

CHAPTER-I

INTRODUCTION

1.1 Background of the study:

Nepal comes in the category of world's less developed country. Its economy is primarily based on agriculture. That majority of population is economically poor and socially marginalized. Poverty has many faces, such as physical weakness, isolation, vulnerability and powerlessness. Poverty brings despair, anger and makes the poor self humiliated. Poor don't have opportunity to get help from others and they feel isolated.

The oxford Advanced Learner's Dictionary defines, "Poverty as not having and not able to get necessities of life." In short poverty is the lack of physical necessities, assets and income. It is more than being income poor.

Encyclopedia Britannia defines poverty, "Poverty is the condition that is said to exist when people lack the means to satisfy their basic needs."The poor in Nepal has been identified on the basis of several criteria, they include level of income and its distribution wages, consumption levels and nutrition status. In an agrarian economic of Nepal, most of the poor section of the population mainly comprises of small cultivators and agricultural labors, artisans, and craftsmen, slum dweller, and coolies in town and cities.

Poverty can be conceptualized broadly in two categories:

- a) Absolute poverty: It refers to the situation of which people are not getting minimum subsistence level of food, shelter, clothing etc.
- b) Relative poverty: It is measured in terms of the inequality in income distribution. In this type of poverty measurement a family is considered to be poor if its income is significantly below the average level of income.

The World Bank has described Nepal as one of the least developed countries in the world. The World Bank widely accepts the poverty benchmark to US \$ 1 per

capita per day. Income below this level is considered to be the below poverty line category. If the income of 2 US \$ is considered about 82 percent of people are poor. The Nepal living standard survey 2002/4 shows higher poverty lines in rural area. It reports rural poverty at 35percent compared to urban 10 percent.

Poverty in Nepal can be viewed from micro and Marco angles. In micro level it is identified in terms of low caloric intake, lack of basic health facilities, illiteracy, high infant, mortality inadequate shelter, low purchasing power and high rural to urban migration. In macro level it can be expressed in term of high rate of growth of population, lack of marketing facilities, unemployment, technological activities and Administrative, inefficiencies.

Poverty is a serious problem in Nepal as in other countries of south Asia. The first ever attempt to measure poverty in Nepal; was done by the national planning commission (NPC: 1978) through a survey of employment income distribution and consumption patterns.

Nepal is one of the least developed and low income countries in the world. Most of the rural people are poor and incomes in several occasions insufficient to fulfill their basic needs. The poor are deprived of adequate basic infrastructure facilities such as education, health, safe drinking water etc are far less than requirements. They do not have off farm working opportunities. They are really striving for their survival and minimum livelihood opportunities.

In the rural areas of Nepal, the people or households who own a good amount of land and other material properties have good income in contrast, to those who have no land or have small amount of land and other material properties have low income. The people having good source of income earn more and become richer day by day .Other people having no sources of income cannot meet their daily expenses, as a result, they borrow money from the local money leaders at a high value of interest. Consequently, they become poorer with the passage of time. In rural Nepal, the income structure is like a pyramid with a few families at the top and the majority at the bottom. Similarly, poverty is so widespread and deep that

thousands of people go to bed with half a meal or without meal and thousands of children die before reaching the age of five and majority of these deaths is due to malnutrition.

In rural areas there is a lack of employment opportunities all through the year. As a result, the rural labor force is not any particular job. It has to engage a numbers of jobs in different parts of the year. According to their skill and capacity. For example, they do agricultural work in the agricultural season and in the slack season do a verity of jobs such as construction work, animal husbandry, petty retail shop, business, sewing and knitting work and work related to cottage and village industries. Thus, the members of a majority of the rural household do various jobs and service and earn limited income from various sources during the year.

Several factors are responsible for the incidence of severe poverty in rural areas of Nepal. High population growth, unemployment; food shortage, lack of resources , low productivity, acute income inequality, excess use of alcohol, laziness, excessive expenditure on unproductive rituals natural calamities are among some factors generating the poverty.

Thus, the incidence of poverty in Nepal is high. Majority of Nepalese are born in poverty, live in poverty, and die in poverty. Realizing this fact, Nepalese, government has formulated and initiated a number of programs and policies during the different plans periods to alleviate poverty with the help of donor countries and international organization but the objectives have been far from being realized so far.

The present study makes an effort to depict the socio-economic condition of the people in the latikoili V.D.C of surkhet district. It tries to analyze the level of poverty faced by people in the study area.

1.2 Statement of the problem:

Poverty is the challenging issue in the developing countries like Nepal. Poverty is defined as a pronounced deprivation of well being related to lack of material income or consumption; it also involves low level of education and health. Vulnerability and exposure to risk, lack of opportunity, powerlessness are taken as other indicators of poor living condition of the population (World Bank 2000)

Due to poverty problem mostly the people of rural areas are facing different kinds of problem. The fact is that half of the Nepalese people still live below the poverty line and Nepal is classified as an underdeveloped country. Due to the poverty problem, a large number of rural people are unable to meet their day to day basic requirements and other necessities.

Poverty is not regarded as single dimensions, but instead a multi-faced one. High illiteracy rate, poor health and sanitation low consumption of foods, high child malnutrition and poor access to the governmental and other services compel rural people to live difficult lives. Many people in Nepal are struggling for their survival under extremely harsh conditions.

Nepal is an agrarian country, where majority of people are fully or partially involved on this occupation. There is the existence of disguised unemployment in the Agriculture Sector in Nepal. The population is growing faster than the growth of Gross Domestic Production (GDP) and growth of off farm sector. Inequalities in distribution of incomes and wealth have been major causes in increasing poverty.

Rural poverty is often linked to access to the level of land and tenure relations. Poverty incidence is relatively high among landless, agricultural workers and farmers. This does not, of course, imply that limited access to land by itself is the only factor that has contributed poverty. Other factors such the limited growth of productive employment opportunities outside of agriculture and the country's relatively high population growth have been equally important determinants of

rural poverty. Rural poor households are more likely to be large in size, have more children and hence a higher dependency ratio, can be headed by individuals who are either illiterate or have little formal education. The farmers among the poor are more likely to cultivate a smaller area of land and devote small proportion of it to high yielding, modern crop. Rural areas, particularly their poor residents are likely to have less access to safe drinking water, toilets and sanitary facilities, health care and education.

Poverty has different dimension. Income, human and social exclusion poverty. The most common measurement of the poverty is the income. Income is an important- means for human life. Without, income man is unable to maintain his households and other social behaviors. A nation also cannot handle internal administration without income. Nepal has become as a poor country in the world because of the lowest per capita income. The per capita income also determines the living status of rural people. But the income is also determined by use of labor force, land size, Gross Domestic production (GDP) and status of agricultural and industrial Production of the country. In Nepal the national income is affected negatively by geographical and environmental factors: such as rain, snow, storm, irrigation etc.

In rural areas the income of a household is low and many households have not adequate source of earnings. It only limited households have made available the source of earnings. But it is less than expenditure requirement of household. Agriculture is the backbone of Nepal's economy. It plays vital role in the development of the economy of Nepal. But the tragedy is that the productivity in agricultural sector is very low and in declining trend because of the lack of adequate irrigation, agricultural credit, fertilizers use and traditional fashion of farming (technological backwardness) as well as poor agricultural policy.

Although Nepal is rich in water resource, Nepalese farming is still based on season. If the season is favorable the production in agricultural sector will increase in increasing rate and vice versa. More than 80 % (According to the 2001, census) of population of Nepal are involved in agriculture. Due to the seasonal farming there exists disguised unemployment in Nepal. The asset, which the rural poor possess is their unskilled labor sold at extremely low wage rate off farm employment opportunities are few and demand for labor tends to be seasonal.

The distribution of income is highly unequal. The unequal distribution of wealth has been the major cause for aggravating poverty. Due to the wider gap of income, the access of poor people to development output is far less. A person in poverty loses his relatives and friends and all the options of getting loan also are closed. In reality, the poverty is a state of non-getting the minimum needs of the life fulfilled.

Existing situation of poverty in Nepal is complex one and so it not understandable. For this research purpose an effort is made to describe the existing nature of socio-economic situation of the people of study village. And discuss the status of their employment and occupation.

1.3 Objective of the study

The general objective of this study is to examine poverty in the people of Latikoili Village Development committee of Surkhet District.

The specific objectives of the study are.

- 1) To highlight on the socio-economic condition of the people of the study area.
- 2) To examine the level of their employment in different type of occupation
- 3) To identify the causes of poverty in the study area.

1.4 Rationale of the study

Latikoili VDC is one of the backward areas of Surkhet district. As a result it is also one of the backward villages of the mid-western part of Nepal. Therefore: it is believe that the information generated and analyzed the socio-economic condition and type of occupation performed by people of this village may be useful to understand the poverty feature. This information may also be useful even for policy makers for identifying appropriate programmes to alleviate poverty to backwards areas

1.5 Limitation of the study

The study has the following limitation:

- a) This study is concentrated only Latikoili VDC. So, its information may not be valid for many other village of Nepal.
- b) This study is conducted for the completion of the partial fulfillment of master degree in sociology. So, it not feasible to conduct a detailed research due to the constraint of time and resources.
- c) Simple statistical tools are used to analysis of the data and hence data are may not fined concrete statistical discussion about the problem under investigation.

CHAPTER-II

REVIEW OF LITERATURE

THE CONCEPT OF POVERTY AND IT'S VARIOUS MEANINGS

Poverty is a social phenomenon. The problem of poverty has been one of the most challenging problems.

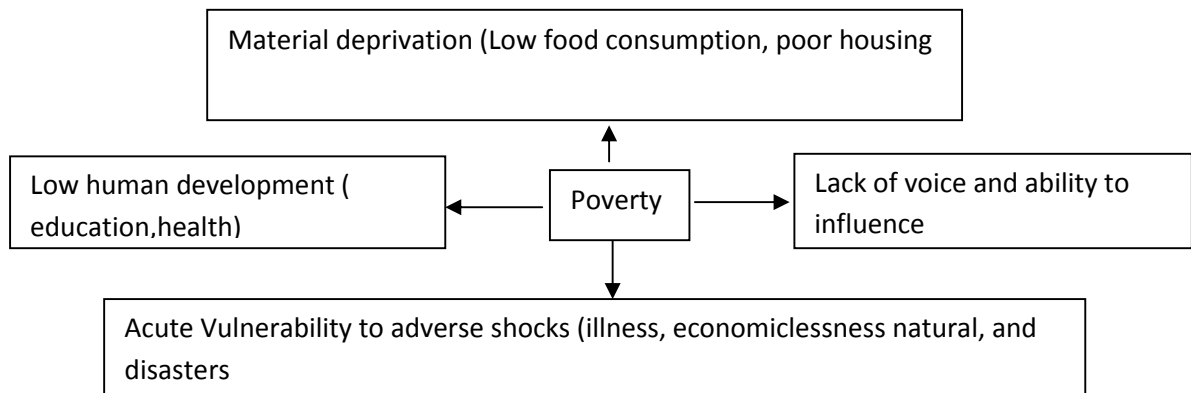
There are two broad concepts of poverty: relative poverty and absolute poverty , while Relative poverty is measured in terms of in equality in the distribution of income, absolute poverty is reckoned in terms of some kind of substance considered appropriate to the circumstances of the country (or groups of countries) concerned. In the developing countries where incomes are low, absolute poverty is generally reflected mainly in inadequacy of food intake and the consequent undernourishment on a mass scale. Though the substance of this type of definition also include the status of satisfaction other essential minimum needs such as clothing, housing, education and health (UN 1975)

Amartya Sen. (1999) identifies poverty as a matter of deprivation. He's views poverty through various approaches viz. inequality approach, biological approach, and absolute and relative deprivation approach. In inequality approach he says that inequality and poverty are very closely related with each other but neither of them includes the other. A transfer of income from a person in the top income group to one in the middle income range must certainly reduce inequality but it may leave the proportion of poverty quite unaffected.

World Development Report 1990 emphasizes poverty and inequality is not synonymous, as relative inequality may not reflect the level of poverty, in the society. The reports defined poverty as the inability to attain minimal standard of living.

Poverty means either the lack of command over commodities in general (i.e., a severe, construction of choice set) or a specific type of consumption (i.e. too little good energy intake) deemed essential for a reasonable standard of living , or the lack “ability” to function in a society. Poverty is a deprivation of essential assets and opportunities to which every human being is entitled. To be poor is to be hungry, to lack shelter and clothing, to be sick k and not cared for, to be illiterate with insufficient outcomes with respect to health, nutrition and literacy, to deficient social relations to insecurity, and to low self-confidence and powerlessness poverty is not only due to material deprivation (low food consumption, poor housing , etc) but also due noiselessness and powerlessness, acute, vulnerability to adverse chocks (illness, economic rises, natural disasters) and low human development (education, health, etc)

Figure1: Dimensions of Poverty



Poverty is viewed from two different perspectives income poverty and human poverty. The income poverty relates to poverty defied in terms of inadequate consumption or income. There are two measures of income poverty: (1) Internationally income poverty line is measured in terms of the number of people below per capita income of US \$ 1per day (2) The national poverty line is defined by the authorities of many countries by following this international standard. In

Nepal households with per capita income of less than Rs.4400 at the price level of 1996 are considered to be households below the poverty line. Another standard of measurement of poverty is human poverty paradigm. It incorporates level of also the issues related to participation in decision making, a lack of personal security and an inability to participate in the life of the community e.t.c. The degree of deprivation on human dimension is measured using the Human Poverty index (HPI) that incorporates the attributes of poverty like illiteracy, malnutrition among children, early birth, poor healthcare, and poor access to safe water, The Nepal Human Development Report (NHDR) 2004 estimates the HPI for Nepal at 39.6 with great disparity in rural (42.0) and urban areas (25.2) (SAP Nepal 2005)

ADB views poverty as an unacceptable human condition that can and must be eliminated by public policy and action. Poverty is a deprivation of minimum essential assets and opportunities to which every human being is entitled. Everyone should have access to basic education and primarily health services. Poor household have right to sustain themselves by their labor, and be reasonably rewarded and be afforded some protection from external shocks.

According to WB 1990 there are two elements in consumption based poverty line the income required to maintain standard of living and the additional resources necessary to participate in the everyday of life of the society. In order to identify the poverty line. The World Bank used two incomes level for minimum standard of living. The perception of poverty has involved historically and various tremendously from culture to culture.

Fighting poverty has therefore become the most urgent challenge it is also a daunting challenge since poverty remains a global problem.

There are no hard and fast meaning and definition of poverty. Poverty generally refers to a situation in which a section of the society is unable to fulfill even its basic needs i.e. food, shelter, education and health of life. It is also a universal phenomenon existing in almost all the countries of the world but in different magnitudes.

Literature on Poverty in Nepal

Poverty in Nepal, like in other south Asian countries, is pervasive and multi-dimensional. There are a number of interlinking problems faced by the poor that are also mutually reinforcing. The problems include, among others, low income and consumption, poor nutritional status, low educational attainment, low access to social and economic facilities and services, low level of access to economic opportunities, high vulnerability to external shocks, and exclusion from economic, social and political processes. Poverty in Nepal is lower in Kathmandu, most of the district headquarters and urban areas than in rural areas. Both Kathmandu and other urban areas depend on trade, services, and industrial activities. The sharp reduction of poverty level in these regions in recent years may also have been due to remittances from abroad. Many families receiving remittances migrate to urban areas. The condition of the people of rural west hill and Terai is much worse than that of rest of the country, these regions; especially the mid and far western regions need much accelerated efforts to bring them up to the national mainstream. (SAARC, 2010).

The Table No.1 Shows the Nepal's poverty measured by geographical regions.

Table.1. Nepal poverty measured by geographical regions

Region	Head council-poverty Rates		Distribution of population	
	1995-96	2003-04	1995-96	2003-04
Kathmandu	4.3	3.3	2.6	5.4
Other Urban	31.6	13	4.4	9.7
Rural West Hill	55	37.4	24.8	19.4
Rural East Hill	36.1	42.9	22.4	21.1
Rural East Terai	46.1	38.1	16.7	15.3
Rural West Terai	37.2	24.9	29.1	29.1
Total	41.8	30.8	100	100

Source: CBS,2005.

The book, “Drive against Poverty” written by Paudel (1986) deals with the concept of poverty (absolute as well as relative poverty) and the major causes of poverty in Nepal. This study is based on secondary data compiled from various publications. Analyzing the data, he observed that incidence of poverty was not the same in all regions in Nepal and the land distribution was also not even. The mountain and hill regions have high magnitudes of poverty but a low amount of arable land.

The author pointed out the productivity in the agricultural sector had been declining because of improper use of existing irrigation facilities, declining fertility of soil due to deforestation, flood, landslides erosion and lack of adequate

agricultural development services. In addition, he evaluated the existing poverty alleviation programmes and recommended for initiating layout intensive programmes to ensure alleviation of poverty, increase in spread of education, nutrition and productivity.

Poverty is the state of lack of capacity to fulfill basic human needs, such as clean water, nutrition; health care, education, clothing and shelter. It emendates largely from the inability to afford for them. In Nepal low economic growth and agricultural productivity, poor social and economic infrastructure and the lack of non agriculture employment are contributing to poverty. The poor live predominantly in rural areas and engage in traditional and substance farming on small plots of low quality land, and limited access to credit infrastructure, markets and basic social services, often because of remoteness, and rely heavily on seasonal migration and remittance .In certain cases, ethnic groups, women and those living in remote areas are socially excluded sand seriously behind in terms of income, assets, and most human development indicators. (PAF 2010)

A Book entitled, “Nepal a state of poverty ‘was written by Seddon. The study is based on primary data collected through field work between 19 74 and 1982, and secondary data were compiled from various publications. The book examines the root causes of inequality and poverty. In this connection the author has discussed population growth, population pressure land distribution, income inequality, social inequality food shortage, hunger and the role of the government.

Analyzing the fact he came to the point that the persistence of structure of economic and social inequality which lave so far shown themselves to be incapable of generating either sufficient growth in the economy as a whole or the social mechanism for redistribution of resources and incomes which are necessary

if the basic needs of the rural and urban masses are be fulfilled. Nepal Janasankhya Pratibeden 2067 has presented the poverty situation in Nepal

Table No. 2 Districts of different poverty status (%)

Poverty Rate	Number of District	Name of District
4-24	10	Kathmandu, Bhaktapur, Lalitpur, Kaski, Chitwan, Jhapa, Morang, Sunsari, Manang, Parsa
25-34	13	Mustang, Sarlahi, Dhanusha, Bara, Saptari, Siraha, Mahottari, Rupendehi, Rautahat, Lamjung, Dolakha, Parbat, Jumla
35-44	27	Tanahun, Magdi, Kavrepalanchowk, Sanja, Nawalparasi, Baitadi, Sindhupalchowk, Nuwakot, Darchula, Gorkha, Illam, Dolpa, Kapilvastu, Baglung, Dadheldhura, Banke, Humla, Kanchanpur, Gulmi, Terathum, Okhaldhunga, Dang, Palpa, Makawanpur, Dhading, Argakhachi, Jajarkot.
45-54	22	Bardiya, Salyan, Dhankuta, Solukhumbu, Doti, Surkhet, Bajura, Ramechhap, Bajhanr, Sankhuwa-saba, Rukum Kailali, Udayapur, Rusuwa, Mugu, Puthan, Dailekh, Aachham, Taplejung, Bhojpur, Panchthar, Khotang,
55-67	3	Kalikot, Rolpa, Sindhuli

Source: Nepal Janasankhya Pratibeden 2067

According to Human Development Report 2009, Human Poverty is much more than income poverty. People are poor not only because of low income, but also

because of their, low access to opportunities or their participation in them. From the human development perspective, poverty is regarded as a state in which the opportunities and choices most basic to human development are defined human poverty therefore expands from income deprivation to capacity deprivation in to improper human functioning. Introduced in 1997 as a measure of an extended definition of poverty beyond income, the HPI show deprivation as contrasted with the capability or well being measures by HDI.

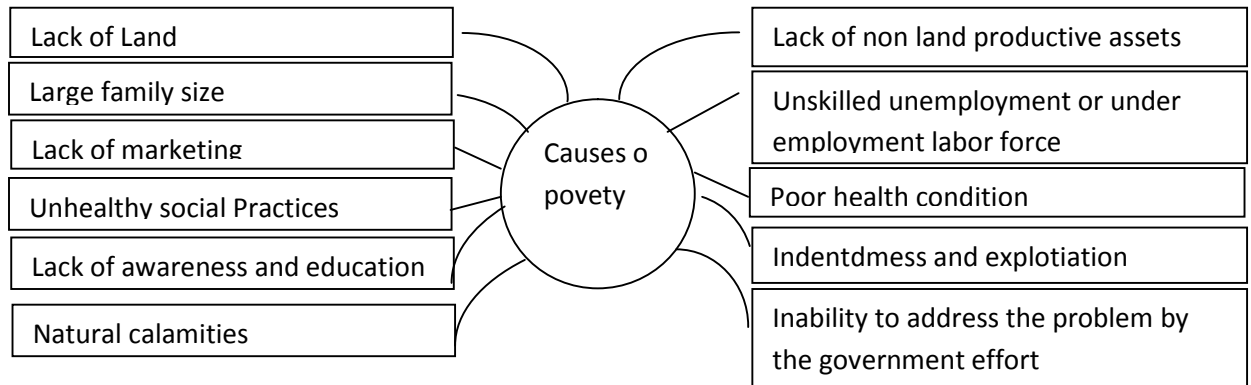
The HPI value for Nepal is estimated at 35.4, which is close to the HPI 38.1 reported in the global human development Report 2007/8. Like other index, HPI varies by areas, regions and sub retunes, Human Poverty higher in rural areas and the mountain belt. It is highest in Western Mountain and the far western Hills. (HDR, 2009)

The Book "The Himalayan Poverty: Prosperity Through Rural Development" written by Kunwar, (2003) pointed out causes of poverty. Kunwar said that mainly throughout the world the following prime factors are responsible for poverty:(a) Over population (b) Imbalance distribution of resources of global economic (c) Living standard not matching with the income (d) Insufficient education and low opportunities for employment (e) Environmental degration, (f) Individual irresponsibility and dependency. Other causes are indebtedness, unemployment, loss of jobs and litigation. In addition, bad habit, over expenditure, laziness and reluctance in utilizing labor as capital, are also responsible factors that cause the poverty.

Others are less of purchasing power population growth, imbalance in the demand and supply in the labor market, seasonal inconsistency, and low level of traditional rural occupation, insufficient growth of the non farm sector, wrongful educational system, and fulty governmental policies. Some time war, crop failure, epidemic disease, and natural calamities causes' severe poverty and results to a more

complicated. Kunwar has also described the causes of poverty in a chart from as presented below.

Figure 2: causes of poverty



The proportion of Nepal’s population living on less than US \$1 per day was estimated to be 24.1 percent and 31 percent of the population were estimated to be below the national poverty line. The country's current poverty level is 25.4 percent, suggesting that it has been reduced by 5.5 percentage points since 2005.

The three year interim plan (TYIP) set a target of reducing the national poverty level to 24 percent by July2010. Preliminary assessments suggest that strategies and polices adopted for development in general and poverty reduction in particular have been largely successful. Based on this, the national planning commission (NPC) had set a targets for the three year plan of reducing poverty to 21 percent by July2013. The 2008/2009 assessment indicated that 95.5 percent of poor people live in rural area and the incidence of poverty in rural areas (28.5 percent) is almost four times higher than that in urban areas (7.6percent). Furthermore, the poverty reduction rate in rural areas (18percent) is slower than that in urban areas (20percent) (CBS 2009)

Variation in poverty by geographic region is significant. The high mountains and western hills have a higher percentage of poor than the Terai. The mountains, which showed a faster drop in poverty than other areas between 1995/96 and

2003/2004 have been slower between 2003/04 and 2008/09 s them both national average and the other two ecological belts (MDG 2010)

Nepal is one of the poorest countries in the world with a per capita income of \$ 387 per annum and weak human Development indicators. Access to basic social services is generally poor for large section of the population. Nevertheless, despite, More than 10 years of armed conflict within the country, Nepal has made significant progress in poverty reduction and human development during the past decade. Income poverty has been reduced from 42% in 1996 to 31% in 2004, but the reductions are unevenly spread among ethnic groups and geographical regions, significant inequalities remains Nepal Including those related to income poverty, gender equality, incidence of tuberculosis, and child mortality also widely exist in Nepal. Although progress has been made the MDG in primary education, maternal health and HIV/AIDS are not likely to be met. (Paul J. Heytens, 2007)

However the above mentioned definitions of poverty are different in language and expression. They convey the identical meaning.

The above mentioned expression indicates that the poverty has multidimensional characteristics. So far as the problem of poverty is concerned it is more severe in rural areas than urban areas of Nepal. Most of the people in rural areas live in deprived condition with the lack of basic essentials of life.

This may be the condition even for people living in the study area where there has been no study for on this problem. This study attempts to highlight on related issues of the study area.

CHAPTER-III

METHODOLOGY

3.1 Rational for selection of study area:

Latikoili village Development committee of Surkhet district was selected for the study. The Latikoili VDC of Surkhet district was 4 K.m south from Birendra Nagar (headquarter of Surkhet).

This area was selected for the study because the study area is rural in nature. This area was nearest to my village. And no research have been done in the past to find out the problem of poverty

3.2 Reserch design

In the present study, the poverty problem was analyzed in micro perspective. For this study is design is planned and structured in descriptive framework.

3.3 Research Technique:

The study was based on sample survey method. According to the VDC records of 2058, there are 2498 total households in the study area, larger sample size was not feasible 115 households are selected using of simple Random sampling methods, in order to make the study meaningful and also complete the study with in the limited time period.

3.4 Data Collection:

The study is primarily based on primary source of data collected through structured interview schedule along with an intensive field survey. Secondary sources of data are also utilized, whenever they are necessary.

3.4.1 Primary data collection

The primary data have been attained from interview with household head and other family members through structured interview schedule and field observation. In order to obtain the necessary primary data, an intensive field survey was conducted in the study area at the month of November to December 2010.

3.4.1.1 Observation

Observation is the one of methods of collecting primary data. In this study to collect the primary data non-participant observation was done.

3.4.1.2 Interview

To collect primary data about the rural poverty an interview schedule was used (Appendix1) structured questionnaire. The interview was conducted with household head. The interview schedule was prepared in such a way that it gives the required data for the purpose of the study. All the information obtained during interview was noted in the standard set of questionnaire. Some of them were structure and some others were open ended questionnaire. Questionnaire was asked directly with the household head to obtain the information.

3.4.2 Secondary data collection

In the present study secondary data were collected from VDC office, T.U. central library, central bureau of statistics (CBS) and other relevant documents, articles and working papers contributed by the different scholars, origination and publications

3.5 Methods of Data processing and Analysis:

Collected data are analyzed mainly descriptively. An filled up questionnaires were checked and transformed in to a preliminary data sheet. Simple tables were

derived from this sheet and later on necessary cross tabulations were done. Some of the data are presented in statistical forms.

CHAPTER-IV

SOCIO-ECONOMIC CONDITION OF THE PEOPLE

There is a inter-relation between poverty and socio-economic condition. As any poverty alleviation program should first identify the nature of poverty, one of the objectives of the study is to find out the relation between the poverty and other social economic factors. Poverty is one of the main obstacles of economic development .though there are several views towards the study on nature of poverty but the conclusion is same. Poverty is arise due to socio-economic composition which causes less income like, small land holding, large family size, illiteracy, low level of education, unemployment.

This chapter attempts to describe these conditions faced by the people of Latikoili VDC, based on information generated from the sampled households.

4.1 Distribution of population of the sampled households.

The distribution of population within 115 sampled households in the study area is presented in table 4.1.

Table: 4.1 Population compositions of sampled Households.

Sex	Population	Percent (%)
Male	363	52.2
Female	332	47.8
Total	695	100.0

Source: Field survey, 2010

According to field survey, above table reveals that 363 no. population of male is higher than the femal 332 no.of population. This table shows that there is 52.2 per

cent of male population which is higher than female population that is 47.8 per cent. The selective household has the total population of 695.

4.2 Distribution of population by Age group.

Another factor contributing to the poverty is age composition of the family members if there is a large proportion of non working age or dependent family members, the income level is generally found to be low and incident of poverty is found to be high. But in it's opposite case, the income level is generally found to be high and incidence of poverty is low. Below table shows the population by age group.

Table: 4.2 Distribution of population by Age group.

Age group	Number of person	Per cent (%)
0-4	51	7.3
5-9	83	11.9
10-14	65	9.4
15-19	101	14.5
20-24	85	12.2
25-29	70	10.1
30-34	53	7.6
35-39	25	3.6
40-44	41	5.9
45-49	38	5.5
50-54	25	3.6
55-59	25	3.6
60-64	14	2.0
65-69	8	1.2
70-74	7	1.0
75+	4	0.6
Total	695	100

Source: Field survey, 2010.

According to field survey, the largest proportion of the population of the study area covered with the active population age group. The no. of percent is high in 10 to 25 age group than others age group. The dependent population is less in comparison to the active population age group. The age group 5-9 covers the large population (11.9%) whereas the people above 75 cover 0.6 per cent share of the population.

4.3 Distribution of population by ethnic composition

There are various ethnic groups in the study area such as brahmin, chhetri, tharu, e.t.c.. most of the social and economic opportunities from central to village level are still in the hands of some particular ethnic group .it is found that the lower caste group possess a very small land area and they are the most deprived section of the society. The below table shows the ethnic composition of the people.

Table :4.3 Distribution of population by ethnic group

Caste	Number of Households	Per cent (%)
Brahmin	20	17.4
Chhetri	58	50.4
Tharu	9	7.8
Magar	6	5.2
Dalit	20	17.4
Thakuri	2	1.7
Total	115	100

Source: Field survey, 2010.

According to field study, above table reveals that there is a high proportion in Chhetri caste with 50.4 per cent. Than after, Brahmin and Dalit takes the Second position with 17.4 per cent equally. There is a lowest per cent has been found in Thakuri caste in the study area.

4.4 Distribution of population by religion.

Nepal is a multi languages and multi ethnical country, whereas most of the people are devoted in Hindu religion. The distribution of population by religion can be presented as follows.

Table: 4.4 Distribution of population by religion.

Religion	Number of Households	Per cent (%)
Hinduism	113	98.3
Buddhism	2	1.7
Total	115	100.0

Source: Field survey, 2010.

Most of the Brahmin and Chhetri people are devoted in Hinduism. The majority of the people of the villages follow Hinduism (98.3 percent) and only 1.7 per cent of the population follows Buddhism.

4.5 Distribution of population by educational status.

Education is a key factor to fight against poverty. Similarly, there is a positive relation between level of education and level of income but negative relationship between level of education and poverty.

Table: 4.5 Distribution of population by educational attainment.

Educational attainment (5 years and above)	No. of persons	Percent
Literate but no schooling	95	14.8
Primary	189	29.3
Lower Secondary	90	14.0
Secondary	35	5.4
S.L.C.	62	9.63
Higher Secondary	42	6.53
Bachelor	22	3.4
Illiterate	109	16.94
Total	644	100.00

Source: Field survey, 2010.

Table shows that there is a high proportion (29.3 percent) in primary level education, another high percent has been observed in illiterate with 16.94 per cent. Only 3.4 per cent people have completed Bachelor level in this study area.

4.6 Distribution of population by family size.

Family size is another factor which determines the income level or the living standard of the family. If all the family members are skilled and employed there is a good income otherwise there is a high dependency ratio. There are mainly two types of family found in Latikoili VDC such joint family and nuclear family. Mainly joint families are extension in the study area. The table 4.6 shows the family size of the sampled households

Table: 4.6 Distribution of Household by family size.

Family	No. of Households	Percent (%)
Joint	71	61.7
Nuclear	44	38.3
Total	115	100.00

Source: Field survey, 2010.

It is clear that most of the households have joint family. Out of the total households 71 are joint family and 44 are nuclear family.

4.7 Distribution of sample households according to house.

The people of Latikoili VDC have made various types of houses like made by mud, hut small cottage and made by cement. Many of the sample household built their houses by mud but very few houses are made by cement in this study area. The distribution of sample households according to house can be seen in table 4.7

Table: 4.7 Distribution of sample households according to house.

Types of House	No. of Households	Percent (%)
Made by mud	102	88.7
Small cottage	9	7.8
Made by cement	4	3.5
Total	115	100.00

Source: Field survey, 2010.

Table: 8 shows that 88.7 per cent household respondents have made their houses by using mud and only 3.5 per cent households have made their household by using cement in the study area.

4.8 Distribution of Household in the study area by type of roof.

There are various types of roof of the house in the study area, such as thatch, cement, stone and slate. Similarly, most of the Households use slate for roof of their house.

Table: 4.8 Distribution of households by roof of the house.

Types of roof	No. of Households	Percent (%)
Thatch	35	30.4
Cement	5	4.3
Jasta	14	12.2
Slat	61	53.0
Total	115	100.00

Source: Field survey, 2010.

Above table reveals that, Slate types of roofs are found in highest percentage (53percent) in the study area.35 households (30.4percent) households use thatch to build their roof. There is a low percentage (5 percent) in cement types of roof in the study area.

Table: 4.9 Education attainment (6 years and above) and sex of the family member cross tabulation.

Education attainment (6 years and above)	Sex of the family member					
	Male		Female		Total	
	No. of Person	Percent (%)	No. of Person	Percent (%)	No. of Person	Percent (%)
Literate but no schooling	40	11.9	55	17.8	95	14.8
Primary	98	29.3	91	29.5	189	29.3
Lower secondary	55	17.2	33	10.7	90	14.0
Secondary	16	4.7	19	6.2	35	5.4
S.L.C.	45	13.4	17	5.5	62	9.6
Higher secondary	26	7.8	16	5.2	42	6.6
Bachelor	16	4.7	6	7.9	22	3.4
Illiterate	37	11.0	72	23.2	109	16.9
Total	335	100.00	309	100.00	644	100.00

Source: Field source, 2010.

Table shows that higher proportion of female has been observed in literate but no schooling (17.8%) than the male (11.9%) in the study area.

CHAPTER-V

OCCUPATION STATUS OF THE PEOPLE

In the study area agriculture is the main occupation of the people. Lack of any alternative income generating activities has made people almost exclusively depend on land. The distribution of land has always been unequal. Some people own large areas of land, a few have enjoyed the limited land while others are landless. Only a few traditional rich village elites own large size of land. Village people, who hold government service and work in office, are also relative better off position in comparison to other families who are unemployed and fully dependent on agriculture, but own small amount of land.

5.1 Occupation status of the family member (10 years and above).

Occupation is the main source of income which plays a vital role to fight against poverty. The main sources of occupation in the study area are Agriculture, trade, labor and service. Almost all farmers in this area are small landholders and landless peasants who derive their livelihood from agro based activities, though they are unable to produce sufficient food grains to fulfill even their basic needs. The distribution of population by occupation is presented in table 5.1

5.1 Distribution of population by occupation.

Table: 5.1 Distribution of population by occupation.

Occupation	Number of person	Per cent (%)
Agriculture	303	54.0
Trade / Business	51	9.1
Labor	141	25.1
Service	43	7.7
Foreign Labor	23	4.1
Total	561	100

Source: Field survey, 2010.

Above table reveals that most of the people are engaged in agriculture sector and low proportion has been found in foreign labor. It is noted that 54 per cent people are involved in agriculture sector. This table also shows that only 4.1 per cent people are migrated in foreign country as a labor. Therefore, the majority of people are engaged in agriculture sector due to the illiteracy, poverty and unemployment. They cannot find other jobs in this area and they have no skill to find high quality jobs by migration to other area.

5.2 Distribution of households by Land holding.

Land is the main source of income and employment. There is always positive relation between size of landholding and the poverty. The nature of poverty is highly affected by the size of land holding. in this study area most of the people's occupation is agriculture. There exists an extreme inequality in the distribution of land. Some of the families do not possess land. The following table represents the distribution of land among the sample households.

Table: 5.2 Distribution of household by Landholding.

Size of Landholding (in-Ropani)	Households	Percent (%)
0-4	11	10.5
5-9	25	23.8
10-14	23	21.9
15-19	19	18.1
20-24	16	15.2
25-29	7	6.7
30-34	2	1.9
35-39	2	1.9
Total	105	100.00

Source: Field survey, 2010.

The above table displays that, only 105 households out of the 115 households have their own land. But their size by land holding is very low in majority of the households of the study area. Table 5.2 shows the highest percentage of households own land between 5-9 Ropani and low in 35- 39 Ropani land (1.9%). So, we can say that higher percent of households have very few lands.

5.3 Total annual income of sampled households

The standard of living of people is mainly determined by income. Poverty problem is highly associated with inequality in income distribution. Therefore, it is necessary to analyze the pattern of income distribution among the households on the basis of data. Annual income of sampled households shows the Table no 5.3

Table: 5.3 Total annual income of sampled households.

Annual income in Rs.	No. of Households	Percentage (%)
Less than 50,000	42	36.5
50,000 – 1,00,000	34	29.6
1,00,000 – 1,50,000	13	11.3
1,50,000 – 2,00,000	12	10.4
2,00,000 – 2,50,000	2	1.7
2,50,000 – 3,00,000	7	6.1
3,00,000 and above	5	4.3
Total	115	100.00

Source: Field survey, 2010.

36.5 percentages of the households earn less than 50,000 annually and 1.7 percent of the households possess average income between 2, 00,000-2, 50,000 in the last year 4.3 percent of the people earns more than 3, 00,000 annually.

5.4 Expenditure

People utilized their income to purchase food grains, cloths and other basic needs. The survey shows that the expenditure was higher than the income. Their expenses were mainly towards the fulfillment of basic requirement.

Table: 5.4 Expenditure of sample of households.

Total expenditure in Rs.	No. of Households	Percentage (%)
50,000-1,00,000	43	37.4
1,00,000-1,50,000	45	39.1
1,50,000-2,00,000	9	7.8
2,00,000-2,50,000	8	6.9
2,50,000-3,00,000	5	4.3
3,00,000 and above	5	4.3
Total	115	100.00

Source: Field survey, 2010.

Majority of the households 39.1 per cent hold their yearly expenditure, ranging from Rs. 1, 00,000-1, 50,000. All the households had their expenses above Rs. 50,000.

Table: 5.5 Sex and Occupation distribution of the sample households.

Occupation of the family member	Sex of the family member					
	Male		Female		Total	
	No. of Person	Percent (%)	No. of Person	Percent (%)	No. of Person	Percent (%)
Agriculture	108	33.7	195	80.2	303	54.1
Trade/Business	32	10.6	19	7.8	51	9.1
Labor	122	38.2	19	7.8	141	25.1
Service	33	10.3	10	4.2	43	7.6
Foreign labor	23	7.2	0	0	23	4.1
Total	318	100.00	243	100.00	561	100.00

Source: Field survey, 2010.

The table reveals that there is higher percentage of male in non-agricultural occupation than the female. There is 33.7 per cent male are engaged in agriculture which is lower than the female (80.2%). It is found that 10.6 per cent male population are involved in trade and business but only 7.8 per cent female are involved in trade and business.

CHAPTER-VI

CAUSES OF POVERTY IN THE STUDY AREA

From the above chapter it is revealed that the majority of villagers are poor. There are various causes that compel them to live in the poverty. Due to diverse geographical conditions, limited productive assets and lack of balanced regional distribution of available resources, sector imbalances and socio –economic disparity still exists in the country.

There is a unequal distribution of wealth. In rural areas, where problems such as infertile land, high population growth, difficult topography, traditional production practiced, lack of irrigation facilities, illiteracy and unemployment. It is difficult for households to fulfill their minimum basic needs with the income derived from limited land. Over dependence on agriculture is one of the causes of poverty.

Besides, there are other causes which lead to poverty. These are as follows:

6.1 Lack of fertile land:

In an agricultural society like Nepal where land has been the source of all subsistence, Social security, position and power. Lack of fertile land with no reliable economic alternative, having no access to means of production is of course, an indication of poor economic situation. It is a serious disadvantage which degrades and dehumanizes those who have no access to fertile land.

6.2 Lack of employment opportunities:

There is no gainful employment opportunities in the study area. There is no income generating activities to engage them. Agricultural activities engage them .But such activities are seasonal. Most of the people have no skill except cultivation they cannot earn much from this type of work.

6.3 High number of children:

In every family there are a high number of children. Children are not economically active and families must spend much of their income on bringing up the children.

6.4 Debt:

People spend more than half of their income on ceremonies, festivals, entertainments, like gambling, alcohol. When they cannot fulfill their needs, they borrow from others. They also spend much of their earnings in repaying debt. Thus forcing them to live in poverty.

CHAPTER-VII

FINDING, CONCLUSION AND RECOMMENDATION

7.1 finding

To analysis the poverty problem, Latikoili VDC of Surkhet District, one of remote rural area of Nepal, has been taken as the study area and the sample size of the study is 115 households. It is found that 695 no. of people are involved in this study area within 115 households, among them 365 are male and 332 are female.

In this study area, there is a high percentage in Joint family that is 61.3 percent. In the study area type of house is higher in made by mud (88.7percent) but only 3.5 percent of houses are made by cement.

There is high percent of population is in Chhetri with 50.4% and low percent in Thakuri that is 1.7 percent and it is noted that, all of the people in the study area speak Nepali language but some people (e.g Tharu, Magar) are use their mother tongue also. There is most of the people are devoted in Hindu religion 98.3percent and Muslim religion with 1.7percent.

In this study area 19.9 percent people are illiterate and only 3.4 percent people have completed bachelor level. There is 54 percent people are engaged in agriculture which is subsistence nature and other sources of income are trade / Business, labor, service foreign labor. It is found that the case of poverty in the study area is small land holding unemployment subsistence nature of agriculture, traditional farming system, lack of irrigation facilities, agriculture credit, lack of fertilizer and I, prove seeds, lack of development infrastructure, unproductive consumption such as unnecessary rituals, alcoholism , smoking gambling etc.

In the study area it is found that, level of income is depended on household is relatively low who are engaged in the occupation labor and agriculture and income

level of the households is higher whose main occupation is business and service. And people of the study area are poor because they are unemployed or semi employed or very small proportions of the total population are fully employed.

The study shows that there is positive relationship between land holding and income level of the poor and negative relationship between land holding and the poverty problem.

7.2 Conclusions:

The present study was conducted to find out the problem of poverty in Rural Nepal by taking a case study of Latikoili VDC of Surkhet District. Poverty is deeply rooted in the rural areas of our country. Most of the rural people are engaged in the agricultural sector for their livelihood. But farming system is based on subsistence farming. So, the productivity from the agriculture sector is very low due to the lack of irrigation facilities, skilled labor and modern technology and the fragmentation of land.

In the study area some households are serving on less than what is required or some households serving by borrowing even for consumption. They cannot save money to pay back loan which they have taken from village's elite people or bank and corporative institution, most of people do not have their own land those who possess have uncultivated, unfertile and only small area of land. General people have no skill except cultivation. So, they are engaged in agricultural sector as a labor. They do not have sufficient food to meet their requirement, so, they are suffering from hunger and malnutrition, and they are frequently ill due to insufficient nutrition.

Most of the poor are large family size and illiterate in regarded to ethnic group. Some poor are from lowest caste than the upper caste. The general features

remains of the study area lack of employment, lack of cultivated land. There is no facility of irrigation and marketing. People are illiterate and low level of income. So almost all people are still deprived and disadvantages people in the rural area are suffering from Poverty. Due to the insufficient infrastructure. Most of the households are living under the poverty due to lack of development efforts and lack of irritation of poverty reduction programs.

Nepal's experiment with development planning has not succeed effectively uplift the quality of life of the people and to narrow the gap between the rich and poor. The main cause is that the development programs are not reaching to the targeted groups of the rural areas. Consequently a large proportion of rural population has remained underemployment and their basic minimum needs of life like food, shelter, clothing, education health care has remained unfulfilled. Most of the people of this area are bored to face a low quality of life.

In such situation the present study feels that there is urgency of understanding the problem of poverty in rural areas. So, as to formulate policies, strategies and plans of actions to reduce the problem and increase the quality of life of the poor.

7.3 Recommendation

Having studied about the poverty problems in Latikoili VDC, it is observed that a large number of factors are boosting up the problem. Thus, immediately and urgently, it is required to reduce and, it possible, alleviate the problem. In this section, some recommendations are considered and adopted, the factors which are appearing as the causing factors of poverty problem would be discourage and it can help to improve the living standard of the people. Regarding such importance, following recommendations are put forward

7.3.1 Recommendation on Agricultural Sector:

Agricultural sector, being the main source of employment and income, a reformation in this sector has become essentials to reduce poverty problem. So in, in order to increase income level and consumption level via agricultural production and to generate productivity and greater degree of stability in agricultural output, where should be the provision of irrigation facility which is the nucleus component of agriculture.

The size of operate land is very small. To increase productive capacity of small piece of land, intensive agricultural proactive and multiple cropping should be adopted. The employment in agriculture is seasonal in nature. In order to generate more employment opportunities within agriculture, labor intensive techniques should be applied. For development and modernization of agricultural sector, modern farming system should be encouraged by discouraging traditional farming system.

To provide financial support to poor farmers provide credits and loans at low interest rate as well as provides an easy access to loan.

To make easy access to modern agriculture inputs. To provide appropriate price to products of peasants, price support is also preferable.

7.3.2 Recommendation on Non- Agricultural sector.

Other recommendation relation to non agricultural sectors is as follows:

Transportation and communication play a vital role in the availability of goods and services and makes life much more easy and convenient. Thus, to raise standard of living of the people, here should be provided the regular facilities of transportation and communication.

To increase saving capacity, on the one hand it is necessary to be increase in the income level of people by provision of various income generating opportunities and on the other and expenditure on unproductive consumption, i.e., alcoholism,

smoking, gambling, unnecessary rituals etc. should be discouraged. For this, facility of banking system and increase in banking habit of the people is necessary. The productive power of earning member should be increased by providing better employment opportunities and physical facilities. For this government should play active role. A proper wage rate policy and working hour should be determined for the employee. Education and Health are the most determine factors of the poverty. Investment on such sectors that increase human capital. Thus, higher priority should be given to education, primary health services, water, sanitation and low cost housing etc.

There should be the strong commitment of people toward reducing poverty. For this, there is a need of their cooperation in the programs initiated in the direction.

APPENDIX-1

Rural poverty A Case study of Socio-Economic Condition of People in Latikoili VDC of Surkhet district

Household information

1. Name of household head.....Age.....Sex.....
 Level of education.....Religion.....Language.....
 Caste.....Occupation.....
2. Name of respondents.....Age.....Sex.....
 Level of education.....
 Relation with household head.....
3. Household structure of family by age, sex, occupation and education.

S.N.	Name of household member	Relation with household head	Age	Sex	Occupation	Education

4. Types of family: Joint () Nuclear ()
5. What is the type of tenancy of the dwelling occupied by your household?

Owned	1
Rented	2
Other/specify	3
6. Types of house:

Made by mud	1
Small cottage	2

- | | | |
|-----|---|--------|
| | Made by cement | 3 |
| 7. | Types of Roof: | |
| | (a) Thatch | () |
| | (b) Cement | () |
| | (c) Jasta | () |
| | (d) Slate | () |
| 8. | What is the source of drinking water? | |
| | Piped water supply | 1 |
| | Covered well hand pump | 2 |
| | Open well | 3 |
| | Other source | 4 |
| 9. | Do you have water piped into your house? | |
| | Yes | 1 |
| | No | 2 |
| 10. | Do you much did you pay for water over the last 12 month (including water used for irrigation)? | |
| | Rupees | |
| 11. | What kind of fuel is most often used by your household for cooking? | |
| | Wood/firewood | 1 |
| | Cylinder gas | 2 |
| | Kerosene | 3 |
| | Bio gas | 4 |
| | Other (Specify) | 5 |
| 12. | Do you have own land? | |
| | Yes | 1 |
| | No | 2 |

13. Types of land:

S.N.	Types of Land	Ropani			Total
		Irrigated	Non-irrigated	Forest and other	
1.	Own land				
2.	Rented in land				
3.	Hire land				
Total					

14. Source of irrigation:

Well and pumpset	1
Cannel	2
Other natural resources	3
Mixed	4

15. Use of land:

a) Cultivated : Ropani	()
b) Non-Cultivated : Ropani	()

16. Types of occupation of family:

S.N.	Sources	Annual income (in Rs)	Engaged family member
1	Agriculture		
2	Trade/Business		
3.	Labor		
4.	Service		
5.	Foreign Labor		
Total			

17. Loan:

S.N.	Source	Amount (Rs.)	Interest rate (%)	Purpose taking loan
1.	Landlord			
2.	Merchant			
3.	Bank			
4.	Others			
Total				

18. Does your family's total income is enough to fulfill your general necessities?

Yes	1
No	2

19. Expenditure on food items (in the last month):

S.N.	Items	Amount (Total Qnt.)	Price per unit (Rs.)	Total Price (Rs.)
1.	Rice			
2.	Wheat			
3.	Maize			
4.	Pulses			
5.	Milk and milk production			
6.	Vegetable			
7.	Oil and Salt			
8.	Meat and Egg			
9.	Sugar and Tea			
10.	others			
Total				

20. Expenditure on non food items (in the last months):

S.N.	Items	Amount (Total Qnt.)	Price per unit (Rs.)	Total Price (Rs.)
1.	Clothes			
2.	Shoes/sandals			
3.	Education			
4.	Health			
5.	Festival/culture			
6.	Smoking/Drinking			
7.	Light/kerosene			
8.	Transportation			
9.	Pay to interest			
10.	Pay to rent			
11.	Others			
Total				

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