

RURAL POVERTY IN NEPAL
(A Case Study of Semlar VDC, Rupandehi District)

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RECCOMENDATION LETTER

This is to recommended that the thesis entitled “**Rural Poverty in Nepal (A Case Study of Semlar VDC, Rupandehi District)**” submitted by Mr. **Shashidhar Parajuli**, to Central Department of Rural Development, Tribhuwan University, Kathmandu Nepal in partial fulfillment of the requirements for the Degree of Master of Arts in Rural Development is carried out under my guidance and supervision.

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APPROVAL SHEET

This is to certify that the thesis submitted by Mr. Shashidhar Parajuli entitled "**Rural Poverty in Nepal (A case study of Semlar VDC, Rupandehi District)**" has been approved by the export committee of this department in the prescribed format of the faculty of Humanities and social sciences.

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ABSTRACT

Nepal is a least developed country in the world, it has a rural economy based on agriculture and characterized by scare and underdeveloped resources increasing inequality, illiteracy, and unemployment and increasing poverty.

Poverty is the cause of conflict, caste, ethnicity and gender discrimination. The present study has focused on the rural poverty of Semlar VDC, Rupandehi district of Nepal. It also explains the absolute, relative and total poverty, identifying the extent of poverty and incident of poverty in the study area. The study has been conducted in Semlar VDC. The respondents were selected 45 households out of 1459 on the basis of random sampling.

In the study area, the subsistence level of living is determined through the calculation of the local market price of the cereal, pulses, and others food and non food items according to NPC, which is here absolute poverty level of the area is Nrs.26.54 per capita per day. Relative poverty is determined through the wolf-point i.e.Nrs.53.72. In the total sample population, male population is slightly greater than female. The percentage of male population is 53.4 and female population percent is 46.59. It is also found that among the total sample HHs 22.22 percent have female household heads and 77.78 percent are male HHs heads. The population depended in agriculture is 66.66. The percentage of economically active population is 54.65 percent. The study has found 12.05 percent of total sampled populations are illiterate; 67.75 percent literate and 20.20 percent population are educated. In the study area, 15.55 percent households and 18.02 percent people are absolute poor. 37.77 percent households and 36.61 percent people are relative poor among 45 households and 355 sampled population. In the study area, 46.66 percent households and 45.35 percent people are Non-poor. Similarly, the mean income of the poor household is

Rs. 31.88 per capital per day. The mean income of the absolutely poor household is Rs. 17.45 per capita per day. The calculated value of Sen's poverty index considering inequality is 0.2181 and without considering inequality in income distribution among poor is 0.1745. Gini-coefficient for total sample households is 0.5109. The value of Gini-coefficient among the absolute poor household is 0.13. It indicates that there is existence of income inequality among the absolute poor HHs.

In the study area the majority of economically active population is engaged in agriculture sector, but they have low productivity, lack of agriculture credit, fertilizers and irrigation, small size of landholding, backwardness in technology. Lack of market facilities and low level of infrastructure development is also one of the main causes of poverty.

The problem of poverty varies from place to place but most of the factor remains equal such factor like education, employment, health, social security and other institutional development in the local level are the most dominant factor of rural poverty. Alone none of the power can reduce poverty but the equal effort and collaboration with and within the various wings of the development policies, institutions and practitioners is necessary.

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ABBREVIATIONS/ACRONYMS

ADB	Asian Development Bank
ADB/N	Asian Development Bank
ADB	Agriculture Development Bank
APROSC	Agriculture Project Service Centre
B.S.	Bikram Sambat
CBS	Central Bureau of Statistics
CEDECON	Central Department of Economics
CPI	Consumption Poverty Index
DCs	Developing Countries
DDC	District Development Committee
DF	Degree of Freedom
EDP	Economic Development Program
FAO	Food and Agriculture Organization
FY	Fiscal Year
G.C.	Gini-Coefficient
GBB	Grameen Bikas Bank
GDP	Gross Domestic Production
Gm	Gram
GNP	Gross National Production
HDI	Human Development Index
HDR	Human Development Report
HHs	Households
HMG/N	His Majesty's Government of Nepal
ILO	International Labour Organization
INGO	International Non Government Organization
K _g s	Kilograms
K _m s	Kilometers
LCDs	Least Developed Countries
MoH	Ministry of Health
NPC	National Planning Commission
UNDP	United Nations Development Programme
WB	World Bank