

CHAPTER I

INTRODUCTION

1.1 Introduction of the study

On the southern slopes of the mighty Himalayas, Nepal is an ethnically diverse, culturally rich and geographically varied country with some of the world's highest mountain peaks that blend beautifully with terraced hills, broad valleys and large terrains of fertile plains. (Source: Wikipedia)

Nepal is a landlocked country in South Asia which is bordered to the north by the People's Republic of China, and to the south, east, and west by the Republic of India. With an area of 147,181 square kilometers (56,827 sq mi) and a population of approximately 30 million, Nepal is the world's 93rd largest country by land mass and the 41st most populous country. Kathmandu is the nation's capital and the country's largest metropolitan city. (Source: Wikipedia)

The mountainous north has eight of the world's ten highest mountains, including the highest, Sagarmatha, known in English as Mount Everest. The fertile and humid south is heavily urbanized. It contains over 240 peaks more than 20,000 ft (6,096 meters) above sea level. Its varied landscape ranges from the highest point on earth to flat plains close to sea level, interspersed with thousands of rivers, lakes, dense forests and a rich assemblage of exotic wildlife. (Source: Wikipedia)

Nepalese are descendant of migrants from parts of earlier Tibet, India and parts of Burma and Yunnan along with native tribal population. Among the earliest inhabitants were the Kirat of east mid-region, Newar of the Kathmandu Valley and aboriginal Tharu in the malarial southern Terai region. The ancestors of the Khas Bahun, Chhetri, Thakuri, Sanyasi, Dalit migrated eastward along the Himalayan foothills out of Kashmir, Kumaon, Garhwal -- parts of then Greater Nepal, Karnali Pradesh (Nepal) and perhaps also north from the Gangeatic Plains during invasions. Other ethnic groups trace their origins to North Burma, Yunnan and Tibet, e.g. Magars and Gurungs in the west, Rais, Limbus in the east, and Sherpas and Bhotias in the north. (Source: Wikipedia)

In the Terai, a part of the Ganges River Basin with 20% of the land, much of the population is physically and culturally similar to the Indo-Aryans of northern India. Indo-Aryan and East Asian looking mixed people live in the hill region. The mountainous region is sparsely populated above 3,000 meters, but in central and western Nepal ethnic Tibetans inhabit even higher semi-arid valleys north of the high Himalaya. Kathmandu Valley, in the middle hill region, constitutes a small fraction of the nation's area but is the most densely populated, with almost 5 percent of the nation's population. Nepal is a multilingual, multi religious and multiethnic society.

Nepal's 2001 census enumerated 103 distinct castes and ethnic groups including an "unidentified group". The major caste/ethnic groups identified by the 2001 census are Khas/Kshatriya or "Chhetri" (15.8%) and Khas/Brahmin or Bahun (12.7%) in the hills (both Caucasian, counted separately from the same castes in the Terai), Magar people/Magar (7.1%), Tharu (6.8%), Tamang (5.6%), Newar (5.5%), Muslim (4.3%), & Kami (3.9%), Rai (2.7%), Gurung (2.5%), and Damai/Dholi (2.4%). The remaining 92 caste/ethnic groups each constituting less than 2 % of the total population covers the remaining population of the country. (CBS, 2001)

Nepal's diverse linguistic heritage evolved from four major language groups: Indo-Aryan languages, Tibeto-Burman, Mongolian language and various indigenous language isolates. According to the 2001 national census, 92 different living languages are spoken in Nepal (a 93rd category was "unidentified"). The major languages of Nepal (percent spoken as mother tongue) are Nepali language/ Nepali (48.61%), Maithili language/Maithili (12.30%), Bhojpuri language/Bhojpuri (7.53%), Tharu language/Tharu (6%), Tamang language/Tamang (5.19%), Newar language/Newari (3.63%), Magar language/Magar (3.39%), Awadhi (2.47%), Dhanwar language/Rai (2.79%), Limbu language/Limbu (1.47%), and Bajjika (1.05%). The remaining 81 languages are each spoken as mother tongue by less than one percent of the population. (CBS, 2001)

Religion is important in Nepal; the Kathmandu Valley alone has more than 2,700 religious shrines. The constitution of Nepal describes the country as a "Hindu Kingdom," although it does not establish Hinduism as the state religion. Nepal's constitution continues long-standing legal provisions prohibiting discrimination against other religions. Nevertheless until 2006 Nepal remained the only officially Hindu country in the world. The king was

deified as the earthly manifestation of the Hindu god, Vishnu. Then on May 19, 2006, the government facing a constitutional crisis, the House of Representatives which had been just reformed, having been previously dissolved, declared Nepal a secular state.

The 2001 census identified 80.6% of the population as Hindu and 10.7% as Buddhist (although many people labeled Hindu or Buddhist often practice a syncretism blend of Hinduism, Buddhism or animist traditions). 4.2% of the population is Muslim and 3.6% of the population follows the indigenous Kirant Mundhum religion. Christianity is practiced by less than 0.5% of the population. Buddhist and Hindu shrines and festivals are respected and celebrated by most Nepalese. Certain animist practices of old indigenous religions survive.

The following demographic statistics are indicated about Nepal:

- ❖ Population: 28,563,377 (July 2009 est.)
- ❖ Age structure:
 - 0–14 years: 36.6% (male 5,327,484/female 5,127,178)
 - 15–64 years: 59.2% (male 8,094,494/female 8,812,675)
 - 65 years and over: 4.2% (male 566,666/female 634,880) (2009 est.)
- ❖ Median age: 20.8 years
 - Male: 19.8 years
 - Female: 21.7 years (2009 est.)
- ❖ Population growth rate: 1.281% (2009 est.)
- ❖ Birth rate: 18 births/1,000 population (2009 est.)
- ❖ Death rate: 6.97 deaths/1,000 population (July 2009 est.)
- ❖ Net migration rate: -3.39 migrant(s)/1,000 populations (2009 est.)
- ❖ Sex ratio:
 - At birth: 1.04 male(s)/female
 - Under 15 years: 1. male(s)/female
 - 15–64 years: 0.92 male(s)/female
 - 65 years and over: 0.89 male(s)/female
- ❖ Total population: 0.98 male(s)/female (2009 est.)
- ❖ Infant mortality rate:
 - Total: 47.46 deaths/1,000 live births
 - Female: 47.4 deaths/1,000 live births

Male: 47.52 deaths/1,000 live births (2009 est.)

❖ Life expectancy at birth:

Total population: 65.46 years

Male: 64.3 years

Female: 66.67 years (2009 est.)

❖ Total fertility rate: 2.64 children born/woman (2009 est.)

❖ Literacy:

Definition: age 15 and over can read and write

Total population: 62.8%

Male: 69.7%

Female: 55.9% (2003 est.)

Source: World Fact Book, 2009

Poverty is commonly pronounced but the concept of poverty is not as clear as we use it frequently. There are two distinct problems in theorizing the concept firstly, the definition of poverty itself and secondly the specification of poverty –live or minimum subsistence level of income/expenditure consisting the consumable goods and services accepted by the society as a minimum subsistence level of living.

The phenomenon of poverty is as old as the human society. It was considered as sin and had the belief that there was no escaping from it. The presence of poverty anywhere is the threat to everywhere (Kunwar, 2003). According to Human Development Report (1995), “more than three-fourth of the world’s population lives in the development countries, but they enjoy only 16% of the world’s income; while the richest 20% have 85% of the global income”. The eradication of poverty has been explained as the unfinished business of the 21st century.

Poverty is a strong determinant of people or community. It contributes to physical weakness of people through lack of food, small/weak body, malnutrition leading to low immune response; inability to pay for health services; isolation because of the inability to pay the cost of schooling, radio or bicycle; inability to afford to travel or to live near center or main road; and vulnerability through lack of assets. Poverty leads to powerlessness because due to lack of wealth the poor have no voice (Chamber, 1983). Chamber has explained this phenomenon in terms of the poverty trap. Thus, poverty is a

relative term and may be explained as an economic condition that is inadequate to meet basic needs of a person. Generally, following types of poverty has been defined.

- ❖ **Absolute Poverty** occurs when people fail to receive sufficient resources to support a minimum level of physical health and efficiency that is others expressed in terms of calories or nutritional values.
- ❖ **Relative Poverty** is the general standard of living in different societies culturally stated as being poor rather than some absolute level of deprivation.
- ❖ **Hardcore or Ultra-Poverty** is the line below the absolute poverty line; it's half by the gestation as the rule of thumb.
- ❖ **Subjective Poverty** is relatively new entry into the field of poverty research, which is based on surveys that use household's own assessment of the minimum amount of income or consumption needed by the people like them. Rural poverty is usually explained either in terms of socio-economic factors or it is looked upon as the outcome of impoverished natural resources. Both explanations contain elements of truth, but these elements need to be better integrated. (Kunwar, 2003).

Nepal is one of the poorest countries in the world and the annual per capita income is around US\$240 (NHDR, 2004). Thirty two percent of the population lives below the poverty line in Nepal. The poverty line is estimated based on the annual consumption expenditure level below which the population of Nepal can be considered poor. Also, a standard consumption basket is used to establish a need level of the poor based on the minimal nutritional requirements expressed in terms of calorie intakes. The nutritional standard is 2,214 kilocalories per person per day .Some sources also use the standard of 1 dollar a day as used by the World Bank. International aid accounts for more than sixty percent of Nepal's development budget. The incidence of poverty is more concentrated in rural areas than the urban areas. According to Human Development Report 2000 Nepal ranks 144 positions out of 156 countries from HDI and GDP per capita point of view respectively. World Development Report 2000 also shows that the per capita income for Nepal is very low. (Kunwar, 2003).

Economy and employment depend heavily on agriculture. Agriculture is the main source of economic activity where more than 80 percent of the nation's labor force involves on it. Over 60 percent of total household income comes from agriculture (Chhetry, 2003). Nepal also has five development regions. Each development region is a narrow strip of land stretching from north to south. Each development region includes the three ecological regions. Several development indicators have persistently shown that the Eastern, Central and Western regions are relatively better off than the Mid-western and Far-western development regions (ICIMOD, 1997, NESAC, 1998).

According to the recent HDI report of UNDP by Oxford University, 2010 about 65% Nepalese are poor. This shows that 18.3 million people are poor and 15.5 million people have \$1.25 per day. About 21.8 million people need to live on \$2 for their livelihood which is the critical condition of Nepal and has challenged all the bureaucrats, planners, politicians to overcome all the obstacles of development. The Latest data of National Planning Commission has reported that the poverty index of Nepal is 25.4 and is a very good sign of achieving the Millennium Development Goals (MDGs) by 2015.

As Nepal is a multi-ethnic, multi-lingual, multi cultural and multi-religion country. Among several tribes, Magar tribe is also one of the ethnic groups found all over the country. According to Nepal Government there are about 61 tribes found and among them Magar are large populated ethnic groups in Nepal.

Magar is one of the many ancient indigenous nationalities of Nepal. It is one of the bravest of the brave community. Magar is an ethnic group of Nepal and northern India whose homeland extends from the western and southern edges of the Dhaulagiri section of the high Himalayas range south to the prominent Mahabharata foothill range and eastward into the Gandaki basin.

Large numbers of Magar live in Palpa, Tanahun, Myagdi, Pyuthan and Rolpa. They are also found in Arghakhanchi, Syangja, Parbat, Baglung, Dolpa, Surkhet, Sindhuli and Udayapur. Their ancestral land is known as Magarat. Researchers opine that the Sen Kings and Thakuris of the Magarat districts are also Magar. These facts make the Magar as one of the most pervasive ethnic groups of Nepal (Thapa, 2006:1). According to Nepal's

2001 census, 1,622,421 people identified themselves as belonging to the Magar ethno linguistic group, representing 7.14% of Nepal's population. Magar is largest among the indigenous ethnic groups and nationally third largest group after Chhetri (15.80%), and Bahun (12.74%). The population of Magar has increased by 21.1%; from 1,339,308 in 1991 census to 1,622,421 in 2001 census. Even though Magar are in large number but their involvement in the different sectors like politics, bureaucrats, development works, business, civil societies etc is rare in number which shows that they are really backward. Similarly the poverty in Magar community is high and has direct link to the nation's development indicators which is due to the lack of awareness to education, government policies and many social and cultural aspects.

1.2 Statement of the problem:

The existence of poverty problem has not been only in L.D.C's but also in D.C's however the extent and nature of poverty problem differs categorically in L.D.C's in comparison to D.C's. The widespread poverty of large proportion of the people in developing countries is reflected in the low per capita income and in the poor state of nutrition, health, education, housing and working condition. Developing countries are also characterized by high degree of inequality of income.

In 1971, Nepal was identified by the U.N. as one of the least developed and poorest states in the world. The gross national product per capita stands at US\$160 which is a very low level in comparison to that of other developed countries. Nepal was the seventh poorest among the poor countries in 1962, fourth in 1984 and 1985, sixth in 1986, seventh in 1987, fourth in 1988 1989. The causes of recorded progress of Nepal among poor countries in 1989 in comparison to 1988 is not due to any increase in growth rate or per capita income of this countries because during the period the growth rate of Nepal has been recorded constant.

Nepal is certainly aware of the extent and nature of poverty problem in general and rural poverty in particular. Many policies and programs have been devised to mitigate the situation but unfortunately, the result felt for short of the stated goals. One reason might have been that there programs did not go for in rural areas.

On the context, Magar people are facing the same problem as the other ethnic people have. Most of them are uneducated, illiterate, agriculture dependent etc and need to live in vicious circle of poverty. Similarly, a heavily settled Phoksingkot VDC by Magar has the similar problem and need a deep research on them so that a core problem can be addressed and can bring some changes on them.

1.3 Objectives of the study:

The general objective of the study is to understand poverty situation of the Magar people in the Phoksingkot VDC of Palpa districts. The specific objectives are as follows:

1. To measure the extent of poverty in Magar people.
2. To determine the relationship between poverty and other factors viz. employment, income, education, land holding, health facilities, access to facilities, livestock rearing, house structure etc.
3. To find the causes and effects of poverty in study area.

1.4 Significance of the Study

Poverty is a major problem in the world and is obstacle for the development of any nation. It is a major factor through which developed countries are also suffering directly or indirectly. Poverty eradication and elimination is the greatest challenge for whole world and Nepal too is also suffering from it.

Therefore in this study, attempts are made to collect information about the rural poverty of Magar community and to know the major factor responsible for their poor. This study will provide baseline information about the recent conditions of Magars of Phoksingkot VDC. This will undoubtedly help researcher, policy makers, programmer planner, NGO and other who have interest in this field to contribute something to uplift the local people from the poverty line and their aspects.

This study will provide baseline information and background characteristics of Magar community and it will also help to formulate programs in the areas of Magar community.

CHAPTER II

METHODOLOGY

This chapter primarily discusses on the research methods used for the whole study. Prime focus of this section is to entail the ground of the selection of the study site, research design, nature and sources of data, universe and sample selection, data collection techniques (i.e. household survey, key information interview, observation, and secondary information) and data analysis procedure.

2.1 Concept and definitions:

2.1.1 Household:

A household is a private and non institutional economic unit. It consist of either single individual alone or more than one member living earning, consuming together. It should not necessary blood and such type of relationship among them like family.

2.1.2 Household Income:

The sum of annual income earned by all HH members from different sources is called as total HH income. Such type of income includes income from agriculture, livestock, services, labor, pension, business, industry. Total net annual income is calculated by subtracting total HH expenditure from total HH income.

2.1.3 Per Capita Income:

Per Capita Income also represent the per capita per day income of individual. It's defined as an average per day income of an individual of an HHs. It is calculated by dividing the product of HH size and 365 (days of a year) to the total HH income. In this study it is taken as main variable, which is devoted by Y_i .

2.1.4 Household Expenditure:

HH expenditure is composed of expenditure on food and non food items needed in the daily life of the number of HH with in certain time period (mainly yearly). In this study, the term expenditure also represents consumption expenditure.

2.1.5 Per Capita Consumption:

The average consumption per capita per day of individual is obtained by dividing the total HH consumption made in year by the product of HH size and 365(days of year). It is denoted by C_i . It is also main term of the study.

2.1.6 Illiterate, Literate and Educated:

A person is said to be literate if he/she able to read and write in Nepali; otherwise illiterate. Education status below S.L.C is also considered under only literate category. Those people who has passed S.L.C and above than thus, it is called as educated. To make data more reliable, below 6 yrs age group are not included in this analysis.

2.1.7 Economically Active Age:

A HH member having age 14-59 yrs are taken as economically active age for this study.

2.2 Estimation of Poverty line:

2.2.1 Absolute Poverty line:

The absolute poverty line shows the minimum income level for the household to meet the minimum basic needs. Those HHs whose income level is above the absolute poverty line are relatively poor.

2.2.2 Total Poverty line:

In order to estimate the total poverty line, the following two types of tools are used:

2.2.2.1 Keynesian Consumption function:

In Keynesian consumption on function, we assume that consumption is the function of income. Thus it is expressed as:

$$C_i = \alpha + \beta Y_i$$

Where,

C_i = Consumption Expenditure

Y_i = Income Level

α = Autonomous consumption

β = Marginal Propensity to consume (MPC) i.e. +ve function ($0 < \beta$)

2.2.2.2 Computation of Wolf point:

It is known as break even point and implies equality between income and consumption expenditure. Symbolically, we can express as,

$$C_i = Y_i \dots\dots (i)$$

From Keynesian Consumption function, $C_i = \alpha + \beta Y_i \dots\dots (ii)$

$$Y_i = \alpha + \beta Y_i$$

$$Y_i - \beta Y_i = \alpha$$

$$Y_i = \frac{\alpha}{1 - \beta}$$

$$\therefore \text{Wolf Point} = \frac{U}{1-\beta}$$

This point gives a total poverty line, so the HH which falls below the point of income is known as poor.

2.2.3 Estimation of Relative poverty line:

The relative poverty line shows the income level between absolute poverty line and wolf point. Those HHs whose income level is above the absolute poverty line but below the wolf point level are relatively poor.

2.2.4 Estimation of non-poor:

Those HHs are considered to be non-poor whose income level is above the wolf point level.

2.3 Measurement of Poverty and its extent:

The measurement of poverty and its extent can be calculated by using the following method.

2.3.1 Calculation of the magnitude or intensity of poverty:

In order to identify the magnitude or intensity of the existing situation of poverty in the study area, it is calculated in two ways i.e. considering inequality and without considering inequality among the poor.

2.3.2 Sen's Poverty line Index:

Sen's Poverty line Index can be calculated through considering the inequality and without considering the inequality and can be given as follows:

Sen's poverty line index with considering inequality

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

Sen's poverty line index without considering inequality

$$P^* = \frac{X}{C_p^*} [C_p^* - C_p]$$

Where,

P^* = Poverty Index

X = % of population living below the poverty line

C_p^* = Poverty line

G_p = Gini Coefficient means income of the poor

The theoretical notion is that if the value of poverty index approaches near to 0, it indicates lower intensity of poverty and if it approaches near to 1, it indicates higher intensity of poverty.

2.3.3 Poverty Gap (G_p):

The tool to measure the extent of poverty is done through the poverty gap and can be given as follows:

$$G_p = \frac{1}{N} \sum_{i=1}^N \left(\frac{Y_p - Y_i}{Y_p} \right)$$

Where,

N = Total Sample HHs

N_p = No. of Absolute poor HHs

Y_i = Per Capita per day income of absolute poor

Y_p = Poverty level income

2.4 Estimation of the distribution of income and the extent of income inequality among the sample households:

The sample household can be estimated on income and its inequality through the following methods.

2.4.1 Gini Coefficient:

It measures the inequality in income distribution. It can be calculated by using formula,

$$G.C. = \frac{2}{N^2 \bar{Y}} (Y_1 + 2Y_2 + 3Y_3 + \dots + NY_N) - \frac{1}{N} - 1$$

Where,

G.C. = Gini Coefficient ($0 < G.C. < 1$)

N = No. of income receiving units

\bar{Y} = Mean Income

Y_i = % of income received by each corresponding units ($i=1, 2, 3, \dots, N$)

If the value of G.C. approaches near to 1, there is greater extent of inequality and if it approaches to 0, there is lesser extent of inequality.

2.4.2 Lorenz Curve:

The Lorenz curve is the graphical method of studying dispersion in a distribution. Dr. Lorenz an economic statistician devised the Lorenz curve to measure inequalities in the distribution of income and wealth between different countries or between different time

periods. Here, we use the Lorenz curve to measure the extent of inequality of income among sample HHs and population. In this method, degree of inequality is indicated by the area of concentration which is the area between equal distribution curve and Lorenz curve. TH higher the area of concentration the greater is the inequality and vice versa.

2.4.3 Relative Mean Deviation:

Mean deviation is known as the average deviation. The relative mean deviation of income is the sum of the absolute value of deviation of income from the mean income as a proportion of total income. It means uses the variation of each item from its mean value. If the value of mean deviation is 0 it expresses that there is perfect equality otherwise not. It is calculated by using following formula,

$$\text{R.M.D} = \frac{\sum_{i=1}^n |Y_i - \bar{Y}|}{n \cdot \bar{Y}}$$

Where,

M.D. = Relative mean deviation

\bar{Y} = Mean Income

Y_i = Income of the i^{th} individual $i = 1, 2, 3, \dots, n$

n = No. of observation

2.4.4 Variance:

The variance is defined as the average of the square of deviation from the mean. It is used to measure inequality of income distribution. It can be calculated by using following formula,

$$S^2 = \frac{\sum (Y_i - \bar{Y})^2}{n-1}$$

Where,

S^2 = Variance

\bar{Y} = Mean income

Y_i = Income of the i^{th} individual

n = No. of observation

2.4.5 Coefficient of Variation:

The coefficient of variation is the ratio of S.D. to mean level of income. It is expressed as,

$$\text{C.V} = \frac{\text{S.D}}{\bar{Y}}$$

Where,

C.V = Coefficient of Variation

S.D = Standard deviation of Y series

\bar{Y} = Mean income

2.4.6 Range:

Range is the simplest for studying inequality. It is defined as the difference between value of the smallest item and the value of the largest item included in the distribution. It is expressed as,

$$\text{Range (E)} = \frac{Y_{\max} - Y_{\min}}{\bar{Y}}$$

Where,

Y_{\max} = Maximum income

Y_{\min} = Minimum income

\bar{Y} = Mean income

As the value of Range tends to 0, it implies that there is equality in the distribution of income and vice versa.

2.4.7 Simple Regression Analysis:

The simple regression analysis is concerned with the study of only two variables. In the present study, the simple regression analysis has been used to measure the degree of relationship between income and consumption. In order to examine the relationship, the following consumption function has been used,

$$C_i = \alpha + \beta Y_i$$

Where,

C_i = HH daily per capita consumption

α = Autonomous consumption

β = Marginal propensity to consume (MPC)

Y_i = i^{th} HH income per capita per day

2.4.8 Correlation coefficient:

Correlation coefficient analysis deals with the statistical technique that measures the degree of relationship between the variables. To show the relationship between income and consumption, correlation coefficient is used and can be expressed as,

$$\text{Correlation Coefficient (r)} = \frac{N \sum C_i Y_i - \sum C_i \sum Y_i}{\sqrt{N \sum Y_i^2 - (\sum Y_i)^2} \sqrt{N \sum C_i^2 - (\sum C_i)^2}}$$

Where,

N= Total sample HHs

$\sum Y_i$ = Summation of per day individual income

$\sum C_i$ = Summation of per capita per day individual consumption

$\sum Y_i C_i$ = The sum of the product of Y_i and C_i

$\sum C_i^2$ = Sum of the square of C_i

$\sum Y_i^2$ = Sum of the square of Y_i

The value of Correlation coefficient ranges from +1 to -1. If it is negative, it implies inverse relationship between the variables and if it is positive, it implies direct relationship between the variables.

2.5 Site description and Rationale of the Selection of the Study Area

Palpa district is densely populated area of a Magar community. In Palpa district there are 66 VDCs, and 1 Tansen Municipality. According to CBS (2001), the total no. of HHs in Phoksingkot VDC is 847. Total population in this VDC is 4,900. The male population is 2,186 while female population is 2,714. This VDC is in the Northern part of the Palpa district with Heklang in the east, Pipaldanda in the west, Hungi in the north and Tahu in the south. The study explicitly dealt with Magar's community of the study area. The population has its unique culture and traditions and furthermore, it has its own history of existence. Study as a whole Magars has been done very frequently but their education status, economic status, political status and their present situation of poverty have never been addressed. There were no superfluous resources, though, available; the study might help to assist further investigations.

2.6 Research Design

The study was explorative and explanatory research designs. The explorative design helps mainly to explore the history, culture and their link to poverty of Magar of the study area and the explanatory research design assist to explain the relationship among different variables for their stagnant state.

2.7 Sources of Data Collection

This study aimed to study the poverty status of the Magar people of the study area and tried to explore the factors behind the poor condition of the Magar people in the study area. Thus the data collection was basically on two ways:

2.7.1 Primary data:

Primary data was collected from Phoksingkot VDC. The sample size was 10% of the total household of each ward. The data was related to the monthly income, cash and food production and their consumption; livestock farming etc. Primary data were collected through household questionnaire survey.

2.7.2 Secondary data:

Secondary data also used for the study, which was collected from different publications. Besides this, secondary data were used in other part of studies from different unpublished and published written documents from individuals, experts, and organization related to the existence of poverty in Magar people.

2.8 Sampling Procedure

The universe of the study was the population no. of the Magars of the study area, Phoksingkot VDC of Palpa district. Magars were found in all Wards, but for convenience 1, 2, 4 and 6 Wards was selected. From these Wards, 50 households was sampled with random sampling; 15 households from the ward number 1, 10 households from the ward number 2, 15 household from ward 4 and 10 households from the ward number 6. For the economic part, key informants were selected with purposive sampling for the purpose of cross validation to the secondary data found. The history has been taken from some secondary data.

2.9 Data Collection Tools and Techniques

For the generation of primary data, structured questionnaire or unstructured interview and observation methods was applied. Parts of the data collected were of primary nature, which were especially for the determination of the socio-economic status of the study area, and for obtaining the data, different sorts of tools was used.

2.9.1 Household Survey

For this questionnaire survey, structured questionnaire was prepared. The respondents were requested to fill up questionnaire. In case of the respondents who cannot fill up the questionnaire, the questions were asked to the respondent and answers were filled up to collect the required information.

2.9.2 Field Visit and Observation:

Houses of Magar people selected in sampling was visited and observed. Then the data was recorded while observing the households condition, from what the house is made up of and their domestic animals too.

2.9.3 Key Informant Interview

Key informant interview was done using unformatted interview method to glean information about the income and food consumption of the Magar people of the study area and again, in order to cross validate the data collected through secondary data. The key informants basically were head of the house and old people of the area.

2.10 Data Analysis and Interpretation

The data collected via different techniques and tools was firstly, processed or edited with verification and the conclusions were drawn out after much verification/analysis. For the analysis, different kinds simple statistical tools were used as required like the interrelationship of poverty with inequality of increase unemployment, education, expenditure, social status, food consumption, health condition etc.

2.11 Limitations of the study:

Every research has its own limitation and this research is also not an exception and hence incorporates the following limitations.

- ❖ The research was conducted only in four wards out of nine wards and hence the result of the research cannot be generalized for others, i.e. it will be rather indicative than conclusive.
- ❖ The respondents for the culture of the Magar community of the research were only those learned people, who were knowledgeable in terms of culture, and that was only for the purpose of cross validation; culture of the community were taken from a reliable source.
- ❖ Consulted thesis works might not be accurate or of sound findings because respondents may have partiality or, as a whole, not be a good research.
- ❖ Insufficient time and lack of income sources are also the limitation of the study
- ❖ All the result drawn by analyzing the problem is related to current time period.

CHAPTER III

LITERATURE REVIEW

Poverty is a multidimensional phenomenon. Income poverty is only one feature of the deprivation. Education, health including reproductive health, nutrition, and employment, social and political participation are supplementary elements of the deprivation of capability and empowerment (Sen.1999).

Poverty not only affects the elderly, unemployed and homeless people but also it affects the people from all walks of their life. Poverty exists when a particular person is not financially stable or do not have the right sources to stay on their feet. Poverty in Nepal is universally rural characteristics with extensively scattering. The poor people in Nepal are not poor by their choice. Most of them have been deprived of many of the opportunities that the non-poor have received. Thus poverty is not being able to go to school and not knowing how to read, not having a job, fear for the future, losing a child to illness brought about by unclean water, powerlessness, lack of representation and freedom. Poverty is complex problem, which is not solving within short span of time. Cross cultural, caste/ethnicity, gender, familial status, age and place of residence are some but not all of the variables influence the poverty. But our expectation is to reduce poverty to a minimum level and reduce the gap between haves and have-nots.

3.1 Poverty situation in Nepal:

Table 1: Poverty Head Count Rate in Nepal

	1995-96	2003-04
Nepal	41.8	30.9
Urban	21.6	9.6
Rural	43.3	34.6
Ecological Belts		
Mountain	57.0	32.6
Hills	40.7	34.5
Terai	40.3	27.6

Source: CBS, 2004

This data shows that the poverty situation of Nepal from 1995-96 to 2003-4 has been decreased from 41.8 to 30.9 and is good sign of improvement. But the poverty gap between the rich and the poor is increasing which might be another constraint for the sustainable development of Nepal.

According to a UN declaration that resulted from the World Summit on Social Development in Copenhagen in 1995, absolute poverty is "a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services.

David Gordon's paper, "Indicators of Poverty & Hunger", for the United Nations, further defines absolute poverty as the absence of any two of the following eight basic needs:

- ❖ **Food:** Body Mass Index must be above 16.
- ❖ **Safe drinking water:** Water must not come from solely rivers and ponds, and must be available nearby (less than 15 minutes walk each way).
- ❖ **Sanitation facilities:** Toilets or latrines must be accessible in or near the home.
- ❖ **Health:** Treatment must be received for serious illnesses and pregnancy.
- ❖ **Shelter:** Homes must have fewer than four people living in each room. Floors must not be made of dirt, mud, or clay.
- ❖ **Education:** Everyone must attend school or otherwise learn to read.
- ❖ **Information:** Everyone must have access to newspapers, radios, televisions, computers, or telephones at home.
- ❖ **Access to services:** This item is undefined by Gordon, but normally is used to indicate the complete panoply of education, health, legal, social, and financial (credit) services.

Poverty is a major problem all round the globe and likely to be an epidemic with very few cures. There are several dimensions, such as educational enrollment and advancement, infant and child mortality reduction and over all longevity, attached with income poverty. Cross-cultural, socio-political conflicts and natural devastations have had a depressing

impact on them. Indeed most countries have increased their income inequality with rapid economic development (ESCAP, 2002).

Most of the economists have defined poverty and poverty live with different views according to the different stages of development in different countries. The term poverty is defined by Ruffin and Gregory 1 as “Poverty can be either absolute or relative. An absolute definition of as Least Developed Countries (L.D.C) might be a country in which per capita income is less than that required to purchase the basic essentials of food, clothing, shelter and education.

However, national poverty exists first as strongly in a relative sense. If the citizen of the country knows that their standard of living is only a small fraction of that of other countries, they are likely to conclude that they are poor even if they can afford the basic necessities of life. According to this relative definition of poverty an L.D.C can become developed only if it can narrow the gap between it and the more affluent countries.

Regarding the concept of the term, Thompson defines poverty as: There are basically two approaches to a study of poverty. The absolute approach considers a family or an individual to be poor if its income is insufficient to allow it to attain some minimum standard of living. The relative approach considers a family to be poor if its income is insignificantly below the average level.”It is concerned with inequality.

Rowntree describes the term poverty as a lack of money as” A family living upon the scale allowed for in this connection must never spend a penny or railway fare or omnibus. They must never purchase a half penny newspaper or spend a penny to buy a ticket for a popular concert. They must write no letters to absent children, for they cannot afford to pay the postage. They must never contribute anything neighbor which costs them money. They cannot save nor can they join sick or trade union. The children must have no pocket money for dolls, marbles or sweets.

The father must drink no bear. The mother must never buy any clothes for herself or for her children, the character of the family ward wrote as for the family diet being governed by the regulation nothing must be bought but that which is absolutely necessary for the maintenance of physical healthy and what is bought must be of the plainest and most economical description.”

Regarding the definition of poverty, Singh defines the concept of poverty as:” The state of poverty may be defined in relation to malnutrition, measured against a health normal. Poverty, it may also be used as a convenient label to describe an unequal distribution of income and wealth and in terms of natural resources.

Regarding the poverty problem the definition provided by Altimir is very much applicable to under developed countries. He defines poverty as:”On the face of the poverty is a situational syndrome in which the following are combined under consumption, malnutrition, precarious housing condition, low education levels, bad sanitary condition either unstable participation in the production system or redistribution to its more primitive strata, attitudes of discouragement and anorthic, little participation in the mechanism of social integration and possible adherence to a particular scale of values different in some extent from that held by the rest of society.

Macnmara (1985), clearly and fairly spreads out the term poverty with reference to absolute poverty such as “Absolute poverty is a condition of life so limited by malnutrition illiteracy, diseases, high infant mortality and low life expectancy as to be beneath any rationalistic of human decency.”

Sen (1999) has a biological approach in defining poverty. According to him, poverty is of course, a matter of deprivation. The recent shift in focus especially in the sociological literature from deprivation to relative deprivation has provided a useful deprivation is essentially incomplete as an approach to poverty and supplement(but cannot supplement) the earlier approach of absolute dispossession.

According to here definition there are two types of poverty approaches, absolute approach and relative approach. Regarding the measurement of the extent of poverty, the people and households, which are not able to fulfill their essential basic requirements like food, cloths, shelter, health, education etc. due to their low per capita income can be categorized as those who fall below the poverty line in terms of absolute poverty and these people or households which have low income in comparison to the estimated average income can be categorized as those who fall below the poverty live in terms of relative poverty.

Similarly, if people are dying of hunger on account of their low per capita purchasing power, this is the absolute approach to poverty and if no one is hungry in society but some as compared with others are deprived of the base essentials this is the relative approach to poverty.

Nutrition status and absolute poverty problems are directly linked with the purchasing power of the people or households. A family is poor if consumption possibilities of its members are low with respect to the purchase of basic requirements for their survival. In this connection it is argued by World Bank that, "malnutrition is the result of unequal distribution of world income and not the result of and insufficient availability of food." It is clearly a poverty problem and not a food problem.

Further, the relation between low income and food intake is explained by A.P Jhiriwall as such: low income is a cause of malnutrition. Malnutrition in turn is a cause of low income by impairing working efficiency and production. The causes of poverty are many and varied. Poor families tend to have little education, few earners and more children and do middle or upper-class families. Thus, poverty problem, especially in a L.D.C, is concerned with the socio-cultural institution rather than economical condition regarding poverty and discrimination in L.D.C.

Besides these factors, uncontrolled inflation rate may be one of the causes of poverty. High inflation rate may lead to increase in the extent of poverty. According to countries, is experiencing inflation rate exceeding 10% every year. Such high price rise has created problem of meeting the essential needs of the people.

In order to fight against poverty, most of the economists have given different ideas. Killic 17, does not believe that the growth of G.D.P is a way of eliminating poverty. According to him, "The old view that the growth of G.D.P was given way to an insistence that development is a wider concept of which requires that economic expansion raise to living standards of the mass of the population. On this view, economic growth which predominantly benefits only these who are ahead well to do would not be counted as development at all. He believes that the poverty problem can be eliminated by redistribution of income. McConnell has given the idea of anti-poverty by enlarging economic opportunities.

But reduction of income and enlarging economic opportunities both instruments might not be successful to eliminate poverty.” Regarding the elimination of poverty it is believed by some economists that’ A state has been reached in Nepalese development where aggravation of poverty is proceeding unchallenged.

A measure of relative poverty defines "poverty" as being below some relative poverty threshold. For example, the statement that "households with an accumulated income less than 50% of the median income are living in poverty" uses a relative measure to define poverty. In this system, if everyone's real income in an economy increases, but the income distribution stays the same, then the rate of relative poverty will also stay the same.

According to Sociological point of view, poverty means inability to cope with changes in any process of transformation: either in feudalism or in capitalism, the poor are or have become unable to adjust and change themselves. Some how poverty is also taken as a life style e.g. the life styles of hermits, ascetics and masochistic people.

Poverty is the conditions of people primarily because of inadequate income, unwise expenditure and social causes (e.g. oppression, exploitation, abuse, domination, discrimination, unequal distribution of benefits and risks). Due to such input in their life, people could not maintain a scale of living enough to provide for their physical and mental efficiency.

Poverty refers to the condition of not having the means to afford basic human needs such as clean water, nutrition, health care, clothing and shelter. This is also referred to as absolute poverty or destitution. Relative poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages.

"The one with nothing has everything taken from him, while the one with something has more given to him."

Oladai, Arusha

3.2 Poverty Characteristics:

The characteristics of poverty throughout the world have been somewhat similar; some of them are defined below:

- ❖ Land as a measure of prosperity
- ❖ Agricultural inputs
- ❖ Quantity and quality of food consumed
- ❖ Access to health and education services
- ❖ Power and dependence
- ❖ Physical disability
- ❖ Gender differences
- ❖ Female headed households

"A poor person cannot take anything which is attractive. If he takes it, he will be called a thief because he has nothing; nobody accepts him to have good things."

Mititi, Eakwa

"Spend the rest of the day and night with us and cannot how many houses have fires in theirs kitchens that is poverty."

ADB, 2001

Similarly the characteristics and the condition of the poor people pointed out by the communities themselves can be given as below:

- ❖ Landless and marginal labor
- ❖ Daily wage labor
- ❖ People in difficult and hazardous occupation out of compulsion
- ❖ Small farmers including riparian communities denied right of access to water
- ❖ Artisans and traditional producers in dying trades
- ❖ Those in the informal sector
- ❖ Physically disabled
- ❖ People displaced by large projects and closure of enterprises
- ❖ People displaced by natural disasters
- ❖ People displaced by conflicts
- ❖ Socially excluded including primitive tribes schedules castes in heterogeneous localities and religious minorities in sensitive locations.

- ❖ Urban homeless, beggars and in-migrants in urban centers.
- ❖ Single women and widows
- ❖ The old and those who lack social security
- ❖ Distress migrants
- ❖ Severely indebted household
- ❖ Households with many female children

Source: Wikipedia

Chhetry (2003) reported that over 95 percent of total income poor and education poor reside in rural areas where agriculture is the main source of income and employment. Indeed, agriculture is the main source of income and growth rate is eighth times lower than that of per capita non agriculture GDP growth rate. A large household size with more children and more illiterate persons in the households is the major socio-demographic characteristic of the poor in Nepal. Due to low economic performance and high population growth rate, a large number of children go to labor markets as wage earners, which results large disparities of educationally poor. Most of the rural dominated regions of the country with the lowest level of human and infrastructures development suffer from the highest incidence of poverty.

Paudel (1986) has fairly well pointed out that “in a less D.C people have been caught in the vicious circle of poverty due to the prevalent socio-cultural institution. In order to fulfill social obligation and observe religious ceremonies from cradle to grave, people spend extravagantly, with already low income levels, they either disserve or borrow.” Since savings are negligible, the chances of borrowing are much greater. The high level of indebtedness is both the cause and effect of poverty. Besides, illiteracy, ignorance, fatalism, conservatism born out of sectarian and religious ideas, casteism and joint family system have prevented people from adapting modern ideas and techniques whereby they could increase their income and keep the wolf of poverty out of their doors.

According to Paudel (1986), poverty in Nepal is not entirely an economic phenomenon of the individual but is associated with the social interaction between groups. Thus, it is clearly and closely linked with the problem of the caste system and tribal relations.” In order to support his statement he gives e.g. Providing drinking water in rural areas gets complicated by the fact that in some villages the upper castes (Brahman, Chhetris, Baisyas) do not allow the lower castes (Kami, Sarki, Damai) to draw water from their

household wells, although they do not mind sharing water from wells out in the fields. Such insights provided by sociological studies must be considered along with the perspectives gained through economic analysis”.

As a multiethnic country Nepal has various ethnic groups and has their own culture, customs, religions and social norms and values. In comparison among them Brahman, Chhetri, Thakuri are so called high cast has good economic condition in average and have good socio-economic status in the society. But most of the indigenous peoples and Dalit peoples are having great problem in the society and most of them need to live in low income and poor condition. Among them Magar ethnic groups are one of the socially and economically disadvantage group and need a high support from the nation.

3.3 Introduction on Magar People:

Magars are a Sino-Tibetan people's Sino-Tibetan ethnic group of Nepal and northern India whose homeland extends from the western and southern edges of the Dhaulagiri section of the high Himalayas range south to the prominent Mahabharata foothill range and eastward into the Gandaki basin. The Magar of middle and western Nepal are considered by many to be among the most attractive of hill Nepalese. They lay claim to an exciting role in Nepal's formative history. Their kingdom in ancient times was one of the very strongest of west Nepal in and around Palpa district during the time of the 22nd and 24 rajya principalities. Today, Magar communities can be found in the traditional localities of western Nepal, from the high ranging Himalayan valleys to the plains of the Terai and eastward well into the districts beyond Kathmandu.

According to Nepal's 2001 census, 1,622,421 people identified themselves as belonging to the Magar ethno linguistic group, representing 7.14% of Nepal's population and making them the largest indigenous ethnic group in the country. According to the 2001 census, 54.47% of ethnic Magar were Buddhists and 24.60% were Hindus and the rest Christian Protestants.

Large numbers of Magars live in Palpa, Tanahun, Myagdi, Pyuthan and Rolpa. They are also found in Arghakhanchi, Syangja, Parbat, Baglung, Dolpa, Surkhet, Sindhuli and Udayapur. Their ancestral land is known as Magarat. Researchers opine that the Sen Kings

and Thakuris of the Magarat districts are also Magars. These facts make the Magars as one of the most pervasive ethnic groups of Nepal (Thapa, 2006:1). The population of Magar has increased by 21.1%; from 1,339,308 in 1991 census to 1,622,421 in 2001 census.

Table 2: Distribution of Magar People on regional wise

S.N	Regional Development	population	Magar population	% of total population	% of magar population
1	Eastern	52,74,330	1,76,350	3.34	10.97
2	Central	79,52,381	2,48,745	3.13	15.47
3	Western	45,69,014	7,50,851	16.43	46.69
4	Mid- Western	27,09,687	3,91,540	14.45	24.35
5	Far- Western	21,79,508	1,60,813	7.09	2.53
	Total Population	2,26,88,489			100

Source: CBS, 2001

The data presented above shows that Magar people are densely populated in the Western development Region of Nepal with the population of 7, 50,851 representing 46.69% of total Magar population and 16.43% of total population of that region. Similarly, mid western Region has 3, 91,540 Magar population containing 14.45% of total population of that region.

Table 3: Densely populated top 10 districts of Magar People

S.N	Districts	Population	%	Total population
1	Palpa	1,36,750	50.9	2,68,558
2	Nawalparashi	96,881	17.2	5,62,870
3	Rolpa	91,936	43.8	2,10,004
4	Tanahu	84,332	26.8	3,15,237
5	Puythan	65,123	30.6	2,12,484
6	Myagdi	47,820	41.8	1,14,447
7	Baglung	74,550	27.7	2,68,937
8	Syangja	67,245	21.2	3,17,320
9	Rukum	43,621	23.1	1,88,428
10	Surkhet	55,668	20.6	2,69,870

Source: CBS, 2001

The data presented in above table shows that the Palpa district is only one district with more than 50% magar population i.e. 1,36,750 out of 2,68,558. Like wise Rolpa and Myagdi are the two districts with magar population of more than 40%. Similarly, Puythan, Baglung, Tanahu are with population more than 25%. But it is found that the Magar people are distributed all districts and throughout the country.

Traditionally, Magars are farmers and stonemasons but they also serve as soldiers in Gurkha regiments and in the Nepalese army. Even though Magars are the old tribes living in Nepal with their own customs, cultures and social values, they have been backward and need to live in poverty through out the nation. As considering the economic as well as social status the land holding is considered as the tool for it and it can be given through the following data.

Table 4: Distribution of land ownership of Magar People

Present condition of Magar in land ownership	
Landless	14.41
Partly Landless	5.88
Marginalized Farmer	33.33
Small Farmer	26.53
Partly Med-Small Farmer	14.71
Medium Farmer	4.51
Jamindar	0.63

Source: CBS, 2001

So these data shows that Magar have less ownership in the land through out the country and need to live in poverty. Considering the Magar people, many of them are living in poor condition and living in the hilly areas and the plain areas. Though being the largest ethnic tribe they socially, economically, politically backwardness made them to live in further poor.

CHAPTER IV

DESCRIPTION OF THE STUDY AREA

4.1 Introduction of Palpa District

Palpa, one of the 6 districts of Lumbini zone, located in the western region of Nepal is a hilly district. This district has been ruled by the Sen's and in B.S. 1563; Mukunda Sen extend its territory up to Kathmandu, Dhankuta and Bhojpur.

According to the Italian Historian Prof. Joseph Tuche, the name has been derived from Mongolian word "Walwa" which means skill, art and architect. It has 1373 K.M area and occupies 0.93 % part of Nepal. It has Tanahu, Nawalparasi and Syangja districts in the east, Gulmi and Arghakanchi in the west, Syangja and Gulmi in the North and Rupendehi in the South. It is 200 to 2000m high from the sea level and has 18% Chure Hills and 82% Mahabharat Range. The average annual rainfall is 1903.2 mm and temperature is 8°C to 28°C which is really approximate for settlement.

This district is one of the historic, culturally rich and tourist area of Nepal. This district has one municipality and 65 VDCs. Tansen is the only one municipality of this district. It is rich in ethnic diversity and is heavily dominated by the Magar ethnic group covering more than 50% of the total population. This district is basically popular for the Palpali Dakha Topi, and has Asian biggest Karuwa (Water drinking pot) and also popular for the production of garlic, coffee etc through out the country.

4.2 Features of Palpa:

Main rivers, lakes and pond: Kali Gandaki, Tinau, Ridi khola, Arungkhola, Nisdi khola, Purba khola, Agaha khola, Sardewa khola, Kachal khola, Jumsa khola, Dovan khola. Lake and Pond: Satyawati Tal (1400 m high in Koldada VDC), Pravash Tal or Kamal Pokhari, Sita kunda.

Main rituals and tourism place: Tansen Durbar, Shree Naga Bhairav Temple, Rishikesh Temple, Ranighat(Ranimahal) Durbar, Urgeli Durbar, Ramdi, PravashSatyawati Tal, Madi, Madanpokhara, Rimigha Lek.

Cave: Siddhi cave, Hatilek gupha, Jure gupha, Sun gupha,

Dances: Kaduwa, Thulo, Sorathi, Maruni, Jhaure, Khyalim Bhajan, Lakhe etc

Dresses: Daurawa Suruwal, Topi, Kachhad, Shirt pant, Dhoti cholo, Ghalek, Lungi, Blauze

Food: Dal vat aatto dhido sinko tarkari milk curd mahi ghee chukani choila momo batuk etc.

Table 5: The features with number of Palpa district

Features	Number
Total Population	268558
Female	143490
Male	125068
Population below 5 yrs	33343
Population above 75 yrs	4530
HHs number	49942
Avg. family member no.	5.38
Population density(per k.m)	196
Annual population growth rate	1.28
Urban population	7.61
Male Female ratio	87.16
Total Literacy rate	66.2
Male literacy rate	76.2
Female literacy rate	57.8
Educational institution	
Primary	361
Lower Secondary	89
Secondary	79
Higher Secondary	19
Technical institute	4
Campus	4

Source: CBS, 2001

Above table shows the main data of the Palpa district whose population is 2,68,558 with female population more than 50% i.e. 1,43,490. The population of the dependent i.e. age of children below 5yrs and above 75 yrs is 33,343 and 4,530 respectively. The population density rate is 196 per k.m with growth rate of 1.28 annually. The literacy rate of this district is 66.2 and with 79 secondary schools, 19 higher secondary schools and 4 campuses.

Table 6: Major Caste/Ethnic groups with population of Palpa district

Caste/Ethnic people	Population
Magar	136750
Brahmin(hill)	51703
Chhetri	21611
Kami	15631
Newar	9706
Sarki	6971
Kumal	6013
Damai/Dholi	5192
Thakuri	3684
Other	11297
Total	268558

Source: CBS, 2001

Above table shows that among 2, 68,558 populations Magar are with large population occupying more than 50% of the total population. Similarly, Brahmin, Chhetri and Kami are other castes after Magar in the district.

Table 7: Major Population by mother languages of Palpa district

Mother languages	Total	Male	Female
Total	268558	125068	143490
Nepali	165009	76189	88820
Magar	91147	42945	48202
Newar	6915	3274	3641
Kumal	1693	803	890
Urdu	496	233	263
Majee	363	149	214
Maithali	204	122	82
Hindi	195	113	82
Bhojpuri	189	124	65
Other	2347	1116	1231

Source: CBS, 2001

Above table shows that even though it is predominantly dominated by the Magar people the language spoken is by only 91,147 while Nepali language is spoken by 1,65,009 peoples.

4.3 General Information about Phoksingkot VDC

Phoksingkot VDC is one of the 65 VDC of Palpa district. It is located in the Northern part of the Palpa district with Heklang in the east, Pipaldanda in the west, Hungi in the north and Tahun in the south. Phoksingkot has been named from Magar word "Phoksing=One type of tree". This VDC is basically constituted of hills with flat plains of Kali Gandaki. It is totally populated by the Magar community (about 98%) and is geographically, socially backward with no pitched road. Some people of here even don't understand Nepali language and the economic condition is not suitable as compared to other VDCs. This VDC's people are mainly depended on agriculture and the production is not sufficient for them for whole years. Some are depended on foreign work but their utilization is not in appropriate way which doesn't raise their level of standard.

Table 8: Population growth rate of Phoksingkot VDC

Year(B.S)	2028-2038	2038-2048	2048-2058
Population growth rate	0.08	0.97	1.28

Source: CBS, 2001

According to the above data it is seen that the rate of population has been increasing from 0.08 to 1.28 during the year 2028 to 2058.

Table 9: Total male and female population of Phoksingkot VDC

Age population	Male	Female
0-9	451	750
10-19	305	581
20-29	541	166
30-39	469	172
40-49	409	180
50-59	334	155
60-69	257	119
70 and above	63	71
Total	2186	2714

Source: CBS, 2001

From the data it is observed that the total population of the Phoksingkot VDC is 4900 with female population 2714 and male with 2186.

Table 10: Major ethnic group of Phoksingkot VDC

Ethnic group	Number
Magar	4264
Chhetri	94
Kami	327
Sonar	50
Sarki	41

Source: CBS, 2001

Above data shows that 90% people here are the Magars and other remaining are Kami, Chhetri, Sonar and Sarki.

Table 11: Major languages spoken in Phoksingkot VDC

Languages	Number
Magar	3399
Nepali	1358
Hindi	87

Source: CBS, 2001

Since the VDC is almost densely populated by the Magar community, the language spoken in this area is also the Magar language. More than 70% people here speak Magar Kura while only 28% speak Nepali and remaining is the Hindi.

Table 12: Literacy rate of male and female of Phoksingkot VDC

Literacy rate	Percentage
Male	69.5%
Female	53.6%
Total	60.6%

Source: CBS, 2001

Above data shows that the literacy rate of male is higher than the female. This might be due to the traditional concept of parents towards female, geographical distant, absence of higher school, family problem etc but comparing to other districts the total percentage is satisfactory.

CHAPTER V

DATA PRESENTATION, FINDINGS AND DISSCUSION

I. Respondent by Age:

On the basis of the data collected through key interview, observation, focus group discussion the following can be analyzed and interpreted which are given below.

Table 13: No. of respondents with their age

Age	Sex		Total	Percentage
	Male	Female		
<20	0	0	0	0
20-30	4	0	4	8
30-40	7	3	10	20
40-50	6	5	11	22
50-60	4	5	9	18
>60	12	4	16	32
Total	33	17	50	100

Source: Field Survey, 2010

Analyzing the distribution of the respondents, people of the below 20 years were the least almost nil in terms of the number of respondents while the highest number (32%) of respondents of the age group was above 60 and because of the absence of young people in the villages, who were out for earnings, study in the big cities or in the foreign lands. The interesting one is the female respondent of age 89 who also co-operated in giving interview. It can be interpreted from the following chart:

Figure 1: Chart showing the respondent number by age

According to the field data, within 4 wards i.e. ward no.1, 2, 4 and 6 the total no. of Household members were 50 taken where ward no. 1 includes 15, ward no. 2 includes 10, ward 4 includes 15 and ward 6 with 10 members. In this 50 HHs the total no. of family number was 312 with the population density of 6.24 per house. It can be illustrated by the table.

II. Household and family types:

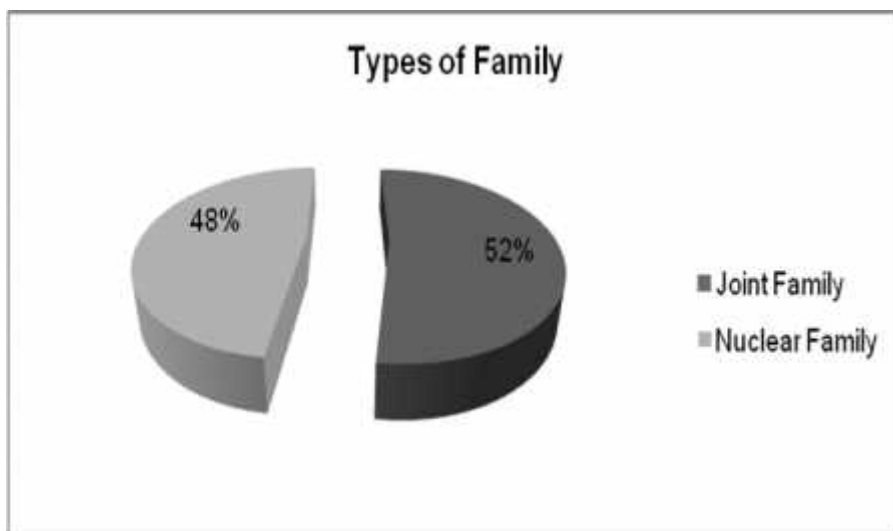
Table14: Total no. of HHs and family number

HHs	family number	Density ratio
50	312	6.24

Source: Field Survey, 2010

The data collected includes 50 HHs within the Phoksingkot VDC. There were 26 HHs of Joint family and 24 HHs of Nuclear family. This data shows that more than 50% live in joint family. The above data can be described clearly from the following pie chart.

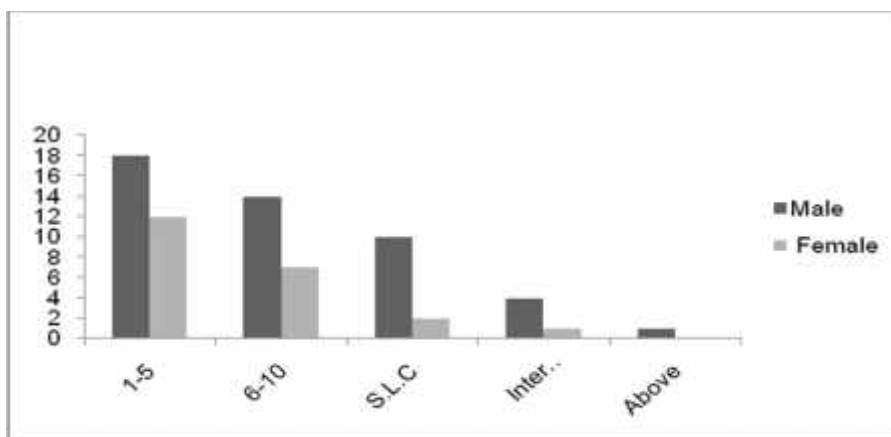
Figure 2: Chart showing the types of family in Phoksingkot VDC



The data collected through field survey of 50 HHs describe that more than 70% were the children and youths. Beside of the geographical condition the awareness on the people about the importance of the education was found to be high. To get the education they need to walk a lot about 2-3 hrs per day and is one of the major problem for dropping out. Among 69 students, 47 were the boys and 22 the girls. The ratio of boys in all level was high to girls and only one boy has completed Bachelor level. The case for girls' number less in the school was to be the family and societies norms and values and school at far distant.

III. Educational Status:

Figure 3: Chart representing the educational Status



IV. Occupation Types:

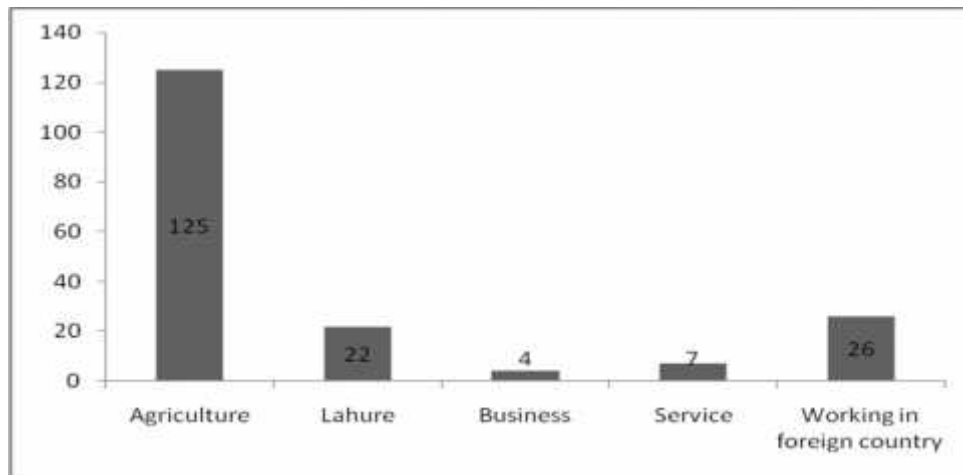
Table 15: Types of occupation in Phoksingkot VDC

Types of occupation	Ward Number				Total
	1	2	4	6	
Agriculture	35	35	33	22	125
Lahure	4	4	10	4	22
Business	0	1	2	1	4
Service	1	2	2	2	7
Working in foreign country	6	5	9	6	26
Total	46	47	56	35	184

Source: Field Survey, 2010

Analyzing the data collected on the basis of occupation it is found that 184 people were involved in employment. Almost all are involved in agriculture with 67.9% in total. Beside that 22 are Lahure (ex-army also included) and 26 were working in foreign countries like Malaysia, Dubai, Saudi Arabia and India. Similarly, some people are involved in services (medical hall, tailoring, etc) and some in business like stationary shop, hotel, and fancy shop. And the other includes plumber, carpenter, labor, electrician etc. This can be described by the following chart.

Figure 4: Chart showing the occupation done in Phoksingkot VDC



V. Land Holding Size:

Analyzing the data collected on the basis of land and its type it is found that the geographical structure has really played an obstacle for the development of this VDC. This VDC is largely occupied by the forest and slopes rocks. Most people of this VDC have more kharbari useful only for the grass and leaves for livestock and not for agriculture. Similarly, bari are in medium with each member having 6 ropani mostly cultivated with maize, wheat, millet, fapar and some cash crops like tori, coffee, vegetables, garlic, potato, ammriso etc. The area is really suitable for garlic, coffee and ammriso so if the farmers are trained and facilitate in these then they would get really benefit and raise their standard level of income.

Figure 5: Chart showing the average land holding size

VI. Livestock Rearing

Analyzing the data collected from the survey it is found that the people of Phoksingkot VDC usually rear chicken, goats, buffaloes and pigs. Most of them have for meat and

some sell for economic purpose. The people usually sell within the village and some eat themselves during the festival and relatives.

Figure 6: Chart showing the types of livestock reared in VDC

VII. Monthly Income:

Table 16: Monthly income of the people of Phoksingkot VDC

Income in Rs	<4000	4000-8000	8000-12000	>12000
HHs	28	13	6	3

Source: Field Survey, 2010

Analyzing their house structure and their lifestyle as well as asking their monthly income it is seen that the people normally have the income about Rs 5000 in average. They normally have it from pension, abroad work, selling agriculture products and part time work. The income they have is never sufficient for them as most male drinks alcohol and female don't have the sources.

Figure 7: Chart showing the monthly income of people

VIII. Health Status:

Table17: The treatment and priority done by the people

Way of treating the patient	HHs number	
	1 st priority	2 nd priority
Medical/Doctor	28	22
Lamas/ghakri	34	16

Source: Field Survey, 2010

On the basis of the data it is analyzed that the people of this VDC give priority to the Lamas and Ghakris in case of the diseases. They too go to the doctors and medical only if it is in critical condition or if the Lamas unable to cure it. Because of the lack of the road the patient need to be carried by them to the hospital and need to walk a long distance. Most of them know about the vaccination to the infant child and have knowledge about the diseases like HIV-AIDS.

IX. Marriageable age of the respondent:

The data collected through the survey shows that the people of this VDC use to have early marriage. On average, girls use to marry below 18 and boys below 20 which is one of the causes for the poverty. Because of early marriage most of them have more than 3 children which result in having low quality of life. But through their experience and Medias they came to know that 2 children is the best one for the couple.

Figure 8: Chart representing the marriageable age of the people

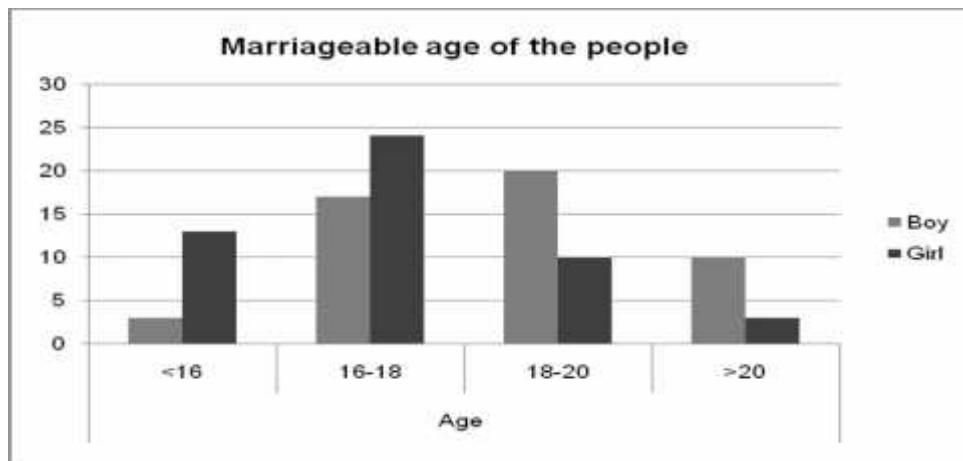
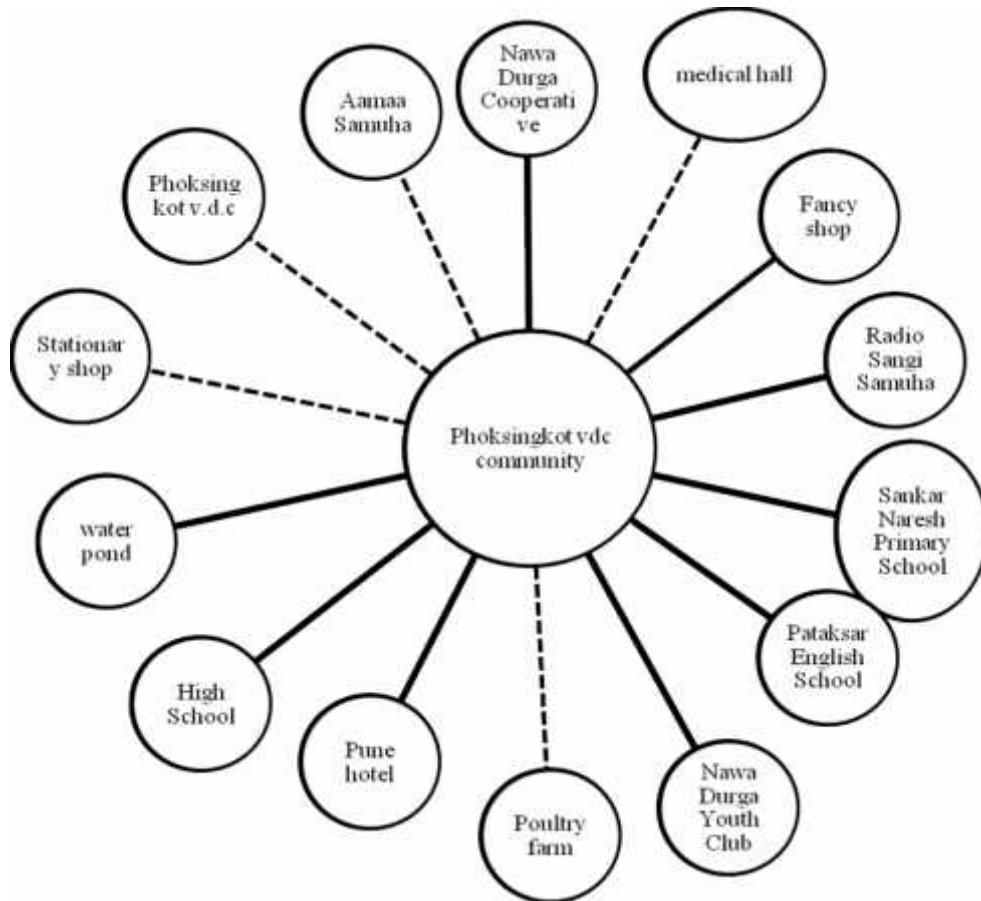


Figure 9: Relationship among community and social service/facilities



High

Low

The Venn diagram shows that the people of Phoksingkot have a high and regular relationship with the water pond, hotel, school, club, and shop and Aama samuha. This is where day daily use to go for their own need but as the facilities and services are in rare case so there even happens to be scarcity and need to go to long distant market. Similarly, they have low relationship with medical hall, poultry farm, stationary shop, VDC office and are visited only when needed.

Table 18: Types of skill with Household number in Phoksingkot VDC

S.N	Skill Types	No. of HHs
1	agriculture farming	50
2	livestock rearing	45
3	wood carving	27
4	poultry farming	6
5	coffee	18
6	vegetable farming	48
7	group formation	46
8	club formation	27
9	net making	15
10	services	4
11	electrician	3
12	pipe fitting	2
13	handicraft making	24
14	knitting/make sweater, muffler, cap	32
15	building houses, temples, schools	14
16	tailoring	7

There are various types of skills that the people of Phoksingkot VDC have. The skill can be found different in male and female people. Mostly the male has skill in agricultural work, net making, carpenter, and electrician. And the female have mostly the skill of agriculture work, tailoring, knitting, handicraft making. The skill they have had not been done in economic way and is simply doing to pass the time. So if their product had a market and value then it can be raised in business way and can raise their living standard.

Figure 10: Mobility map of Phoksingkot VDC people



Above Venn diagram shows that the people of Phoksingkot VDC usually move for education, employment, health and market. For education they move to Tansen, Butwal/ Bhairawa, Pokhara, Kathmandu. Similarly for employment they use to go to Tansen, Butwal/ Bhairwa, Pokhara, Kathmandu, India and abroad like Malaysia, Saudi Arabia, Dubai etc. For Health facilities the people of Phoksingkot goes to only one hospital Mission hospital and then to Butwal/Bhairawa, Kathmandu. For market the people goes to Galyang, Tahun, Vangyangthok, and Tansen.

Table 19: Priority ranking on infrastructure of Phoksingkot VDC people

	Road	Hospital	Irrigation	Market	School	Score	Rank
Road	X	Road	Road	Road	Road	4	I
Hospital	X	X	Irrigation	Hospital	Hospital	2	II
Irrigation	X	X	X	Market	School	1	III
Market	X	X	X	X	School	1	III
School	X	X	X	X	X	2	II

Source: Field Survey, 2010

On the basis of priority order on five basic infrastructure development i.e. (road, hospital, irrigation, market and school), the people of Phoksingkot people have given the high priority on road for the development of their VDC. The road is one of the important aspect through which they can have direct link with the market so that they can have regular connection and can also sell their products. Similarly the second priority was hospital and school, as the people of this VDC need to walk a long distance for treatment and 2-3 hrs to school for education. Also the third priority is to the irrigation and market, through which they can produce more crops and surplus production can get the value in the market.

CHAPTER VI

SITUATIONAL ANALYSIS OF THE POVERTY

The situation of poverty has become the most challenging situation, particularly in LDC's. The challenge of the developing countries has to accelerate their economic growth rates eradicate absolute poverty, reduce inequalities and create more productive employment opportunities.

Although it is difficult to measure the extent of poverty, we are going to analyze the poverty situation. Mainly two types of poverty viz. absolute poverty and relative poverty are estimated in the study area. The absolute poverty line means the level of income, which is required for survival. Thus the households with income below the subsistence level are called absolute poor households. Similarly the breakeven techniques are used to determine the total poverty. The breakeven or wolf point is defined as that level of income where it is just equal to the consumption expenditure. In this wolf-point level of income the family can manage to meet their expenditure. The households lie in between absolute poverty line and total poverty line is called relative poor households.

6.1 Absolute Poverty Line and Absolute Poor

Theoretically, consumption is considered a better measure especially when income is highly variable for the estimation of the absolute poverty line the minimum or threshold level of income/ consumption must be defined according to the country or society. It involves biological/ physiological survival consideration as well as minimal social necessities. Absolute poverty means more than low income as well as malnutrition, poor health and lack of education. The absolute poverty level of income is the minimum requirement to purchase the basic need bundle of goods and services. To determine the minimum or threshold level of income/ consumption, usually food is considered number one basic need for physical survival. Therefore daily per capital calorie requirement is used to derive threshold income/ consumption level. This is based on medical, sociological and socio-physical factors. For Nepal WHO/FAO recommended 2140 calories per capita daily for Terai and 2340 calories per capita daily for hills/ mountains with a nation average of 2256. Thus the minimum level of income is just for survival because minimum calorie requirement is considered. The estimation of poverty line of the study area is based on the

specified food calorie requirement only. But there is not special study has been carried out, so far as to the minimum daily calories requirement for the people of Phoksingkot VDC.

The National Planning Commission Survey of 1976/77 and Nepal Rastra Bank Multipurpose Household Budget Survey of 1984/85 were based on the FAO recommendation. According to these studies the calories required for survival level in Nepal is 2256 per head daily. To fulfillment of this amount every person of Nepal must consume 605 gms of cereals like rice, wheat, maize, millet etc and 60 gms of pulses like black grams (mass), masuro, rahar, soya bean, kerao everyday for survival. The consumption of 605 gms of cereals we get 2042 calories and from 60 gms of pulses we get 214 calories, which is our national average level of calories. In this way we can get our subsistence level calories 2256. After specifying the malnutrition calorie requirement, the average cost of food to supply the calorie is calculated based on the average food pattern and average of different prices in the country shelter like housing, clothing, and other non-food basic needs for social survival are to be included.

The National Planning Commission has also fixed the basic needs income for the regional as well as the national level. It has assumed that in "poverty bundle" of goods and services, expenditure on food items covers only 65% percent of total consumption expenditure whereas 35% of expenditure is made on non-food items. The value of 605 gms of cereals and 60 gms of pulses is found by average of the available local market prices of these items they are computed as multiplying by their prices. Total of these two values gives as the national average of 2256 calories per capita per day. For this purpose, in this study only those cereals and pulses items are considered which are easily available in the local market and commonly used by the people. Thus the value of 605 gms of cereals and the value of 60 gms of pulses are estimated respectively **Rs. 13.61** and **Rs. 4.05**. Summing up these two items the value of 2256 calories per capita per day is found to be **Rs. 17.66** in the study area.

The National Planning Commission has fixed the expenditure on food item only covers the 65% of total expenditure. Therefore **Rs 17.66** gives us only 65% of expenditure per capita per day for this study. Remaining 35% of total expenditure on other basic necessitates of life, namely non food items is **Rs. 9.51** for the study area. Expenditure on clothes, footwear, education, health and personal care etc are considered as non food items.

Summing up the expenditure on food and non food items we get the absolute poverty line. Hence **Rs 27.2** per capita per day income is estimated for the total subsistence consumption expenditure or absolute poverty line in the study area. Therefore those households whose per capita daily income is lower than the subsistence level income **Rs 27.2** are termed as absolutely poor house holds. According to this absolute poverty line income **Rs 27.2** out of 50 sample households **16** household's lies below this level of income. This signifies **32%** of total households termed as poor households, they are struggling only for survival, for the study area Phoksingkot. Various researchers have estimated different level of income in different time frame for absolute poverty line. These different results are presented here.

Table 20: Absolute Poverty line Estimated in different studies

S.N	Study area	Average daily value of 2256 calories	Lowest average actual daily consumption expenditure on other items (non-food)	Absolute poverty line
1	Rural Nepal (1978)	Rs 1.32	Rs 0.70	Rs 2.02
2	Nepal (Tarai) 1988	Rs3.06	Rs 1.65	Rs 4.71
3	Madhumalla vdc	Rs 10.24	Rs 5.51	Rs 15.35
4	Phoksingkot vdc	Rs 27.2	Rs 9.51	Rs 27.2

Sources: NPC, 1987; NRB, 1988; Bhattari 2000; Field Survey, 2010

From above table it has been found that the absolute poverty line estimated by the present study is highest than other. It has been happen because of two main reasons that is (1) time lag between present study and other studies (2) inflation and different socioeconomic and geographical features of the study area. The purchasing power of money is decreasing day to day.

Table 21: Absolutely poor households and population

S.N	Study area	Total HHs no.	HHs below poverty line		Total population	Pop. below poverty line	
			HHs	%		Pop.	%
1	Nepal Rural	2136168	860769	40.3	12445368	14505836	41.8
2	Madhumalla	90	37	41.11	622	260	59.7
3	Raghat	81	26	32	527	154	29.22
4	Phoksingkot	50	16	32	312	94	30.12

Sources: NRB, 1988; Bhattra, 2000; Adhikari 2001; Field Survey, 2010

From the above table, the percentage of absolute poor in the present study is less than other studies except Raghat. This is because of time lag, geographical feature and methodology of poverty line estimation. In the study area, poverty line estimation, are based on consumption or income data collected through household surveys. And the price of cereals and pulses has of their production is very low as compared to the market price and other non-food items.

6.2 Relative Poverty line and Relative Poor

The "relative poverty" line is usually above the absolute poverty line and is generally defined as the mean level of income in a country or a given percentage of mean income. The concept of relative poor is important mainly for these countries which have achieved substantial reduction in absolute poverty, for example South Korea and Malaysia (Guru-Gharana)

Relative poverty level is that level of income which lies between absolute poverty line and total poverty line. The household or populations are known as relative poor whose income level is lower than wolf point and higher than subsistence level of income. The wolf point level of income which is also known as total poverty level of income is that level of income which is just equal to expenditure. In linear consumption function the wolf point is symbolize by $\frac{a}{1-b}$. The wolf point is computed in Keynesian consumption function by using equally between income and consumption. A linear consumption function is estimated by using per capita daily income/ consumption expenditure of individual and computed the value of "a" and "b" in simple regression line with least square method. If the income level of every household falls below the wolf point level then the household's consumption

expenditure exceeds their income. Such households have nothing to save rather than they have to lose their past savings, sell assets and take loan to maintain expenditure for the study area the evaluated value of wolf point is **Rs 43.85** per capita per day and absolute poverty line is **Rs 27.2** per capita per day. The family's income lies in between **Rs 43.85** and **Rs 27.2** is known as relative poor family. The comparison of relative poor in different studies is shown in the following table.

Table 22: Relative Poor in different Studies

S.N	Study area	Relative poor		Relative population	
		Relative HHs	poor	Relative population	poor
		NO.	%	No.	%
1	Madhumalla	18	20	122	19.61
2	Rajghat	30	37.04	215	40.79
3	Phulwari	4	8	34	10.79
4	Phoksingkot	7	14	49	15.71

Sources: Bhattari, 2000; Adhikari, 2001; Pouydal, 2000; Field Survey, 2010

6.3 Total Poverty Line and Total Poor

Measuring poverty permits an overview of poverty that goes beyond individual experiences. Therefore, there is a controversy about that the level of total poor of different studies. Some of them argued that 80% where as other views that 50% of the rural people are poor. However all of them except, in general, the existence of poverty in rural Nepal is severe.

To estimate total poor, we compute wolf point and it is also called breakeven point. The households whose income level is below than this breakeven point is known as poor households. **Rs 43.85** per capita per day is estimated as a upper poverty line. The summation of absolute and relative poor also gives the total poor. In the present study out of **50** households, **23** Households are total poor i.e. **46 %** households are poor among sample households likewise out of **312** population **143** people are poor i.e. **45.84%** of total population are poor.

An important characteristic of poor is that, the poor people have very small amount of land or no land at all. In the study areas there are two types of land i.e. irrigated land and non-

irrigated land. Most of the poor people do not have irrigated land. It is also found that where the irrigation facilities not available, there is the cost of agriculture production. So there are some people who are surviving on fewer amounts than what is required for them, while other people have suffered to borrow loan from other villagers.

Table 23: Total Poverty line in different studies

S.N	Study area	Total poverty line in Rs.	Total poor HHs		Total poor population	
			No.	%	No.	%
1	Madumalla	20.29	55	61.11	382	61.41
2	Rajghat	33.085	56	69.14	369	70.02
3	Phulwari	16.07	36	72	229	72.69
4	Phoksingkot	43.85	23	46	143	45.84

Sources: Bhattari, 2000; Adhikari, 2001; Pouydal 2000; Field Survey, 2010

According to the above table the total poverty line income of Phoksingkot VDC is lower than the other studies. It may be due to random sampling variation and some other socio-economic reasons. From the field observation, it is found that Rs. 27.2 as absolute poverty line income and Rs 43.86 as the wolf point level of income. And is also found that out of 50 sample households 7 households have that level of income which is greater than absolute poverty line income and less than wolf point level of income i.14% of the total sample households are relative poor. And out of total population 15.71% of populations are relatively poor. The following table shows the total poverty situation.

Table 24: Distribution of household of living standard

S.N	Categories of living standard	Sample HHs	%	Total no. of population	%
1	Absolute poor HH	16	32	94	30.13
2	Relative poor HH	7	14	49	15.71
3	Total poor HH	23	46	143	45.84
4	Non-poor HH	27	54	169	54.16
	Total HH	50	100	312	100

Source: Field Survey, 2010

The above data can be represented in figure (pie chart).

Figure 11: Absolute, relative and non poor households

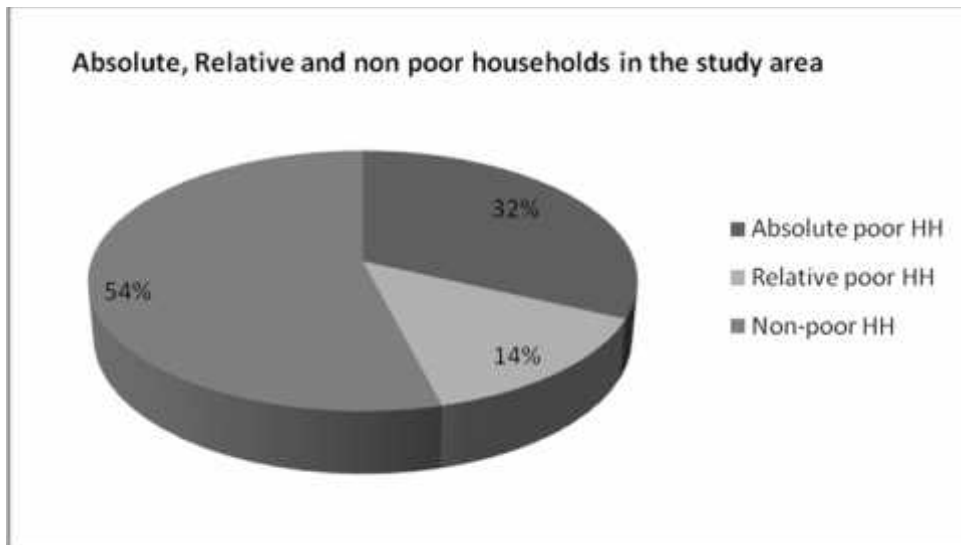
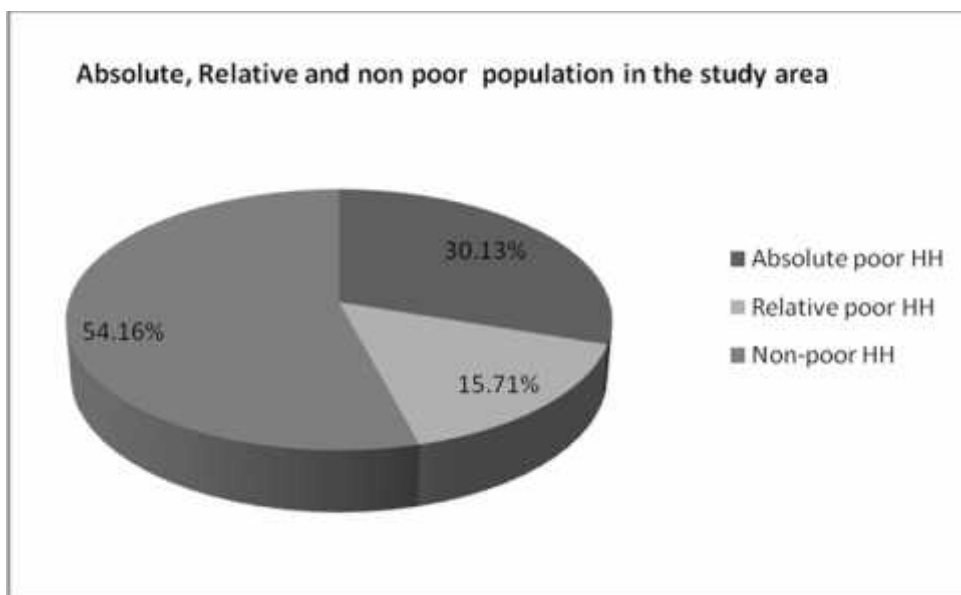


Figure 12: Absolute, relative and non poor population



6.4 Characteristics of the poor:

Although, there are different categories of poor with heterogeneous socio-economic backgrounds, poverty situation in our society are almost similar. In the study area 46% households or 45.84% of population are total poor. This data signifies the existence of poverty in study is in severe. It also presents socio-economic condition of poor. An important characteristic of poor is that, the poor people have very small amount of land or no land at all. In the study areas there are two types of land i.e. irrigated land and non-irrigated land. Most of the poor people do not have irrigated land. It is also found that where the irrigation facilities not available, there is the cost of agriculture production is so high. But the unforgettable things is the price of agriculture production is below or equal to minimum threshold of cost of production, So there are some people who are surviving on less amount then what is required for them, while other people have suffered to borrow loan from other villagers.

From the field survey, it is found that, most of the household, who have taken loan from villagers. The serious problem is they could not bear their loan burden. It may be due to the ineffective use of their loan fund. Most of them are not used their loan fund in productive sector but they are used only for consumption like marriage, festivals etc. Likewise the lack of irrigation, not appropriate farming, geographical barrier, climate change, lack of knowledge on improved seed and technology are some of the other factors responsible for their high productivity and thus result depending on market for food as well as non food items.

In this way, it can be concluded that there is need of specific program me with a target directly improving their economic condition and hence the factors required for their overall development.

CHAPTER VII

MAGNITUDE OF THE POVERTY

The magnitude and extent of poverty in any society mainly depend on two factors viz: (1) average level of income and (2) the degree of inequality in its distribution (Todaro, 1993)

The poverty does not always arise because of inequality. An egalitarian can have large incidence of poverty, while the society with substantial inequality can have minimal poverty (Guru-Gharana, 1995).

Regarding, measurement of poverty "Aggregate Poverty index" is calculated. After specifying the minimum calorie requirement, the method for aggregating the individual level of income/ consumption into a single measure of poverty index for a study area is selected. For this purpose, Head Count Index, Poverty gap measure, A.K.Sen's poverty index is calculated. In order to measure Sen's Poverty Index, the Gini-coefficient is also calculated. Here same data with some other simple statistical tools are used to show how poor are the poor in the study area.

7.1 Income Inequality in the study area

Although there is controversy, the poverty is closed relatively to income inequalities, poverty and inequality is not the same thing but high inequality is one of the reasons of poverty. For the study of income distribution and inequality on income distribution, the total sample households of study area are distributed into 5 income groups. Each group occupies 20% of total sample households i.e. in each groups there are 10 households. It has been started from the low income groups. Therefore the first groups covers 20 % of household of low income group and last group covers 20 % of high income group. It is true that a household having high income may have good standard of living but in practice, it may not sure if there is large family size. Sometimes the households with low income and small family size have better standard of living. Thus, the per capita income of individual is taken to draw Lorenz curve as well as to estimate the value of Gini-concentration ratio. In following table shows the income distribution per capita per day.

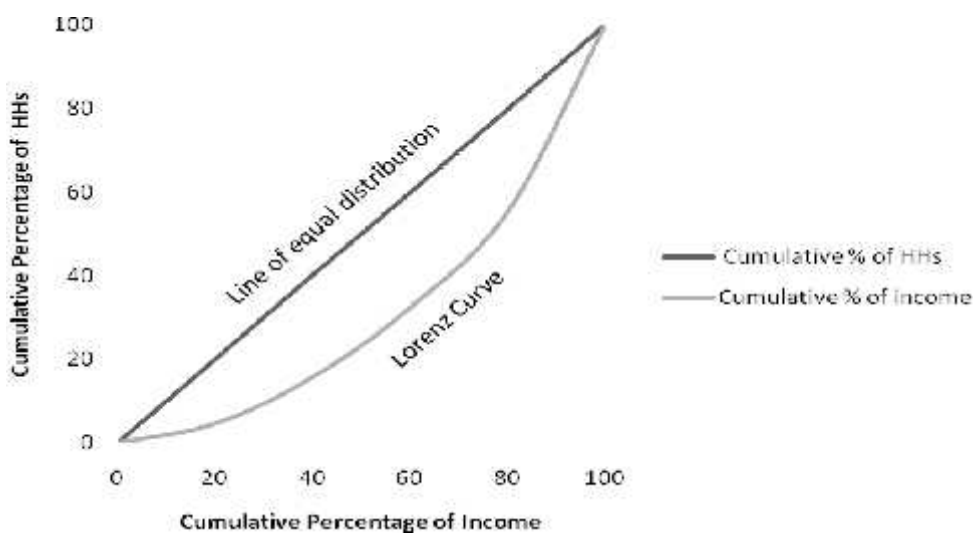
Table 25: Income Distribution among Sample Households

Group	% of HHs	% of income	Cumulative % of HHs	Cumulative % of income
1	20	4.63	20	4.63
2	20	11.03	40	15.66
3	20	16.74	60	32.40
4	20	23.18	80	55.58
5	20	44.42	100	100.00
Total	100	100		

Source: Field survey, 2010

According to above table, the income distribution among different group is highly unequal. The top 20% of household members have secured nearly 44.42% of total income, whereas bottom 20% household members receive only 4.63% of total income. So there is high income inequality in the study area. The graphical method have been also used to measure dispersion of income i.e. Lorenz curve. The Lorenz curve shows the difference between equal distribution of income and actual distribution of income. The area between equal distribution line and Lorenz curve is called the area of concentration. The fundamental things is that the greater the area of concentration the larger magnitude of income inequality and vice versa. Figure 13 shows the inequality in income distribution for the study area

Figure 13: Lorenz Curve of HHs and Income



From the above figure, it is clear that there is the existence of income inequality in the study area. To measure the existence of inequality or area of concentration, we compute Gini-coefficient considering the per capita per day income the value of Gini coefficient ratio is 0.03.

7.2 Income Distribution among Absolute Poor

To be poor is to be hungry, to lack shelter and clothing to be sick and not cared for to be illiterate and not schooled. But for poor people, living in poverty is more than this (WDR, 2000/2001). In this study it has been found that there is not only difference in the income of the poor and non poor but also there is a difference in between absolute poor people. Thus the income inequality exists among absolute poor. This represented by simple statistical tool "Range" which is calculated to be 1.048 for absolute poor. It is much less than the range value among the total sample households which is 3.4.

Table: 26 Income Distribution among absolute poor

Per Capita per day income of group	No. of Hs	No. of population	% of absolute poor population	Per Capita mean income per day	% share of the total absolute poor	% share from the total income of sample HHs
48.7	4	22	23.40	12.17	16.28	1.82
64.1	4	18	19.14	16.03	21.42	2.39
85.3	4	30	31.91	21.33	28.51	3.18
101.1	4	24	25.54	25.26	33.79	3.77
299.2	16	94	100.00	18.69	100.00	11.16

Source: Field Survey, 2010

From above table, the absolute poor population and households are divided into 4 income groups with 4 members in each group. There is a significant difference in the distribution of income among absolute poor. Per capita per day income of each group are found 48.7, 64.1, 85.3 and 101.1 respectively. Out of 16 absolute poor households 23.4%, 19.14%, 31.91% and 25.54% of absolute poor people belong to these income groups respectively. Their per capita per day mean income is recorded as 12.17, 16.03, 21.33 and 25.26 respectively. This analysis signifies that the poorest the poor i.e. lowest income groups

among absolute poor receive only 16.28% of absolute poor's total income, whereas the highest income groups among the absolute poor receives 33.79%. So it is clear that there is some degree of income inequality even among absolute poor. If we analyze the percentage of income secure from total income of sampled households, it seems only 1.82%, 2.39%, 3.18% and 3.77% respectively. This seems that the percentage share of income of poor households is very low and counts less.

In this analysis, Gini-coefficient ratio is used to measure the inequality among absolute poor. By calculating actual figures, it is recorded as 0.14. The Gini coefficient ratio among the absolute poor households in different studies is shown in the following table.

Table 27: Gini-Coefficient ratios of the absolute poor

S.N	Studies	Gini-Coefficient ratio
1	Madhumalla	0.236
2	Rajghat	0.13388
3	Phulwari	0.0163
4	Phoksingkot	0.14

Sources: Bhattari, 2000; Adhikari, 2001; Poudyal, 2000; Field Survey, 2010

7.3 Sen's Poverty Index

To find out the incidence of poverty and to know how poor are poor, Sen's poverty Index has been considered which is based on ordinal welfare concept. It can be defined in two ways which are shown in the following table:

Table: 28 Sen's Poverty Index

	Considering income inequality or G.C among absolute poor	Without considering G.C among absolute poor
P*	0.13066	0.0998

Source: Field Survey, 2010

The above table shows the poverty index with considering inequality is 0.13066 and without considering inequality is 0.0998. It defines the fact that the intensity of poverty problem is more serious in the situation of considering income inequality than without considering income inequality. The comparison of different studies is shown in the following table.

Table: 29 Comparison of Sen's Poverty Index among other VDCs

S.N	Study area	Study year	With considering G.C	Without considering G.C
1	Madhumalla	2000	0.2428	0.1884
2	Rajghat	2001	0.10372	0.074586
3	Phulwari	2000	0.1432	0.1374
4	Phoksingkot	2010	0.13066	0.0998

Sources: Bhattari, 2000; Adhikari, 2001; Poudyal, 2000; Field Survey, 2010

According to above table, the value of P* for Madhumalla is greater than the other VDCs. According to this result it can be concluded that the poverty problem in Madhumalla is high intense than other VDCs.

7.4 Aggregate Poverty Indices

There are four popular methods for measurement of aggregate poverty index. The most frequently used measure is the Head Count Index of poverty, which is the proportion of households or individuals below the poverty line. If N_p is the number of households below the poverty line and the N the total population, then it denotes $\frac{N_p}{N}$.

Second one is "Poverty Gap" to measure the aggregate poverty Index. It is based on the total income deficit of the poor. It is defined as the average income distances of the poor from the poverty line. It is also expressed as a proportion of the poverty line income. This measure gives a good indication of the depth of poverty. The third one is A.K.Sen's poverty index, which is already mentioned. And fourth measure of poverty is called the Foster Greer Thorebeck measure. The aggregate poverty index for absolute poor are shown the table given below

Table: 30 Different Poverty measure values

Poverty measure	Poverty line per capita per day	Calculated value
Head count index	27.2	0.32
Poverty index	27.2	0.099

Source: Field Survey, 2010

According to above table, the Head Count Index (P_o) = 0.32 means that 32% of the population are deemed to be absolute poor. The value of Poverty gap (P) = 0.099 means that 9.9% of the poverty line in the study area. It helps to identifying the total income needed to bring all the poor in a population up to the poverty line.

In this study area: $P = 0.099$

$$Y_p = 27.2$$

$$\therefore NP = 0.099 \times 94 = 9.306$$

$$\text{Total amount of money} = \text{Rs } 6.6 \times 27.2 = \text{Rs } 179.52$$

$$= \text{Rs } 179.52 \times 32$$

$$= \text{Rs } 5744.64$$

This signifies the Rs 5744.64 required bringing all the absolute poor population up to the poverty line.

7.5 Statistical Measurement of Standard of Living

Measurement of poverty is a three step process. First, an individual or a family defined as poor, if living standard of this family is below the minimum threshold or subsistence level. The subsistence level of income is known as the poverty line income. The measurement of poverty requires the definition of standard of living. Traditionally the standard of living is measured either by income or consumption of the economic unit, under consideration. However the human development report added human dimensions i.e. particular education and health to the concept of standard of living. In present study, considering the total sample household according to per capita daily income, we can rank them into two groups. One group considered as poor and the other as non poor. Out of 312 populations, 94 populations are living below the absolute poverty line. This means 30.12% of populations

are poor. The total per capita daily income of sample households found to be Rs 2681.84. In other words, out of 50 households, 16 households are living below the absolute poverty line. This means 16 of households are poor household and remaining 34 households are non poor. If we calculate the earn income of the total sampled household, it is found as Rs 53.64. In this way there are 31 households which have low per capita daily income than the average daily per capita income of total sampled households. It signifies 62% of total sampled households earn less than the average. Similarly, if we calculated the mean income of absolute poor households it is found that Rs18.7. In this way, out of 16 absolute poor households 8 households earn less than their average income per capita per day. Therefore there is 30.76% of absolute poor households do not earn the average per capita daily income of the total absolute poor household income. Distribution of total income among poor and non poor is shown in following table.

Table 31: Distribution of total income among poor and non poor

Class	Households	Total per capita daily income	Average daily per capita income (in Rs)	% of HHs below average income	% of HHs above average income
Poor	16	32	18.7	30.76	69.24
Non Poor	34	68	70.07	61.76	38.24
Total	50	100	53.64	62	38

Source: Field Survey, 2010

According to above table, the average daily per capita income of non poor household is Rs 61.76. Therefore out of 34 non poor households 21 household earn less than average daily per capita income i.e. 61.76% non poor earns less than their average income. In this way, it can be concluded that the difference in mean income poor and non poor households is so high.

CHAPTER VIII

NATURE OF THE POVERTY

Poverty is not just a matter of being relatively poorer than others in the society, but of not having some opportunities of material well being the failure to have certain minimum capabilities (Amartya Sen, 1999).

Poverty is reflected in low GNP per capita income of a country or society. The under developed country is poverty ridden (M.L.JIHNGAN, 19994).

Poverty is multifaceted phenomenon that includes but goes beyond, lack of adequate income. The problem of rural poverty in Nepal is also multifaceted phenomenon such as family size, minimal land holding per capita, low productivity of land, lack of employment opportunities rather than agriculture, poor educational attainment and overall structures that favors the rich over the poor. Above these reason shows that poverty has been an important obstacle in the process of economic growth. In the context of rural poverty of Nepal, it has directly or indirectly link with land ownership because land is the most important source of rural people income and status and agriculture has a domineering role in our economy. But the distribution of land is highly unequal; it generated social disparity in our rural society. In this chapter discusses and examines the socioeconomic characteristics of the study area and their relationship with the poverty problem. Because any poverty alleviation programs implementation, we should first identify the nature of poverty. Poverty and socioeconomic structure have relation, so this section examines the overall socio-economic structure of the study area and its association with the problem of poverty.

8.1 Size of landholding and the Poverty

Land is the most important and productive asset for income, in our society. There is positive relationship between landholding and income while inverse relationship between landholding and poverty. The following table shows the land holding according to households.

Table: 32 Size of Land holding among absolute, relative and non poor

S.N.	Size of land holding(khet, bari, kharbari) in Ropani	No. of HHs	Absolute poor HHs	Relative poor HHs	Non poor HHs
1	less than 4	9	7	0	2
2	less than 8	29	9	7	13
3	less than 12	6	0	0	6
4	less than 16	2	0	0	2
5	less than 20	2	0	0	2
6	less than 24	1	0	0	1
7	less than 28	1	0	0	1
	Total	50	16	7	27

Source: Field Survey, 2010

According to above table, the increase in the land asset, population below poverty line has decreased. So land holding can be taken as one of the determinant of poverty. But the size of landholding alone is not the sole determinant of poverty. Because the table shows that within the same size of landholding, some households are non poor while some households are absolutely poor and some are relatively poor. The land less households automatically falls on absolutely poor. And even some households with large pieces of land, they fall on poor because of low productivity and unavailable of irrigation facility. The key cause for this, the small pieces of land holder household head is engaged in service and business. So their income power is increased by their other sources of income. The market price of agriculture production also plays a vital role for decreasing their income level as they don't get actual production that they needed.

8.2 Main occupation and the Poverty

The problem of poverty is also closely related with occupation. The income level is highly affected by the main occupation. In the study area, the majority of the population is farmers. Every household can have different source of income, due to the engagement of different occupations. Correlation between occupation and the poor are shown in the following table.

Table: 33 Correlation between occupation and poor

S.N	Occupation	No. of HHs	No. of people	No. of poor HHs	No. of poor people	% of people involved
1	Agriculture	50	125	23	59	40.06
2	Lahure	17	22	2	2	7.05
3	Working in foreign countries	25	26	4	4	8.3
4	Service	7	7	3	3	2.24
5	Business	4	4	4	4	1.28

Source: Field Survey, 2010

From above table, those households are engaged in Lahure and foreign countries for work are found to be non poor. Out of 50 households, all most of all the people are involved in agriculture directly or indirectly. Some members of the house are x- army which is now involving in agriculture. Some of their members i.e. 26 out of 312 people are working in foreign countries. The absolute and relative poor people are mostly involved in agriculture with some in business, service. Thus almost all the people are poor, who are engaged in agriculture.

8.3 Household size and the Poverty

Household size is also one variable to determine the income level and poverty level. It is found that there is large family size in the study area. The average family size is 6.24 which are higher than the national average 5.7. In this study it is also found that the non poor household have greater household member in comparison with poor house hold. It shows there is positive relationship between income and family size. The feeling of the study area a people is that they must have a son to perform religious duties after death. This notion has given force to growing population. The following table shows the correlation between poverty and family size.

Table: 34 Correlation between poverty and family size

S.N	Class	No. of HHs	No. of population	Size of households
1	Absolute poor	16	94	5.88
2	Relative poor	7	49	7
3	Non poor	27	169	6.26
	Total	50	312	6.24

Source: Field Survey, 2010

From this table, the absolute poor have the average family size of 5.88, while the size of the relative poor is very high that is 7.00 and it decreases to 6.26 for the non poor. But the family size of absolute poor is less than in comparison and relative poor and non poor. Therefore, this result seems that large family size is one of the causes of poverty, but it is not sufficient.

8.4 Education Status and the Poverty

Income level and standard of living is directly or indirectly affected by education status of households. The role of education is vital for the over all development. Educated and conscious people can drive the society towards the path of progress. In the present study, there is high degree of illiteracy among the lower caste group and poor group. The basic notion is that, there is inverse relationship between education and poverty. This relation is shown in given table.

Table 35: Correlation between education and poor

S.N	Level of education	Absolute poor HHs head	%	Relative poor household head	%
1	Illiterate	10	62.5	2	28.6
2	Literate	6	37.5	5	71.4
3	Educated(up to S.L.C. pass)	0	0	0	0
4	Total	16	100.00	7	100.00

Source: Field Survey, 2010

This above table shows the poverty is inversely related with level of education. Most of the poor household head are illiterate. The 62.5% of absolute poverty and 28.6% of relative poor HHs head are illiterate.

8.5 House structure and the Poverty

The house or home is the shelter of every people. It is also one of the tools to know the economic status of the people. As every one like to have a beautiful home with many facilities but is not possible because of the economic factor. The structure of house differs to ethnicity, geographical condition, and economic status, rural and urban centre. The rural area of Nepal mostly have houses made of stone, mud, brick and roof with hay, zinc plate, tiles etc. So the structure with their economic status is shown in the following table.

Table 36: Correlation between house structure and poor

S.N	Types of houses	No. of HHs	Absolute poor HHs	Relative poor HHs	Non poor HHs
1	Hut/Small cottage	6	4	2	0
2	Made with mud and roofed with hay	7	4	3	0
3	made with mud and roofed with tiles	12	8	1	3
4	Made with stones and roofed with hay	16	0	1	15
5	Made with stones and roofed with zinc plate	8	0	0	8
6	Made with brick and roofed cement	1	0	0	1
	Total	50	16	7	27

Source: Field Survey, 2010

From above table it shows that the house structure reflects the economic status of the household. Among 50 households, 8 households are from those absolute poor people whose house structure is really in a critical condition made with mud and hay. The houses are one storey and are small in size and height. They have small area in surrounding with only one room. While some of the non poor households are provided with all facilities like light, T.V, gas, solar system and even some of them have improved gas stove. These houses are 2-3 storeys with wide surrounding and garden. So the difference in the house structure of poorest of the poor and non poor is drastically various.

CHAPTER IX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

Poverty is one of the major characteristics of the Nepal. More than 80% of people live still in rural Nepal and their main occupation is agriculture. It shows that most of Nepalese poor farmer's situation could be attributed to low productivity, illiteracy, less land holding, unemployment in agriculture. Experience of many countries clarify that poverty is the main obstacle in economic growth. Nepal government in the past, launched various programs through different non government agencies for overcoming poverty and tried to minimize the poverty gap between haves and have not, but it could not function in grassroots level and cannot reduce the poverty level in appropriate way. So poverty is still the main obstacle for the development of Nepal.

The present study is the outcome of an empirical study of Phoksingkot VDC of Palpa district. The area is rural one and still need to suffer from the poverty. 50 households were randomly selected for survey technique and were interviewed through the structured questionnaire.

In the study area, it is found that the major factors that results poverty are: low income, small size of land holding, disguised unemployment, unemployment, illiteracy, low productivity, and topographical barrier, lack of market access, inequality in income distribution, traditional values and customs.

Major findings of the study area are given below:

- ❖ The average household size of the study is 6.24.
- ❖ The sex ratio is 85.71.
- ❖ 52.6 % of the population is economically active with the dependency ratio of 0.9.
- ❖ NRs 27.2 per capita per day income have been drawn as absolute poverty line. It is determined by the subsistence norm prescribed by FAO for Nepal (1972). On the basis 32% of households and 30.13% of populations are found to be absolute poor.

- ❖ The per capita per day income NRs 43.85 has been drawn for the total poverty line of the study area. It is determined by calculating wolf point, with the help of regression equation. On this basis, 46% of households or 45.84% of population are under total poverty line.
- ❖ The difference of income level between wolf point and absolute poverty line gives the relative poor on this basis, 14 % of households or 15.71% of population belonged to relative poor.
- ❖ It is found that 54% of household or 54.16% of population are non - poor.
- ❖ The marginal propensity to consume (mpc) among the sample households is found 0.87 and marginal propensity of absolute poor group is found 0.93. It shows that the mpc of absolute group is higher than the mpc of total sample population.
- ❖ The value of Gini- Coefficient among all sampled household is 0.03 but Gini- Coefficient among the absolute poor household is found to be 0.14. It shows that there is income inequality in the study area. So, inequality in among all household is higher than the inequality in among the absolute poor households.
- ❖ The calculated value of range for the total sampled household is 2.3.
- ❖ The calculated value of mean deviation is 12.154 and relative mean deviation is for 0.23 for the total sampled household.
- ❖ The magnitude of standard deviation taken in income distribution is found to be 15.18 and variance 230.6 found to be and coefficient of variance is 0.28 for all sample households. All these computation shows that there is high degree of inequality in the distribution of income.
- ❖ The value of correlation co-efficient between income and consumption of total sampled household is 0.99 .This value implies that, there is high degree positive of relationship between these two variables. The coefficient of determination equal to 0.98.It shows that 98 % of the variation in consumption is explained by fitted regression line.
- ❖ The mean per capita of the absolute poor is found to be Rs18.69 which is far below the absolute poverty line. It gives 50 % of absolute poor households earning is below their mean income.
- ❖ The mean per day per capita income of relative poor is found Rs 35.21 and 57.14% of relative poor households have below their mean income.

- ❖ It is found that the mean per day per capita income of non- poor is Rs79.12; there is 66.67% of household below their mean per capita income in the same group.
- ❖ It is found the value of Head count Index is 0.32. It gives incidence of poverty is higher in magnitude.
- ❖ The value of poverty gap in the study area is found 0.099. It gives the depth of poverty.
- ❖ The value of Sen's indices with considering G.C and without considering G.C is 0.13066 and 0.0998 respectively. Both of these values show that the extent of poverty of the study area is high. The extent of poverty is higher when G.C. is considered, it can be concluded that inequality is one of the causes of poverty.
- ❖ It is found that there is high disparity in landholding among the sample households in the study area. In this area, top 24% households occupy 46.5% of the total land, where as below 40 % household occupies only 21.3% of the land.
- ❖ Education status of the study area is low there is 36% people are illiterate. In gender basis, it is found that 55.6% of female are illiterate but in male it is only 22.4%. Most of the poor are either illiterate or attained poor education. From the study it is known that illiteracy is one of the major factors of poverty.
- ❖ Most of the economically active population of study area engaged in agriculture 40.06% but there is disguised unemployment. The percent value of Lahure holder is 7.05% and working in foreign countries is 8.3%.

Conclusion

Nepal is one of the poorest countries in the world. It is a mountainous country, citizens having agriculture as the main occupation. The productivity land is very low and most of the farmer are landless or with low land size holding which productions are not sufficient for them. Similar to other ethnic groups of Nepal, Magar are also one of the marginalized and disadvantage groups of Nepal whose livelihood condition and socio-economic condition is poor. Most of them live in the hilly region and are away from the facilities provided by the government.

From the field observation of the study area, it is found that, most of the poor have small cottage sized house with poor condition. They are socially and economically backward. Most of people are living in very low level of living standard, such as ill-fed (lack of nutrition), poor clothing, very low standard of shelter. Most of non poor are facilitated with modern equipments like T.V, mobile, radio, improved gas stove but the poor are still far away from it.

Geographically, the studied are is hilly and needed to walk 2-3 hrs from road. So it is one of the major factors for the VDC people to be far from access to facilities and services, market for their production, health facilities etc. They need to walk 1.30hrs for the education which is the major case for dropping out and more illiterate and unemployed people. The major problem the VDC people are suffering is the drinking water and irrigation. The people of this VDC need to depend on the rain for their agricultural production and for drinking water need to walk a long distance. The cereals they produce have been given to the animals rather than for own use and need to depend on market for rice which results in poor condition. So awareness and high agricultural productivity program may uplift their socio-economic status.

Recommendation

In order to improve the poverty status and break up the vicious circle of poverty in the Phoksingkot VDC of Palpa districts, relating to the primary data, suggestions and demand from the respondents and key informants, the following recommendations could be put forward:

- ❖ As much of the villagers in the study area are employed in agriculture, agricultural productivity must be increased in order to alleviate poverty, mixed and rotational cropping system should be adopted and then provide required facilities for agriculture such as irrigation, chemical fertilizer, pesticides, improved varieties of seeds etc.
- ❖ It should be discouraged traditional farming system and encourage in modern farming technique. Integrated or collective farming system should be started; land fragmentation system should be discouraged because it reduces the productivity of land.

- ❖ Size of land holding of the poor households is very small; it should be used redistribution of land from large landholder's to small land holders.
- ❖ The main cause of poverty in the study area is due to unemployment. Employment opportunities must be created to reduce poverty. The government should encourage private investment in the study area to generate employment opportunities. There is open unemployment and disguised unemployment in agriculture sector it should be transformed to another sector such as in cottage industries.
- ❖ To provide education is fundamental to alleviate poverty. As educated people earn much more than the uneducated which is observed from the study It is obvious that education helps to reduce the extent of poverty. So it should be implemented free and compulsory education up to secondary level. In addition with non formal education programs and also suitable vocational training institutions should be introduced in the study area or near this area.
- ❖ Due to the lack of financial institutions people are suffering from high interest rate which is forced by money lenders. The rate of interest is as high as 30 to 60 percent per year. It should be necessary provide organized financial institution at low interest rate for required borrowing to invest in any productive sectors.
- ❖ From the study it is found that, there is huge family size. So family planning should be effectively launched to check the growth of population.
- ❖ Public administrations implement policies should be efficient, accountable and responsive to users, corruption and harassment are cured and the power of state should used to redistribute resources for action benefiting the poor people.
- ❖ Legal system promotes legal equity and should be accessible to poor people.
- ❖ It should be necessary to remove social barriers and building institutions.
- ❖ First identify the poor people, and then provide subsidies basic goods for poor people by ration card system.
- ❖ Spending on alcohol, smoking, gambling and other unuseful and unproductive work should be discouraged by conducting some public awareness program.

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- <http://www.magarstudent.org/Pages/Goal.htm> Nepal Magar Students Association
- <http://www.nepalmagarassn.org.np/org/index.html> Nepal Magar Association
- <http://www.nepalmagarassn.org.np/photos/index.html> Magar photo gallery
- <http://www.lafanetwork.org> Young group of magar friends
- <http://www.jeebaseema.org> Jeet Bahadur Sinjali
- http://www.nefen.org/janajati.php?ethnic_group=Magar Nepal Federation of Indigenous Nationalities]
- <http://www.magarstudiescenter.org> Magar Studies Center
- www.wikipedia.com

- Yes
 - No
- If no, who do not go to the school and why?

Education level:

Level: 1-5 6-10 S.L.C Intermediate above
 No:
 Enrolled in education:
 Dropped out education:
 Passed out:

4. Have any of your children stopped going to school?
 - Yes
 - No

If yes, why?
5. What do you think the importance of education?
6. Is there any ageing education program? Are you involved here?
 - Yes
 - No

If yes, what difference do you get before and after?
7. Do you have any skill? Or any of your members have that?
 - Net making
 -
 -
8. What do you do when you are ill?
 - Go to medical and take medicine without doctor's prescription
 - Take doctor's advice
 - Go to Lama and ghakris
9. How much care you take when your wife was pregnant?
10. Have you taken her for check up during that period?
11. Did your son or daughter take all the vaccinations from birth?
 - Dadura
 - Polio
 - Other
12. Do you believe in witches and lamas?
13. Have your son or daughter already married?
 - No
 - Yes

If yes, at what age did they married?
14. What do you think the appropriate age to marry for a
 - Son
 - Daughter
15. Is that an inter-caster marriage?

- Yes
- No

If yes, how did you react?

16. How do you feel, if your daughter in law belongs to other group?

17. Whom do you think your son should marry with?

- Of the same caste
- Any caste that makes no difference.

18. How many children do you think a couple should have?

- One
- Two
- More

19. Have you ever heard of family planning?

- Yes
- No

If yes, then what are they?

20. Have you heard of HIV/AIDS diseases?

- Yes
- No

If yes then how it transfers?

21. What occupation is done by your family members?

Occupation

total no.

Agriculture

Lahure

Business

Service

Working in foreign country

Student

Others

Sources of Income

a) Income from Agriculture (annual)

S.N	Crop	Quantity in (Muri/Pathi)	Local Unit Price	Total (Rs)
1	Paddy			
2	Maize			
3	Millet			
4	Wheat			
5	Pulses			
6	Oil seed			
7	Vegetable			
8	Fruit			
9	Other			

Note: Here unit price is taken as average price

b) Income from live stock (annual income from selling)

S.N	Animal	Quantity	Local unit price	total
1	Buffalo			
2	Cow			
3	Goat			
4	Pig			
5	Poultry			
6	Sheep			
7	Bee			
8	Others			

c) Income from:

S.N	Types	per month	per year
1	Services		
2	labor		
3	foreign country		
4	business		

Annual total HHs Income:

b) Consumption Expenditure

i) Expenditure on food items:

S.N	Food items	Monthly in Rs	Yearly in Rs
1	Cereals		
2	Pulses		
3	Vegetables		
4	Meat		
5	Milk and Milk product		
6	Fruits		
7	Other		

ii) Expenditure on non-food items

S.N	Items	Monthly in Rs	Yearly in Rs
1	Education		
2	Health		
3	Clothes		
4	Fuel		
5	Entertainment		
6	Transportation		
7	Other		
8			

iii) Expenditure on agricultural inputs

S.N	Items	Monthly in Rs	Yearly in Rs
1	Seed		
2	Fertilizer		
3	Pesticides, Insecticides		
4	Wages		
5	Others		

Annual total expenditure

22. What is your monthly income?

Income (Rs): below 4000 4000-6000 6000-8000 8000-above

Members:

23. How much land do you own?

Land type

Ropani

Khet

Bari

Kharbari

Others

24. What kind of crops do you produce?

- If food crops, what are they?
- If cash crops, what are they?
- Or both of them.

25. How much amount did you produce last year?

Grain/veg/fruits:

Quantity:

26. Is it sufficient for your family?

- Yes
- No

If no, how do you manage it?

27. Do you have surplus production?

- Yes
- No

If yes, what will you do?

28. Do you use chemical fertilizers and pesticides?

- Yes
- No

29. People say that heavy use of chemical fertilizers and pesticides can ruin the quality of soil and pesticides adversely affect the environment and health in the long run. Do you agree with the statement?

- Yes
- No

30. Have you heard of an appropriate/modern farming?

- Yes
- No

31. Do you have any other income generating options beside agriculture?

- Yes
- No

If yes, specify.

- Animal/livestock rearing
- Business
- Labor
- Others

32. How many livestock do you have?

Livestock

no.

Cows

Buffaloes

Oxen

Goats

Pigs

Chickens

Others

Total

33. For what purpose you rear them?

34. What food you usually eat?

35. Green vegetables are good for health and eye. Do you know?

36. Do you wear Magar dress usually or occasionally?

37. What do you want your son or daughter to become in future?

- Lahure
- Continue education and why?

38. Is there any local organization? Are you involved there? For what purpose they are formed for?

- Aama samuha
- Club
- Community forest

39. Migration to terai is too high in this area, what do you say?

- It is bad
 - It is good
- And why?

40. Are you thinking of migrating?

- Yes
- No

41. What do you think, why Magar people are backward?

- Settlement
 - Social and cultural aspects
 - Policy
 - Others
42. To develop your local community to whom you give more priority?
- Road
 - Electricity
 - School
 - Health
 - Other
43. The country is going to be a federal state; can it raise your living standard?
- Yes
 - No
- And why?

ANNEX- II

Appendix III

i. Calculation of Minimum Subsistence Level of Income

Price Structure of Cereals Items

S.N	Cereals Items	Price Per kg(Rs)(x)	Average wt (%) (w)
1	Rice	30	60
2	Wheat	20	12.5
3	Maize	15	10
4	Millet	10	5

$$\text{Weighted mean price } \bar{X}_w = \frac{\sum_{i=1}^4 X_i W_i}{\sum_{i=1}^4 w_i} = \text{Rs } \frac{2250}{100} \text{ per kg}$$

$$\therefore \bar{X}_w = \text{Rs } 22.5$$

Hence, the cost of 1000 gm cereals = Rs 22.5

$$\text{The cost of 1gm cereals} = \text{Rs } \frac{22.5}{1000}$$

$$\text{The cost of 605 gm cereals} = \text{Rs } \frac{22.5}{1000} \times 605$$

$$\therefore \text{The cost of 605 gm cereals} = \text{Rs } 13.61$$

Price structure of Pulse Items

S.N	Item	Price Per Kg(Rs)(y)	Average wt. (w)
1	Mass	80	35
2	Musuro	65	32
3	Soyabean	40	25
4	Gram	50	12
5	Mugi	25	8
6	Rahar	20	3.5

$$\text{Weighted mean price per kg } (\bar{Y}_w) = \frac{\sum_{i=1}^6 Y_i W_i}{\sum w_i}$$

$$\therefore \bar{Y}_w = \text{Rs } 67.50$$

Hence, the cost of 1000 gm of pulses = Rs 67.50

$$\text{The cost of 1 gm of pulses} = \text{Rs } \frac{67.50}{1000}$$

$$\text{The cost of 60 gm of pulses} = \text{Rs } \frac{67.50}{1000} \times 60$$

$$\therefore \text{The cost of 60 gm of pulses} = \text{Rs } 4.05$$

\therefore The total required for 605 gm of cereals and 60 gm of pulses

$$= \text{Rs } 13.61 + \text{Rs } 4.05$$

$$= \text{Rs } 17.66$$

NPC defined that, for to fulfill minimum subsistence level of calorie, cereals and pulses take the 65% of total expenditure and remaining 35% take on other food and non-food items.

Since, 65% of consumption expenditure = Rs 17.66

1% of consumption expenditure = Rs $\frac{17.66}{65}$

35% of consumption expenditure = Rs $\frac{17.66}{65} \times 35$

∴ 35% of consumption expenditure = Rs 9.51

∴ Thus the required minimum subsistence level of income per capita per day,

$$= \text{Rs } 17.66 + \text{Rs } 9.51$$

$$= \text{Rs } 27.2$$

∴ Thus per capita per day income is **Rs 27.2** which determine the absolute poverty line.

ii. Household size, per capita daily income and expenditure of the sample households

S.N	Population Size			Daily Per Capita (Rs)	
	Male	Female	Total	Income (Y _i)	Expenditure (C _i)
1	3	4	7	47.5	48.5
2	3	3	6	54.2	57.26
3	1	3	4	79	72.5
4	3	2	5	19.9	23.2
5	4	3	7	51.3	52.4
6	4	4	8	31.89	33.7
7	3	6	9	81.9	77.6
8	6	5	11	77.7	85.3
9	5	5	10	103.65	100
10	2	3	5	22.5	24.8
11	2	2	4	23.3	25.6
12	1	2	3	82.2	27.9
13	4	2	6	46.2	47.9
14	4	3	7	143	140.6
15	3	5	8	61.2	62.6
16	3	6	9	34.2	35.1
17	2	2	4	188.6	158.1
18	3	2	5	16.4	20.3
19	2	4	6	41.7	40.5
20	3	2	5	52.2	53.6
21	4	3	7	73.7	72.7
22	3	4	7	80.2	79
23	1	3	4	16.7	19.2
24	1	4	5	46.2	47.6
25	3	1	4	51.2	50.8
26	5	7	12	20.5	20.8

27	4	5	9	38.7	39.4
28	4	4	8	22.4	22.9
29	1	2	3	61.5	56.8
30	3	3	6	35.4	35.4
31	3	2	5	25.1	26.5
32	3	5	8	35	36.5
33	4	5	9	7.1	7.8
34	4	8	12	58.6	59.6
35	3	2	5	13.7	15.5
36	1	4	5	15.1	16.7
37	6	4	10	26	26.7
38	3	1	4	12.9	16.6
39	1	3	4	29.6	31.13
40	4	4	8	99.6	97.4
41	2	2	4	15.9	18.8
42	1	4	5	46.8	46.1
43	3	1	4	78.9	70.8
44	3	3	6	57	55.8
45	2	4	6	180.7	155.5
46	3	2	5	51.6	49.5
47	1	3	4	15	17.6
48	1	4	5	57.6	56.7
49	3	2	5	26.7	27.6
50	3	1	4	123.9	120.5
Total	144	168	312	2,681.84	2,585.39

iii. Determination of Relation and Total Poverty Line

For the determination of total poverty line, we assume the linear Keynesian consumption functions.

$$C = a + bY$$

This equation is changed into normal equations which are given below,

$$\sum C_i = Na + b \sum Y_i$$

$$\sum C_i Y_i = a \sum Y_i + b \sum Y_i^2$$

S.N	Y _i	C _i	C _i Y _i	Y _i ²	C _i ²
1	47.5	48.5	2303.7	2256.2	2352.2
2	54.2	57.26	3103.5	2937.6	3278.7
3	79	72.5	5727.5	6241	5256.2
4	19.9	23.2	461.7	396.01	538.2
5	51.3	52.4	2688.1	2631.7	2745.7
6	31.89	33.7	1074.7	1011.2	1135.7
7	81.9	77.6	6355.4	6707.6	6021.7
8	77.7	85.3	6627.8	6037.3	7276.1
9	103.65	100	10360	10732.9	10000
10	22.5	24.8	558	506.2	615.04
11	23.3	25.6	596.5	542.9	655.4
12	82.2	27.9	6403.4	6756.8	6068.4

13	46.2	47.9	2212.9	2134.4	2294.4
14	143	140.6	20105.8	20449	19768.3
15	61.2	62.6	3831.1	3745.4	3918.7
16	34.2	35.1	1200.4	1169.6	1232
17	188.6	158.1	29817.6	35569.9	24995.6
18	16.4	20.3	332.9	268.9	412.1
19	41.7	40.5	1688.8	1738.9	1640.2
20	52.2	53.6	2797.9	2724.8	2872.9
21	73.7	72.7	5357.9	5431.7	5285.3
22	80.2	79	6335.8	6432	6241
23	16.7	19.2	320.6	278.9	368.4
24	46.2	47.6	2199.1	2134.4	2265.7
25	51.2	50.8	2600.9	2621.4	2580.6
26	20.5	20.8	426.4	420.2	432.6
27	38.7	39.4	1524.8	1497.7	1552.3
28	22.4	22.9	512.9	501.8	524.4
29	61.5	56.8	3493.2	3782.2	3226.2
30	35.4	35.4	1270.8	1253.1	1288.8
31	25.1	26.5	665.1	630	702.2
32	35	36.5	1277.5	1225	1332.2
33	7.1	7.8	55.38	50.41	60.8
34	58.6	59.6	3492.5	3433.9	3552.1
35	13.7	15.5	212.3	187.7	240.2
36	15.1	16.7	252.2	228	278.8
37	26	26.7	694.2	676	712.8
38	12.9	16.6	214.1	166.4	275.5
39	29.6	31.13	920.5	876.1	967.2
40	99.6	97.4	9701	9920.1	9486.7
41	15.9	18.8	298.9	252.8	353.4
42	46.8	46.1	2157.5	2190.2	2125.2
43	78.9	70.8	5586.1	6225.2	5012.6
44	57	55.8	3180.6	3249	3113.6
45	180.7	155.5	28098.8	32652.5	24180.2
46	51.6	49.5	2554.2	2662.5	2450.2
47	15	17.6	264	225	309.7
48	57.6	56.7	3265.9	3317.7	3214.8
49	26.7	27.6	736.9	712.8	761.7
50	123.9	120.5	14929.9	15351.2	14520.2
Total	2,681.84	2,585.39	2,10,847.68	2,23,144.2	2,00,492.9

From above table,

$$N = 50$$

$$\Sigma C_i = 2635.86$$

$$\Sigma Y_i^2 = 2, 23,144.2$$

$$\Sigma Y_i = 2681.7$$

$$\Sigma Y_i C_i = 2, 10,847.68$$

$$\Sigma C_i^2 = 2, 00,492.9$$

Now the regression parameters 'a' (autonomous consumption) and 'b' (mpc) are determined follow.

$$b = \frac{N \sum C_i Y_i - \sum C_i \sum Y_i}{N \sum Y_i^2 - (\sum Y_i)^2} = \frac{50 \times 2,10,847.68 - 2,635.86 \times 2,681.7}{50 \times 2,23,144.2 - (2,681.7)^2}$$

$$\therefore b = 0.87$$

$$\text{And } a = \frac{\sum C_i \sum Y_i^2 - \sum Y_i \sum C_i Y_i}{N \sum Y_i^2 - (\sum Y_i)^2} = \frac{2,635.86 \times 2,23,144.2 - 2,681.7 \times 2,10,847.68}{50 \times 2,23,144.2 - (2,681.7)^2}$$

$$\therefore a = 5.7$$

Hence, the estimation of regression line is,

$$C = 5.7 + 0.87Y$$

With the help of these parameters 'a' and 'b' we can calculate 'Wolf- Point' or also known as break even point by using the formula,

$$\therefore \text{Wolf- Point} = \frac{a}{1-b} = \frac{5.7}{1-0.87} = \text{Rs } 43.85$$

Wolf point = Rs 43.85 means that this is the income level which determine the total poverty line. At this point there is equality in income and consumption. So the total poverty line of income for this study is Rs 43.85 per capita per day.

iv. Absolute poor Household people

S.N	Y _i	C _i	Y _i C _i	Y _i ²	iY _i
1	7.1	7.8	55.38	50.41	7.1
2	12.9	16.6	214.14	166.41	25.8
3	13.7	15.5	212.35	187.69	41.1
4	15	17.6	264	225	60
5	15.1	16.7	252.17	228.01	75.5
6	15.9	18.8	298.92	252.81	95.4
7	16.4	20.3	333.92	268.96	114.8
8	16.7	19.2	320.64	278.89	133.6
9	19.9	23.2	461.68	396.01	179.1
10	20.5	20.8	426.4	420.25	205
11	22.4	22.9	512.96	501.76	246.4
12	22.5	24.8	558	506.25	270
13	23.3	25.6	596.48	542.89	302.9
14	25.1	26.5	665.15	630.01	351.4
15	26	26.7	694.2	676	390
16	26.7	27.6	736.92	712.89	427.2
Total	299.2	330.6	6,602.31	6,044.24	2,925.3

Calculation of Marginal Propensity to Consume (MPC)

we can get the following information

N=No. of absolute poor HHs=16

$$\Sigma C_i = 330.6$$

$$\Sigma Y_i = 299.2$$

$$\Sigma C_i Y_i = 6,602.31$$

$$\Sigma Y_i^2 = 6,044.24$$

MPC (b) can be derived by using the relation

$$b = \frac{N \Sigma C_i Y_i - \Sigma C_i \Sigma Y_i}{N \Sigma Y_i^2 - (\Sigma Y_i)^2} = \frac{16 \times 6,602.31 - 330.6 \times 299.2}{16 \times 6,044.24 - (299.2)^2} = 0.93$$

$$mb_{Abs,p} = 0.93$$

v. Calculation of Gini Coefficient Among all the Sample Households

S.N	Y _i	iY _i
1	47.5	47.5
2	54.2	108.4
3	79	237
4	19.9	79.6
5	51.3	256.5
6	31.89	190.8
7	81.9	573.3
8	77.7	621.6
9	103.65	932.4
10	22.5	225
11	23.3	256.3
12	82.2	986.4
13	46.2	600.6
14	143	2002
15	61.2	918
16	34.2	547.2
17	188.6	3206.2
18	16.4	295.2
19	41.7	792.3
20	52.2	1044
21	73.7	1547.7
22	80.2	1764.4
23	16.7	3841.1
24	46.2	1108.8
25	51.2	1280
26	20.5	533
27	38.7	1044.9
28	22.4	627.2
29	61.5	1783.5
30	35.4	1062
31	25.1	778.1
32	35	1120
33	7.1	234.3
34	58.6	1992.4

35	13.7	479.5
36	15.1	543.6
37	26	962
38	12.9	490.2
39	29.6	1154.4
40	99.6	3984
41	15.9	651.9
42	46.8	1965.6
43	78.9	3392.7
44	57	2508
45	180.7	8131.5
46	51.6	2373.6
47	15	705
48	57.6	2764.8
49	26.7	1308.3
50	123.9	6195
Total	2681.7	66,790.8

From the table,

$$\Sigma Y_i = 2681.7$$

$$\Sigma iY_i = 66,790.8$$

For this calculation Y_i can be arranged either in ascending or descending order. G.C of discrete income series is computed as

$$G.C = 1 + \frac{1}{n} - \frac{2}{n^2 \bar{Y}} (\Sigma_{i=1}^{50} i \cdot Y_i)$$

Where n = number of sample HHs = 50

\bar{Y} = Total sample mean of per capita income = 53.62

Y_i = Individual per capita per day income

i = Individual

$$G.C = 1 + \frac{1}{50} - \frac{2}{50^2 \times 53.62} \times 66,790.8$$

$$= -0.03$$

mG.C = 0.03 (G.C. takes always positive)

Calculation of G.C among the Absolute Poor HHs

Here Y_i can be arranged either in ascending or descending order. G.C of discrete income series is computed as,

$$G.C = 1 + \frac{1}{n} - \frac{2}{n^2 \bar{Y}} (\Sigma_{i=1}^{16} i \cdot Y_i)$$

Where $n = 16$

$$\bar{Y} = 18.72$$

$$G.C_{Abs.poor} = 1 + \frac{1}{10} - \frac{2}{16^2 \times 18.7} \times 2925.3$$

$$= -0.14$$

G.C_{Abs.poor} = 0.14 (G.C takes always positive)

vi. Computation of Range among Total Sample HHs

$$\text{Range (E)} = \frac{Y_{\max} - Y_{\min}}{Y}$$

Where, Y_{\max} = Max. Per capita per day income = 188.6

Y_{\min} = Min. Per capita per day income = 7.1

\bar{Y} = Mean income of all samples = 53.62

$$\text{Range (E)} = \frac{188.6 - 7.1}{53.62}$$

mRange (E) = 2.3

Computation of Mean Deviation, Relative Mean Deviation, Standard Deviation, Variance and Co-efficient of Variance Income Distribution

vii. Expressing the per capita income in deciles groups (Worksheet)

Deciles group	No. of HHs	Per Capita income Rs(Y_i)	Per Capita mean (\bar{Y})	$ Y_i - \bar{Y} $	$(Y_i - \bar{Y})^2$
1	10	56.94		3.32	11
2	10	68.9		15.28	233.5
3	10	44.65	53.62	8.97	80.5
4	10	32.21		21.41	458.4
5	10	65.41		11.79	139
Total	50			60.77	922.4

a) Computation of mean deviation (M.D)

$$M.D. = \frac{\sum_{i=1}^n |Y_i - \bar{Y}|}{n} = \frac{60.77}{5} = 12.154$$

Where Y_i = Per Capita per day income of decile group

\bar{Y} = Mean per capita per day income of deciles group

n = No. of deciles group

mM.D. = 12.154

b) Computation of Relative Mean Deviation

$$R.M.D. = \frac{\sum_{i=1}^n |Y_i - \bar{Y}|}{n \bar{Y}} = \frac{60.77}{5 \times 53.62} = 0.23$$

c) Computation of Standard Mean Deviation

$$\text{S.D.} = \sqrt{\frac{\sum(Y_i - \bar{Y})^2}{n-1}} = \sqrt{\frac{922.4}{5-1}} = \mathbf{15.18}$$

d) Computation of Variance (S^2)

$$S^2 = \frac{\sum(Y_i - \bar{Y})^2}{n-1} = \frac{922.4}{4} = \mathbf{230.6}$$

e) Computation of Co-efficient of Variance (C.V)

$$\text{C.V} = \frac{\text{SD}}{\bar{Y}} = \frac{15.18}{55.02} = \mathbf{0.28}$$

viii. Calculation of correlation between income and consumption expenditure among all sample HHs

$$\text{i) Correlation Coefficient (r)} = \frac{N\sum C_i Y_i - \sum C_i \sum Y_i}{\sqrt{N\sum Y_i^2 - (\sum Y_i)^2} \sqrt{N\sum C_i^2 - (\sum C_i)^2}}$$

Where, N= Total sample HHs

$\sum Y_i$ = Summation of per day individual income

$\sum C_i$ = Summation of per capita per day individual consumption

$\sum Y_i C_i$ = The sum of the product of Y_i and C_i

$\sum C_i^2$ = Sum of the square of C_i

$\sum Y_i^2$ = Sum of the square of Y_i

$$r = \frac{50 \times 2,10,847.08 - 2655.86 \times 2081.7}{\sqrt{50 \times 2,25,144.2 - (2081.7)^2} \sqrt{50 \times 2,00,492.9 - (2655.86)^2}}$$

$$r = \mathbf{0.99}$$

ii) Calculation of Coefficient of Determination

Coefficient of determination is the square of the correlation coefficient (r) regression line,

$$r^2 = 0.99^2 = \mathbf{0.98}$$

iii) Calculation of Probable Error

$$\text{Probable Error (P.E)} = 0.6745 \frac{(1-r^2)}{\sqrt{N}}$$

$$\therefore \text{P.E} = 0.6745 \frac{(1-0.98)}{\sqrt{50}} = 0.0019$$

Upper and lower limits of the correlation coefficient of the population are computed as,

$$\begin{aligned} \text{Upper limit} &= r + \text{P.E} \\ &= 0.99 + 0.0019 \\ &= 0.9919 \end{aligned}$$

$$\begin{aligned} \text{Lower limit} &= r - \text{P.E} \\ &= 0.99 - 0.0019 \\ &= 0.9881 \end{aligned}$$

ix. Calculation of Sen's Poverty Index

1) Sen's Poverty Index with considering G.C

2) Sen's Poverty Index without considering G.C

Calculation of Sen's Poverty Index with considering Gini-Coefficient.

$$S = HI + H (1-I) G_p$$

Where, S= Sen's Poverty Index with considering G.C

$$H = \text{Head count ratio} = \left(\frac{N_p}{N}\right) = \frac{16}{50} = 0.32$$

i.e. N_p = No. of HHs below absolute poverty = 16

N = Total sample HHs = 100

G_p = Gini- coefficient among absolute poor = 0.14

$$I = \text{Income gap ratio} = \frac{Y_{Ab1} - \bar{Y}_{Ab1}}{Y_{Ab1}} = \frac{27.2 - 18.7}{27.2} = 0.312$$

Y_{Ab1} = Absolute poverty level per capita income = 27.2

\bar{Y}_{Ab1} = Mean income of Absolute poor = 18.7

$$\begin{aligned} S &= HI + H (1-I) G_p \\ &= 0.32 \times 0.312 + 0.32 (1 - 0.312) \times 0.14 \\ &= 0.13066 \end{aligned}$$

$$mS = 0.13066$$

Sen's poverty index without considering G.C

$$S=HI$$

$$= 0.32 \times 0.312$$

$$mS = 0.0998$$

x. Calculation of Poverty Gap

S.N	Y_i	$Y_p - Y_i$	$\frac{Y_p - Y_i}{Y_p}$	$\left(\frac{Y_p - Y_i}{Y_p}\right)^2$
1	7.1	20.1	0.74	0.55
2	12.9	14.3	0.53	0.28
3	13.7	13.5	0.49	0.24
4	15	12.2	0.45	0.2
5	15.1	12.1	0.44	0.19
6	15.9	11.3	0.42	0.17
7	16.4	10.8	0.39	0.15
8	16.7	10.5	0.38	0.14
9	19.9	7.3	0.27	0.07
10	20.5	6.7	0.25	0.06
11	22.4	4.8	0.18	0.03
12	22.5	4.7	0.17	0.02
13	23.3	3.9	0.14	0.01
14	25.1	2.1	0.08	0.006
15	26	1.2	0.04	0.0016
16	26.7	0.5	0.02	0.0004
Total	299.2		4.99	

Where,

Y_i = Per Capita per day income of absolute poor

Y_p = Poverty level income = Rs 27.2

Calculation of Poverty Gap (P_1)

$$P_1 = \frac{1}{N} \sum_{i=1}^N \left(\frac{Y_p - Y_i}{Y_p} \right) \text{ where, } N = \text{Total Sample HHs}$$

N_p = No. of Absolute poor HHs

$$= \frac{1}{29} \times 4.99$$

$$\therefore P_1 = 0.099$$

