5.725	5.612
	(43.30)***	(37.82)***	(28.77)***
R-squared	0.76	0.80	0.73
Adj-R-squared	0.759	0.802	0.727
Number of observation	496	342	154

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 47
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Hill Belt, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.338	.180	.371
	(8.50)***	(3.94)***	(4.33)***
Secondary	.603	.452	.740
	(8.56)***	(5.50)***	(6.21)***
Tertiary	1.131	.944	1.352
	(16.78)***	(12.50)***	(9.45)***
Experience	.026	.029	.020
	(5.81)***	(5.65)***	(2.68)***
Experience squared	-.000	-.000	-.000
	(4.65)***	(5.06)***	(2.49)*
In week	1.126	1.132	1.067
	(66.09)***	(54.54)***	(40.91)***
Constant	5.214	5.361	5.222
	(73.45)***	(60.73)***	(48.24)***
R-squared	0.82	0.81	0.85
Adj-R-squared	0.824	0.813	0.851
Number of observation	1502	1047	455

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 48
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Terai Belt, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.337	.246	.428
	(8.23)***	(5.48)***	(3.48)***
Secondary	.893	.800	1.146
	(8.29)***	(7.19)***	(2.37)*
Tertiary	1.261	1.186	Dropped
	(8.95)***	(8.32)***	
Experience	.018	.025	.002
	(4.38)***	(5.11)***	(0.41)
Experience squared	-.000	-.000	-.000
	(4.41)***	(5.09)***	(0.73)
In week	.976	.959	.971
	(62.57)***	(51.37)***	(37.46)***
Constant	5.386	5.454	5.439
	(77.48)***	(64.82)***	(48.07)***
R-squared	0.73	0.73	0.73
Adj-R-squared	0.732	0.735	0.729
Number of observation	1698	1138	560

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO EDUCATION BY RELIGION

Table 49

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Hindu Religion, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.387	.275	.413
	(13.27)***	(8.34)***	(6.03)***
Secondary	.773	.647	.960
	(12.36)***	(9.25)***	(7.43)***
Tertiary	1.391	1.262	1.592
	(22.61)***	(19.02)***	(9.36)***
Experience	.024	.029	.011
	(7.73)***	(7.73)***	(2.15)*
Experience squared	-.000	-.000	-.000
	6.91)***	(7.01)***	(2.51)***
In week	1.033	1.032	1.000
	(84.46)***	(72.37)***	(52.97)***
Constant	5.295	5.376	5.383
	(103.60)***	(85.78)***	(66.65)***
R-squared	.77	.77	.78
Adj-R-squared	.778	.778	.780
Number of observation	3190	2169	1021

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS I.

Table 50

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Buddhist Religion, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.334	.212	.175
	(3.2)***	(1.77)***	(.97)
Secondary	.803	.804	.776
	(5.31)***	(4.39)***	(3.88)***
Tertiary	.884	.682	1.284
	(4.55)***	(2.81)***	(5.32)***
Experience	.035	.034	.038
	(3.23)***	(2.64)***	(2.29)*
Experience squared	-.000	-.000	-.000
	(2.97)***	(2.73)***	(2)*
In week	1.081	1.106	.994
	(27.37)***	(23.85)***	(17.52)***
Constant	5.345	5.492	5.227
	(33.45)***	(28.04)***	(24.42)***
R-squared	.80	.81	.87
Adj-R-squared	.804	.810	.868
Number of observation	290	209	81

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS I.

Table 51
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Muslim Religion, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.661	.606	Dropped
	(4.57)***	(3.66)***	
Secondary	1.549	1.484	Dropped
	(2.93)***	(2.55)***	
Tertiary	Dropped	Dropped	Dropped
Experience	.033	.041	.012
	(2.49)*	(2.45)*	(.77)
Experience squared	-.000	-.000	-.000
	(2.31)*	(2.18)*	(1.08)
In week	1.130	1.131	1.024
	(19.61)***	(15.90)***	(11.60)***
Constant	4.677	4.656	5.111
	(17.92)***	(13.81)***	(18.37)***
R-squared	.76	.75	.75
Adj-R-squared	.760	.742	.771
Number of observation	157	110	47

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 52
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Others Religion, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.420	.245	.609
	(1.98)***	(.94)	(1.15)
Secondary	1.089	.865	Dropped
	(2.42)*	(1.69)***	
Tertiary	1.137	.926	Dropped
	(2.50)***	(1.77)***	
Experience	.036	.042	.039
	(1.43)	(1.24)	(0.98)
Experience squared	-.000	-.000	-.000
	(1.52)	(1.41)	(0.87)
In week	1.129	1.124	1.121
	(17.16)***	(12.29)***	(11.97)***
Constant	4.810	5.009	4.450
	(13.39)***	(11.08)***	(7.26)***
R-squared	.87	.86	.91
Adj-R-squared	.858	.842	.895
Number of observation	59	39	20

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO EDUCATION BY TYPES OF SCHOOLS

Table 53

Results of Earnings Functions with Schooling Entered as Dummy Variables by Public and Private Schools, 1995/96; Dependent Variable = In Y.

Variable	Public School	Private School
Primary	.399	-0.313
	(14.4)***	(0.9)
Secondary	.804	.350
	(13.5)***	(.09)
Tertiary	1.322	1.437
	(22.3)***	(3.2)***
Experience	.025	.050
	(8.5)***	(1.2)
Experience squared	-.001	-.001
	(7.7)***	(1.1)
In week	1.041	1.066
	(94.4)***	(7.0)***
Constant	5.271	5.708
	(109.7)***	(8.5)***
R-squared	.77	.78
Adj-R-squared	.77	.74
Number of observation	3652	40

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS I.

THE RETURNS TO EDUCATION BY ECONOMIC SECTOR

Table 54

Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Non-Agriculture Sector, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.218	.185	.314
	(5.92)***	(4.93)***	(2.08)*
Secondary	.502	.467	.629
	(8.35)***	(7.30)***	(3.65)***
Tertiary	.995	.941	1.173
	(16.57)***	(15.12)***	(5.97)***
Experience	.032	.032	.032
	(7.67)***	(7.26)***	(2.35)*
Experience squared	-.000	-.000	-.000
	(6.65)***	(6.20)***	(2.36)*
In week	1.001	1.025	.928
	(63.42)***	(61.63)***	(19.28)***
Constant	5.701	5.677	5.757
	(81.41)***	(77.96)***	(25.92)***
R-squared	.79	.81	.73
Adj-R- squared	.797	.811	.725
Number of observation	1539	1341	198

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS I.

Table 55
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Agriculture Sector, 1995/96; Dependent Variable = In Y.

Variable	Overall	Male	Female
Primary	.075	-.000	.082
	(2.05)*	(0.01)	(1.03)
Secondary	-.155	-.218	Dropped
	(0.56)	(0.74)	
Tertiary	Dropped	Dropped	Dropped
Experience	.010	.015	.005
	(3.23)***	(3.37)***	(1.23)
Experience squared	-.000	-.000	-.000
	(3.17)***	(3.28)***	(1.76)***
In week	.962	.947	.958
	(75)***	(53.34)***	(54.17)***
Constant	5.489	5.556	5.503
	(100.53)***	(70.74)***	(75.43)***
R-squared	.72	.71	.75
Adj-R-squared	.725	.711	.752
Number of observation	2157	1186	971

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

THE RETURNS TO EDUCATION BY INCOME QUINTILE

Table 56
Results of Earnings Functions with Schooling Entered as Dummy Variables by Gender in Quintile Groups, 1995/96; Dependent Variable = In Y.

Variable	Poorest 80%	Richest 20%
Primary	.262	.353
	(8.65)***	(5.65)***
Secondary	.608	.510
	(5.27)***	(6.14)***
Tertiary	1.091	.986
	(4.93)***	(12.41)***
Experience	.022	.032
	(6.93)***	(5.12)***
Experience squared	-.000	-.000
	(6.33)***	(5.13)***
In week	.978	1.094
	(84.71)***	(36.33)***
Constant	5.423	5.419
	(105.45)***	(45.64)***
R-squared	.72	.74
Adj-R-squared	.727	.743
Number of observation	2907	789

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

APPENDIX C
Selected Regression Results in Household Farm Production

Table 57 Selected Regression Results in Households Farm Production Dependent Variable: Net Revenues = In Y

Independent variable	All	No inputs	Kathmandu Urban	Other urban	R.W. hill	R.E. hill	R.W. tarai	R.E. tarai
Education	.060 (6.51)***	.133 (13.26)***	.213 (1.55)	.085 (2.56)***	.028 (2.03)*	.076 (4.35)***	.073 (2.45)*	.088 (3.84)***
Experience	.048 (6.80)*	.067 (8.48)*	-.026 (0.36)	.035 (1.16)	.041 (3.79)***	.051 (4.36)***	.040 (2.15)*	.068 (3.24)***
Experience-squared	-.000 (6.83)*	-.000 (8.28)*	.000 (0.41)	.000 (1.07)	.000 (3.79)	.000 (4.59)	.000 (2.14)*	.000 (2.84)***
Plot value (In)	.143 (18.64)***		.023 (0.65)	.066 (2.08)*	.209 (13.35)***	.140 (9.09)***	.159 (7.19)***	.149 (9.23)***
Technology use cost (In)	.087 (13.26)***		.154 (1.51)	.125 (3.16)***	.034 (3.29)***	.057 (5.19)***	.095 (4.85)***	.124 (6.74)***
Total labor cost (In)	.034 (6.55)		-.113 (2.32)*	.055 (1.86)	.013 (2.07)	.019 (2.32)*	.059 (3.77)***	.069 (3.56)***
Constant	6.169 (43.87)***	7.872 (58.46)***	8.398 (5.13)***	6.470 (9.99)***	5.851 (25.54)***	6.333 (24.84)***	5.980 (15.93)***	5.327 (13.89)***
No. of observation	2519	2519	39	145	788	683	329	535
R-squared	.28	.07	.29	.23	.28	.25	.36	.35

Independent variable	Highest schooling in the households	Household head's schooling	House- hold head's gender		Household head is literate
			Male	Female	
Education	.059 (10.54)***	.019 (3.10)***	.055 (5.63)***	.050 (1.97)***	.153 (3.6)
Experience	.048 (7.09)***	.039 (5.63)***	.045 (8.80)***	.030 (1.89)***	.037 (5.49)***
Experience-squared	.000 (6.70)***	.000 (5.98)***	.000 (5.75)***	.000 (2.29)*	.000 (5.85)***
Plot value (In)	.135 (17.8)***	.149 (19.54)***	.148 (18.49)***	.113 (4.57)***	.149 (19.55)***
Technology use cost (In)	.080 (12.41)***	.091 (13.78)***	.089 (12.79)***	.040 (2.14)*	.091 (13.84)***
Total labor cost (In)	.030 (5.9)***	.035 (6.74)***	.029 (5.22)***	.048 (3.63)***	.035 (6.75)***
Constant	6.160 (45.14)***	6.309 (45.16)***	6.229 (40.64)***	6.553 (17.71)***	6.319 (45.58)***
No. of observation	2519	2519	2195	324	2519
R-squared	.30	.27	.29	.19	.28

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 58 Regression Results for Farm Enterprises Production Dependent Variable: Net Revenues (In)

Independent variables	All	No Inputs	M.	H	T.	EDR	MDR	WDR	MWDR	FWDR	Urban	Rural
Education	.017 (2.4)***	.080 (10.0)***	.044 (1.9)***	-.006 (0.7)	.043 (3.6)***	.047 (2.9)***	.013 (1.1)	.013 (0.9)	.017 (0.8)***	-.026 (1.0)	.007 (0.5)	.045 (5.4)***
Exp	.033 (5.8)***	.051 (8.1)***	.039 (3.0)***	.014 (1.8)***	.038 (3.8)***	.022 (1.8)***	.028 (2.9)***	.034 (2.7)***	.056 (3.4)***	.070 (4.0)***	-.003 (0.2)	.042 (6.8)***
Exp squared	-.000 (7.2)***	-.000 (9.1)***	-.000 (4.2)***	-.000 (3.3)***	-.000 (4.0)***	-.000 (2.0)***	-.000 (3.6)***	-.000 (3.3)***	-.000 (4.2)***	-.000 (4.8)***	-.000 (0.1)	-.000 (8.1)***
Plot value (In)	.100 (17.3)***		.201 (8.0)***	.088 (9.3)***	.084 (10.8)***	.086 (7.9)***	.088 (10.0)***	.103 (7.6)***	.141 (5.2)***	.150 (5.1)***	.063 (4.0)***	.109 (18.1)***
Technology use cost (In)	.081 (13.2)***		.007 (0.6)	.079 (9.5)***	.155 (12.6)***	.079 (6.3)***	.181 (12.3)***	.072 (5.8)***	.084 (5.0)***	.065 (3.8)***	.129 (5.8)***	.071 (11.7)***
Total labor cost (In)	.031 (5.9)***		.020 (1.8)*	.014 (2.2)***	.057 (5.6)***	.037 (3.1)***	.015 (1.5)***	.041 (4.2)***	.030 (2.3)***	.027 (2.1)***	.053 (2.8)***	.026 (5.1)***
Constant	7.158 (62.6)***	8.501 (79.5***)	6.493 (17.6)***	7.82 (46.36)***	6.381 (36.3)***	7.40 (32.5)***	6.66 (32.5)***	6.94 (28.8)***	6.55 (16.9)***	6.612 (15.3)***	7.279 (23.1)***	7.00 (58.5)***
No of Observation	2841	2841	374	1339	1128	671	929	597	392	252	433	2408
R-squared	.23	.06	.26	.18	.34	.22	.30	.28	.23	.28	.16	.28

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
EDR = Eastern Development Region; CDR = Central Development Region; WDR = Western Development Region; MWDR = Mid Western Development Region. FWDR = Far Western Development Region;
Source: NLSS I.

More Regression Results in Household Farm Production Dependent Variable: Net Revenues (In)

Independent variable	Highest schooling in the household	Household head's schooling	Household head is literate	Household's gender	
				Male	Female
Education	.048	-.004	.081	.014	.017
	(9.4)***	(1.0)***	(2.2)***	(1.7)*	(1.0)
Experience	.034	.029	.031	.029	.016
	(6.2)***	(5.1)***	(5.6)***	(4.2)***	(1.5)
Experience squared	.000	.000	.000	.000	.000
	(6.8)***	(6.8)***	(7.1)***	(5.5)***	(2.7)***
Plot value (In)	.089	.104	.101	.100	.120
	(15.4)***	(18.2)***	(17.7)***	(16.0)***	(7.9)***
Tech. use cost (In)	.072	.084	.082	.079	.064
	(12.0)***	(13.7)***	(13.5)***	(11.6)***	(4.7)***
Total labor cost (In)	.025	.032	.031	.032	.016
	(4.8)***	(6.1)***	(6.0)***	(5.4)***	(1.5)
Constant	7.1	7.22	7.17	7.29	7.1
	(64.0)***	(63.8)***	(63.5)***	(54.8)***	(29.3)***
No of observe	2841	2841	2841	2321	520
R-squared	.25	.23	.23	.22	.23

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)

Source: NLSS II.

Table 59
Contribution of Education to Farm Productivity in Different Scenarios

Scenarios	Increase in value added production (%)
An extra year of average household schooling	6
An extra year of household head's schooling	2
An extra year of most educated member's schooling	6
If household- head is literate	15.3
If household head is male	5.5
If household head is female	5
Kath. urban	21.3
Other urban	8.5
R-W hill	2.8
R-E hill	7.6
R-W terai	7.3
R-E terai	8.8

Note: t-statistics are in parentheses; $p<0.05$ (*); $p<0.01$ (**); $p< 0.001$ (***)
Source: NLSS I.

Table 60
Contribution of Education to Farm Productivity in Different Scenarios

Scenarios	Increase in value added production (%)
An extra year of average household schooling	1.7
An extra year of household head's schooling	-ve
An extra year of most educated member's schooling	4.8
If household- head is literate	8.1
If household head is male	1.4
If household head is female	1.7
If household is located in:	
Urban	.7
Rural	4.5
Mountain	4.4
Hill	- ve
Terai	4.3
EDR	4.7
CDR	1.3
WDR	1.3
MWDR	1.7
FWDR	-ve
Kathmandu urban	-ve
Other urban	2.3
R-W hill	1
R-E hill	5.1
R-W hill	.6
R-E terai	9.8

Note: EDR = Eastern Development Region; CDR = Central Development Region; WDR = Western Development Region; MWDR = Mid Western Development Region. FWDR = Far Western Development Region; R.W = Rural West; R.E = Rural East.
Note: t-statistics are in parentheses; $p<0.05$ (*); $p<0.01$ (**); $p< 0.001$ (***)
Source: NLSS II.

APPENDIX D

Selected Regression Results in Households Non Farm Production

Table 61
Selected Regression Results in Households Non Farm Production

Independent variable	All	No inputs	Trades	Handicraft	Others
Education	.103	.221	.070	.091	.109
	(9.22)***	(15.41)***	(4.85)***	(2.25)*	(6)***
Experience	.049	.100	.010	.091	.010
	(4.74)***	(7.00)***	(2.55)***	(3.59)***	(1.76)***
Experience-squared	.000	.000	.000	.000	.000
	(4.07)***	(6.72)***		(3.75)***	
Market value of enterprise (In)	.043		. 025	.071	.062
	(4.36)***		(2.04)*	(2.63)***	(3.36)***
Operating cost (In)	.165		. 269	.173	.119
	(13.23) ***		(12)***	(5.77)***	(5.11)***
In House labor days (In)	.600		.595	.581	.508
	(13.19)***		(10.75)***	(4.88)***	(5.07)***
Constant	3.001	7.198	2.653	2.284	4.372
	(10.46)***	(28.20)***	(7.75)***	(3.33)***	(7.53)***
No. of observation	802	802	412	132	258
R-squared	.63	.27	.64	.67	.51

Table 62
Selected Regression Results in Households Non Farm Production

Independent variable	Highest schooling in the households	Household heads' schooling	Household head is literate	KTM urban	Other urban	R.W. hill	R.E. hill	RW terai	RE terai
	.075	.045	.268	.088	.037	.055	.093	.046	.087
Education	(7.24)***	(5.05)***	(3.31)***	(4.22)***	(1.48)	(2.04)*	(2.04)*	(0.9)	(3.88)*
	.034	.018	.011	.009	-.006	.042	.078	.043	.053
Experience	(3.36)*	(1.83)***	(1.13)	(0.39)	(0.24)	(1.90***)	(2.57)	(1.22)	(2.78)***
	.000	.000	.000	.000	.000	.000	.000	.000	.000
Experience-squared	(2.94)***	(1.90)***	(1.44)	(.073)	(0.42)	(1.60)***	(2.36)*	(1.17)	(2.88)***
Market value of	.045	.048	.0511	-.002	.042	.055	.004	.060	.044
enterprise (In)	(4.48)***	(4.73)***	(4.90)***	(0.11)	(1.93)***	(2.72)***	(0.13)	(2.09)*	(2.42)*
	.171	.184	.187	.122	.225	.150	.241	.107	.138
Operating cost (In)	(13.45)***	(14.58)***	(14.63)***	(4.86)***	(5.98)***	(6.08)***	(5.43)***	(2.63)***	(5.74)***
	.539	.613	.612	.528	.310	.603	.662	.630	.553
In House labor days (In)	(11.36)***	(13.02)***	(12.89)***	(4.45)***	(2.82)***	(6.16)***	(4.79)***	(4.49)***	(6.89)***
	3.584	3.507	3.611	5.207	5.578	2.913	1.562	3.575	3.409
Constant	(12.73)***	(12.13)***	(12.43)***	(6.60)***	(7.37)***	(4.97)***	(1.87)***	(4.76)***	(5.94)***
No. of observation	802	802	802	152	132	153	104	60	201
R-squared	.61	.60	.59	.46	.47	.66	.59	.54	.54

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 63
Contribution of Education to Non Farm Productivity in Different Scenarios

Scenarios	Increase in value added production (%)
An extra year of average household schooling	10.3
An extra year of household head's schooling	4.5
An extra year of most educated member's schooling	7.5
If household- head is literate	26.8
Kath. urban	8.8
Other urban	3.7
R-W hill	5.5
R-E hill	9.3
R-W terai	4.6
R-E terai	8.7
If enterprise is trade	7
If enterprise is handicrafts-textile	9.1
If enterprise is others	11

Note: t-statistics are in parentheses; $p<0.05$ (*); $p<0.01$ (**); $p< 0.001$ (***)
Source: NLSS I.

Table 64
Regression Results for Non-Farm Enterprises Production Dependent Variable: Net Revenues (In)

Independent variables	All	No inputs	Trade	H-T	Other	Highest schooling	Head's Schooling	Household head is literate
Education	.088	.192	.043	.018	.098	.084	.047	.385
	(9.23)***	(17.45)***	(2.95)***	(0.64)	(7.63)***	(9.61)***	(6.28)***	(5.3)***
Experience	.037	.071	.034	.000	.035	.032	.015	.013
	(4.32)***	(6.59)***	(2.49)***	(0.05)	(2.97)***	(3.83)***	(1.85)*	(1.6)*
Experience Squared	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000
	(4.6)***	(6.61)***	(2.82)***	(0.46)	(3.09)***	(4.01)***	(2.94)***	(2.3)***
Market value of enterprise	.055		.062	.053	.055	.054	.062	.061
(In)	(5.49)***		(3.6)***	(1.77)*	(4.30)***	(5.31)***	(6.06)***	(5.9)***
Operating cost (In)	.161		.363	.321	.133	.158	.173	.180
	(13.62)***		(12.35)***	(7.68)***	(9.08)***	(13.34)***	(14.5)***	(15.1)***
In-house labor days (In)	.430		.488	.645	.359	.399	.434	.427
	(8.58)***		(5.21)***	(4.04)***	(5.79)***	(7.96)***	(8.49)***	(8.3)***
Constant	4.01	8.12	1.5	1.62	4.80	4.27	4.43	4.46
	(11.32)***	(41.01)***	(2.31)***	(1.52)	(10.72)***	(12.19)***	(12.38)***	(12.4)***
No of observation	1085	1085	355	106	624	1085	1085	1085
R-squared	.55	.27	.63	.75	.51	.55	.53	.53

Note:
Source: Living Standards Survey, 2003/04.

Table 65
Regression Results for Non-Farm Enterprises Production Dependent Variable: Net Revenues (In)

Independent variables	KTM urban	Other urban	R.W hill	R.E. hill	RW terai	RE terai	Urban	Rural
Education	.122	.049	.082	.100	.021	.009	.083	.049
	(5.3)***	(2.9)***	(2.3)***	(4.0)***	(0.7)	(0.5)	(6.0)***	(3.6)***
Exp	.067	.025	.014	.041	.016	.000	.044	.015
	(2.7)***	(1.6)*	(0.6)	(2.5)***	(0.5)	(0.0)	(3.3)***	(1.4)
Exp Squared	-.000	-.000	-.000	-.000	-.000	-.000	-.000	-.000
	(2.4)***	(1.2)	(1.0)	(3.4)***	(0.7)	(0.6)	(2.6)***	(2.6)***
Market value of enterprise (In)	.033	.037	.120	.032	.062	.049	.037	.059
	(1.2)	(1.8)*	(3.6)***	(1.7)***	(1.4)	(2.5)***	(2.2)***	(4.8)***
Operating cost (In)	.180	.206	.095	.095	.198	.169	.205	.125
	(4.2)***	(7.5)***	(2.5)***	(5.0)***	(4.3)***	(7.2)***	(8.8)***	(9.3)***
In-house labor days cost (In)	.986	.224	-.030	.753	.790	.746	.298	.543
	(4.7)***	(3.0)***	(0.2)	(7.2)***	(3.4)***	(6.5)***	(4.2)***	(8.1)***
Constant	-.529	5.659	7.789	2.239	1.491	2.295	4.716	3.887
	(0.4)	(9.8)***	(7.1)***	(3.2)***	(1.0)	(2.8)***	(8.7)	(8.5)***
No of observation	170	293	139	194	76	213	463	622
R-squared	.53	.46	.47	.53	.55	.52	.48	.49

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: Living Standards Survey, 2003/04.

Table 66
Contribution of Education to Non Farm Productivity in Different Scenarios

Scenarios	Increase in value added production (%)
An extra year of average household schooling	8.8
An extra year of household head's schooling	4.7
An extra year of most educated member's schooling	8.4
If household- head is literate	38.5
If Household is located in:	
Urban	8.3
Rural	4.9
Kathmandu urban	12.2
Other urban	4.9
R-W hill	8.2
R-E hill	10
R-W hill	2.1
R-E terai	.9
If enterprise is trade	4.3
If enterprise is handicrafts-textile	1.8
If enterprise is others	9.8

Note: EDR = Eastern Development Region; CDR = Central Development Region; WDR = Western Development Region; MWDR = Mid Western Development Region. FWDR = Far Western Development Region; R.W = Rural West; R.E = Rural East.
Source: Nepal Living Standards Survey, 2003/04.

APPENDIX E

Private and Social Returns by Levels of education

Table 67

Private and Social Returns by Levels of education, Location, Gender, Sector and Quintile Groups (1995/96)

	Levels of education			
	Less than primary	Primary	Secondary	Tertiary
Total expenditure (Rs.)		2869785000	1113851000	706152000
Total students enrollment		3263048	1016615	98271
Expenditure per student (Rs.)		880	1096	7186
Average wage earnings	5927	14147	32300	54352
Rural	5010	8975	24128	34881
Urban	15577	28217	36049	58042
Male	7052	14367	33812	56387
Female	4111	12492	25999	38700
Agriculture	3984	3736	3373	0
Non - agriculture	10486	19117	33017	54352
Poor 80%	4885	7917	1968	30871
Rich 20%	13490	25882	35174	55669
Private returns to schooling		19.7	8.6	13.3
Rural		13.8	7.8	11
Urban		25.2	4	11.7
Male		14.1	8.7	12.8
Female		20.7	10	15.3
Agriculture		3.8	-4.6	Drop
Non -agriculture		11	5.7	12.3
Poor 80%		13.1	7	12
Rich 20%		17.7	3.2	12
Social returns to schooling		17.2	8	11
Rural		11.8	7	8.5
Urban		23.9	4	9.8
Male		12.6	8	10.6
Female		17.1	9.2	12
Agriculture		3.2	-3.6	Drop
Non -agriculture		10.2	5.4	10.1
Poor 80%		11.2	6.2	2.6
Rich 20%		16.7	3	10
Subsidization index		14.6	7.5	22.01
Rural		17	11.42	29.41
Urban		5.5	2.56	20
Male		12	8.75	21.21
Female		21.1	8.69	27.5
Agriculture		18.8	27.77	Drop
Non -agriculture		7.9	5.55	21.78
Poor 80%		17	12.9	361.53
Rich 20%		6	6.66	20

Source: 1. Private rates of returns are taken from Chapter 4.
2. Social rates of returns are calculated using the method described in "Chapter 3" Model Five.
3. SI is the percent by which private return exceeds social return.
4. 1$US=Rupees 51.89 (1995) and Rupees 76.54 (2003).
5. Red Book of different year (Ministry of Finance) 6. Statistical Year Book of Nepal 2005 (CBS)

Figure 1 Share of Average Wage Earnings by Levels of Education (1995/96)

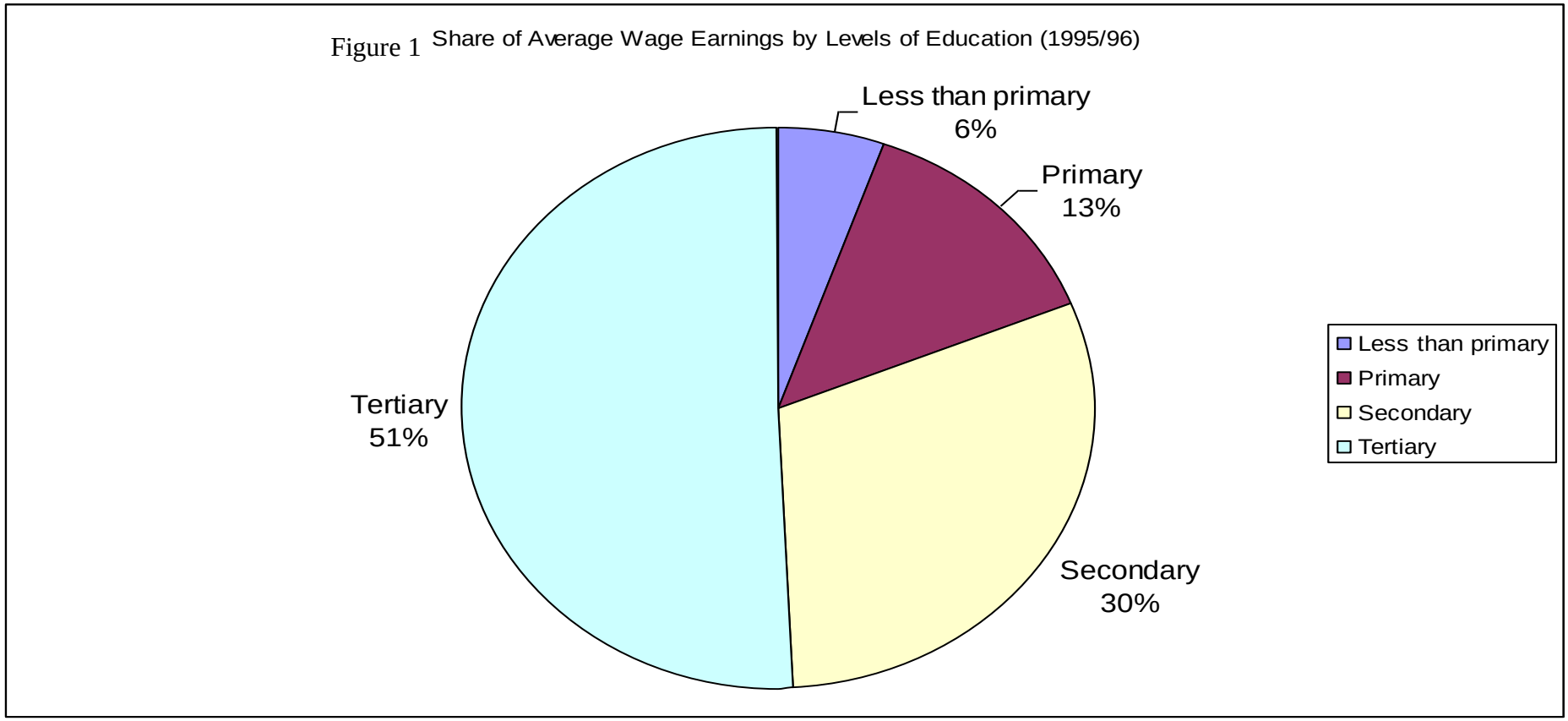


Figure 2 Share of total Public Educational Expenditure by Level of Education (1995/96)

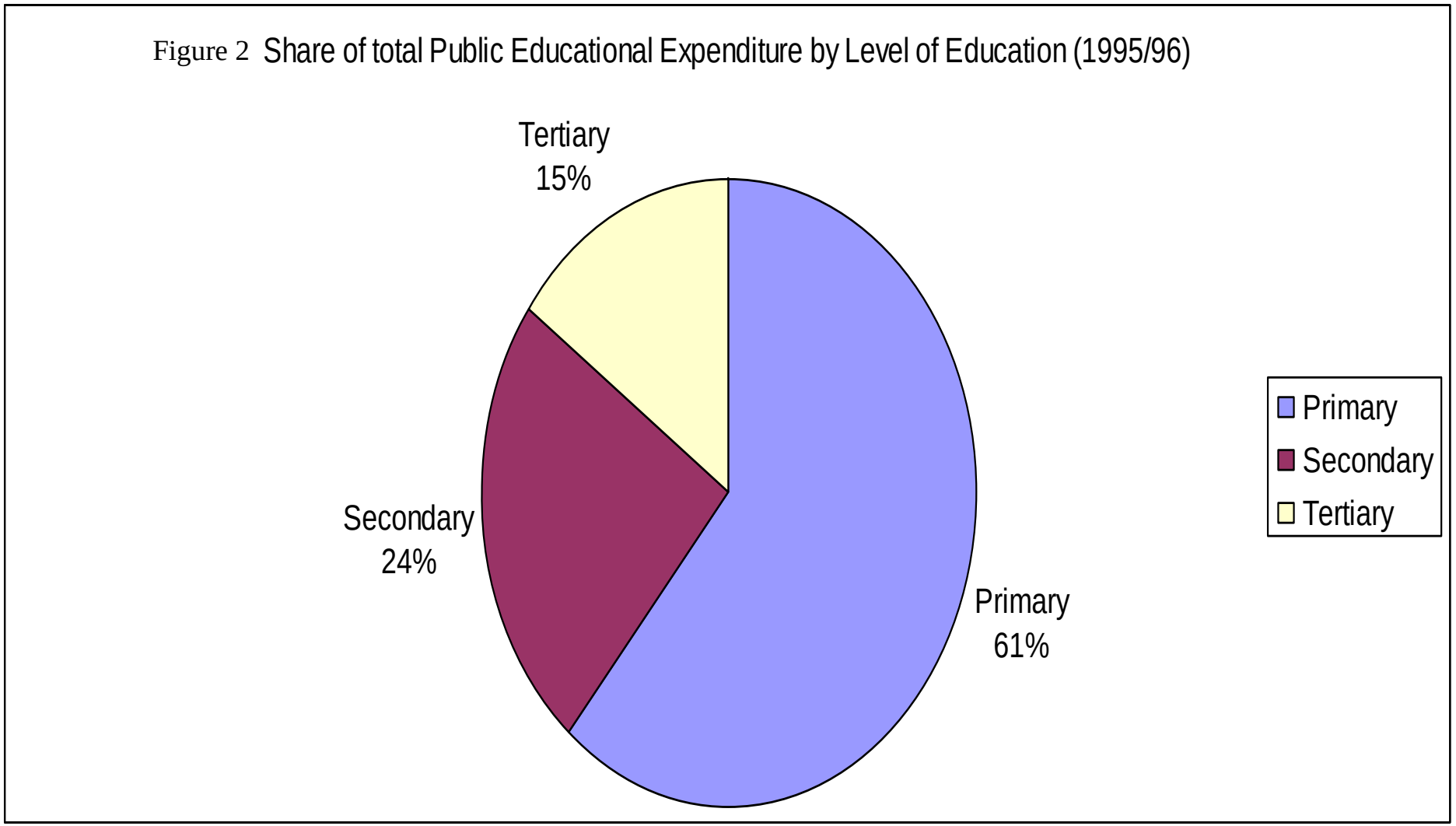


Figure 3 Total Student Enrollment by Level of Education (199596)

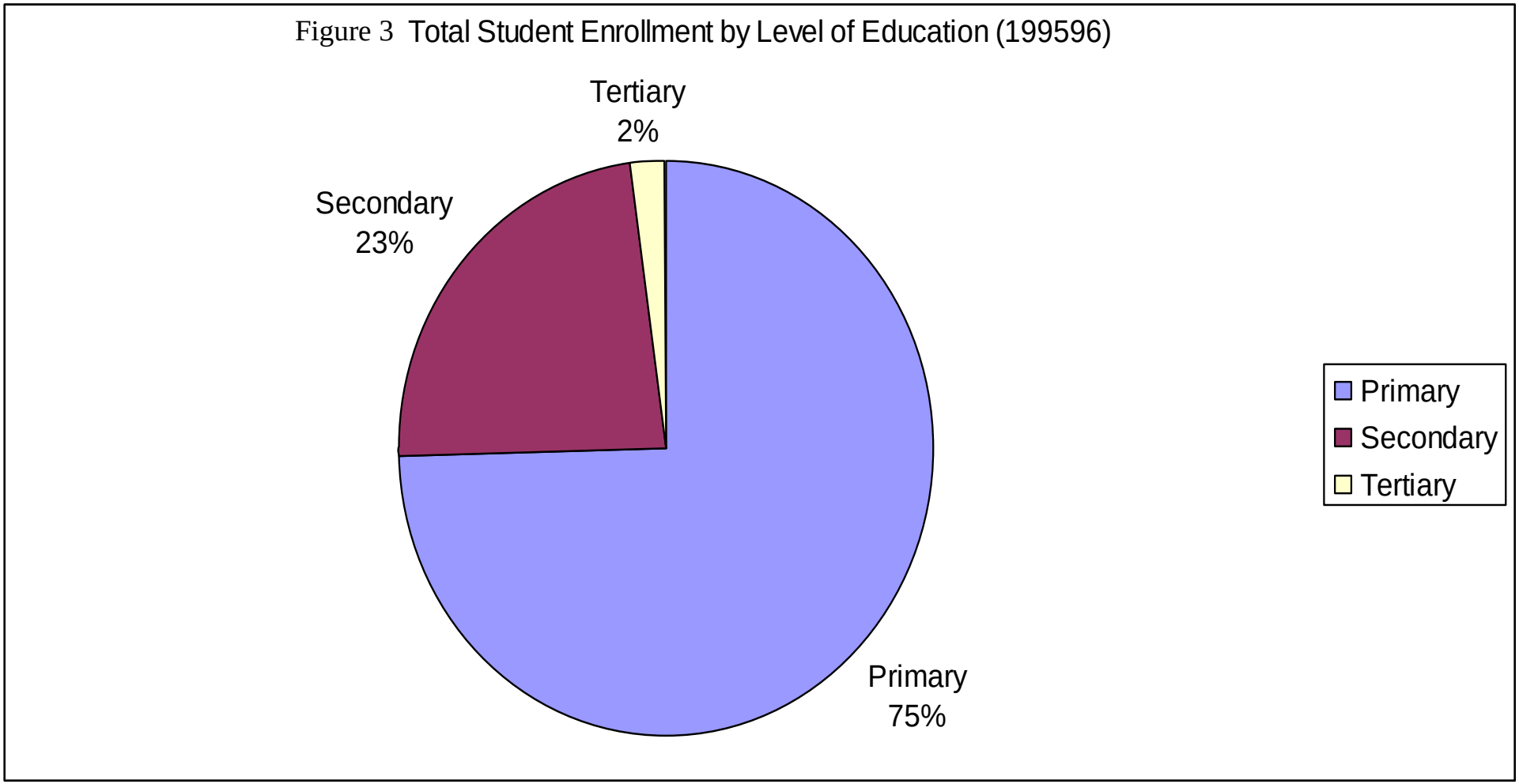


Figure 4 Per Student Public Expenditure share by Levels of Education (1995/96)

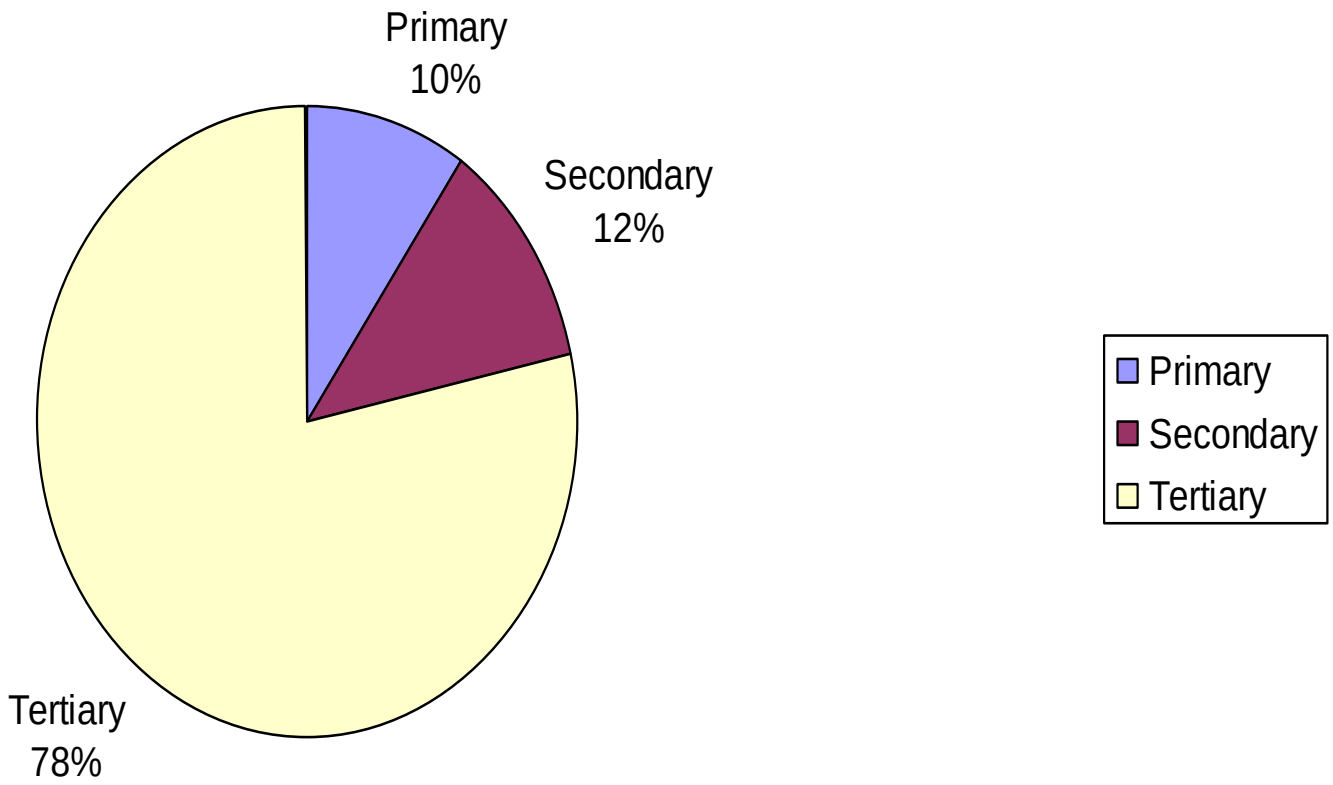


Table 68 Private and Social Returns by Levels of education, Location, Gender, Sector and Quintile Groups (2003/04)

	Levels of education			
	Less than primary	Primary	Secondary	Tertiary
Total expenditure (Rs.)		6755336000	2950980000	1410000000
Total students enrollment		4025692	1721151	122298
Expenditure per student (Rs.)		1678	1714.5	11529
Average wage earnings	8710	19747	48200	253788
Rural	7258	13842	38927	77399
Urban	17760	32617	55046	278816
Male	11337	21358	49587	273291
Female	4973	11960	43279	135958
Agriculture	5195	5355	5885	Drop
Non -agriculture	15897	28156	50054	253788
Poor 80%	7463	13864	28409	59097
Rich 20%	23949	35915	58542	267343
Private returns to schooling		19.4	7.8	19.2
Rural		16.9	6.2	14.1
Urban		20.4	8.5	16.5
Male		15.7	10.8	16.1
Female		15.6	7.7	19.5
Agriculture		11	0.06	Drop
Non -agriculture		13.4	6.8	18
Poor 80%		15.2	4.1	12.8
Rich 20%		19.7	6.9	15.5
Social returns to education		16.3	7.2	15.5
Rural		13.8	5.6	10.9
Urban		18.7	8	13.7
Male		12.0	10	13
Female		11.7	6.7	15.4
Agriculture		8.4	0.04	Drop
Non -agriculture		12.2	6.5	14.7
Poor 80%		12.5	3.7	9.2
Rich 20%		18.5	6.6	13
Subsidization index		19	8.33	23.87
Rural		22.5	10.71	29.35
Urban		9.1	6.25	20.43
Male		30.9	8	23.84
Female		33.4	14.92	26.62
Agriculture		31	50	Drop
Non -agriculture		9.9	4.61	22.44
Poor 80%		21.6	10.81	39.13
Rich 20%		6.5	4.54	19.23

Source:

1. Private rates of returns are taken from Chapter 4.
2. Social rates of returns are calculated using the method described in "Chapter 3" Model Five.
3. SI is the percent by which private return exceeds social return.
4. 1$US=Rupees 51.89 (1995) and Rupees 76.54 (2003).
5. Red Book of different year (Ministry of Finance) 6. Statistical Year Book of Nepal 2005 (CBS)

Figure 5 Share of total Public Educational Expenditure by Level of Education (2003/04)

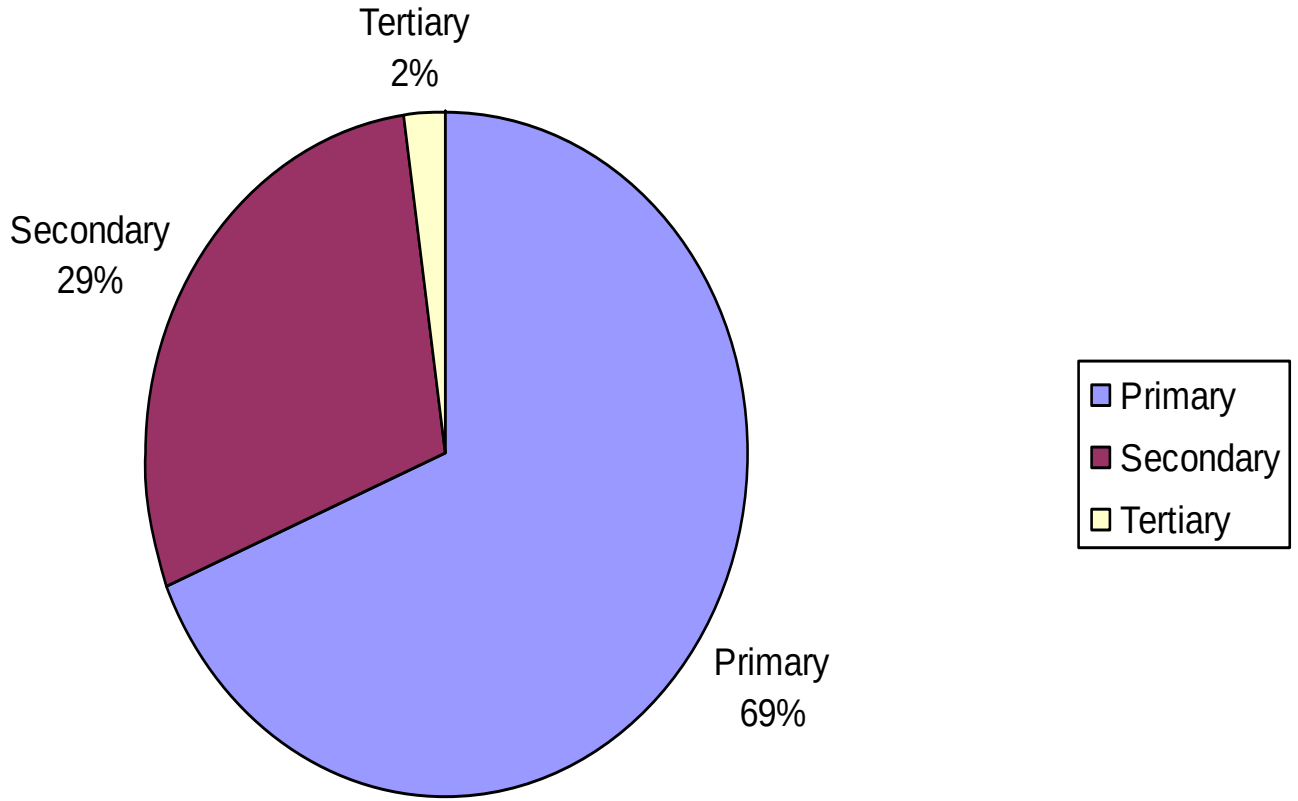


Figure 6 Share of Average Wage Earnings by Levels of Education (2003/04)

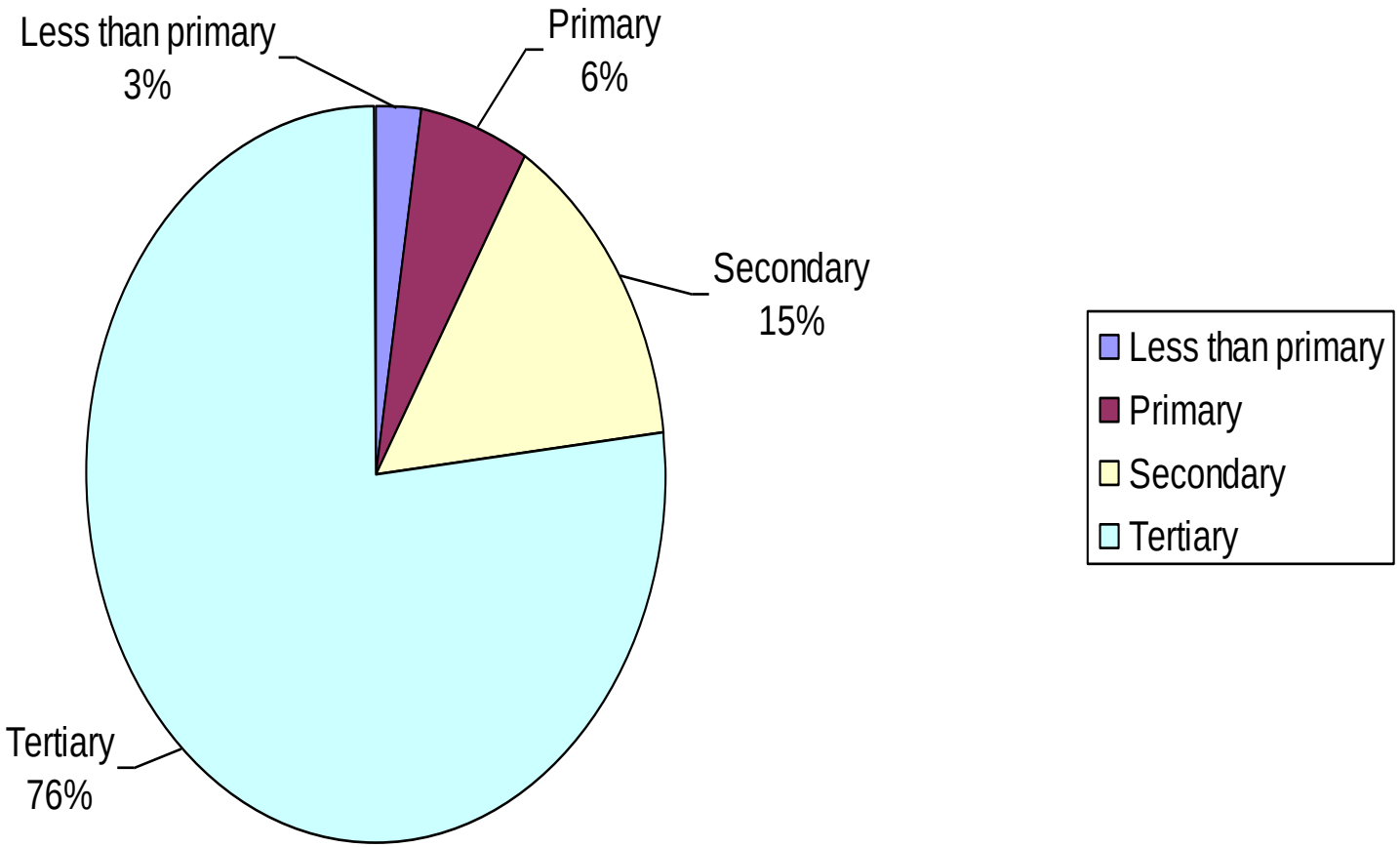


Figure 7 Share of total Public Educational Expenditure by Level of Edu

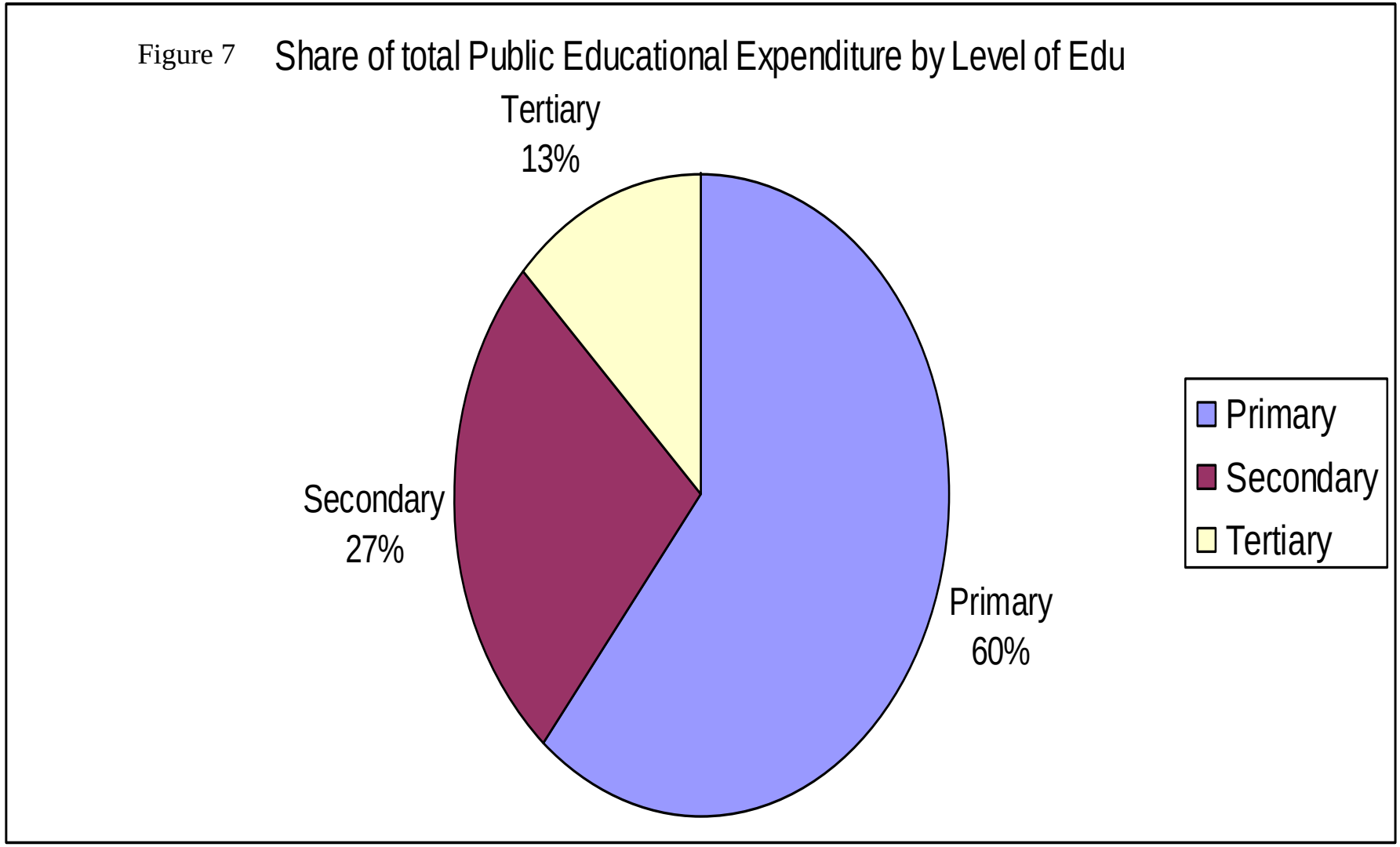
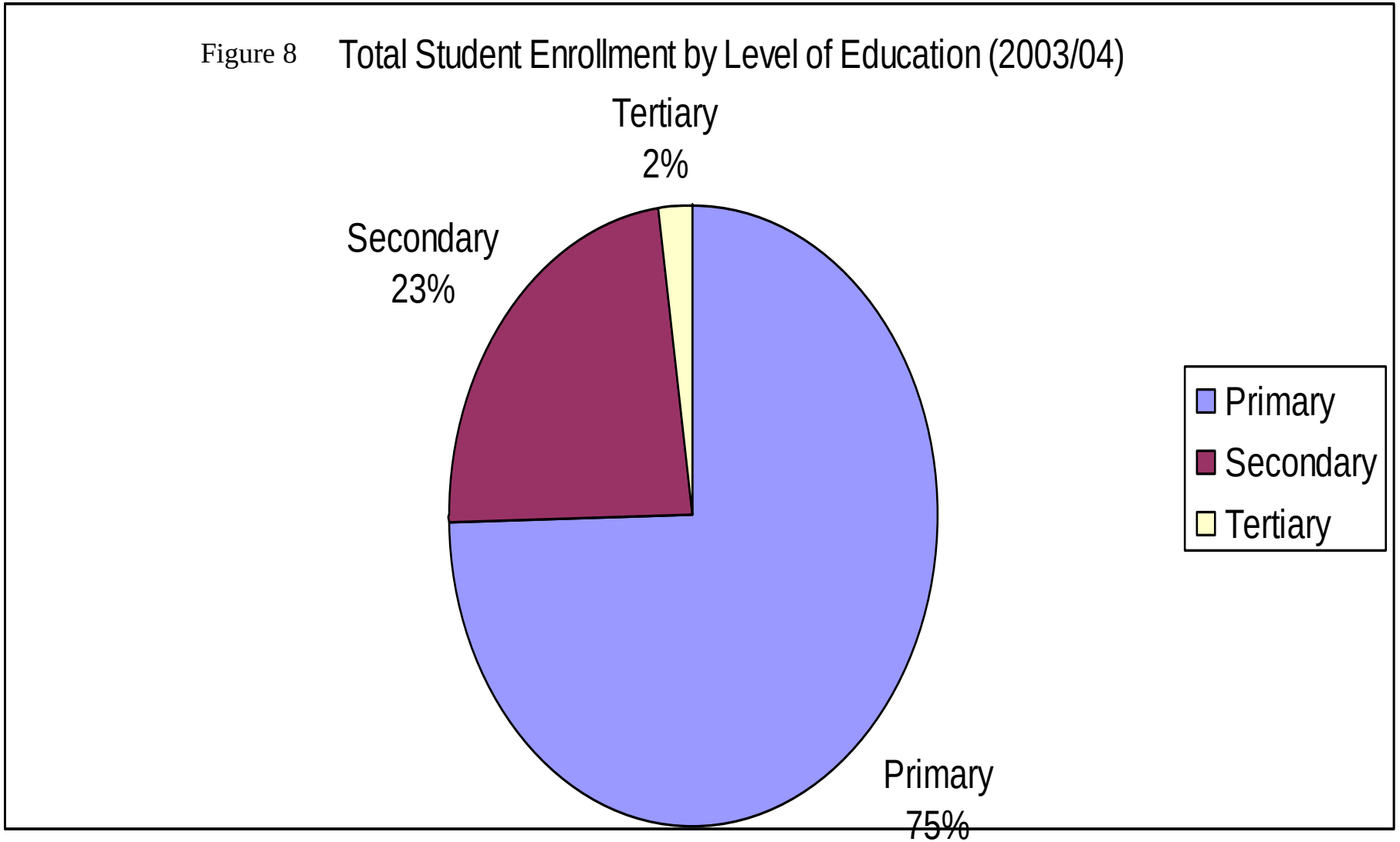


Figure 8 Total Student Enrollment by Level of Education (2003/04)



APPENDIX F

Sectoral Distribution of the Educational Budget

Table 69
Sectoral Distribution of the Educational Budget

Types of education	Year									
	1995/96		1997/98		1999/00		2001/02		2003/04	
	Total	%	Total	%	Total	%	Total	%	Total	%
Primary education	3558512	49.2	3880168	47.82	5599833	55.03	7790981	55.4	8507380	58.8
Secondary education	1206361	16.68	830510	10.23	2101767	20.65	2971033	21.1	3159845	21.8
Higher secondary education	8500	0.12	13905	0.17	26600	0.26	48092	0.3	40000	0.3
Higher education	533027	7.37	13050	0.16	1915382	18.82	1680413	11.9	1675722	11.6
Non-formal education (includes)	74093	1.02	120000	1.48	-	-	133528	0.9	+	-
Technical and vocational education	296029	4.09	133751	1.65	106055	1.04	193235	1.4	152524	1.1
Women's education	20235	0.28	20240	0.25	-	-	261754	1.9	+	-
Scholarship and student welfare	47200	0.65	15361	0.19	66256	0.65	50400	0.4	-	-

Source: MoES statistical for various years.

APPENDIX G

Test of Normality

Figure 9

A Plot of Residuals against Fitted Wage - Earnings in the Basic Earnings Function

(Estimated Residuals are fairly Symmetrical around Zero Value of Fitted Earnings)

NLSS 1995/96

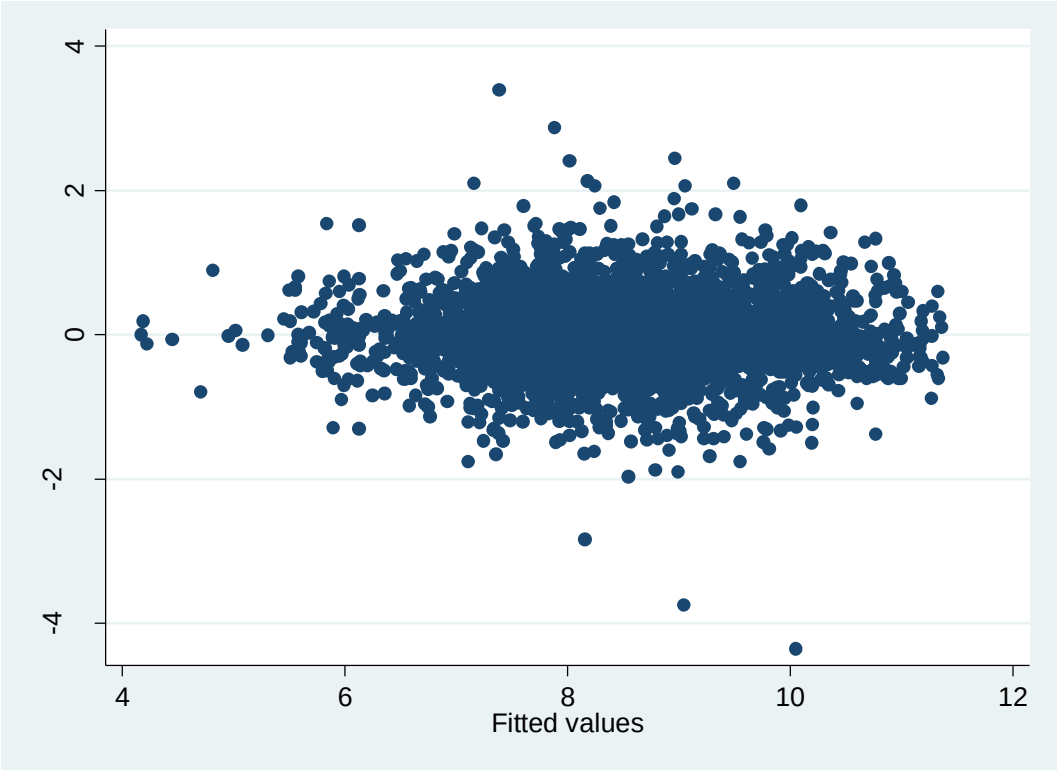
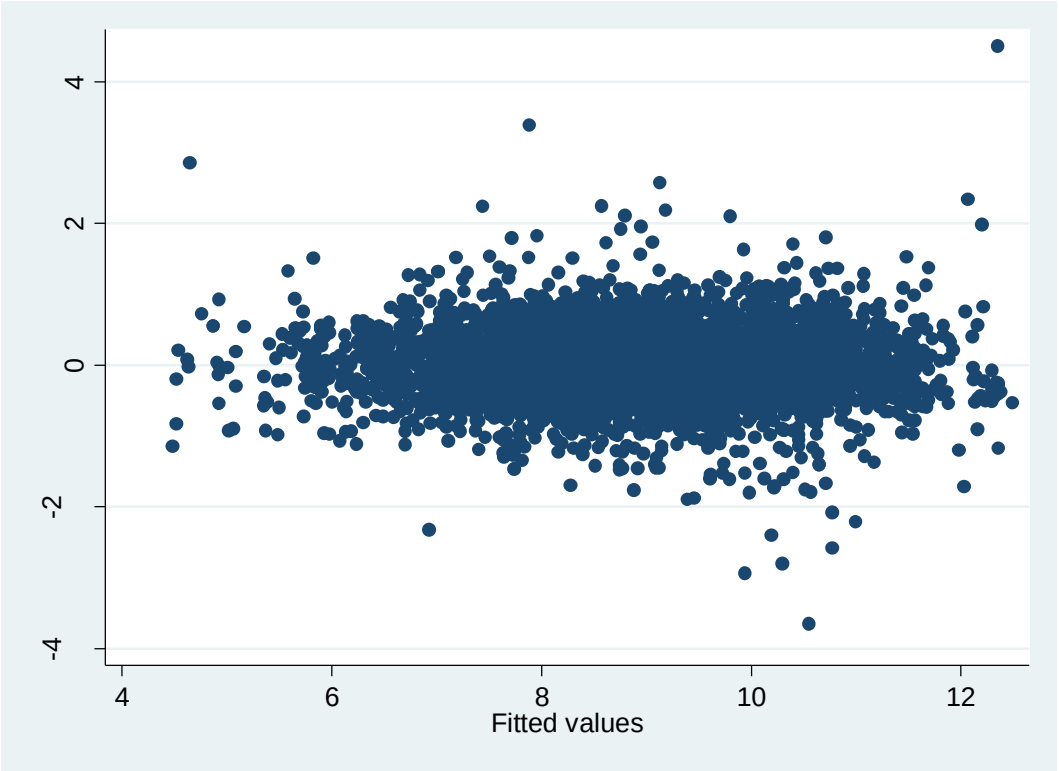


Figure 10

A Plot of Residuals against Fitted Wage - Earnings in the Basic Earnings Function

(Estimated Residuals are fairly Symmetrical around Zero Value of Fitted Earnings)

NLSS 2003/04



APPENDIX H

Test of Multicollinearity

Table 70

Correlation Matrix of Variables used in Regression Analysis (National Level)

Variable	School year	Experience	Experience squared	In week
School year	1.00			
Experience	-0.44	1.00		
Experience squared	-0.38	0.96	1.00	
In week	0.34	-0.09	-0.09	1.00

Note:

Source: NLSS I

Table 71

Correlation Matrix of Variables used in Regression Analysis (National Level)

Variable	Primary	Secondary	Tertiary	Experience	Experience squared	In week
Primary	1.00					
Secondary	-0.09	1.00				
Tertiary	-0.08	-0.03	1.00			
Experience	-0.35	-0.15	-0.10	1.00		
Experience squared	-0.30	-0.12	0.09	0.96	1.00	
In week	0.12	0.20	0.20	-0.97	-0.09	1.00

Source: NLSS I

Table 72

Correlation Matrix of Variables used in Regression Analysis (National Level)

Variable	Farm income (In)	School year	Experience	Experience squared	Technology use cost (In)	Plot value (In)	Total labour cost (In)
Farm income (In)	1.00						
School year	0.22	1.00					
Experience	-0.04	-0.34	1.00				
Experience squared	-0.07	-0.28	0.96	1.00			
Technology use cost (In)	0.36	0.20	-0.02	-0.03	1.00		
Plot value (In)	0.42	0.22	-0.04	-0.04	0.22	1.00	
Total labour cost (In)	0.21	0.08	-0.03	-0.06	0.18	0.10	1.00

Source: NLSS I

Table 73

Correlation Matrix of Variables used in Regression Analysis (National Level)

	Non Farm Income	School year	Experience	Experience squared	Market value of enterprise (In)	Operating cost (In)	In House labor days (In)
Non Farm Income	1.00						
School year	0.47	1.00					
Experience	-0.21	-0.55	1.00				
Experience squared	-0.22	-0.47	0.96	1.00			
Market value of enterprise (In)	0.55	0.38	-0.23	-0.23	1.00		
Operating cost (In)	0.68	0.40	-0.20	-0.20	0.56	1.00	
In House labor days (In)	0.59	0.23	-0.15	-0.17	0.41	0.43	1.00

Source: NLSS I

Table 74

Correlation Matrix of Variables used in Regression Analysis (National Level)

	School year	Experience	Experience squared	In week
School year	1.00			
Experience	-0.48	1.00		
Experience squared	-0.43	0.96	1.00	
In week	0.39	-0.09	-0.09	1.00

Source: NLSS II.

Table 75

Correlation Matrix of Variables used in Regression Analysis (National Level)

	Primary	Secondary	Tertiary	Experience	Experience squared	In week
Primary	1.00					
Secondary	-0.16	1.00				
Tertiary	-0.10	-0.06	1.00			
Experience	-0.34	-0.23	-0.06	1.00		
Experience squared	-0.30	-0.20	-0.07	0.96	1.00	
In week	0.06	0.29	0.22	-0.09	-0.09	1.00

Source: NLSS II.

Table 76

Correlation Matrix of Variables used in Regression Analysis (National Level)

Variable	Farm income (In)	School year	Experience	Experience squared	Technology use cost (In)	Plot value (In)	Total labour cost (In)
Farm income (In)	1.00						
School year	0.19	1.00					
Experience	-0.10	-0.37	1.00				
Experience squared	-0.14	-0.33	0.96	1.00			
Technology use cost (In)	0.32	0.20	-0.04	-0.06	1.00		
Plot value (In)	0.35	0.25	-0.04	-0.04	0.16	1.00	
Total labour cost (In)	0.20	0.12	-0.03	-0.06	0.23	0.09	1.00

Source: NLSS II.

Table 77

Correlation Matrix of Variables used in Regression Analysis (National Level)

Variable	Non Farm income (In)	School year	Experience	Experience squared	Market value of enterprise (In)	Operating cost (In)	In House labor days (In)
Non farm income (In)	1.00						
School year	0.4 9	1.00					
Experience	-0.23	-0.53	1.00				
Experience squared	-0.25	-0.46	0.95	1.00			
Market value of enterprise (In)	0.56	0.41	-0.25	-0.24	1.00		
Operating cost (In)	0.66	0.41	-0.19	-0.20	0.63	1.00	
In House labor days (In)	0.46	0.20	-0.02	-0.03	0.38	0.41	1.00

Source: NLSS II.

Table 78

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	17.22	0.05
Experience squared	16.13	0.06
School _ year	1.48	0.67
Inweek	1.15	0.87
Mean VIF	8.99	

Source: NLSS I

Table 79

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	17.29	0.05
Experience squared	16.23	0.06
Level 2	1.30	0.76
Level 3	1.15	0.87
In week	1.14	0.87
Level 4	1.10	0.90
Mean VIF	6.37	

Source: NLSS I

Table 80

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	15.46	0.06
Exp_squared	14.81	0.06
School_year	1.29	0.77
Inteach _ cost	1.12	0.89
Inplot _ value	1.10	0.90
Intotal _ la-t	1.05	0.95
Mean VIF	5.80	

Source: NLSS I

Table 81

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	16.12	0.06
Exp_squared	14.40	0.06
School _ year	1.87	0.53
Inoperatio-t	1.71	0.58
Inmarket v-e	1.62	0.61
Inin_house-s	1.32	0.75
Mean VIF	6.17	

Source: NLSS I

Table 82

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	15.66	0.06
Experience squared	14.61	0.06
School _ year	1.62	0.61
Inweek	1.21	0.82
Mean VIF	8.27	

Source: NLSS II

Table 83

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	15.86	0.06
Experience squared	14.80	0.06
Level 2	1.35	0.74
Level 3	1.35	0.74
In week	1.21	0.82
Level 4	1.13	0.88
Mean VIF	5.95	

Source: NLSS II

Table 84

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	14.12	0.07
Exp_squared	13.66	0.07
School_year	1.31	0.76
Inteach _ cost	1.12	0.89
Inplot _ value	1.09	0.91
Intotal _ la-t	1.08	0.92
Mean VIF	5.40	

Source: NLSS II.

Table 85

VIF for Multicollinearity used in Regression Analysis (National Level)

Variable	VIF	1/VIF
Experience	13.94	0.07
Exp_squared	12.70	0.07
School _ year	1.88	0.53
Inoperatio-t	1.81	0.55
Inmarket v-e	1.77	0.56
Inin_house-s	1.26	0.79
Mean VIF	5.56	

Source: NLSS II

APPENDIX I

Test of Heteroskedasticity

Heteroskedasticity Test (NLSS I)

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: school_year experience exp_squared Inweek

Chi 2 (4) = 10.98

Prob> chi2 = 0.0268

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: Level 2 Level 3 Level 4 experience exp_squared Inweek

Chi 2 (6) = 18.04

Prob> chi2 = 0.0061

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: School _ year experience exp_squared Intech _ cost

Inplot_value Intotal _ lab_ cost.

Chi 2 (6) = 90.42

Prob> chi2 = 0.0000

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: School _ year experience exp_squared Inmarket _ value Inoperation_ cost.

Chi 2 (6) = 42.26

Prob> chi2 = 0.0000

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: school_year experience exp_squared Inweek

Chi 2 (4) = 208.95

Prob> chi2 = 0.0000

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: School _ year experience exp_squared Inweek fSchool _ year mSchool _ year in Edu_exp tech _ cost Inplot_value Intotal _ lab_ cost.

Chi 2 (7) = 11.39

Prob> chi2 = 0.1226

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: Level 2 Level3 Level 4 experience exp_squared Inweek

Chi 2 (6) = 95.94

Prob> chi2 = 0.0000

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: Level 2

Level3 Level 4 experience exp_squared inweek fSchool _ year mschool_year in _ edu_exp

Chi 2 (9) = 16.00

Prob> chi2 = 0.0669

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: School _ year experience exp_squared Inteach_cost Inplot_ value Intotal _ lab_cost

Chi 2 (6) = 98.71

Prob> chi2 = 0.0000

Breusch - Pagan/Cook-weisberg test for heteroskedasticity

Ho: Constant variance

Variables: School _ year experience exp_squared Inmarket _ value Inoperation_ cost Inin_house_labour _ days

Chi 2 (6) = 310.16

Prob> chi2 = 0.0000

APPENDIX J

More Regression Results for Wage Sector

Table 86

Sensitivity Analysis; Dependent Variable: Individual Annual Earning (In)

	Nepal	Nepal
Years of schooling	.086	.204
	(34.23)***	(41.2)***
Experience	.033	.070
	(12.86)***	(12.8)***
Experience -squared	-.001	-.001
	(9.5)***	(9.5)***
Weeks worked per year (In)	1.012	
	(122.77)***	
Father's education	.012	.027
	(2.86)**	(2.9)***
Mother's education	.049	.099
	(4.96)***	(4.8)***
Household education expenses (In)	-.011	-.025
	(1.88)*	(1.9)
Constant	5.685	7.129
	(148.16)***	(92.2)***
No. of observations	4331	4331
R -squared	.85	.33

Source: NLSS II

Table 87
Earnings Function Results for all Workers by Gender in Nepal (without outliers), 2003/04; Dependent Variable = In Y.

Variable	Overall	Male	Female	Urban	Rural
Years of schooling	.086	.077	.075	.096	.067
Years of experience	.031	.032	.022	.047	.021
Experience squared	-.000	-.000	-.000	-.000	-.000
Inweek	1.004	1.007	.970	.984	.993
Constant	5.733	5.835	5.830	5.615	5.918
R- squared	.85	.83	.87	.82	.82
Number of observation	4288	2863	1425	1040	3248

Note: t-statistics are in parentheses; $p<0.05$ (*); $p<0.01$ (**); $p< 0.001$ (***)
Source: NLSS II.

APPENDIX K

Summary of Statistics

Table 88

Summary of Variables in the Sample, Wage–Sector (NLSS I)

Variables	Mean	Standard deviation	Frequency
Age (years)	33.51	12.05	3696
Sex (1-male)	0.68	0.47	3696
Years-of-schooling	2.56	4.04	3696
Years-of-schooling for class>0	7.13	3.59	1327
Experience (years)	24.94	13.29	3696
Education level dummies (10):			
Less than primary	1.35	.69	3696
Primary	.19	.39	3696
Secondary	.03	.18	3696
University	.03	.17	3696
Agriculture dummy (1, 0)	0.58	0.49	3696
Regional dummies (1, 0):			
Kathmandu	0.10	0.30	3696
Other urban	0.07	0.25	3696
R-W hill	0.19	0.39	3696
R-E hill	0.21	0.41	3696
R-W terai	0.13	0.33	3696
R-E terai	0.31	0.46	3696
Development region dummies (1, 0):			
Region 1	.24	.43	3696
Region 2	.42	.49	3696
Region 3	.15	.36	3696
Region 4	.10	.31	3696
Region 5	.06	.25	3696
Belt dummies (1, 0):			
Mountain	.13	.34	3696
Hill	.40	.49	3696
Terai	.45	.49	3696
School types dummies (1, 0):			
Public	.95	.21	1327
Private	.04	.21	1327
Urban rural dummies (1, 0):			
Urban	.16	.37	3696
Rural	.83	.37	3696
Religion dummies (1, 0):			
Hindu	.86	.34	3696
Buddhist	.07	.26	3696
Muslim	.86	.34	3696
Others	.86	.34	3696

Source: NLSS I, 1995/96 by Author.

Variables	Mean	Standard deviation	Frequency
Occupation dummies (1, 0):			
Professional	.05	.23	3696
Administration	.00	.07	3696
Clerical	.07	.25	3696
Sales	.01	.11	3696
Lodging	.03	.18	3696
Agri-worker	.58	.49	3696
Prod-worker	.22	.42	3696
Others	.00	.07	3696
Ethnicity Dummies (1, 0):			
Chherti	.13	.33	3696
Brahamin	.10	.30	3696
Magar	.05	.22	3696
Tharu	.06	.24	3696
Newar	.09	.28	3696
Tamang	.05	.22	3696
Kami	.05	.23	3696
Yadav	.04	.19	3696
Muslim	.04	.19	3696
Rai	.01	.11	3696
Gurung	.02	.14	3696
Damai	.02	.14	3696
Limbu	.02	.15	3696
Sharki	.02	.16	3696
Others	.25	.43	3696
Quintile Dummies (1, 0):			
Poorest 40%	.37	.48	3696
Next 40%	.40	.49	3696
Richest 20%	.21	.40	3696
Weeks worked per year	19.03	14.63	3696
Total wage (Rs./per year)	9889	15296	3696
Log of wage	8.44	1.24	3696

Source: NLSS I, 1995/96 by Author.

Table 89
Means of Selected Variables by Selected Categories, Wage-Sector (NLSS I)

Variables	Gender		Sector	
	Male	Female	Agriculture	Non-agriculture
Years of schooling	3.25	1.06	.98	4.77
Years of schooling for class >0	7.11	7.21	8.07	5.06
Experience (years)	24.92	25	22.8	26.47
Educational level				
Less than primary	.66	.89	.89	.53
Primary	.25	.07	.10	.31
Secondary	.03	.02	.00	.07
University	.03	.01	0	.07
Weeks worked per year	20.46	15.92	14.01	26.05
Total wage (Rs/year)	11898	5547	3957	18204
No of observations (N)	2527	1169	2157	1539

Source: NLSS I, 1995/96 by Author.

	Group					
	Kathmandu Urban	Other urban	R-W hill	R-E hill	R-W terai	R-E terai
Years of schooling	8.02	4.49	2.00	2.24	1.54	1.35
Years of schooling for class >0	9.81	8.40	5.82	6.04	5.68	6.47
Experience (years)	19.98	22.26	25.64	24.65	24.70	27
Educational level						
Less than primary	.26	.57	.78	.76	.84	.84
Primary	.35	.25	.19	.21	.14	.13
Secondary	.15	.11	.01	.01	.00	.01
University	.21	.06	.00	.00	.01	.00
Weeks worked per year	38.4	39.74	15.11	14.04	17.58	16.94
Total wage (Rs/year)	37051	17023	6955	6433	5545	5566
No of observations (N)	366	245	701	790	463	1131

Source: NLSS I, 1995/96 by Author.

	Group					
	Poorest 80%	Richest 20%	Urban	Rural	Public	Private
Years of schooling	1.6	6.2	6.6	1.8	7.09	7.76
Years of schooling for class >0	5.7	9.4	9.4	6.0	7.09	7.76
Experience (years)	25.7	24.4	20.9	25.8	16.45	16.19
Educational level						
Less than primary	.82	.42	.38	.81	.27	.34
Primary	.16	.31	.31	.17	.55	.30
Secondary	.00	.12	.13	.01	.08	.23
University	.00	.13	.15	.00	.08	.11
Weeks worked per year	15.53	31.9	34.92	15.88	25.12	27.27
Total wage (Rs/year)	5545	25897	29020	6100	17532	22353
No of observations (N)	2907	789	611	3085	1264	63

Source: NLSS I, 1995/96.

	Group				
	EDR	CDR	WDR	MWDR	FWDR
Years of schooling	1.91	3.32	2.25	1.68	2.26
Years of schooling for class >0	6.67	7.96	6.32	5.14	7.13
Experience (years)	26.14	24.17	26.28	23.22	25.06
Educational level					
Less than primary	.79	.67	.76	.83	.76
Primary	.18	.21	.19	.15	.17
Secondary	.01	.05	.02	.00	.03
University	.00	.05	.01	.00	.01
Weeks worked per year	16	22.4	17.2	15.5	19.5
Total wage (Rs/year)	5772	14404	7083	6260	9125
No of observations (N)	910	1555	574	405	252

Source: NLSS I, 1995/96.

Table 90
Mean Wages by Levels of education (NLSS I)

	Less than primary	Primary	Secondary	University
Average wage earnings (Rs.)				
All	5927	14147	32300	54352
Male	7052	14367	33812	56387
Female	4111	12492	33812	56387
Poor 80%	4885	7917	19676	30871
Rich 20%	13490	25882	35174	55669
Urban	15577	28217	36049	58042
Rural	5010	8975	24128	34881
Region 1	4693	7766	20426	32024
Region 2	7113	20011	36097	58147
Region 3	4757	11310	31696	38701
Region 4	5574	7879	26843	37225
Region 5	7374	9841	24790	46382
Mountain	4739	7592	19513	41770
Hill	8026	18385	35188	57669
Terai	4923	9199	23824	33744
Public school	8816	14219	32482	52790
Private school	8120	11522	30974	78014
Chherti	7029	14576	36160	73390
Brahamin	6683	18200	28618	47174
Magar	4542	7990	24977	54650
Tharu	5622	9375	25950	80325
Newar	12538	24001	36594	52871
Tamang	7762	17980	-	-
Kami	5504	4717	-	-
Yadav	4884	7129	19500	24200
Muslim	5124	22146	53000	-
Rai	5861	12711	-	-
Gurung	5378	13272	59500	-
Damai	4735	5960	19000	47500
Limbu	2833	2210	1320	-
Sharki	5658	15644	3200	-
Others	5021	8349	21313	50402

Source: NLSS I, 1995/96.

Table 91
Mean Years of Schooling by Levels of Education (NLSS I)

	Less than primary	Primary	Secondary	University
Years of schooling				
All	.40	7.51	11.68	13.50
Male	.56	7.49	11.68	13.53
Female	.14	7.69	11.67	13.31
Poor 80%	.37	7.09	11.61	13.17
Rich 20%	.61	8.30	11.69	13.52
Urban	.68	8.24	11.71	13.57
Rural	.37	7.25	11.62	13.17
Region 1	.29	7.44	11.78	13.14
Region 2	.40	7.69	11.68	13.58
Region 3	.47	7.43	11.46	13.29
Region 4	.59	6.90	11.50	13.33
Region 5	.32	7.53	11.80	13
Mountain	.41	7.23	11.75	13
Hill	.61	7.71	11.64	13.58
Terai	.26	7.28	11.81	13.07
Public school	2.97	7.49	11.68	13.42
Private school	2.41	8.26	11.67	14.86
Chherti	.46	7.87	11.73	13.21
Brahamin	.60	8.33	11.65	13.59
Magar	.81	6.98	11.50	17
Tharu	28	6.86	11	13.50
Newar	.81	7.85	11.62	13.46
Tamang	.41	5.89	-	-
Kami	.47	7.05	-	-
Yadav	.25	7.27	12	13
Muslim	.39	6.53	11	-
Rai	.71	7.63	-	-
Gurung	.58	6.83	12	-
Damai	.57	7.55	12	13
Limbu	.15	6.87	12	-
Sharki	.25	7.40	12	-
Others	.22	7.07	11.90	13.30

Source: NLSS I, 1995/96.

Table 92

Summary of Variables in the Sample, Wage –Sector (NLSS II)

Variables	Mean	Standard deviation	Frequency
Age (years)	34	12.15	4331
Sex (1-male)	.66	.47	4331
Years-of-schooling	3.5	4.48	4331
Years-of-schooling for class>0	7.44	3.66	4331
Experience (years)	24.5	13.69	4331
Education level dummies (10):			
Less than primary	.65	.47	4331
Primary	.21	.40	4331
Secondary	.09	.29	4331
University	.03	.19	4331
Agriculture dummy (1, 0)	.52	.49	4331
Regional dummies (1, 0):			
Kathmandu	.09	.29	4331
Other urban	.15	.36	4331
R-W hill	.13	.33	4331
R-E hill	.21	.41	4331
R-W terai	.12	.32	4331
R-E terai	.30	.42	4331
Development region dummies (1, 0):			
Region 1	.22	.41	4331
Region 2	.46	.49	4331
Region 3	.14	.35	4331
Region 4	.09	.29	4331
Region 5	.06	.25	4331
Belt dummies (1, 0):			
Mountain	.09	.28	4331
Hill	.50	.49	4331
Terai	.50	.49	4331
School types dummies (1, 0):			
Private	.94	.22	2033
Public	.04	.20	2047
Technical vocational	.00	.04	2032
Other school	.00	.09	2034
Urban rural dummies (1, 0):			
Urban	.24	.43	4331
Rural	.75	.43	4331
Religion dummies (1, 0):			
Hindu	.79	.40	4331
Buddhist	.09	.29	4331
Muslim	.79	.40	4331
Others	.79	.40	4331

Source: NLSS II 2003/04.

Variables	Mean	Standard deviation	Frequency
Occupation Dummies (1, 0):			
Armed force	.00	.04	4331
Legislator	.00	.09	4331
Professional	.04	.19	4331
Technician	.04	.21	4331
Clerks	.02	.16	4331
Service	.02	.16	4331
Skilled worker	.00	.06	4331
Craft worker	.14	.35	4331
Pland operation	.02	.16	4331
Elementary	.13	.34	4331
Ethnicity dummies (1, 0):			
Higher caste	.23	.42	4331
Terai middle caste	.09	.28	4331
Janajati	.42	.49	4331
Dalit	.18	.38	4331
Mulsim	.06	.24	4331
Others	.00	.08	4331
Quintile dummies (1, 0):			
Poorest 40%	.40	.49	4331
Next 40%	.39	.48	4331
Richest 20%	.20	.40	4331
Weeks worked per year	17.63	15.54	4331
Total wage (Rs./per year)	24312	319321	4331
Log of wage	8.88	1.45	4331

Source: NLSS II 2003/04.

Table 93
Means of Selected Variables by Selected Categories, Wage-Sector (NLSS II)

Variables	Gender		Sector	
	Male	Female	Agriculture	Non-agriculture
Years of schooling	4.26	1.95	1.43	5.73
Years of schooling for class >0	7.46	7.37	5.24	8.40
Experience (years)	24.69	24.11	26.54	22.27
Educational level				
Less than primary	.57	.81	.84	.44
Primary	.26	.10	.15	.28
Secondary	.10	.06	.00	.18
University	.05	.01	0	.08
Weeks worked per year	19.75	13.38	10.01	25.95
Total wage (Rs/year)	31294	10294	5223	45124
No of observations (N)	2891	1440	2259	2072

Source: NLSS II, 2003/04.

	Group					
Variable	Kathmandu urban	Other urban	R-W hill	R-E hill	R-W terai	R-E terai
Years of schooling	8.52	5.67	3.04	2.79	2.72	1.82
Years of schooling for class >0	10.06	8.78	6.67	6.01	5.93	6.58
Experience (years)	19.32	22.58	26.75	24.75	24.30	23.12
Educational level						
Less than primary	.23	.45	.68	.72	.70	.80
Primary	.26	.28	.23	.20	.25	.15
Secondary	.29	.18	.08	.06	.04	.04
University	.22	.09	.01	.01	.01	-
Weeks worked per year	37.20	25.63	13.74	12.04	13.19	14.79
Total wage (Rs/year)	123508	30879	13808	10836	11167	8983
No of observations (N)	407	655	546	899	519	1305

Source: NLSS II, 2003/04.

Variable	Quintile		Location		School Type	
	Poorest 80%	Richest 20%	Urban	Rural	Public	Private
Years of schooling	2.3	8.2	6.8	2.5	7.25	10.04
Years of schooling for class >0	6.1	9.9	9.4	6.3	7.31	10.15
Experience (years)	25.5	20.9	21.4	25.6	16.98	12.71
Educational level						
Less than primary	.75	.24	.37	.75	.27	.12
Primary	.19	.27	.27	.19	.46	.21
Secondary	.04	.30	.21	.05	.18	.41
University	.00	.17	.13	.00	.07	.23
Weeks worked per year	13.7	33.2	30.06	13.60	23.13	29.43
Total wage (Rs/year)	9725	81191	66379	10646	42901	47581
No of observations (N)	3447	884	1062	3269	1937	91

Source: NLSS II, 2003/04.

	Group				
	EDR	CDR	WDR	MWDR	FWDR
Years of schooling	2.75	3.83	3.98	3.26	2.92
Years of schooling for class >0	6.97	7.91	7.17	6.86	6.94
Experience (years)	25.62	24.14	25.56	22.55	23.70
Educational level					
Less than primary	.71	.63	.58	.67	.70
Primary	.19	.19	.28	.23	.19
Secondary	.07	.10	.09	.07	.08
University	.01	.05	.03	.01	.02
Weeks worked per year	17.12	18.8	18.65	16.96	10.19
Total wage (Rs/year)	12683	34844	20312	16892	10605
No of observations (N)	979	2001	638	419	294

Source: NLSS II, 2003/04.

Table 94

Mean Wages by Levels of Education (NLSS II)

	Less than primary	Primary	Secondary	University
Average wage earnings (Rs.)				
All	8710	19747	43279	135958
Male	11337	21358	49587	273291
Female	4973	11960	43279	135958
Poor 80%	7463	13864	28409	59097
Rich 20%	23949	35915	58542	267343
Urban	17760	32617	55046	278816
Rural	7258	13842	38927	77399
Region 1	7942	13399	39656	96360
Region 2	9043	22047	51231	328412
Region 3	10451	22643	50459	80711
Region 4	9833	20484	53754	91943
Region 5	4596	15174	33172	74372
Mountain	5501	13152	38023	70300
Hill	10959	24534	52594	320031
Terai	7953	16310	42189	98377
Public school	12930	19937	49094	273956
Private school	10808	12526	42436	111655
Higher caste	9227	22788	48669	106038
Terai middle caste	8318	19226	36391	85953
Janajati	9246	19123	50565	448918
Dalit	7326	14026	40891	80000
Mulsim	9474	16356	26885	48400
Others	10664	26748	57000	133867

Source: NLSS II, 2003/04.

Table 95
Mean Years of Schooling by Levels of Education (NLSS II)

	Less than primary	Primary	Secondary	University
Years of schooling				
All	.55	7.14	11.40	13.17
Male	.74	7.16	11.38	13.41
Female	.28	7.03	11.47	13.17
Poor 80%	.53	6.96	11.22	13.18
Rich 20%	.77	7.63	11.49	13.39
Urban	.78	7.63	11.51	13.4
Rural	.52	6.91	11.26	13.19
Region 1	.45	7.05	11.34	13.13
Region 2	.53	7.18	11.47	13.48
Region 3	.72	7.03	11.34	13.09
Region 4	.70	7.38	11.30	13.29
Region 5	.50	7.05	11.25	13.14
Mountain	.79	7.38	11.12	13
Hill	.70	7.16	11.44	13.34
Terai	.42	7.06	11.38	13.48
Public school	2.88	7.14	11.39	13.28
Private school	2.09	7.2	11.5	14
Higher caste	.91	7.52	11.36	13.4
Terai middle caste	.33	7.08	11.53	13.33
Janajati	.64	6.94	11.46	13.34
Dalit	.39	7.04	11.31	13
Muslim	.24	6.55	11.38	13
Others	.47	6.17	11	13.67

Source: NLSS II, 2003/04.

Table 96

Summary of Variables in Farm Production Sample

Variables	Mean	Standard deviation	Frequency
Net revenues (Rs./years)	23843	113080	2519
Market value of plot (Rs./years)	255150	806243	2519
Technology use cost (Rs./years)	767.20	1909	2519
Total Hired labor cost (Rs./years)	11976	16846	2519
Average household schooling (years)	1.83	2.43	2519
Highest schooling in household (years)	3.70	3.95	2519
Household head's schooling (years)	2.04	3.50	2519
Literacy of HH head (1, 0)	.39	.48	2519
Experience (years)	27	11	2519
Household head's gender (1= male)	.87	.33	2195
Regional dummies (1, 0):			
Kathmandu urban	0.02	0.12	2494
Other urban	0.06	0.23	2494
R-W hill	0.31	0.46	2494
R-E hill	0.27	0.44	2494
R-W terai	0.13	0.34	2494
R-E terai	0.21	0.41	2494
Belt dummies (1, 0):			
Mountain	.15	.36	2519
Hill	.48	.49	2519
Terai	.35	.47	2519
Development region dummies (1, 0):			
EDR	.21	.41	2519
CDR	.31	.46	2519
WDR	.20	.40	2519
MWDR	.12	.33	2519
FWDR	.13	.33	2519
Location dummies (1, 0)			
Urban	.07	.26	2519
Rural	.92	.26	2519

Note: EDR = Eastern Development Region; CDR = Central Development Region; WDR = Western Development Region; MWDR = Mid Western Development Region; FWDR = Far Western Development Region;

Source: NLSS I, 1995/96.

Table 97

Means of Selected Variables by Region

	Kathmandu	Other urban	R-W hill	R-E hill	R-W terai	R-E terai	Urban	Rural
Net revenues (Rs./year)	15950	41460	11943	15501	32013	42795	36053	22880
Market value of plot (RS./year)	1409724	665257	137674	263724	227701	238794	823052	210398
Technology use cost (Rs./year)	1268	691	185	647	1452	1338	813	763
Total Hired labor cost (Rs./year)	7440	6477	119936	13396	17178	8839	6681	12392
Average household schooling (year)	2.29	3.46	1.61	1.69	1.66	1.96	3.22	1.72
Number of households (N)	39	145	788	683	329	535	184	2335

Source: NLSS I, 1995/96.

Table 98

Means of Selected Variables by Region

	Mountain	Hill	Terai	EDR	CDER	WDR	MWDR	FWDR
Net revenues (Rs./year)	12147	14025	42146	30903	23576	16830	15161	31981
Market value of plot (RS./year)	96409	310275	250955	209019	354302	279711	173858	131609
Technology use cost (Rs./year)	347	459	1364	789	1067	718	587	254
Total Hired labor cost (Rs./year)	12876	11764	11862	10188	11634	9751	10854	20251
Average household schooling (year)	1.07	1.97	1.98	2.21	1.64	2.33	1.48	1.20
Number of households (N)	398	1215	906	549	801	520	315	334

Table 99

Summary of Variables in Farm Production Sample

Variables	Mean	Standard deviation	Frequency
Net revenues (Rs./years)	20322	27583	2841
Market value of plot (Rs./years)	431632	928831	2841
Technology use cost (Rs./years)	1666	3604	2841
Total Hired labor cost (Rs./years)	14045	17417	2841
Average household schooling (years)	2.75	2.73	2841
Highest schooling in household (years)	5.26	4.08	2841
Household head's schooling (years)	2.75	3.96	2841
Literacy of HH head (1, 0)	.46	4.49	2841
Experience (years)	25.7	11.76	2841
Household head's gender (1= male)	3.13	4.11	2321
Regional dummies (1, 0):			
Kathmandu urban	12506	15475	2841
Other urban	19471	34693	2841
R-W hill	17018	14451	2841
R-E hill	20798	22400	2841
R-W terai	24956	30637	2841
R-E terai	22129	36804	2841
Belt dummies (1, 0):			
Mountain	.13	.33	2841
Hill	.47	.49	2841
Terai	.39	.48	2841
Development region dummies (1, 0):			
EDR	.23	.42	2841
CDR	.32	.46	2841
WDR	.21	.40	2841
MWDR	.13	.34	2841
FWDR	.08	.28	2841
Urban	.15	.35	2841
Rural	.84	.35	2841

Note: EDR = Eastern Development Region; CDR = Central Development Region; WDR = Western Development Region; MWDR = Mid Western Development Region; FWDR = Far Western Development Region;

Source: NLSS II, 2003/04.

Table 100

Means of Selected Variables by Region

	Kathmandu	Other urban	R-W hill	R-E hill	R-W terai	R-E terai	Urban	Rural
Net revenues (Rs./year)	12506	19471	17018	20798	24956	22129	18458	20657
Market value of plot (RS./year)	1200309	897275	247525	321181	528169	358164	941365	339973
Technology use cost (Rs./year)	1338	1440	413	1742	2935	2432	1425	1709
Total Hired labor cost (Rs./year)	11316	11094	11219	16745	15647	15154	11126	14570
Average household schooling (year)	5.07	3.99	2.53	2.40	2.68	2.46	4.15	2.50
Number of households (N)	63	370	700	736	358	614	433	2408

Source: NLSS II, 2003/04.

Table 101

Means of Selected Variables by Region

	Mountain	Hill	Terai	EDR	CDER	WDR	MWDR	FWDR
Net revenues (Rs./year)	22021	18110	22384	22925	19714	17214	20540	22651
Market value of plot (RS./year)	271817	436322	479052	347578	474600	549771	288200	440274
Technology use cost (Rs./year)	966	1171	2485	1359	2428	1480	906	1297
Total Hired labor cost (Rs./year)	16342	12760	14809	16410	14596	12179	13252	11369
Average household schooling (year)	2.12	2.93	2.72	2.84	2.54	3.34	2.39	2.43
Number of households (N)	374	1339	1128	671	919	597	392	252

Source: NLSS II, 2003/04.

Table 102

Summary of Variables in Non-Farm Production Sample

Variables	Mean	Standard deviation	Frequency
Net revenues (Rs./year)	47309	148782	802
Market value of enterprise (Rs./year)	87278	269529	802
Operation cost (Rs./year)	180481	645792	802
Hired labor cost (Rs./ year)	519	422	802
Average household schooling (year)	4.09	4.22	802
Highest schooling in household (year)	5.06	4.76	802
Household head's schooling (year)	3.68	4.58	802
Literacy of HH head (1, 0)	.56	.49	802
Experience (year)	26.64	13.45	802
Regional dummies (1, 0):			
Kathamdnu	0.19	0.39	802
Other urban	0.16	0.37	802
R-W hill	0.19	0.39	802
R-E hill	0.13	0.34	802
R-W terai	0.07	0.26	802
R-E terai	0.25	0.43	802

Source: NLSS I, 1995/96.

Table 103
Summary of Variables in Non-Farm Production Sample

Variables	Sector		
	Trade sector	Handicraft /textiles	Other sectors
Net revenues (Rs./year)	58670	18805	43705
Market value of enterprise (Rs./year)	114406	19033	78875
Operation cost (Rs./year)	247331	94035	117957
Hired labor cost (Rs./ year)	595	417	451
Average household schooling (year)	4.67	1.75	4.38
Number of households	412	132	258

Source: NLSS I, 1995/96.

Table 104

Summary of Variables in Non-farm Production Sample

Variables	Mean	Standard deviation	Frequency
Net revenues (Rs./year)	74136	210323	1085
Market value of Enterprise (Rs./year)	243719	1939003	1085
Operation cost (Rs./year)	488243	5342325	1085
Hired labor cost (Rs./ year)	17717	952	1085
Average household schooling (year)	4.9	4.42	1085
Highest schooling in household (year)	5.95	4.83	1085
Household head's schooling (year)	4.32	4.76	1085
Literacy of HH head (1, 0)	.63	.48	1085
Experience (year)	26.59	13.76	1085
Regional dummies (1, 0):			
Kathamdnu	.16	.36	1085
Other urban	.27	.44	1085
R-W hill	.13	.33	1085
R-E hill	.18	.38	1085
R-W terai	.07	.26	1085
R-E terai	.20	.40	1085

Source: NLSS II, 2003/04.

Table 105

Summary of Variables in Non-farm Production Sample

Variables	Kathmandu urban	Other urban	RW-hill	RE – hill	RW – terai	RE - terai
Net revenues (Rs./year)	195305	94117	44854	22418	52421	23904
Market value of Enterprise (Rs./year)	697742	334722	72553	23357	109251	116555
Operation cost (Rs./year)	2053186	403470	121000	45918	237691	87764
Hired labor cost (Rs./ year)	1921	2018	1531	1508	1736	1723
Average household schooling (year)	7.89	6.34	3.53	2.83	4.98	3.31
Number of households	170	293	139	194	76	213

Source: NLSS II, 2003/04.

Table 106
Summary of Variables in Non-Farm Production Sample

Variables	Sector			Location	
	Trade sector	Handicraft /textiles	Other sectors	Urban	Rural
Net revenues (Rs./year)	83274	42418	74326	131270	31606
Market value of enterprise (Rs./year)	151932	170065	308450	468012	76761
Operation cost (Rs./year)	326876	1695287	375005	1009197	100459
Hired labor cost (Rs./ year)	2010	1639	1659	1982	1615
Average household schooling (year)	5.40	4.32	4.73	6.91	3.41
Number of households	355	106	624	463	622

Source: NLSS II, 2003/04.

APPENDIX L

Basic Statistics

Table 107

Basic Statistics (NLSS I)

	Observation	Mean	Std. Dev.	Variance	Skewness	Kurtosis
Wage Income	3696	9889	15296		3.9	25.6
Farm household Income	2519	23843	113080		16.5	319.9
Non-farm household income	802	47309	148782		12.4	200.2

Table 108
Basic Statistics (NLSS II)

	Observation	Mean	Std. Dev.	Variance	Skewness	Kurtosis
Wage Income	4331	24311	319321		63.6	4139.5
Farm household income	2841	20322	27583		8.6	153.3
Non-farm household income	1085	74136	210323		9.8	133.8

APPENDIX M

Sensitive Analysis for farm households (2003/04)

Table 109 Sensitive Analysis with Outliers and without Outliers for farm households (2003/04)

Nepal (Coefficient)						
	Average household schooling		Highest schooling in the household		Household head's schooling	
	With	Without	With	Without	With	Without
School year	.017	.014	.048	.044	.004	-.003
Experience	.033	.031	.034	.033	.029	.028
Exp. squared	-.000	-.000	-.000	-.000	-.000	-.000
Inplot value	.100	.094	.089	.083	.104	.097
Intech cost	.081	.079	.072	.071	.084	.081
Intotal labor	.031	.026	.025	.021	.032	.027
Constant	7.158	7.325	4.1	7.265	7.22	7.378
No. of observation	2841	2812	2841	2812	2841	2812
R^2	23	.22	.25	.25	.23	.22

Note: t-statistics are in parentheses; $p<0.05$ (*); $p<0.01$ (**); $p< 0.001$ (***)
Source: NLSS II.

Table 110 Sensitive Analysis with Outliers and without Outliers (2003/04)

Nepal (Coefficient)						
	Average household schooling		Highest schooling in the household		Household head's schooling	
	With	Without	With	Without	With	Without
School year	.088	.080	.084	.077	.047	.042
Experience	.037	.034	.032	.029	.015	.013
Exp. squared	-.000	-.000	-.000	-.000	-.000	-.000
Inmarket value	.055	.055	.054	.054	.62	.062
Inoperation cost	.161	.156	.158	.153	.173	.166
Inhouse labor	.430	.394	.399	.366	.434	.399
Constant	4.01	4.430	4.27	4.667	4.43	4.826
No. of observation	1085	1074	1085	1074	1085	1074
R^2	.55	.55	.55	.55	.53	.53

Note: t-statistics are in parentheses; $p<0.05$ (*); $p<0.01$ (**); $p< 0.001$ (***)
Source: NLSS II.

APPENDIX N

Regressions Results for Wage-Sector in Overall Nepal

Table 111

Regressions Results for Wage-Sector in Overall Nepal, Dependent Variable In Y

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
School year	.082	.089	.002	.002	28.6	36.98	0.000	0.000
Experience	.033	.034	.002	.002	11.43	13.97	0.000	0.000
Exp. squared	-.000	-.000	.000	.000	9.64	-10.24	0.000	0.000
Inweek	1.030	1.014	.010	.008	94.26	122.78	0.000	0.000
Constant	5.106	5.665	.046	.036	109.57	154.75	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: NLSS I, 1995/96 and NLSS II, 2003/04.

Table 112

Regression Analysis

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Primary Education	.394	.387	.027	.024	14.32	16.01	0.000	0.000
Secondary Education	.822	.776	.056	.034	14.48	22.78	0.000	0.000
Tertiary Education	1.353	1.543	.058	.046	23.20	32.94	0.000	0.000
R^2	85.1 % in 2003/04 and 78 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

APPENDIX O

Regression Result of Level of Education

Table 113

Selected Regressions for Wage Sector (Schooling Level Dummy Approach)

Dependent Variable: Individual Annual Wage Earnings (In)

Variable	All	Males	Females	Urban	Rural	Non-agriculture	Agriculture
Primary	.387 (16.01)***	.274 (9.57)***	.312 (7.04)***	.407 (7.15)***	.337 (12.78)***	.218 (5.92)***	.075 (2.05)*
Secondary	.776 (22.78)***	.657 (16.45)***	.849 (14.59)***	.828 (13.03)***	.647 (14.44)***	.502 (8.35)***	-.155 (0.56)
Tertiary	1.543 (32.94)***	1.436 (27.30)***	1.492 (15.53)***	1.484 (21.65)***	1.210 (10.43)***	.995 (16.57)***	Dropped
Experience	.022 (9)***	.023 (7.64)***	.013 (3.66)***	.042 (7.79)***	.014 (5.13)***	.032 (7.67)***	.010 (3.23)***
Experience squared	-.000 (7.05)***	-.000 (6.08)***	-.000 (3.81)***	-.000 (5.75)***	-.000 (3.99)***	-.000 (6.65)***	-.000 (3.17)***
In week	1.022 (123.84)***	1.020 (96.88)***	.973 (85.3)***	1.020 (51.49)***	1.007 (111.39)***	1.001 (63.42)***	.962 (75)***
Constant	5.936	6.087	5.991	5.791	6.066	5.701 (81.41)***	5.489 (100.53)***
R-squared	.850	.836	.882	.820	.825	.798	.725
Adjusted-R-squared	.850	.836	.881	.819	.825	.797	.725
Number of observation	4331	2891	1440	1062	3269	1539	2157

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 114

Premiums (%) by Level of Education

Variable	All	Males	Females	Urban	Rural	Non-agriculture	Agriculture
Primary	38.7	27.4	31.2	40.7	33.7	26.8	22.0
Secondary	38.9	38.3	53.7	42.1	31.0	33.6	0.3
Tertiary	76.7	77.9	64.3	65.6	56.3	71.6	Dropped

Table 115

Selected Regressions for wage sector (schooling level dummy approach)

Dependent variable: Individual annual wage earnings (In)

Variable	Mountain	Hill	Terai	Hindu	Buddhist	Muslim	Others
Primary	.271 (3.87)***	.395 (9.80)***	.333 (10.59)***	.380 (14.32)***	.442 (5.03)***	.278 (2.61)* *	.443 (3.78)***
Secondary	.543 (4.75)***	.767 (15.02)***	.685 (13.67)***	.763 (20.95)***	.713 (5.28)***	.444 (2.35)*	1.017 (3.81)***
Tertiary	.943 (3.67)***	1.516 (24.14)***	1.390 (17.73)***	1.517 (30.11)***	1.342 (9.31)***	Dropped	1.923 (5.93)***
Experience	.007 (1.04)	.033 (8.41)***	.014 (4.54)***	.022 (8.06)***	.031 (3.73)***	-.008 (0.91)	.035 (2.85)***
Experience squared	-.000 (0.38)	-.000 (5.99)***	-.000 (4.25)***	-.000 (6.28)***	-.000 (2.83)***	-.000 (0.74)	-.000 (1.93)***
In week	1.067 (40.62)***	1.017 (73.39)***	1.033 (98.13)***	1.031 (113.87)***	1.064 (35.79)***	.984 (28.73)***	.983 (23.30)***
Constant	6.166	5.922	5.937	5.925	5.890	6.299	5.646
R-squared	.852	.852	.854	.860	.845	.774	.798
Adj-R-squared	.849	.852	.854	.860	.843	.769	.792
Number of observation	398	1725	2208	3458	412	275	186

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 116

Premiums (%) by Level of Education

Variable							
	Mountain	Hill	Terai	Hindu	Buddhist	Muslim	Others
Primary	27.1	39.5	33.3	38.0	44.2	27.8	44.3
Secondary	27.2	37.2	35.2	38.3	27.1	16.6	57.4
Tertiary	0.4	74.9	70.5	75.4	62.9	Dropped	90.6

Table 117

Selected Regressions for wage sector (schooling level dummy approach)

Dependent variable: Individual annual wage earnings (ln)

Variable				
	Public school	Private school	Poorest 80%	Richest 20%
Primary	.388 (16.0)***	.180 (0.8)	.304 (11.85)***	.394 (5.78)***
Secondary	.779 (22.3)***	.989 (4.2)***	.508 (10.48)***	.738 (10.30)***
Tertiary	1.525 (31.0)***	1.753 (6.8)***	1.017 (6.41)***	1.358 (17.78)***
Experience	.021 (8.5)***	.066 (3.0)***	.014 (5.60)***	.036 (6.13)***
Experience squared	-.001 (6.7)***	-.001 (2.2)**	-.000 (4.77)***	-.000 (3.83)***
In week	1.028 (124.6)***	.8000 (8.4)***	.997 (116.34)***	1.033 (43.49)***
Constant	5.935 (155.9)***	6.133 (19.4)***	6.092	5.901
R-squared	.85	.78	.817	.795
Adj-R-squared	.85	.78	.817	.793
Number of observation	4218	91	3447	884

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 118

Premiums (%) by Level of Education

Variable	Public school	Private school	Poorest 80%	Richest 20%
Primary	38.8	18.1	30.4	39.4
Secondary	39.1	80.9	20.4	34.4
Tertiary	74.6	76.4	50.9	62.0

Source: NLSS II.

APPENDIX P

Regression Results (Farm Household)

Table 119

Regression Analysis

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Average household schooling	.060	.017	.009	.007	6.51	2.32	0.000	0.020
Experience	.048	.033	.007	.005	6.80	5.71	0.000	0.000
Exp. squared	-.000	-.000	.000	.000	-6.83	7.16	0.000	0.000
Inplot value	.143	.100	.007	.005	18.64	17.23	0.000	0.000
Intech cost	.087	.081	.006	.006	13.26	13.12	0.000	0.000
Intotal labor cost	.034	.031	.005	.005	6.55	5.85	0.000	0.000
Constant	6.169	7.158	.140	.114	43.87	62.54	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 120

Regression Analysis

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Highest schooling in the household	.059	.048	.005	.005	10.54	9.37	0.000	0.000
Experience	.048	.034	.006	.005	7.09	6.13	0.000	0.000
Exp. squared	-.000	-.000	.000	.000	6.70	6.78	0.000	0.000
Inplot value	.135	.089	.007	.005	17.8	15.39	0.000	0.000
Intech cost	.080	.072	.006	.006	12.41	11.94	0.000	0.000
Intotal labor cost	.030	.025	.005	.005	5.9	4.8	0.000	0.000
Constant	6.160	7.101	.136	.111	45.14	63.93	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04

Table 121

Regression Analysis

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Household head's schooling	.019	-.004	.006	.004	3.1	0.99	0.000	0.322
Experience	.039	.029	.007	.005	5.63	5.04	0.000	0.000
Exp. squared	-.000	-.000	.000	.000	5.98	6.74	0.000	0.000
Inplot value	.149	.104	.007	.005	19.54	18.13	0.000	0.000
Intech cost	.091	.084	.006	.006	13.78	13.70	0.000	0.000
Intotal labor cost	.035	.032	.005	.005	6.74	6.06	0.000	0.000
Constant	6.309	7.227	.139	.113	45.16	63.82	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 122

Regression Analysis

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Average household schooling	.103	.088	.011	.009	9.22	9.23	0.000	0.020
Experience	.049	.037	.010	.008	4.74	4.32	0.000	0.000
Exp. squared	-.000	-.000	.000	.000	4.07	4.60	0.000	0.000
Inmarket value	.043	.055	.009	.010	4.36	5.49	0.000	0.000
Inoperation cost	.165	.161	.012	.011	13.23	13.62	0.000	0.000
Ininhouse labor cost	.600	.430	.045	.050	13.19	8.58	0.000	0.000
Constant	3.001	4.012	.286	.354	10.46	11.32	0.000	0.000
R^2	55.6% in 2003/04 and 63.2 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 123

Regression Analysis

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Highest schooling in the household	.075	.084	.010	.008	7.24	9.61	0.000	0.000
Experience	.034	.032	.010	.008	3.36	3.83	0.001	0.000
Exp. squared	-.000	-.000	.000	.000	2.94	-4.01	0.003	0.000
Inmarket value	.045	.054	.010	.010	4.48	5.31	0.000	0.000
Inoperation cost	.171	.158	.012	.011	13.45	13.34	0.000	0.000
Ininhouse labor cost	.539	.399	.047	.050	11.36	7.96	0.000	0.000
Constant	3.584	4.272	.281	.350	12.73	12.19	0.000	0.000
R^2	55.9 % in 2003/04 and 61.8 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 124

Regression Analysis

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Household head's schooling	.045	.047	.008	.007	5.05	6.28	0.000	0.322
Experience	.018	.015	.009	.008	1.83	1.85	0.068	0.064
Exp. squared	-.000	-.000	.000	.000	1.9	2.94	0.057	0.003
Inmarket value	.048	.062	.010	.010	4.73	6.06	0.000	0.000
Inoperation cost	.184	.173	.012	.011	14.58	14.5	0.000	0.000
Ininhouse labor cost	.613	.434	.047	.051	13.02	8.49	0.000	0.000
Constant	3.507	4.436	.289	.358	12.13	12.38	0.000	0.000
R^2	53.8 % in 2003/04 and 60.5 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 125

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p Value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
School Year	.081	.089	.002	.002	28.6	36.98	0.000	0.000
Experience	.033	.034	.002	.002	11.43	13.97	0.000	0.000
Exp. Squared	-.000	-.000	.000	.000	9.64	-10.24	0.000	0.000
Inweek	1.030	1.014	.010	.008	94.26	122.78	0.000	0.000
Constant	5.106	5.665	.046	.036	109.57	154.75	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 126

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p Value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Primary Education	.394	.387	.027	.024	14.32	16.01	0.000	0.000
Secondary Education	.822	.776	.056	.034	14.48	22.78	0.000	0.000
Tertiary Education	1.353	1.543	.058	.046	23.20	32.94	0.000	0.000
R^2	85.1 % in 2003/04 and 78 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 127

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Average household schooling	.060	.017	.009	.007	6.51	2.32	0.000	0.020
Experience	.048	.033	.007	.005	6.80	5.71	0.000	0.000
Exp. Squared	-.000	-.000	.000	.000	-6.83	7.16	0.000	0.000
Inplot value	.143	.100	.007	.005	18.64	17.23	0.000	0.000
Intech cost	.087	.081	.006	.006	13.26	13.12	0.000	0.000
Intotal labor cost	.034	.031	.005	.005	6.55	5.85	0.000	0.000
Constant	6.169	7.158	.140	.114	43.87	62.54	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 128

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Highest schooling in the household	.059	.048	.005	.005	10.54	9.37	0.000	0.000
Experience	.048	.034	.006	.005	7.09	6.13	0.000	0.000
Exp. Squared	-.000	-.000	.000	.000	6.70	6.78	0.000	0.000
Inplot value	.135	.089	.007	.005	17.8	15.39	0.000	0.000
Intech cost	.080	.072	.006	.006	12.41	11.94	0.000	0.000
Intotal labor cost	.030	.025	.005	.005	5.9	4.8	0.000	0.000
Constant	6.160	7.101	.136	.111	45.14	63.93	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 129

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Household head's schooling	.019	-.004	.006	.004	3.1	0.99	0.000	0.322
Experience	.039	.029	.007	.005	5.63	5.04	0.000	0.000
Exp. Squared	-.000	-.000	.000	.000	5.98	6.74	0.000	0.000
Inplot value	.149	.104	.007	.005	19.54	18.13	0.000	0.000
Intech cost	.091	.084	.006	.006	13.78	13.70	0.000	0.000
Intotal labor cost	.035	.032	.005	.005	6.74	6.06	0.000	0.000
Constant	6.309	7.227	.139	.113	45.16	63.82	0.000	0.000
R^2	85.1 % in 2003/04 and 78.4 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 130

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Average household schooling	.103	.088	.011	.009	9.22	9.23	0.000	0.020
Experience	.049	.037	.010	.008	4.74	4.32	0.000	0.000
Exp. Squared	-.000	-.000	.000	.000	4.07	4.60	0.000	0.000
Inmarket value	.043	.055	.009	.010	4.36	5.49	0.000	0.000
Inoperation cost	.165	.161	.012	.011	13.23	13.62	0.000	0.000
Ininhouse labor cost	.600	.430	.045	.050	13.19	8.58	0.000	0.000
Constant	3.001	4.012	.286	.354	10.46	11.32	0.000	0.000
R^2	55.6% in 2003/04 and 63.2 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 131

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Highest schooling in the household	.075	.084	.010	.008	7.24	9.61	0.000	0.000
Experience	.034	.032	.010	.008	3.36	3.83	0.001	0.000
Exp. Squared	-.000	-.000	.000	.000	2.94	-4.01	0.003	0.000
Inmarket value	.045	.054	.010	.010	4.48	5.31	0.000	0.000
Inoperation cost	.171	.158	.012	.011	13.45	13.34	0.000	0.000
Ininhouse labor cost	.539	.399	.047	.050	11.36	7.96	0.000	0.000
Constant	3.584	4.272	.281	.350	12.73	12.19	0.000	0.000
R^2	55.9 % in 2003/04 and 61.8 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 132

Regression Analysis

Predictor	Coefficient		Standard Deviation		t- Ratio		p Value	
	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04	1995/96	2003/04
Household head's schooling	.045	.047	.008	.007	5.05	6.28	0.000	0.322
Experience	.018	.015	.009	.008	1.83	1.85	0.068	0.064
Exp. Squared	-.000	-.000	.000	.000	1.9	2.94	0.057	0.003
Inmarket value	.048	.062	.010	.010	4.73	6.06	0.000	0.000
Inoperation cost	.184	.173	.012	.011	14.58	14.5	0.000	0.000
Ininhouse labor cost	.613	.434	.047	.051	13.02	8.49	0.000	0.000
Constant	3.507	4.436	.289	.358	12.13	12.38	0.000	0.000
R^2	53.8 % in 2003/04 and 60.5 % in 1995/96.							

Source: Nepal Living Standard Surveys 1995/96 and 2003/04.

Table 133

Sensitivity Analysis with Outliers and without Outliers (1995/96 and 2003/04)

Predictor	Coefficient (2003/04)		Coefficient (1995/96)		p Value (2003/04)		p Value (1995/96)	
	With	Without	With	Without	With	Without	With	Without
School Year	.089 (36.98)***	.086 (36.17)***	.081 (28.60)***	.078 (27.5)***	0.000	0.000	0.000	0.000
Experience	.034 (13.97)***	.031 (13.30)***	.033 (11.43)***	.033 (11.3)***	0.000	0.000	0.000	0.000
Exp. Squared	-.000 (10.24)***	-.000 (9.74)***	-.000 (9.64)***	-.000 (9.7)***	0.000	0.000	0.000	0.000
Inweek	1.014 (122.78)***	1.004 (121.7)***	1.030 (94.26)***	1.024 (92.8)***	0.000	0.000	0.000	0.000
Constant	5.66 (154.75)***	5.733 (160.01)***	5.106 (109.57)***	5.2 (111.2)***	0.000	0.000	0.000	0.000
No. of observation	4331	4288	3696	3659	0.000	0.000	0.000	0.000
R^2	.85	.85	.78	.78	0.000	0.000	0.000	0.000

Note: t-statistics are in parentheses; $p<0.05$ (*); $p<0.01$ (**); $p< 0.001$ (***)
Source: NLSS I and NLSS II.

APPENDIX Q

Sensitive Analysis

Table 134

Sensitivity Analysis with Outliers and without Outliers (2003/04)

Predictor	Coefficient							
	Urban		Rural		Male		Female	
	With	Without	With	Without	With	Without	With	Without
School Year	.104 (21.4)***	.096 (20.9)***	.067 (22.1)***	.067 (22.4)***	.079 (27.3)***	.077 (26.7)***	.080 (18.9)***	.075 (18.1)***
Experience	.052 (9.8)***	.047 (9.5)***	.021 (8.0)***	.021 (7.9)***	.025 (11.5)	.032 (10.9)***	.035 (6.7)***	.022 (6.2)***
Exp. Squared	-.000 (6.4)***	-.000 (6.3)***	-.000 (5.9)***	-.000 (5.9)***	-.000 (8.1)***	-.000 (7.8)***	-.000 (6.2)***	-.000 (5.8)***
Inweek	.994 (48.7)***	.984 (50.5)***	1.003 (113.6)***	.993 (109.7)***	.977 (95.8)***	1.007 (96.0)***	1.020 (85.5)***	.970 (83.6)***
Constant	5.493 (64.6)***	5.615 (69.9)***	5.892 (143.4)***	5.918 (144.1)***	5.777 (121.2)***	5.835 (126.4)***	5.753 (108.5)	5.830 (111.2)***
No. of observation	1062	1040	3269	3248	1440	2863	2891	1425
R^2	.81	.82	.83	.82	.88	.83	.83	.88

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 135

Sensitivity Analysis with Outliers and without Outliers (1995/96)

Predictor	Coefficient							
	Urban		Rural		Male		Female	
	With	Without	With	Without	With	Without	With	Without
School Year	.084 (14.59)***	.078 (13.9)***	.056 (15.73)***	.056 (15.9)***	.069 (20.78)***	.067 (20.1)***	.086 (14.78)***	.079 (13.9)***
Experience	.045 (6.37)***	.046 (6.8)***	.026 (8.32)***	.025 (8.2)***	.037 (10.50)***	.037 (10.8)***	.024 (4.94)***	.019 (4.2)***
Exp. Squared	-.000 (4.72)***	-.000 (5.2)***	-.000 (7.34)***	-.000 (7.3)***	-.000 (8.89)***	-.000 (9.2)***	-.000 (4.90)***	-.000 (4.4)***
Inweek	.891 (24.07)***	.894 (25.1)***	.998 (88.38)***	.992 (86.04)***	1.040 (78.14)***	1.028 (75.9)***	.993 (57.60)***	.997 (59.1)***
Constant	5.689 (40.37)***	5.677 (41.8)***	5.283 (105.01)***	5.310 (105.6)***	5.155 (89.38)***	5.183 (19.1)***	5.195 (71.31)***	5.262 (74.5)***
No. of observation	.680	594	.744	3064	.777	2499	.794	1159
R^2	611	.69	3085	.73	2527	.76	1169	.80

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS I.

Table 136

Sensitivity Analysis with Outliers and without Outliers (2003/04)

	Nepal (coefficient)					
	With outlier	With outlier	With outlier	With outlier	With outlier	With outlier
School Year	.118 (5.3)***	.205 (44.9)***	.330 (9.2)***	.203 (41.3)***	.086 (34)***	.204 (41)***
Experience	.088 (3.2)***	.070 (13.9)***	.254 (5.2)***	.073 (14.1)***	.033 (13)***	.070 (13)***
Exp. Squared	-.002 (1.6)*	-.000 (10.4)***	-.008 (3.4)***	-.000 (10.5)***	-.000 (9.5)***	-.000 (9.5)***
Inweek	.889 (19.7)***				1.012 (123)***	
Father's school year	.000 (.02)		.022 (0.6)	.027 (2.9)**	.012 (2.9)**	.027 (3)***
Mother's school year	.029 (1.5)		.067 (1.8)*	.094 (4.6)***	.049 (4.9)***	.099 (4.8)***
Ineducation expenditure	.131 (2.6)**		.141 (1.5)		-.001 (1.9)	-.025 (2)*
Constant	4.401 (12.8)***	7.161 (100.2)***	4.015 (6.5)***	7.084 (96.1)***	5.685 (148.2)***	7.129 (92.2)***
No. of observation	174	4288	174	4331	4331	4331
R^2	.88	.32	.62	.33	.85	.33

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 137

Sensitivity Analysis with Outliers and without Outliers (2003/04)

	Coefficient		
	With Outliers	With Outliers	With Outliers
Primary	.387 (16)***	.940 (18.6)***	.535 (2.7)***
Secondary	.776 (22.8)***	2.238 (32.8)***	.952 (4.2)***
Tertiary	1.543 (32.9)***	3.160 (32.9)***	1.279 (4.5)***
Experience	.022 (9)***	.050 (9.6)***	.076 (2.6)**
Exp. Squared	-.000 (7.1)***	-.000 (7.6)***	-.001 (1.2)
Inweek	1.022 (123.9)***		.909 (18.9)***
Father's school year			-002 (0.1)
Mother's school year			.029 (1.4)
Ineducation expenditure			.141 (2.7)**
Constant	5.936 (159)***	7.659 (103.7)***	4.698 (11.9)***
No. of observation	4331	4331	174
R^2	.85	.32	.32

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 138

Sensitivity Analysis with Outliers and without Outliers (2003/04)

Coefficient								
	Nepal				Male		Female	
	With	Without	Without	Without	With	Without	With	Without
Primary	.387	.383 (16.2)***	.926 (18.8)***	.535	.274	.269 (9.7)***	.312	.301 (6.9)***
Secondary	.776	.784 (23.47)***	2.224 (33.7)***	.952	.657	.665 (17.1)***	.849	.853 (14.9)***
Tertiary	1.543	1.422 (29.9)***	2.997 (31)***	1.279	1.436	1.325 (25.0)***	1.492	1.316 (13.4)***
Experience	.022	.021 (8.8)***	.049 (9.8)***	.076	.023	.022 (7.4)***	.013	.012 (3.5)***
Exp. Squared	-.000	-.000 (6.9)***	-.000 (7.9)***	-.001	-.000	-.000 (5.9)***	-.000	-.000 (3.7)***
Inweek	1.022	1.013 (122.1)***	-	.909	1.020	1.009 (96.6)***	.973	.965 (82.8)***
Father's school year				-.002				
Mother's school year				.029				
Ineducation expenditure				.141				
Constant	5.936	5.975 (162.7)***	7.693 (107.2)***	4.698	6.087	6.136 (131)***	5.991	6.021 (113.9)***
No. of observation	4331	4288	4288	174	2891	2863	1440	1425
R^2	.85	.84	.31	.88	.83	.83	.88	.87

Note: t-statistics are in parentheses; p<0.05 (*); p<0.01 (**); p< 0.001 (***)
Source: NLSS II.

Table 139
Sensitivity Analysis with Outliers and without Outliers for farm households (2003/04)

Nepal (Coefficient)						
	Average household schooling		Highest schooling in the household		Household head's schooling	
	With	Without	With	Without	With	Without
School Year	.017	.014	.048	.044	.004	-.003
Experience	.033	.031	.034	.033	.029	.028
Exp. Squared	-.000	-.000	-.000	-.000	-.000	-.000
Inplot value	.100	.094	.089	.083	.104	.097
Intech cost	.081	.079	.072	.071	.084	.081
Intotal labor	.031	.026	.025	.021	.032	.027
Constant	7.158	7.325	4.1	7.265	7.22	7.378
No. of observation	2841	2812	2841	2812	2841	2812
R^2	23	.22	.25	.25	.23	.22

Source: NLSS II.

Table 140

Sensitivity Analysis with Outliers and without Outliers (2003/04)

Nepal (Coefficient)						
	Average household schooling		Highest schooling in the household		Household head's schooling	
	With	Without	With	Without	With	Without
School Year	.088	.080	.084	.077	.047	.042
Experience	.037	.034	.032	.029	.015	.013
Exp. Squared	-.000	-.000	-.000	-.000	-.000	-.000
Inmarket value	.055	.055	.054	.054	.62	.062
Inoperation cost	.161	.156	.158	.153	.173	.166
Inhouse labor	.430	.394	.399	.366	.434	.399
Constant	4.01	4.430	4.27	4.667	4.43	4.826
No. of observation	1085	1074	1085	1074	1085	1074
R^2	.55	.55	.55	.55	.53	.53

Source: NLSS II.

Table 141

Statistical Results Obtained by with Outliers and Removing Outliers (2003/04)

Predictor	Coefficient		Standard deviation		t- ratio		p value	
	With	Without	With	Without	With	Without	With	Without
School Year	.089	.086	.002	.002	36.98	36.17	0.000	0.000
Experience	.034	.031	.002	.002	13.97	13.30	0.000	0.000
Exp. squared	-.000	-.000	.000	.000	10.24	9.74	0.000	0.000
Inweek	1.014	1.004	.008	.008	122.78	121.7	0.000	0.000
Constant	5.66	5.733	.036	.035	154.75	160.01	0.000	0.000
R^2	85% in 2003/04 with outliers and 85 % in 2003/04 without outliers.							

Source: NLSS I and NLSS II

APPENDIX R

Histogram of Wage Income and Years of Schooling

Figure 11
Histogram of wage income in 2003/04

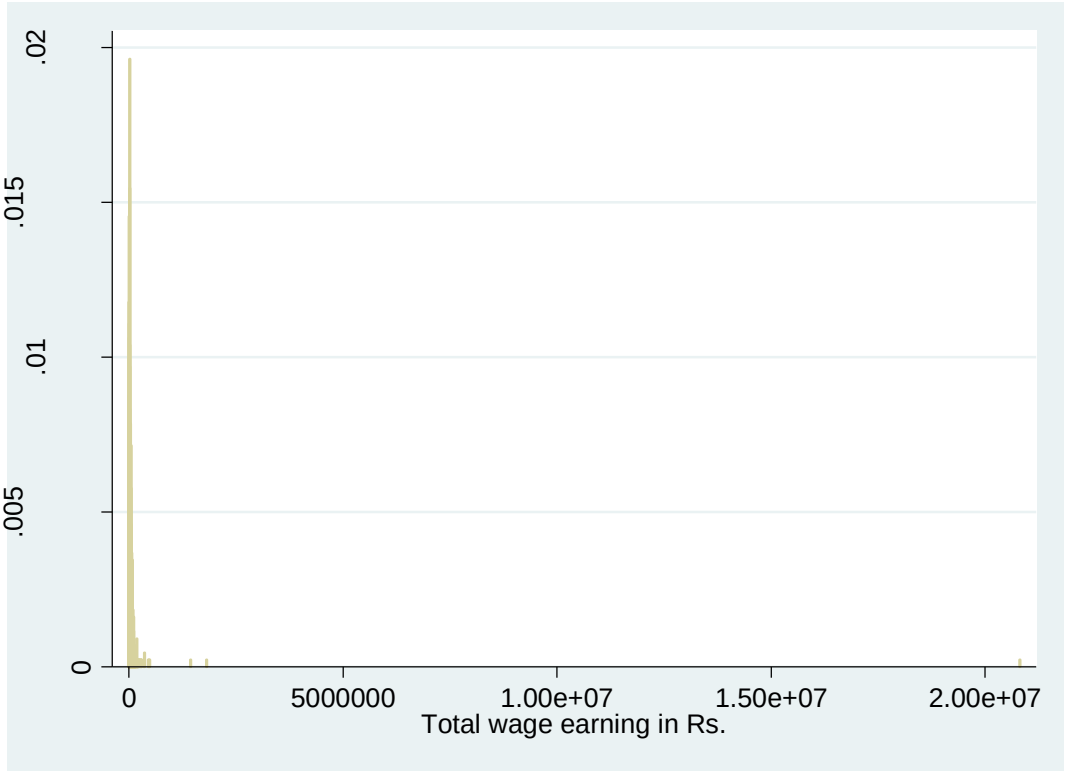


Figure 12
Histogram of InWage income in 2003/04

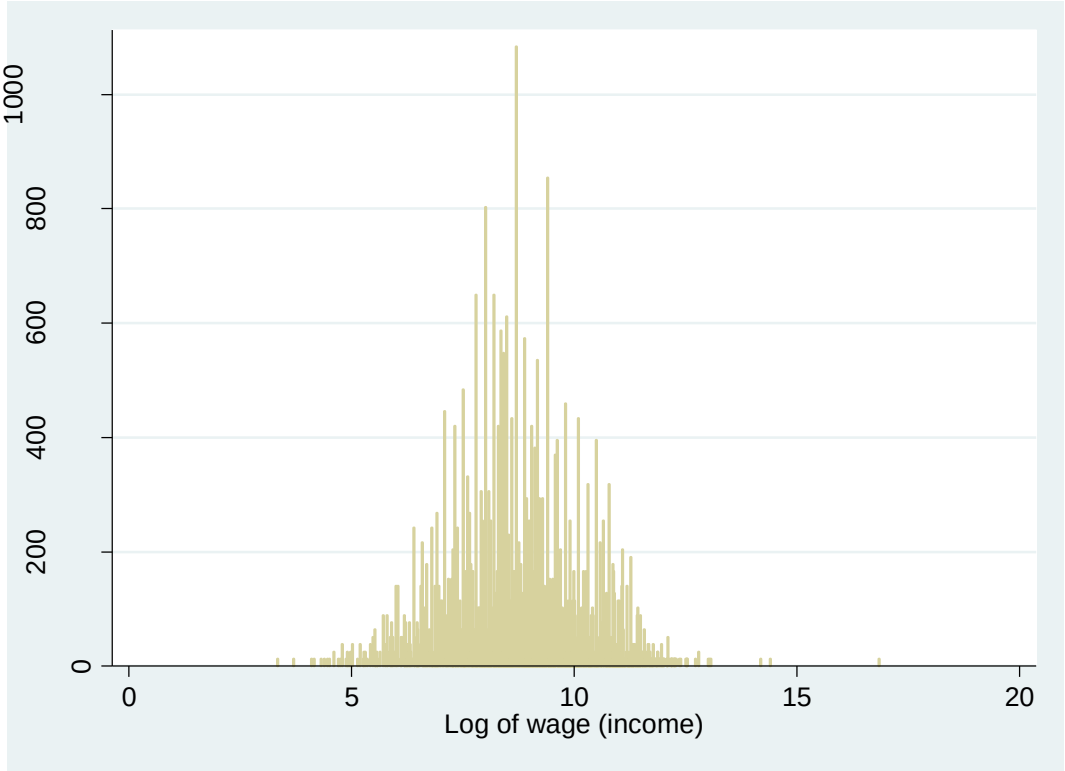


Figure 13
Histogram of Schooling year in 2003/04

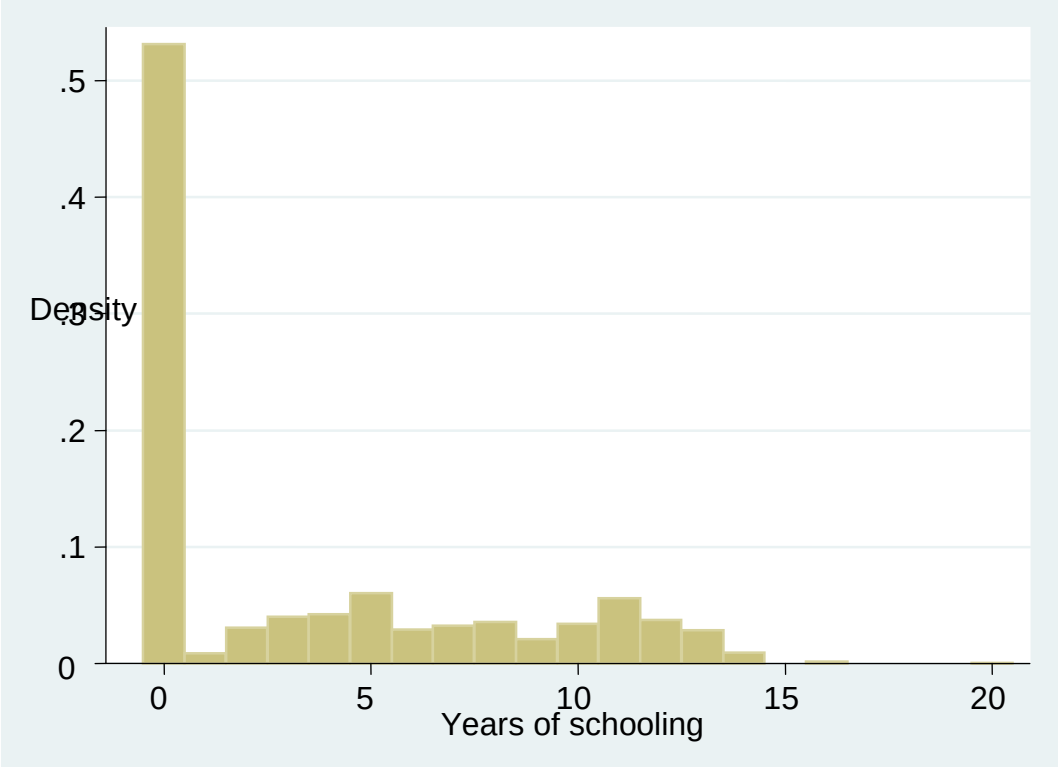


Figure 14
Histogram of Farm income in 2003/04

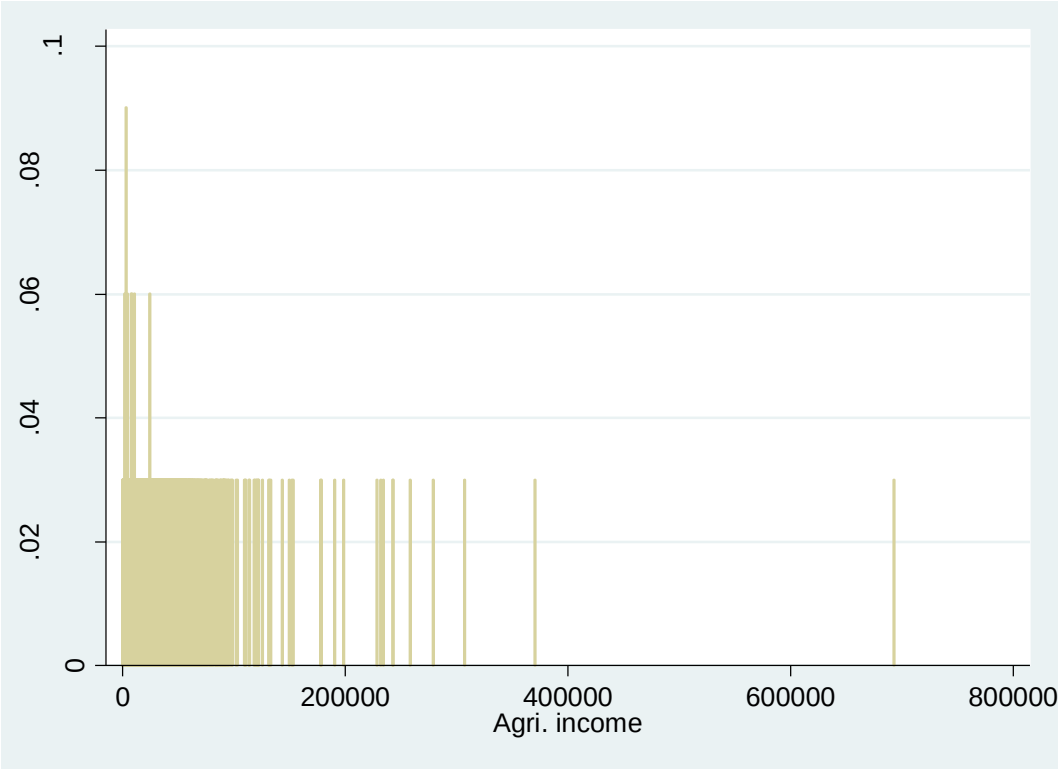


Figure 15
Histogram of Ln Farm income in 2003/04

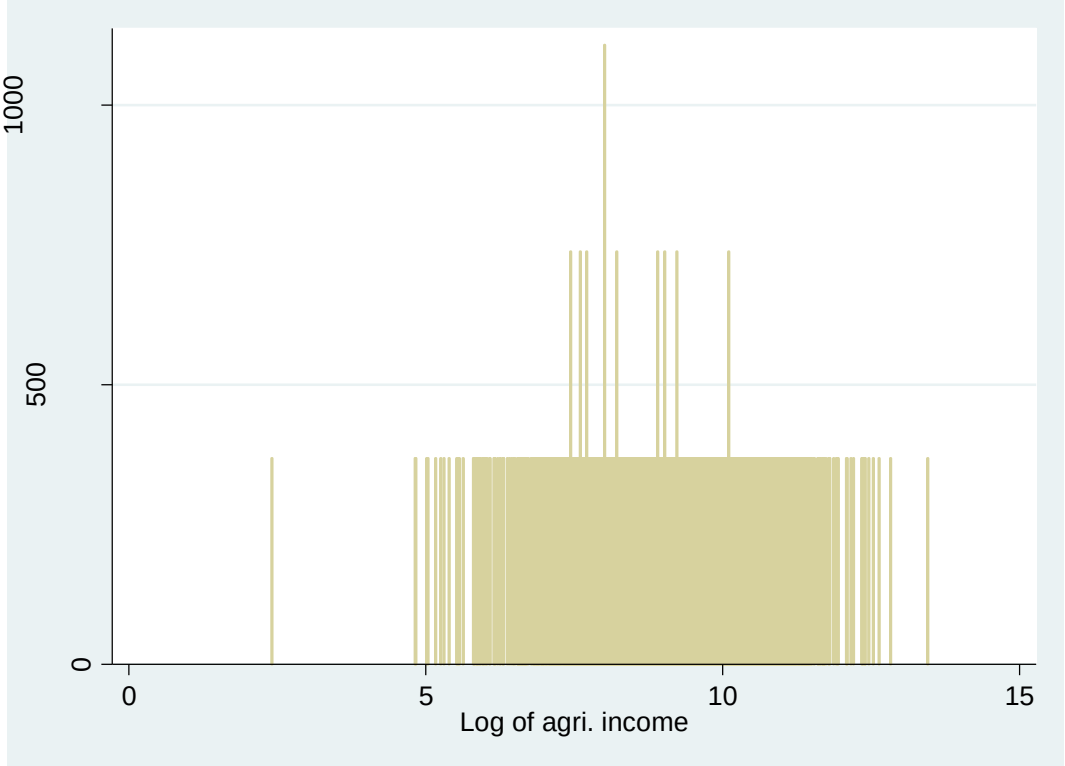


Figure 16
Histogram of Nonagri income in 2003/04

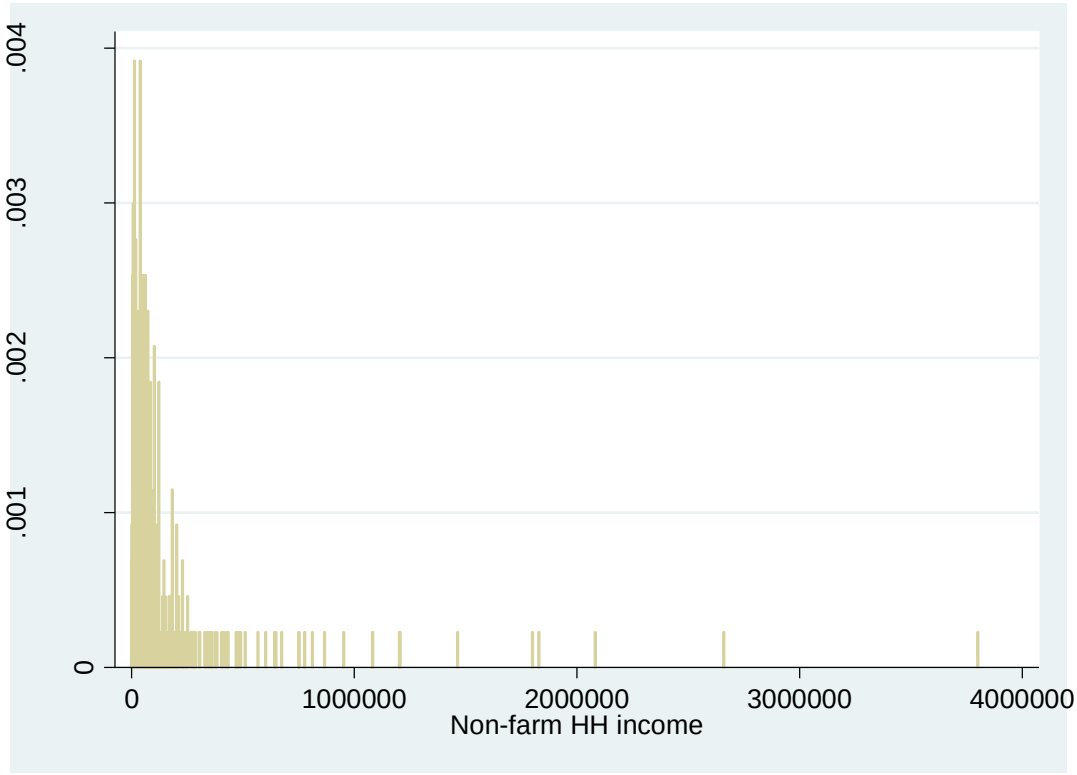


Figure 17
Histogram of Ln Nonagri income in 2003/04