

POVERTY IN RURAL NEPAL

(A CASE STUDY OF BALUWA VDC, WARD NO.9, KATHMANDU DISTRICT)

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Submitted By

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RECOMMENDATION LETTER

This thesis entitled *Poverty in Rural Nepal: A case study of Baluwa VDC, ward No. 9, Kathmandu, Nepal* is prepared by Mr. Kuber Buddhathoki under my guidance and supervision for the partial requirement for Master's Degree of Arts in Rural Development. Therefore, this thesis is recommended to the evaluation committee for its final approval.

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APPROVAL SHEET

This is to certify that the thesis entitled *Poverty in Rural Nepal: A case study of Baluwa VDC, ward No. 9, Kathmandu, Nepal* written and submitted by Kuber Budhathoki has been examined. It has been declared successful for fulfillment of the academic requirements toward the completion of Masters of Arts in Rural Development.

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ABSTRACT

At present, the poverty has become crucial element causing so many disturbances to the human being and nature. All types of evils such as dissatisfaction, anger, anxiety, desperation etc. are emerged from poverty. Poverty is multidimensional phenomenon. Poverty is not only due to lack of income. It is measured in various ways such as health, education, nutrition, social and political participation, employment deprivation and other characteristic. Basically, poverty refers to the rural poverty because most of the poor, especially in developing countries, found in rural areas. Poverty is a great challenge not only to developing countries but also to the developed countries. To eliminate social evils, to reduce inequality and to maintain social justice, it is necessary to eliminate the poverty from society.

This study deals with the poverty and its impact. The main objectives of the study are to explore the nature and extent of poverty of Baluwa VDC, ward No.9, Kathmandu; Nepal .It's objective is also to recommend viable policies to reduce poverty in the study area.

Poverty can be measured in various ways. To find the extent of poverty and nature of poverty, various methods like absolute poverty line, relative poverty line, total poverty line, Sen's poverty index etc. have used. To analyze poverty, various secondary data collected by CBS, WB, UN, VDC and other institutions have used. Primary data collected by field visit has also used during the study.

From the study, it is found that there are total 718 populations, out of which 348 are males and 370 are females. Among the total population of Baluwa VDC, ward No.9, 159 populations i.e. 22.14 percent of the total population has taken as the sample population. Out of total 123 HHs, 30sHHs has taken as the sample HHs which is 36.9 percent of total HHs of study area. Ethnic Composition of sample HHs is found as 20 percent HHs of Brahman, 22.66 percent HHs of Chhetry, 46.66 percent of Janajati and 6.66 percent of Dalits of total

sample HHs. Educational situation of sample population is found to be 24.41` percent of sample population are illiterate, 67.92 percent people are literate (i.e. passed up to plus 2 or PCL) and 5.66 percent are educated. In comparison literacy rate of female is less than of male. Out of 83 female, 53 are literate and 30 are illiterate but out of 76 male, 55 are literate and 9 are educated whereas 12 are illiterate. Out of total sample HHs, 30 percent HHs are engaged in agriculture, 33.33 percent are engaged in labor, 16.66 HHS engaged in business and 20 percent engaged in service sector. Among the total sample HHs, 17HHs possess 64.6 ropani, 6HHs possess 50.4 ropani , 3HHs possess 31.8, 1HH possesses 13 ropani of land and 1HH doesn't posses any land. In the study area, 17 HHs which is 56.66 percent of total HHs are poor, 5 HHs i.e.16.66 percent of sample HHs are absolute poor and 12 HHs i.e. 40 percent of total sample HHs are relative poor. The value of Gini Coefficient of absolute poor HHs is 0.1236 which shows inequality in distribution of income. The value of mean deviation 0.3591, Value of coefficient of variation 0.4185, value of range 1.3430 and the value of variance 2206.75 all shows that the inequality in the distribution among the sample HHs. It is found that there is low degree of intensity of poverty in study area. The marginal propensity to consume of total sample HHs is less than the total absolute poor. The correlation between income and consumption of total sample HHs is 0.7693 and it is 0.9984 for absolute poor HHs which shows that there is positive relationship between income and consumption.

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ABBREVIATIONS/ACRONYMS

ADB	:	Asian Development Bank
AIDS	:	Acquired Immune Deficiency Syndrome
CBS	:	Central Bureau of Statistics
DDC	:	District Development Committee
FOA	:	Food Agricultural Organization
GC	:	Gini-Coefficient
GDP	:	Gross Domestic Product
HDI	:	Human Development Index
HDR	:	Human Development Report
IMF	:	International Monetary Fund
LDCs	:	Least Developed Countries
MD	:	Mean Deviation
MOF	:	Ministry of Finance
NGO	:	Non Government Organization

NHDR	:	Nepal Human Development Report
NLSS	:	Nepal Living Standard Survey
NPC	:	Nepal Planning Commission
PAF	:	Poverty Alleviation Fund
TU	:	Tribhuvan University
UN	:	United Nations
UNDP	:	United Nations Development Program
VDC	:	village Development Committee
WB	:	World Development Bank
WDR	:	World Development Report
WTO	:	World Trade Organization