CHAPTER-ONE

INTRODUCTION

1.1 GENERAL BACKGROUND

Nepal is a developing country and lies between India and China. It is a land lock country and its economy is basically based on agriculture sector. In Nepal more than 80 percent of the total populations are dependent on agricultural activities. The large proportion of the land of Nepal lies to the mountain and hilly area. Basically, in these areas the economic condition of the people is based on the production of barely, potato and animal husbandry. But in Tarai, the socio-economic condition is better than mountain and hill and the productivity of land is also high. But the production in agricultural sector is not satisfactory due to the lack of irrigation, modernization and so on. The proportion of irrigated land is only 52 percent (NLSS2003/04). However, the contribution of agriculture to the GDP is more than 45 percent.

Nepal is the poorest multi-ethnic society in South Asia comprising of more than 36 casts and ethnic groups, more than 56 native languages(mother tongues) and followers of several religious including Hinduism, Buddhism, Islam, Christianity and so on. It faces many problems such as poverty, deficit trade, income inequality and conflict etc. The per-capita income of Nepal is only $240 and the large proportions of its population are under poverty line. According to the World Development Report, 2003, these have been a significant drop in the percentage of people living in extreme poverty (i. e. living on less than $1 per day). In Nepal 37.7 percent of population are living with less than $1 per day. This is caused by various economic variables. But there is no accurate data, how many Janajati, Maddheshi, and Dalit people are under the poverty line that studies by the central bureau of statistics (CBS) of the national planning commission. Income inequality is the main feature of the country that effect on the consumption pattern of the people. This raises the gap between the poor and the rich in the country. The consumption is the direct

function of income. The poor people are unable to meet their basic requirements such as cloth, food, education, health and shelter. On the other hand, very few rich people are enjoying luxurious life. The marginal propensity to consume (MPC) of the poor people is very high and saving is almost zero. Only, small proportion of population (i. e. rich) can save. But they are spending on unproductive sector buying gold, land, and making conspicuous consumption; this leads to the unequal distribution of income. Whenever inequality exists in the society majority of the people can't test the fruit of development properly and that hampers welfare of the society. Being a student ofJjanajati, I am really interested to study on socially excluded groups such as Dalit, Janajati, madheshi and women.

Limbu, one of the ethnic groups of Nepal are addressed as Subba, a term which is like Rai, means 'chief' or 'headman'. The limbus have its distinct culture and an area, traditionally their own land is called *pallo-kirat*, *'far kirant'*, or even more commonly just like 'limbuwan,' the land of limbus. Traditionally, they are associated with the kipat system. The *kepat* system is a "form of communal landownership" but individual rights over a piece of land, which did not include the right to sell it to another. But that is abolished by Land Act 1964.

The ethnic group is mainly found in Taplejung, Panchthar, Ilam, Jhapa, Morang, Sunsaril Dhankutta, Terathum and Sangkhuwasabha districts in an area of 16,358 sq. kilometers. Historically, known as *"limbuwan'* this area is between the Arun in the west , the border with Sikkim and West Bengal states of India in the east the northern parts of the plains of Morang, Sunsari and Jhapa in the south and the border with Tibet, China in the north. There is no accurate data relating to the number of Limbu, Rai, Gurung, Maga*r* and other ethnic groups and the statistics on population distribution by religion and mother tongue due to the misleading of the Central Bureau of Statistics (CBS) of the national planning commission. The most obvious reason of inaccuracy in such data was that the enumerators of the last census were mostly Brahman*s*

and Kshetris and so they noted down the religion of the most of the ethnic people as Hindu without trying to elicit correct response on such question from the respondents properly. However, according to the CBS, 2001, the total population of the Limbu is 3, 59,379 in Nepal i. e. 1.58 percent of the total population.

This study is concerned with the observation on income, consumption and poverty level of the Limbu community in Panchthar and Jhapa. This area is known as *Limbuwan* area. They have their own language, script, culture and religion. The main occupation of the Limbu community is agriculture. Besides this British- Gurkha Regiment, India Gorkha Regiment, Royal Army, Government Services and Foreign Employment are also can't be ignored. Most of the Limbus are dwelling in rural areas. Only the few Limbus are dwelling in city who have better their economic condition.

Panchthar is the main dwelling place of Limbu known as *Limbuwan* where around 40 percent population shares by Limbu. While in Jhapa, there is only migrant Limbus are dwellings from hilly area such as Panchthar, Taplejung, Therhathum, and Dhankutta. Where, only 6 percent population shares by Limbu.

1.2 STATEMENT OF THE PROBLEM

The economy of Nepal is heavily dependent on agriculture. Most of the people are living in rural areas. Therefore, improvement of quality of the rural people is required. But even after ten plans, economic development and living standard of rural people is still unchanged.

The main problem of the developing country is poverty caused by low level of income. In Nepal large proportion of the population are under poverty line. The economy of the developing country is characterized by low level of income, unemployment, corruption, lack of policy implementation, unequal distribution of income and wealth. Very weak economic and resource base and insufficient

and poor mobilization of resources are the main cause of income inequality and poverty.

There is sharp difference between rich and poor household's income and consumption pattern. The rich families receive high level of income and enjoy luxurious life with saving whereas poor families receive low level of income and their saving is almost zero. Most of the poor people are from socially excluded groups. They are far from the consumption of national facilities and opportunities. The research problems are as follow-

⟩ What is the impact of poverty alleviation program of HMG/N on ethnic group especially on Limbu community in Nepal?

⟩ What economic indicators (poverty, education, literacy rate) have been changed?

⟩ What are the major sources of income?

1.3 OBJECTIVES OF THE STUDY

The main objectives of the study are to examine income and consumption pattern of the Limbu community in Nepal. The specific objectives are as follows –

⟩ To analyze the level of income and their sources of Limbu community

⟩ To analyze the consumption pattern of the Limbu community

⟩ To asses the poverty level of Limbu community.

1.4 JUSTIFICATION OF THE STUDY

Nepal is multi- ethnic society where various races and tribes are dwelling. Socio- economic life pattern of indigenous nationalities in eastern part of Nepal is the most important for introducing Nepal itself. Most of the people wanted to know about Janajati and its existing problems. The government of Nepal and

other political parties always raise the problem of socially excluded groups but no in practice.

Several studies have been carried on the income and consumption pattern in reference to the rural and urban areas in Nepal. Economic condition of the household is determined by income level. This study is based on the observation of income, consumption and poverty level of a particular ethnic group i.e. Limbu community in Nepal. No significant study has been carried out on any particular aspects of the Limbu community. However, this study will try to bring into highlight the income and consumption of Limbus in Nepal.

Basically, this study is micro-level study and tries to capture a single ethnic group i.e. Limbu, especially live in eastern part of Nepal. This study will be important for the policy maker and the donors that they are making assistances for poverty alleviation in Nepal. It will help to know what particular group (i.e. Limbu) is getting benefit from poverty alleviation programmed sponsored by government. This study will help to uplift the living standard of that particular ethnic group; lastly. It will help local administration or the government and donor to know the economic condition of Limbu and to formulate plans and projected accordingly.

1.5 LIMITATION OF THE STUDY

This study is an attempt to analyze the income and consumption of the Limbu community in Nepal. There are varieties of economic variables for the measurement of the economic condition. But information on some of these variables are not available while some are impossible to measure. Similarly, time and cost factors also restrict the collection for more information. This study is concentrated only on particular ethnic group i.e. Limbus. This study is a micro level study not macro level. It focuses only on the income level, consumption expenditure and poverty rate of five VDCs comprising two

districts. This study is limited to the poverty of Limbu community of Panchthar and Jhapa districts of East Nepal. The extent of study is very small i.e. total sample size was 240 households from 4 VDCs or municipality. There are Limbus in other districts and VDCs too. So, it is therefore this study can't be generalized other else.

CHAPTER-TWO

REVIEW OF LITERATURE

The problem is to analyze income and consumption behaviour. The consumption is the function of income or the consumption is the positive function of income level i.e. higher the income higher the consumption will be. There are widely different levels of economic and social well-being with in any country. Economic and social well-being is difficult to define and to measure because so may factors are involved and because no one index of regional inequality gives quite the same result. Various indicators are used for measuring economic condition of the household. The united nations has suggested that the best measure would be a multiple index including such as income, health, education, housing, working condition, employment, production, consumption, saving etc. But information in this field is not easy to obtain and are no standardized.

Income structure and consumption pattern is very important field in the study of economics. Since very long time, economists have been studying in this field. Various literature and projects report have been prepared by writers and researches. But most of the works have been conducted by foreign writers for their own economy. However, few works have been accomplished in Nepal. Only selected literatures related with income and consumption that available are given here –

2.1 Income

In simple words, income of a person or household is the sum of all income which comes from different sources of income with in certain period of time. Or income is defined as the amount of funds, goods and services received by an individual, corporation or economy in a given period of time. Carll Pelhn defines income as recurrent receipts including wages, salaries, interest, rent, annuities, pensions and also dividend including capital gains.

2.2 Consumption

Consumption is defined as the use of goods and services for satisfying wants. As one consumes a good, its want satisfying power i.e. utility is destroyed. So, the consumption is the destruction of the utility.

2.3 Empirical Studies on Income and Consumption

The various empirical studies on income and consumption expenditure have been made. Here, some selected studies are explained separately:

Simon Kuznets has made empirical study in 1946, on the consumption expenditure and income data for the United States during the period 1869-1938. He has estimated the consumption function for this period as 0.9 and concluded that in the long-run, the level of income rises, the APC remains quite stable and in the short-run, APC tends to decline as the level of income rises. In other words, a smaller fraction of income being devoted to consumption as the level of income double and redoubled over the decades, on approximately stable proportion of income is devoted to consumption. This study reveled that the short-run consumption is non-proportional because APC>MPC and proportional in the long-run, APC=MPC (Jhingon, 1999).

U.S. Department of Commerce conducted an empirical study in 1981, taking the family budget data for the years 1929-1980, in constant dollars to observe the income consumption relationship. The cross-sectional data shows, how aggregate consumption expenditures have varied with aggregate disposable personal income for a given year between 1929-1980. This had concluded that the consumption function is non-proportional in short-run and proportional in long-run. Further, it found that for 1970-1980 the MPC is slightly greater than unity because autonomous consumption is negative, the APC have increases as income increases (Shapiro, 1990).

W.H. Branson, in his book suggests that assets as well as level of income have something to do with consumption. For a given level of income, consumption may also be a function of assets of wealth (Branson, 1972).

The World Bank has published a policy research paper on "Micro-Determinants of consumption, poverty, growth and inequality in Bangladesh". This paper analyzed the micro-determinants of consumption, poverty, growth and inequality from 1983 to 1996 using simple regressions. This study had concluded that income, consumption and poverty are determined by education, demographics, land ownership, occupation and location. Per-capita consumption associated with many of these household remained stable overtime. The returns to demographics had a large contribution to growth. Education and land pay a greater role in the determination of income level respectively in rural and urban areas. It has used Ginis to show income inequality (T. Woden, 1999, W.B.).

R. Radhakrishna and G.k. Misra(1972), jointly analyzed "A Regional Approach To The Consumption Pattern of India" that how the consumption is influenced by the income level. This paper also shows the regional variation in consumption pattern and the Engel elasticity of major consumption items. They found that the rural area of Bihar showed high percentage of income shared by food grains. This study had concluded that the expenditure elasticity's for food items in rural area are high in Bihar and low on urban area. It had further concluded that as income increases the demand of non-food increase but demand of food items decreases.

B.C. Mehta has written an article named, "Consumption Pattern in Rajasthan in a quarterly publication of the faculty of Economics". He has analyzed the consumption pattern though the current total expenditure as a permanent income by using various Engel function in Rajasthan. He has shown that elasticity values are very similar to those of the less develop countries in general and other in India. He has also concluded that at mean expenditure

level is generally lower in urban areas than in rural areas in the case of food grains and other food items and larger in urban places in the case of non-food items, specially clothing (Mehta, 1983).

2.4 In the context of Nepal:

Nepal Human Development Report (1998) had made very comprehensive study on every field in economic of social sectors. It used various statistical and geographical methods to analyze the findings. This study had made conclusion that agriculture land is our principal productive resources that determines income level and that interns determines consumption pattern. It found 69 % of the land holders have below 2 hectors. This unequal distribution of productive assets significantly influenced income earning opportunities. About national income distribution it had made clear that the bottom 20 % of household received only 3.7% of the national income while the 10% claim a share of nearly 50 %(Nepal Human Development Report, 1998).

In 1978, National Planning Commission (NPC) conducted a first nation-wide survey on employment, income distribution and consumption pattern in Nepal. The whole survey was carried out with 10 town Panchayats and 128 village panchayats of 37 districts. In this survey consumption expenditure had been analyzed in different categories, geographical regions and occupational classes. The annual average percentage consumption expenditure on all goods and services have been estimated that the average household and per capita consumption on rural area is less than the urban areas i.e. Rs. 5461 and 931.66 in urban areas respectively. It has found that consumption expenditure is concentrated more on food i.e. 74.08 and remaining portion is spent on non-food items.

CBS has published, Nepal living standards survey 2003/04 (NLSS,). It is the second multi-topic national household survey. The survey follows the World Bank's living standard measurement survey (LSMS) methodology and uses a

two-stage stratified sampling scheme, as was done in the first survey. This survey has made a comparative study between urban and rural, different regions and ecological zone. This found that per capita income increased as compare to first living standard survey. Other significant change in the past eight years is the composition of income sources i.e. the share of farm income in total income declined while of non-farm income increased and other sources remittances increased from 16 to 25 percent. But study revealed that household loan has significantly increased from 61 to 69 percent. It has found that agriculture household has decreases but the proportional of irrigation land areas has been increased sharply and the survey has shown both income and consumption level have been increased as compared to the first survey.

Chhatra Pati Gurung has conducted a study on, "consumption expenditure pattern of Nepal," in 2001. It has concluded per-capita consumption is increased with increased of per- capita income and household size or there is positive relationship between income and consumption. The study has found that a major part of income (60%) is spent on food consumption, 40% on non-food, which shows poverty characteristic of the study area (Morang district). The study has also found there is large income inequality in the Morang district.

Nav Raj Kanel(1991) has made a study on " life cycle analysis of household composition and family consumption behavior," in his Ph.D. dissertation. His study is based on primary data. He has taken 614 households from Kathmandu valley as a sample size. The main objectives of this study is to examine the effect of changing household size and composition on the consumption on the consumption patterns of Nepali households(of Kathmandu) over the family life-cycle, employing consumer demand theory. He has used various statistical tools, economic model and as well as hypothesis to verify the findings.

Narayan Prasad Adhikai (2001) has attempted a study on "income and consumption pattern in Rural Terai", a case study of Kolhuwa VDC of

Nawalparasi District. His study is based on primary data. To show the relationship between the income and consumption, he has used various statistical tools such as Range, Mean deviation, Standard deviation, Coefficient of regression, Gini-concentration and Lorenz curve. He has also used hypothesis test. He found that higher percentage of households' income was derived from agriculture sharing 50.78 percent in total income. Similarly, he found G.C. = 0.26 (on the basis of per capita income) and also concluded that there is no so much, disparity in income distribution.

CHAPTER-THREE

RESEARCH METHODOLOGY

Research methodology is most important aspect of research work. The researcher will follow descriptive as well as analytical method for getting more information. The main features of this survey are as follow –

a. Smaller sample size than other special purpose survey
b. Household questionnaire covering consumption, incomes, housing condition, education, employment and remittance

3.1 Place of the study area

Panchthar and Jhapa are two distinct places not only by district but also by geographically and environmentally too. Geographically, Panchthar is hilly area whereas Jhapa is plane area. Panchthar is well known region for tea and cardamom cultivation. There are so many streams floating from Himalayan region with high hydroelectricity potentiality. Jhapa is well known for the production of paddy in Nepal. In Terai, there was no possibility for settlement in the beginning due to malaria but after the eradication of the malaria people were came down in jhapa for settlement from hill side. All the Limbu people dwelling in Jhapa have come from hilly areas, such as Panchthar, Taplejung, Terhthum, Sankhuwasabha, Dhankutta and Ilam. Most of names of these places are in Limbu language. But some of the places named with Limbu language have been changed into Nepali language or khhas language by Aryan people. According to the one Limbu historian

Real name (in limbu language)   Changed name (in khhas language)

⟩ Idungyakma   Ranitar
⟩ Phulabba   phulpa
⟩ Nagemba kokma   Naggain
⟩ Phewaden   phedin

In this way real name of the places have been changed into khhas language by Aryan i.e. Idungyakma (means shooting place of arrow), Phulabba (white colors place), Nagemba kokma (place just like Himalaya), phewaden (plane area) and so on are changed into Ranitar, Phulpa, Naggain, and Phidim respectively.

According to the population survey 2001, total population of Limbu in Nepal is 3, 59,379 that is 1.58 percent of the total population in Nepal. Whereas 77,539 Limbus are dwelling in Panchthar (i.e. 39.64 percent of total population in district) and 37,628 in Jhapa (i.e. 5.95 percent of the population in Jhapa).

3.2 Research design

This study is designed to meet the above mentioned objectives of understanding the socio-economic conditions of the Limbus residing in the Eastern parts of Nepal. This study is based on descriptive method.

3.3 Constraints in data collection

It was really great challenges for interviewer to take interview someone in conflict affected areas in both rural as well as in urban areas. It was not so easy to grab household information from respondents as they were scaring of Maoists activities. But interviewer was on high alert associating with the local people and participating on their local activities.

3.4 Sampling procedure

During the period of survey, the total household was collected from concerned office or with the help of local intellectual person. In Panchthar, there are 41 VDCs, out of which two wards 7&8 were selected from one remote VDC, Lungrupa and other two wards 3&4 were selected from Phidim VDC that characterizes urban in terms of population, facility & infrastructure. Similarly, in Jhapa there are 50 VDCs, out of which two wards 8&9 were selected from remote VDC Jalthal and other two wards 12&13 were selected from urban municipalities Damak. Here, VDCs, Municipalities and Wards were selected through purposive sampling method.

3.5 Sample design and size

The sample size was 240 households spread over two geographical regions – Hill and Terai (Panchthar and Jhapa). Each and every wards refers to the PSU, there are 8 population sampling units (PSUs). Districts, VDCs, municipality and Wards (PSUs) were selected using purposive sampling method. Systematic sampling method was used to select households. Each PSU contained 30 households were selected for interview. Total HHs of each PSU were collected with the help of intellectual person of that area. Each and every household head or second senior household member became the respondent for interview.

Table1. Shows the geographic distribution of cross – section sample with respect to urban/ rural composition.

Table 1. Distribution of total sample households

Region	Panchthar district	Jhapa district	Total
Urban	2ward*30 HH=60	2ward *30HH=60	4ward(120HH)
Rural	2ward*30 HH=60	2 ward*30 HH = 60	4ward (120 HH)

3.6 Data collection

As this study is fielded research-based both types of data have been used. Secondary data was form the bases for the conceptual understanding where as the required. The required secondary data was collected from CBS and concerned office. The relevant data was collected in the form of primary data using the tools like questionnaire, interview including the both personal and group, personal observations and people participatory approach. A questionnaire structured was prepared before going to field survey to capture the information enough to fulfill the objective of the research proposal. Field diary was used to record supporting information that is not captured by questionnaires.

3.7 Data analysis

All collected data are presented in various forms in order to convey relevant information in most lucid and vivid manner. This is a descriptive analysis, so the data were analyzed descriptively and tables were also presented to make it more meaningful. Forms like tables, socio-indicators like education status, population, poverty rate, occupation status are used.

3.8 Concept and variables

Household: This is the unit of observation or the household is defined as a group of persons dwelling in a residence and sharing a common kitchen under the same roof. Here, only the non-institutional and private households are taken.

Household head: The persons who manages all the rules and regulation in family or who is responsible for taking household decisions.

Total household income: It is defined as the income earned by the entire household comprises income from farm income, wage income, non-farm income (i.e. enterprise income), agricultural income, and rental income. Subtracting the expenditure made from the total income by the respective items derives the total net income.

Total household consumption: It consists of food as well as non-food expenditures. Food items consumption contains food grains, pulses, milk, fish, meat, vegetables including alcoholic drink etc. non-food consumption include tobacco, educational expenditure, fuel, housing and so on.

3.9 Clarification:

240 households were appointed for sample size from 8 sampling units. But from field only 236 household's report from 8 sampling units were collected because of the researcher's health problem.

CHAPTER – FOUR

4.1 Social Aspect of Limbu Community

4.1.1 Origin of Limbu:

Limbu tribe is an ethnic group of mongoloid physiognomy who has been dwelling in the Limbuwan region, the area of which extended from western border of Arun River to the east border of Brahmaputra River. It is the subject of curiosity that where they have come from and when? Various evidences have been found on the historical background of the Limbu tribes. Nepal was ruled by Gopal and Mahispal Bansi for the first time. Most of the historian believes that 32 kirata king ruled Nepal by defeding Mahisal Bansi with the help of Li/tong and spears. Some evidences are

Himalayan region wa always a favors of kirantas since the past. Toponym of this region also suggested that the land occupied by kiratas extended from kmaon in the west to Sikkim and Assam in the east and from the remote Himalayan peak in the north to the Riheda, Koshala, Megadha, Vaisali, and Anga(in the modern utterpradesh and Bihar) in the south and almost the whole area of Nepal in particular area where inhabited and governed by kiratas features in the remote past with a noteworthy feature of divided tribes confined in a number of small states(Bista,1992).

Sarat Chendra Das (19020 also recorded the popular belit that Tibetan peole, ancestors of Yakthumbas, migrated into present Limbuwan through kangla pass following thei lost yak and made their first settlement in yangma valley of Tamar khola region.

Various sources revel that Kathmandu valley was ruled by 32 kirata kings from circa first millennium B.C. to second century A.D. It has also mentioned that one of the kirata king participated in the Mahabhrat war (shrestha, 1985a). Tulsi Ram vaida (19700 is of the opinion that he oldest stupas of patan which

do not beat inscriptions, must have been constructed by kiratas. The inscription of Degutale temple of Hanumandhoka with the mentioning of the word "kirata" also supports the rule of kirata in Kathmandu valley (vajracharya, 1968).

Iman Singh Chemjong (1975:a), a noted kirat scholar opined that ten brothers, ancestors of Limbus who settledown in Limbuwan for the first time as branch of Shan Makwan coming from sechuwan of yunan along with sens of Morang and Makwanpur.

4.1.2 Housing condition

Housing refers to a dwelling or housing. It is one of the basic requirements for human life. Human being can not survive without housing, clothing and footing. The Nepal Living Standard Survey (NLSS) 2003/04 provides some information on the living condition of the people. Such information includes kind of housing, availability of amenities such as electricity, piped water, cooking fuel and toilet. Housing condition refers to the living standard of the people. Here, types of housing units are classified in three categories Kachhi/pakki (Semi- pakki), Pakki and Kachhi etc.

4.1.3 Occupancy status

Housing units are broadly categorized into owner, rental and free. Table – 2 shows the occupancy status of house. It reveals that 99.2 percent of the households reside in their own housing units in Panchthar and only remaining 0.8 percent resides in free house. In Jhapa, 96.6 percent households reside in their own house, 0.9 percent rented and remaining 2.6 percent households reside in rental free house.

4.1.4 Type of house

House can be differing in terms of wall, size and roof. In hill side most wall of the houses made of mud and stone wall while in Terai wood or other materials are used. Type of house or materials used to make of house is also good

indicator for their economic condition of the household. *Pakki* house can be made only richest people, but poorest are dwelling in *kachhi* or *kachhi/pakki* house (Ardha *pakki*).

Kachhi/ pakki (semi – *pakki*) is defined as *kachhi* structures with *pakki* roof or *pakki* structures with *kachhi* roof. *Pakki* includes *pakki* wall and roof or stone brick wall made of mud or cement with tin, tiles, slate or concrete. *Kachhi* is defined as *kachhi* structure with *kachhi* foof.

   a. *Pakki* wall: Wall made of stone, brick with cement or mud
   b. *Kachhi* wall: bamboo or wood branches wall is known as *kachhi* wall.
   c. *Pakki* roof: the roof made of tin, concrete.
   d. It is made of hay

Table – 8 shows the type of house by districts and rural urban. Fifty percent households were selected from urban and half fifty percent households were selected from rural area. Most of the houses of Limbus made of wood and tree branches, stone with mud while very few have cement bonded bricks/ stone and concrete. Geography and the economic condition also determine the housing structure. Most of the houses in hill side are made of stone with mud while in Terai region houses are made of either by wood and tree branches or by bricks with cement.

In Panchthar, 54.2 percent household occupied *kachhi / pakki*, while 44.2 percent *pakki* and 1.7 percent *kachhi*. Similarly, in Jhapa, 53.5 percent households are *kachhi / pakki*, 26.7 and 19.8 percent are *pakki* and *kachhi* respectively.

There is a clear association between quality of living standard and household consumption. Richer households have made their housing wall by cement, concrete or bricks / stones with cement while poorest households' wall with wood / branches and materials.

4.1.5 Main source of light

Nepal is the richest country in water resources in the world. There is the great hydroelectricity potentiality. But in the same country very few households are consuming electricity. It is one of the important indicators of the development weather the limbus in Jhapa and Panchthar are access to various utilities and amenities or not. Solar system is one of the important alternative sources of light in rural or village area. Only 4.2 percent Limbu house holds are using solar energy, 39.2 percent electricity and 56.7 percent are using kerosene in Panchthar. In rural/village area, solar energy can use only those who have good economic conditions. Similarly, 47.4, 51.7 and 0.9 percent Limbu house holds are using electricity, kerosene and solar energy in Jhapa respectively. None of the Limbu household was using solar energy in village/urban area in Jhapa but 8.3 percent Limbu have been using solar energy in village in panchthar. Electricity user in Jhapa (47.4) which is higher than Panchthar, kerosene users are 51.7 percent and only 0.9 percent using solar energy.

4.1.6 Main source of drinking water

Nepal is water – rich country, but yet to use properly. Some of the big cites are facing drinking water problem. In Nepal, the total volume of water generated in Nepal ranged from 3.6 billion cum in February and March to 60 billion cum in August (HMG, 2002). Irrigation, drinking water supply and hydropower are the three prime source of water use in Nepal.

Table-4 shows the main source of drinking water. 22.5 percent Limbu households using piped water distributed by local government, 77.1 percent households are using public tap and 0.4 percent households are using *Kuwa*/well. Or about 7.5 percent households are using piped water distributed by local government, 92.5 percent using public tap and zero percent is using well/*Kuw*a in Panchthar. While in Jhapa 37.9 percent households are using

water pied, 61.2 percent households depend on tap (public) and 0.9 percent depends on well/*Kuwa*.

4.1.7 Main fuel used for cooking

The main cooking fuel in Nepal is firewood. According to the Living Standard Survey 2003-04, 69 percent of the households use firewood as their main source of cooking fuel. Basically, firewood is collected from community forest, private forest and government forest. Now, community forest is widely in practice in Nepal. In Jhapa, most of the people collect firewood from community forest while in Panchthar from private forest.

Table – 5 shows main source of cooking fuel. About 90.8 percent of households use wood for cooking while only 9.2 percent use gas in Panchthar. Similarly, 73.3 percent of households use wood as a main fuel for cooking and 26.7 percent use gas for cooking in Jhapa. In rural or village, main source of fuel for cooking is wood that is collected from private as well as community forest or there is no alternative fuel except wood in rural area. In Jhapa 26.7 percent house holds are using gas as compare to 9.2 percent in panchthar.

4.1.8 Own toilet and agricultural land

Table – 6 shows having own toilet and agricultural land. It is important to know the consciousness of the people for their health. Data shows that limbus are becoming more and more conscious about toilet. It can be used as a *gobar*(Dung*)* gas for energy and fertilizer to increase productivity of land. But such type of knowledge could be found rarely in Limbu communities. All the toilets in the rural area were found traditional type of toilet. In some urban area in Panchthar and Jhapa, toilet was using to create energy which can be used for light and cooking. It is really advanced knowledge and can apply only those people who have good economic condition. About 95.8 percent from rural and 98.3 percent from urban households are using their own toilet.

An agricultural activity is the main occupation of Limbus. In Panchthar, all the households have their own agricultural land but characterized by fragmentation and small piece of land. Similarly, 95 percent households have their own agricultural land in Jhapa. Agricultural land plays a vital role in poverty rate. Limbus is associated with land or kipat system but it was ended by the Land Reform Act, 1964 (2021). All the land was under the control of Limbu in *Limbuwan* region.

4.1.9 Percentage distribution of first consultation

Table – 7 summarizes the distribution of first consultation for illness by districts and rural urban. 39.2 percent of the people reported to have consulted with doctors, 5.8 percent with assistant (person who doesn't have good knowledge of medicine), 5.8 percent with *Kabiraj*, 48.3 percent healer and 0.8 percent with others in Panchthar. It is also revealed that people consultant of healer is higher in Panchthar. While in Jhapa, people take consultation only with doctors and assistants, 55.2 percent of people take consultation with doctors and 44.8 percent with assistant.

Table -2: Occupancy status of house

Districts	Male owner	Female owner	Rented	Free	Total
Panchthar	96.7	2.5	0.0	0.8	100.0
Village	98.3	0.0	0.0	1.7	100.0
City(phidim)	95.0	5.0	0.0	0.0	100.0
Jhapa	95.7	0.9	0.9	2.6	100.0
Village	98.3	0.0	0.0	1.7	100.0
City(damak)	93.0	1.8	1.8	3.5	100.0
Total	**96.0**	**1.7**	**0.4**	**1.7**	**100.0**

Table – 3: Main source of light

District	Electricity	Kerosene	Solar energy	Total
Panchthar	39.2	56.7	4.2	100.0
Village	0.0	91.7	8.3	100.0
City	78.3	21.7	0.0	100.0
Jhapa	47.4	51.7	0.9	100.0
Village	0.0	98.3	1.7	100.0
City	96.5	3.5	0.0	100.0
Total	**43.2**	**54.2**	**2.5**	**100.0**

Table – 4: Main source of drinking water

	Pied Water	Tap/hand water	Well/*Kuwa*	Total
Panchthar	7.5	92.5	0.0	100.0
Village	3.3	96.7	0.0	100.0
City	11.7	88.3	0.0	100.0
Jhapa	37.9	61.2	0.9	100.0
Village	13.6	84.8	1.7	100.0
City	63.2	36.8	0.0	100.0
Total	**22.5**	**77.1**	**0.4**	**100.0**

Table – 5: Main source of cooking fuel

	Wood	Gas	Total
Panchthar	90.8	9.2	100.0
Village	100.0	0.0	100.0
City	81.7	18.3	100.0
Jhapa	73.3	26.7	100.0
Village	100.0	0.0	100.0
City	45.6	54.4	100.0
Total	**82.2**	**17.8**	**100.0**

Table – 6: have a toilet facility and agricultural land

	Toilet facility	Own agricultural land
Panchthar	98.3	100.0
Village	96.7	100.0
City	100.0	100.0
Jhapa	95.7	94.8
Village	94.9	98.3
City	96.5	91.2
Total	**97.0**	**97.5**

Table – 7: Percentage distribution of first consultation

	Doctor	Assistant	Kabiraj / Bidya	Healer	Other	Total
Panchthar	39.2	5.8	5.8	48.3	0.8	100.0
Village	0.0	1.7	11.7	85.0	1.7	100.0
City	78.3	10.0	0.0	11.7	0.0	100.0
Jhapa	55.2	44.8	0.0	0.0	0.0	100.0
Village	15.3	84.8	0.0	0.0	0.0	100.0
City	96.5	3.5	0.0	0.0	0.0	100.0
Total	**47.0**	**25.0**	**3.0**	**24.6**	**0.4**	**100.0**

Table 8: Type of house by district

Percent

	Kachhi/pakki	pakki	kachhi	total
Panchthar	54.2	44.2	1.7	100.0
Village	75.0	23.3	1.7	100.0
City	33.3	65.0	1.7	100.0
Jhapa	53.5	26.7	19.8	100.0
Village	71.2	1.7	27.1	100.0
City	35.1	52.6	12.3	100.0
Total	**53.8**	**35.6**	**10.6**	**100.0**

Field survey, 2006

4.2 Life Cycle Ceremonies

4.2.1 Sappok – Chomen (Womb worshipping)

It is a rite of womb worship for the protection of a child in the uterus. It is also a rite of propitiating gods for the good health of mother and baby in the womb as well as successful delivery of the baby which is held within the nine months of pregnancy or before child is corn. It is unique in the sense that no one in the society performs such rites except Limbus.

Limbus believes that there are nature divinities as well as hunter divinities having a prominent role to cause infection of pain, illness, headache, dizziness and other health problem. So, at the time of sappok chomen phedangma recites mundhum and worship various divinities such as kudap(hunter divinities), yuma sammang is worship by sacrificing animals, chicken, pigs and offering eggs, khorengs (a kind of pancakes) and other varieties of things. It is also believed that when yuma sammang become happier then keeps human being away from those kind of pain and suffering.

4.2.2 Yangdang phongma (Naming a child ceremony):

After the birth of a child the limbu performs yangdang phongma ritual. The literal meaning of yangdang phongma is "hangs a cradle". It is a ritual of purification of the mother, the baby, the house and the close relatives and giving name to the baby and showing the baby the light of the day. Phedangma recites short mundhum for the protection of the baby. It is performed for four days in the case of a male child and three days in the case of a female child. The cradle is prepared and hung at the proper place and it is also believed that cradle must be completed within 24 hours. A shell of a snail is hanged on the rope of the cradle with the belief that a shell will protect the soul of a child from evil spirits. The child is named by phedangma and mangenna of the new born baby is also conducted for the first time. Name is usually given considering the time, day or date, month, or special occasion of the baby's birth.

4.2.3 Chamuksam chapma/muyesup khemsang (Feeding Ceremonies)

This ceremony is performed when the male child attends at the age of four to six months and the female child at the age of three to six months. Basically, it is known s pasni in other communities. On this occasion child's relatives, both paternal and maternal and a phedangma (priear) are invited. The child is given varieties of food preparations, fruit, juice and water etc. Limbu believe that if the varieties of food are given to the child putting on the bronze plate, the life of the child would be brighter.

4.2.4 Metkhim (Marriage):

There are different types of marriages or mekhim (in Limbu language) prevalent in the Limbu community. Such as naksingma mekkhim (arranged marriage), Nanuma khema mekkhim (chosen marriage), Khuna mkhim (elopement marriage), Jari marriage and widow marriage etc. there is another way of wedding that is abduction of a maiden from hat- bazzars(market) but

this type of practices are gradually withering away since the last few decades. Now a days, arranged marriage and elopement marriage are most prevalent in practice among Limbu community.

In the case of arrangement marriage, bridegroom goes to the house of the bride with Tumyahang (gentlemen) to negotiate with bride's parents and to determine the death of marriage ceremony. In pre-nuptial negotiation, sometimes the bridegroom has to pay some amount of money and gold for ornaments to the bride's family. Marriage ceremony takes place in bridegroom's house. Bride is taken away from her parent's home by a team of the groom and she is accompanied by a group of ladies, known as "Mekesama" or "Menchyaburukma" (Lokandi), where the marriage ceremony is performed with a pair of guns, traditional musical instruments and feasting varieties of food, meat and drinks.

After the competition of mekkhiom ceremony, all Lokandies are backed to the house of bride with certin male of female from bridegroom's side with Haktawa. Haktawa means pig carcasses of a living mal buffalo represents marriage ceremony of dayghter that is by a wooden jar of liquor (sijonwa). It is also known as first stage of Charkalam system. Limbu marriage essentially includes four stages later both the bridegroom and bride are sent to the brides' house with a wooden jar of sijonwa (liquor) and meat. It is second stage known as Turran other two stages are known as Tika is compulsory for two years following the marriage. On the auspicious occasion of the Dashain a new son-in-law has to go to father-in-law's house to take Tika with sufficient quantity of liquor (two/four jars) along with perengos of meat and two khopas (pig carcasses and a living male buffalo).

Weather it is arranged or elopement marriage the main rituals for marriage are the same and should complete four stages that is mentioned above. So, the expenditure is very high for Limbu marriage ceremony. Now, days, some Limbus have been following revolutionary action by avoiding these four stages

of charkalam system. After the marriage one important ritual has to perform to separate from parents i.e. Mellung phuma (saimundri) or it is the system of transformation of responsibility of their parents towards daughter into the san-in-law. This is done usually after having some children of after several years of the marriage. The san-in-law has to go to his father-in-law's house with wife, children carrying drums of sijnwa (liquor). Pig carcasses of driving a living male animal. Father-in-law and close relatives furnish their daughter and son-in-law at their best with dower in cash and kinds. Since then all the responsibilities are shifted from them to her husband's side. It is also decided that her husband or sons can performs her death rites.

4.2.5 Death rites:

Funeral ceremonial differ in its ritual the way the particular person has died. According Limbu tradition, dead bodies are buried on the hilltop. But now days, due to the problem of burial in city area, dead bodies are burnt on fire. When someone dies a natural death, there are several rites of various stages. These includes chesama (frneral procession), khamingma(purchasing of the burial ground), sam lapma (taking out the soul of a dead person), samsama (giving away the soul or sam of a dead person to ancestors), yumchama(eating salt), and khauma(final purification rite). A resting platform "chautara" is built and trees are planted within it along the road in the name of the dead person.

When someone dies a natural, the dead body is lied out in full length and usually kept facing westward. The dead body is shrouded with plain white cloth and a bamboo stretcher (chedhap) is prepared to lace the dead body. Before placing the dead body in chedhap the dead body is washed with the water poured from gold and cloths and adorned with flowers and garlands. Silver coins are placed at the head, mouth, and breast of the dead body. Non-limbus are not allowed to touch the dead body. Before the funeral procession starts, phedangma recites mundhum saying that the dead person is no more

with his relatives or his\her home or in human society, he or she should leave the home and follow the his own path.

The dead body is placed into the coffin box and it again placed on the bamboo stretcher and the funeral procession starts in which both male and female take part. There will be two persons one who carries two stripes of white cloths with two sticks in front of the funeral procession and other one who throws "chebon" or "lang" (mixture of fried maize, paddy, pulse, soybean, millet, barley etc) on the road to clear the way for the dead person. Some old Limbus even mention that throwing of chebon means on offering the world of ancestors and propitiate then not to disturb the way of the soul of newly deceased person(subba, 1989a). When the funeral procession reaches the graveyard, they keep the dead body on the ground facing the head towards west ward. Now, digging is started from backside in exact size of the dead body. Before placing the dead body into it, the phedangma performs the Kham Ingma ritual (purchasing of the burial ground) addressing to all and with brief description of human destiny of dying and living the world says that the particular person (calling by name) has dead despite every attempt of saving him or her and bow or she needs separate house to live in. phedangma puts one rupee coin on a grass blades placed in cross position in the coffin and declares that he or she has purchased the piece of ground. He asks for the consent of Tumyahang (gentlemen) for its validity and asks weather there would be any objection from khamjiri khambongba- Lungjiri lungbongba (the lord or the son of the soil and rocks). Everybody responds that the dead person has brought the land that he or she occupies and so there should be no objection (subba, 1995).

Now, the coffin box with the dead body is placed into the grave and that is covered by the stones properly. All the participants of the funeral procession pour some soil into the grave and burial work is done carefully. When it comes to the ground level and then four steps for male and three steps for female is done. In most of the places, the son of the dead person shaves the head; eye bow and wear white cloth but in some places the son do not shave hairs till

khauma but wear white cloths. Khauma is the final rite performance for the dead ceremony. It is performed within a year. In some places it is performed in three days for female and four days for male as the final rite but in some places after it too again khauma rite is performed as the final rite on three months (90days), or one month (30 days), or 35 days in favorable time.

4.2.6 Concept of yalangma and kelang(Cultural Dance)

Yalang is the most popular dance among Limbu. Teenagers to elderly people of both the sexes participated enthusiastically in this dance without any hesitation. The dance is usually organized at nights or even in day time in any festive occasions such as, marriage, death rites and hat – bazaar etc. it is dance in circles or straight lines holding one another's hands and accompanied by palam(songt) but no musical instruments. This dance can be performed only in the participation of both sexes male and female. Before holding of hands both males and females are introduced to each other weather there is blood relation or not. If there is blood relation between males and females are not permitted to dance together. When a guest is seen in some houses in a house a village, it is custom of Limbus to entertain the guest by yarakma dance at night. If the love between a young boy and girl or the dancing partners grows up, it could be developed into a marriage as well.

Yalang does not look attractive or entertaining to the spectators. But it is really an entertainment to those who participate in the dance; the dance is just the context and the theme lies in palam, a song of yalang. During the period of yalang (dance) participants (men and women) move in circle or line by holding hands in hands by men and women, one man or woman has to choose one of his counterpart among them and thus each has to approach each of them. Age difference is not taken much care. The subject matters of the palam are pre dominantly the love affairs, fictitious romantic relationship, aspiration and frustrations, feelings of melancholy or separation and unsettled longing of life. Palam has three parts beginning, middle and ending. Palam is usually full of

light and romantic discussion between sweet hearts. Palam starts from introductory discussion, the theme of the palam are directed towards love and life and reached climax and finally, they sing the semmui song (parting song) of the palam which is full of the pathos of separation, frustration and uncertainty of future.

Another cultural dance of Limbus is Drum dance which is popular in the eastern part of Nepal. The Ke (drum) is made from hollow- log of soft trees capable of producing deep tone. It has two open portions which are covered by tightened skin producing distinct tones. Mostly, it is performed at marriage ceremonies and other happy occasions. It is also accompanied by song. It is performed by male dancer suspending Ke (drum) in front of the body with the help of leather cord and they are also accompanied by female dancers. During the period of kelang, foot step is taken into consideration. Although, women do not carry the drum they do perform the making proper steps, moving their bodies.

4.3 Demography and housing condition

4.3.1 Introduction

The population of the study area is composed of various ethnic groups such as Rai, Limbus, Chhetri, Newar, Gurung, Magar, Tamang and low casts. Here, only the population of Limbus is taken to be consideration. Population structure of the Limbu provides a good estimate on the size of school age population, productive population, and dependent population including young and old children. Age and sex are two important components of the population structure. According to the statistical report 2001 total population in Panchthar is 1, 95,584 where 77,285 are Limbus. In Jhapa, total population is 6, 32,177 where the population of Limbus is 37,628.

4.3.2 Distribution of population by age and sex for districts

The population distraction by age –sex for districts is presented in table – 9. Among age groups, 0-9 year's age group has the highest proportion of population i.e. 21.3 percent in Panchthar. Similarly, 15-24 years age group has the highest proportion of population i.e. 22.2 percent in Jhapa. It is also table-9 shows that 52.4 percent of population is in 15-54 years of age, 33.1 percent below 15 years and 14.5 percent 55 years above in Panchthar. Similarly, 56 percent of population is in 15-54 years, 31.4 percent below 15 years and 12.4 percent 55 years above in Jhapa. It is also revealed that in both districts in Panchthar and Jhapa population of females is higher than the population of males.

Demographic structure of Limbu shows that at present growth rate of male is higher than female. It would be clear from 0-9 year's age groups. If it would be continue till ten years age groups. If it would be continue till ten years population of male would access female. Before nine years, data shows growth rate of female was higher than male. The main causes of increase in growth rate of males at present are –

1   The major cause is the traditional concept of wants of son (male) instead of daughter (female).
2   Scientific invention of knowing weather it is male or female before it's born.
3   Legalization of abortion of the baby is other cause that people started to abort the baby if it is female.

4.3.3 Household size and its distribution by size

The average household size of Limbus is 5.1. Among districts, the average household size is highest in Panchthar (5.2) and lowest in Jhapa (5.0). The

average household is determined by the modernization and the education. Jhapa is forward in terms of both aspects. Big family size is determined by traditional concept of *"jasko jan usko dhan"* means larger the population and then larger the wealth will be.

Table- 10 shows household size and its distribution by size. Over a third of the households have 5-6 persons, about 27.6 percent households have 1-4 persons, 25.1 percent have 7-8 persons and remaining 13.2 percent have more persons.

In Limbu community only joint family have large members. In rural area 17 percent households have 9 and more persons as compare to 10 percent in urban. Obviously, rural people have less conscious on the family planning concept but much more on urban area. Big family member is determined by family planning concept and joint family.

4.3.4 Household head by sex

Nepal is the mail dominated society. So the large proportion of the households is headed by males and very few households are headed by females. There is the large difference between male headed households and female headed households. Table- 11 shows the household head by sex of two different districts Panchthar and Jhapa comprising rural and urban area. In Panchthar 13.3 percent households are headed by female and remaining 86.7 percent households are headed by male. In Jhapa, 27.0 percent households are headed by female while 73.0 percent households are headed by male. About 22.7 percent households are headed by female in rural area as compared to 17.2 percent households in urban. In aggregate, only 20 percent households are headed by female in Limbus community.

The table shows the social structure of the Limbu community. Most of the households headed by females are females. There is vast difference between the households headed by males and females in terms of socio-economic well being. The economic conditions of the households headed by females are really

poor as compare to male headed households. In the absence of male, households headed by female have been facing pathetic condition. However, it is the main feature of the Limbu society that widows are not treated badly but treated as well.

Table- 9: Distribution of population by age group and sex for districts

(Percent)

	Age Group (Years)								
	0-9	10-14	15-24	25-34	35-44	45-54	55-64	64+	Total
Panchthar									
Males	11.6	5.1	7.6	5.6	5.7	4.3	3.8	3.2	47.0
Female	9.7	6.7	9.1	8.4	5.7	5.9	4.6	2.9	53.0
Total	21.3	11.8	16.7	14.0	11.5	10.2	8.4	6.1	100.0
Jhapa									
Males	10.8	8.3	9.8	6.7	3.4	4.1	3.4	2.8	49.4
Females	7.2	5.0	12.4	10.3	4.6	4.8	3.8	2.4	50.6
Total	18.1	13.3	22.2	17.0	8.1	9.0	7.2	5.2	100.0

Table- 10: Average household size and its distribution by size category

	Household size groups (percent)				
	1-4	5-6	7-8	9 & more	Total
Panchthar	25.5	31.1	28.0	15.5	100.0
Village	19.7	31.0	30.8	18.5	100.0
City	32.1	31.1	24.9	12.0	100.0
Jhapa	30.0	37.2	22.0	10.8	100.0
Village	31.5	35.6	18.3	14.5	100.0
City	28.4	38.7	25.7	7.2	100.0
Total	**27.6**	**34.0**	**25.1**	**13.2**	**100.0**

Table- 11: Household head by sex

Percent

	Female HHs head	Male HHs head	Total
Panchthar	13.3	86.7	100.0
Village	18.3	81.7	100.0
City	8.3	91.7	100.0
Jhapa	27.0	73.0	100.0
Village	27.1	72.9	100.0
City	26.8	73.2	100.0
Total	**20.2**	**80.0**	**100.0**

CHAPTER - FIVE

ECONOMIC ASPECT

5.1 Income Analysis

Income of a household is defined as earning in cash or measures the flow resources in a household in the past 12 months. In common language household income means the total value of goods and services produced annually in a household. It is the cash money received from agriculture, industry, business livestock, pension, salary, wages, remittance, rental income and income from other resources.

The total sampled households are taken from two distinct districts Panchthar and Jhapa comprising both rural and urban area. So, the sampled households are classified into various groups on the basis of districts as well as on the basis of urban and rural area. Household head refers to the person (male or female0 in the household who is acknowledged as head by other member of the household. The head has primary authority and responsibility for household affairs. In Nepal, holder is usually the same person as the household head.

Nepal living standard survey (NLSS) has recorded per capita income (Rs, 15,162). While Nepal Human Development Report 2004 has recorded per capita income of districts in Nepal. Human Development Report by Ethnicity and Caste, 1996 has listed various social groups and per capita income of them which are not strictly comparable.

5.1.1 Level of income

In nominal terms, average household income and per capita of Limbu are NRs. 1, 05,094 and 24,304 respectively and average household size is 5 percent. The table-12 reports, the nominal house income and per capita income. Mean and median annual households income of Limbus in Jhapa is NRs. 1, 06,805 and

76,190 while mean and median per capita income are NRs. 27,627 and 16,658 respectively. Average household size in Jhapa is 5.0.

Mean and median annual household income of Linbu in Panchthar is NRs. 1, 03,440 and 65,270 while mean and median per capita income are NRs. 21,091 and 12,906 respectively. Average household size is 5.2. Both the mean and median in Jhapa are greater than Panchthar. Here it is also found that household size directly affect the per capita income or there is inverse relationship between the income and the household size or larger the household size smaller will be the per capita income. It is also shown in the table- 12 that both the mean and median are greater in cities than village/rural area. There is not much more difference between income of Panchthar and Jhapa. It is because of the remittance and the non-crops (cardamom) cultivation in Panchthar.

Economic impact of remittance on the household income can be observed from the table-17. There is vast difference between the nominal household income of remittance receivers and non receivers. In nominal terms, average household income of remittance receivers in panchthar is NRs. 203,694 while non remittance receiver's average household income is NRs. 56,981. Similarly, average household income of remittance receivers in Jhapa is NRs. 148,721 while non remittance receiver's average household income is NRs. 64,888. It is revealed that average household income of remittance receiver is more than double as compare to non remittance receiver's average household income.

5.1.2 Sources of income

The annual households' income from different sources in Panchthar and Jhapa are described by table-13. This table gives the percentage share of total household income from farm income, remittance; own housing consumption (i.e. produced and consumed by own housedold), wage income and other income. Other income sources include renting of non- agricultural property like building, earning from share etc.

a. Farm income/agriculture

Most of the households have agricultural land which fulfills rice supplement for households. The agricultural sector occupies a pivotal place for any attempt to increase income, poverty alleviation and uplifting living standards of Nepalese people. It is imperative that agriculture sector, where 80 per cent of farmers still rely on rainwater rather than irrigation, therefore, is to be given priority from the overall development prospective by rapidly transforming into a modern commercialized sector with sustainable high productivity. Agriculture perspective plan (APP) has recorded that priority for agricultural development in Nepal as the core strategy for the development of the economy. Limbu are associated with land or they are *Kipaterian* (land owner).

The main problem in agricultural development is the problem of landlessness itself. The main feature of agriculture sector in Nepal is sub- division and fragmentation of landholdings. Such land does not generate high return. Development in agricultural sector helps to increase the real wage of agricultural labors. This rise in real wage in agricultural sector raises the demand for goods and services in the non- agricultural sector. The saving is also likely to rise in the agricultural sector. Saving is the best source of capital accumulation that in turns raises investment and creates environment for more employment opportunities in agricultural and non- agricultural sectors.

Land ownership system

The term Limbu is associated with land means they are *Kipaterian* or they are belong to the land system. Kipat means land system which was in practice before 1966. According to the historian, being the earliest settlers, limbus were probably the first to clear the forest and start cultivation. They captured the whole land especially in *Limbuwan* area and system was brought into practice of their own known as "Kipat system". The land system "Kipat" was ended by

the implementation of Land Reform Act in 1966. The Kipat system is a form of communal land ownership but with individual rights over a piece of land which did not include the right to sell it to another tribe or community but must be handed down from generation to generation to generation. However, another tribe could cultivate the land for certain period on the permission of Subba (Limbu) making some agreement until kicked out. This land Act was the great strategy for the separation of Limbu power from land by dominant group (i.e. Brahman). This was the further process of making Limbu economically, politically powerless.

The Kipat system had been envisaged as a system of local autonomy for the limbu community of *pallo- kirat* after its incorporation into the kingdom of Nepal in 1774. Royal proclamation addressed to the Limbu by Prithivinarayan Shah in july 1774. The Limbu chiefs (Subba) were permitted to "enjoy the land from generation to generation, as long as it remains in existence". The proclamation added further, "enjoy your traditional rights and privileges and yours lands, in case we confiscate your lands, may our ancestral gods destroy our kingdom," (Regmi, 1976). The Subbas were the managerial heads of the political segments and acted as political segments of their corporate land holding units. They were granted limited powers to hear disputes, impose fines, collect taxes and grant land to limbus and non – Limbus immigrating into their areas of jurisdiction (Shirely, 1977). But all these powers, privileges and facilities of Limbus were ended by the implementation of Land Reform Act in 1966.

So the economy of the Limbu is disrupted by this changing land ownership system. Now, the land of Limbu has been shifted to non-Limbus by selling or mortgaging.

Crop income: The gross income from crops and non-crops are calculated from section 6 and 8 of the questionnaire which provides important information about the monetary value of crops that is consumed and sold.

Box

Other income	interest, profit earning from shares And deposit accounts and pension (internal / external)

Main component	items to add	items to deduct

Wage income :	value of cash earning per year In agriculture. Value of cash Earning per year from outside.

Farm income	Value of total crop Production i.e. sold. Value of sales from non-Crop farm production (Milk, ghee etc). Total monetary value of non -crop production i.e. received from selling such as cardamom. Total cash and in – kind received from tenants on land/house.	Cultivation cost (fertilizer, hired labour etc.) Fodder and other livestock expenditure. Cash rent paid to landlord Household owner.

Own housing Consumption	includes the total monetary value of all housing consumption that is produced by him/her self from (Both agricultural/ non-Agricultural sector).

⟩ Home production consumed by households is also included in income by calculating its monetary price at prevailing market price. Most records show that small share or none of the harvested amount is sold in the market by household.

⟩ The unit selling price reported by the household is used to valuate the crop that is sold in the market.

⟩ For those households who are renting – in land, the in – kind payment to their land – lord is deducted from the total harvested quantity. The harvested values are aggregated across all crops for each household to obtain household income from agricultural.

⟩ The gross agriculture output values are the combination of agriculture earning, household consumed (from section-6) and net income (from section-08, A) out of expenses such as renting, animal or tractor, fertilizers and hired labor.

⟩ Income from livestock – section -08, A gives the information about income from livestock. Income from livestock contains sale of cows, buffaloes, goats, pigs, yaks, poultry including sales of milk, ghee, eggs, curd, meat etc. income from livestock is calculated as total value of sold livestock minus total value of expenses on it.

Table- 13 describes the percentage share of total household income from farm income, remittances, consumption of own household (agricultural production i.e. produced and consumed by own households), wage income and other income. Other income sources include income from renting out non-agricultural property like building or assets and earning from share or deposits accounts. About 50 percentage household income of Limbu comes from agriculture. Out of which only 16 percent agricultural production is sold and remaining 34 percent is consumed by own households. In Panchthar, about 60 percent income of the household comes from farm/agricultural activities while about 40 percent shares of household income in Jhapa. Similarly, the

contribution of agriculture on household income at village is greater as compare to city area in both districts Panchthar and Jhapa.

b. Wage Income

The details of each wage employment activities including their main occupations are asked in section – 03 for both wage employment "in agriculture" and "outside agriculture". This section collects the total wages received by family members to each activity either on daily, long – term or contact/ price- rate basis.

Very few members of the households are working in the government offices and institutions. The person working in government office and institution are very negligible. Very few Limbs are working in schools, districts office and government institutions. Large proportions of Limbus are engaged in farm employment and foreign employment.

1 Daily Wage Income: Daily wage income is calculated as cash received per day multiplied by number of days worked in that particular activity for particular period. In rural area received in kind/ goods as a wage is also calculated in terms of monetary value.

2 Long- term Wage Employment: It is calculated as total cash received monthly or per day from particular work activity multiplied by the number of months of a year. Outside agriculture wage is also calculated as monthly payment plus any other bonuses/ payments received yearly from each work each activity.

3 Contact Income: Contact income is calculated as cash received by individual from per work multiplied by number of work he/she has done in a past 12 months.

Table-13 shows that share of household income from wage income is 13.3 percent which is the smallest share proportion on household income than

others. About 14.8 percent shares on household income in Panchthar while 11.7 percent in Jhapa.

c. Own Housing Consumption

Table; 13 shows the share of household income from different sources. It shows that about 39 percent of the total household income is consumed by household that is produced by own from their agriculture at village in Panchthar and about 37 in Jhapa. It is also revealed by table that out of total income agricultural sector of the household occupies around 50 percent and remaining 50 percent by other sources such as remittance, wage and others.

About 16 percent household income is received from agricultural production that is sold but equal to 32 percent agricultural production is consumed by own household. Comparatively, consumption of agricultural crops i.e. produced by own of Panchthar is greater than Jhapa.

d. Other Income

This income includes profit earning from shares, pension (national/ international) and so on. All these income amounts are aggregated at the household income.

Table -13 shows the percentage share of income from others that is 15.2 percent. About 7.9 and 22.8 percent income of a household income come from other income in Panchthar and Jhapa respectively.

5.1.3 Distribution of Income

Table -14 and 15 shows nominal per capita income and cumulative share of income by deciles and quintiles. In nominal terms, the bottom 80 percent of the population earns 56 percent of the total income while the richest twenty percent populations earn 44 percent of total income.

Table- 16 reports distribution of population by nominal per capita income quintile and various groups. In village/rural area, 31.9 percent populations are under poorest group while only 3.4 percent are richest. Similarly, in city area 8.6 percent populations under poorest but 36.8 percent populations are richest group.

It is also revealed that 19.2 percent populations are under poorest (first) group and 16.7 percent populations are richest (fifth) group in Panchthar. Similarly, about 21.6 percent populations are under first poorest group while 23.3 percent populations are fifth richest group.

Table- 12: Nominal household income and per capita income of Limbus

	Household Income(NRs.)		Per capita income(NRs.)		Average HH size
	Mean	Median	Mean	Median	
Districts					
Panchthar	103,440	65,270	21,091	12,906	5.2
Village	71,753	57,145	14,093	8,533	5.6
City	135,128	67,400	28,089	14,675	4.9
Jhapa	106,805	76,190	27,627	16,658	5.0
Village	66,441	46,760	16,556	9,523	4.9
City	148,584	111,540	39,086	22,344	5.1
Consumption Quintile					
Poorest	49,287	33,660	7,892	5,958	6.6
Second	87,264	46,760	13,109	8,420	5.7
Third	83,114	72,000	17,660	14,991	4.7
Fourth	122,537	76,200	28,624	17,210	4.6
Richest	184,455	158,740	54,583	39,333	3.9
Total	**1, 05094**	**70,916**	**24,304**	**14,152**	**5.1**

Field survey, 2006

Table- 13: Shares of household income by sectoral source of Limbus

<div align="right">(Percent)</div>

	Farm Income Received By selling	Remittance	Own housing consumption (produced and consumed by Own)	Wage income	Other
Districts					
Panchthar	21.2	17.3	38.9	14.8	7.9
Village	22.3	19.2	46.1	8.4	4.0
City	20.1	15.3	31.8	21.1	11.7
Jhapa	11.2	29.0	25.2	11.7	22.8
Village	13.6	31.9	36.9	10.5	7.1
City	8.8	26.1	13.1	13.0	39.1
Consumption Quintile					
Poorest	21.4	15.2	41.6	18.9	2.9
Second	15.6	18.3	42.8	15.7	7.6
Third	14.9	29.0	32.0	13.6	10.6
Fourth	13.7	25.6	27.5	13.9	19.3
Richest	15.9	27.2	16.9	4.0	35.9
Total	**16.3**	**23.0**	**32.2**	**13.3**	**15.2**

Field survey, 2006

Table- 14: Nominal per capita income by deciles

Deciles	Mean per capita income (NRs.)	Share of income (%)	Cumulative share (%)
Poorest(First)	6,555	2.7	2.7
Second	9,229	3.8	6.5
Third	9,888	4.1	10.6
Fourth	16,196	6.7	17.2
Fifth	18,077	7.4	24.7
Sixth	17,260	7.1	31.8
Seventh	17,448	7.2	38.9
Eight	40,286	16.6	55.5
Ninth	35,800	14.7	70.3
Richest (Tenth)	74,183	30.5	100.0
Total	**24,304**	**100**	

Table- 15: Nominal per capita income by quintile of limbus

Quintile	Mean income (NRs.)	Share of income (%)	cumulative share (%)
Poorest (First)	7,892	6.5	6.5
Second	13,109	10.8	17.3
Third	17,660	14.5	31.8
Fourth	28,624	23.6	55.4
Richest(Fifth)	54,583	44.9	100
Total	**24,304**	**100**	

Table- 16: Distribution of population by nominal per capita income quintile and group

(Percent)

Quintile	village	city	Panchthar	Jhapa	Total
Poorest(First)	31.9	8.6	19.2	21.6	20
Second	27.7	12.0	18.3	21.6	20
Third	21.9	18.0	21.7	18.1	20
Fourth	15.1	24.8	24.2	15.5	20
Richest(Fifth)	3.4	36.8	16.7	23.3	20
Total	**100**	**100**	**100**	**100**	**100**

Field survey, 2006

Table – 17: Nominal household incomes by remittance receiver or non receiver

	Household income of remittance receivers (NRs.)		Household income of remittance not receivers (NRs.)	
	Mean	Median	Mean	Median
Districts				
Panchthar	203,694	131,061	56,981	47,130
Village	117,910	114,505	51,972	35,410
City	280,901	157,940	62,241	52,880
Jhapa	148,721	108,480	64,888	40,740
Village	96,961	90,360	36,940	25,896
City	200,482	155,000	94,832	67,375

Field survey 2006

5.1.3 Remittance

Remittance is defined as a transfer income received by a household within the last 12 months. All incomes transferred from a single source (individual/ households) are counted as a remittance.

The proportion of migrants from poorer developing countries has become increasingly significant. At the beginning, Nepal workers are employed mainly in Gulf, Malaysia, and India. The ILO has estimated that by 2000 the number of international migrants was around 168 million (van Dorn, 2002). The flow of migrants to industrial countries has also ridden and its composition shifted to developing countries. The World Bank has suggested that 2-3 million new migrants now leave developing countries each year legally and illegally. International migration has doubled in the last 35 years and increased by more than half in the last 15 years.

At the beginning of the 1990, there was relatively little overseas, small numbers were working in the Gulf, in the South Asia and in East Asia (mainly in Korea and Japan). The pattern has been changing fast over the last 20 years and likely to continue now to change fast. Nepali labor migration is likely to increase rather than decreases and the importance of labor migration for Nepali economy and society will continue to be of major significance.

Census Report 2001 suggested that 760,000 Nepalese lived aboard – about 3 percent of the total population or 6 percent of the adult working population, nearly 600,000 were in south Asia (mainly India), around 110,000 were in the middle East, nearly 35,000 were in East and Southest Asia and around 23,000 were in western Europe, north America and Australia.

Table -13 shows the share of household income from remittance. The percentage share of remittance over total household income stands 29.0 percent for Jhapa and 17.3 percent for Panchthar. The share of household income from

remittance in Jhapa stands second position. In both districts city households receives greater share of remittance than villages.

5.1.4 Number and size of remittance received

Remittance is better source of income of Limbu community for their upliftment of the economy. Remittance increase both consumption and income. Table -18 presents the number and size of remittances received. The proportion of Limbu households that receive remittance is around 41 percent. Jhapa district has higher proportion of HHs receiving remittance as compare to Panchthar. About 31.7 and 50.0 percent of HHs are receiving remittance in Panchthar and Jhapa districts respectively. The average transfer income in the form of remittance is Rs. 104,389 per household. The amount of average transfer income in Panchthar is 134,457 and 86,881 in Jhapa. Similarly, per capita remittance is 27,046 and 21,242 in Panchthar and Jhapa respectively.

5.1.5 Size of remittance by source

The main sources of remittance contain both internal and external sources. The total amount of remittance in Limbu community is NRs. 13,048,600. Around 95 percent amount of remittance is received from external source while internal source contains only 5 percent. Table – 20 shows that large proportion of Limbus are working in Malaysia or around 33.4 percent remittance received from Malaysia, 18.5 percent from other country, 15.1 percent from Gulf country, 8.4 percent from India and 11.9 percent from UK.

5.1.6 Share of remittance in income

External remittance plays vital role in the upliftment of the economy of the Limbu community in Nepal. Most of the Limbus are working in foreign countries. About 23 percent of household income comes from remittance earnings. Number of households receiving remittance is 96 (i.e. 40.7 percent of

the total households). Living standard of Nepalese people is improving by the remittance earnings.

5.1.7 Occupational structure

The main occupation of Limbu in the study area is agricultural activities. Most of the Limbus are engaged in farm work. Very little proportion of Limbus are in government service and business activities. Table – 22 reveals that 91 percent people (Limbus) are engaged in farm work, 1.5 percent in business (only traditional type of business), 4.5 percent in labors, 1.5 percent in government services, 1.5 percent in other service.

Table – 18 Number and size of remittance received

No of Receiving Remittance		Percent of HHs receiving remittance	no of remittance receiving by HHs	Average no of remittance among recipt HHs	Average amount of remittance among recipt HHs	average pre capita remittance received
Panchthar	38	31.7	46	1.2	134, 457	27, 046
Village	18	30.0	21	1.2	83,095	19,474
City	20	33.3	25	1.3	177,600	33,406
Jhapa	58	50.0	79	1.4	86, 881	21, 242
Village	29	50.9	35	1.2	73,714	20,037
City	29	49.2	44	1.5	97,355	22,201
Total	**96**	**40.7**	**125**	**1.3**	**104, 389**	**23, 378**

Table – 19 Distribution of no. of remittance received by source

Percent

	Within Country	India	Malaysia	Gulf country	UK	Other country	Total
Panchthar	4.4	13.0	37.0	15.2	10.9	19.6	100.0
Village	9.5	4.8	47.6	23.8	0.0	14.3	100.0
City	0.0	20.0	28.0	8.0	20.0	24.0	100.0
Jhapa	5.1	11.4	25.3	21.5	12.7	24.1	100.0
Village	8.6	11.4	34.3	37.1	0.0	8.6	100.0
City	2.3	11.4	18.2	9.1	22.7	36.4	100.0
Total	**4.8**	**12.0**	**29.6**	**19.2**	**12.0**	**22.4**	**100.0**

Note: all the percentages are of only 240 HHs.

Table – 20 Number, size and share of remittance by source

	No. of remittance received	Average amount of remittance received	Total amount of remittance among received	share remittance among recipt
Within country	6	56, 833	341, 000	2.6
India	15	73, 000	1, 095, 000	8.4
Malaysia	37	153, 297	5, 672, 000	43.5
Gulf country	24	82, 333	1, 976, 000	15.1
UK	15	103, 333	1, 550, 000	11.9
Other country	28	86, 236	2, 414, 600	18.5
Total	**125**	**104, 389**	**13, 048, 600**	**100.0**

Table – 21 Percentage share of remittance in income

	No. of HHs Receiving Remittance	percentage of HHs receiving remittance	share remittance on income
Panchthar	38	31.7	17.3
Village	18	30.0	19.2
City	20	33.3	15.3
Jhapa	58	50.0	29.0
Village	29	50.9	31.9
City	29	49.2	26.1
Total	**96**	**40.7**	**23.0**

Note: all percentages are of only 240 HHs.

Table – 22 Occupation classification of Limbus

Occupation	population	percent
Farming	547	91.0
Business	9	1.5
Labor	27	4.5
Gov service	9	1.5
Other service	9	1.5
Total	**601**	**100.0**

5.2 Consumption analysis

The study of the consumption behaviour of the people is very important aspect. Consumption is the function of income. As income increase consumption also increases but less than increase in income. All parts of income is not consumed but some part is saved.

Consumption expenditure is the sum total of all payments made on various items of consumption by the consumer. Here, total expenditure is defined as consumption expenditure made by households or individuals on various goods and services to satisfy wants at certain period. Mainly households expenditure is classified into two segment i.e. consumption on food and non – food. The food items include rice, oil, milk, meat/eggs/fish, fruits, and vegetables etc. While non – food items include education, clothing, fuel, transport and communication and health care etc.

The study of consumption behaviour of Limbu is important to know the living standard of Limbus in Nepal. Consumption measures a person's well being in terms of meeting current basic needs.

5.2.1 Distribution of nominal mean consumption

Table – 23 shows the distribution of household consumption by nominal mean of Limbu in Panchthar/ Jhapa. Large proportion of consumption is shared by food item. Nominal mean consumption of household of Limbu on food per annum contains NRs. 37, 752. Similarly, NRs. 19, 635 on non – food, 304 on tobacco and 4, 477 on fuel consumption.

It is also revealed that in Panchthar nominal mean consumption per annum of household on food is NRs. 40, 854. While non – food, tobacco, fuel contain NRs. 14,780, 445 and 3,665 respectively. In Jhapa district, nominal mean consumption of household is NRs. 34, 544 while non – food, tobacco and fuel contain 24, 656, 159 and 5, 316 respectively. Nominal consumption on food in Panchthar is higher than Jhapa but non – food is less than Jhapa.

5.2.2 Percentage share of distribution by expenditure category

Table – 24 shows the percentage share of distribution by expenditure category of Limbu communities. Limbu HHs spend more than fifty percent or two third of their total income on food consumption expenditure i.e. 67 percent. Only remaining 33 percent is spent on other expenditure category such as non – food, tobacco and fuel.

Table – 23 distributions on mean nominal consumption

	Food	Non-food	Tobacco	Fuel
Panchthar	40853.6	14780.4	445.1	3665.8
Village	38401.9	7464.1	546.9	2191.3
City	43305.3	22096.7	343.3	5138.3
Jhapa	34543.6	24656.1	159	5316.4
Village	32850.0	9184.8	308.5	3078.0
City	36296.7	40670.4	4.2	7633.3
Total	**37752.1**	**19634.6**	**304.5**	**4476.6**

Table – 24 share distribution by expenditure category

Food	Non-food	Beverage/Tobacco	Fuel	Total
Panchthar	71.56	21.44	0.84	6.16	100.0
Village	80.10	13.80	1.17	4.94	100
City	63.02	29.09	0.50	7.39	100
Jhapa	62.04	29.37	0.34	8.25	100.0
Village	74.06	18.02	0.67	7.25	100
City	49.60	41.11	0.01	9.28	100
Total	**66.88**	**25.34**	**0.59**	**7.19**	**100.0**

5.3 Poverty Situation:

5.3.1 Introduction

Economic growth with social equity has becomes the main theme of development with the beginning of the 21st century. The world is now concentrating on the poverty reduction agenda. Poverty in rural areas is widespread and more persistent, wh8ich accounts nearly four fifth of the world's poor (IFAD, 2002). In the developing countries about 69 percent of

rural populace subsists below nationally defined minimum level of income and consumption. Asia holds about one-third community of the rural in a state of poverty. Nearly half of the word's poor live in South-Asia, a region that accounts for roughly 30 percent of the world's population.

The national and international experiences that economic development is possible only though the reduction of poverty. The majority of developing countries' socio – economic condition remained unsatisfactory. National efforts and assistance from donors have brought positive impact but they are far from the expected level. Development activities in Nepal did some positive results in socio- economic sector. However, Nepal's achievement in poverty reduction and socio – inclusion to the deprived population remained unsatisfactory. Nepal is one of the poorest mountainous and land- lock country in the world. Nepal is now struggling for its development by reducing its poverty. Although, embarked in the process of development planning since 1956, Nepal has remained one of the poorest countries of the world and is still encountering the problems of low economic growth and inequality. More than four decades of development efforts have failed to create prosperous environment and thus millions of people remained poverty –ridden. Despite enormous amount of aid flow to Nepal, the prosperity and prospects for the common people still remains elusive. Basically, poverty is prevalent in rural where there is no other than agriculture sector. They are deprived from national facilities and that they are excluded from the development main stream.

In 1995-96, the poverty was estimated at 42 percent in Nepal (World Bank Assessment Report). During the 8 years period it was decline to 31 percent (2003-04) due to increase in the flow of remittance, growing GDP at 5 percent per year and 3.7 percent to agriculture. But poverty estimation may very when a different poverty line is used. For example – at the time of the incidence of poverty has been estimated at 42 percent. However, using a different definition of "US dollar a day" (poverty line) is used, and then the incidence of poverty in

Nepal turns out to be 53.1 percent (UNDP, 1999). It is often used for the purpose of making international comparison of poverty.

5.3.2 Poverty line

This chapter represents the profile of poverty of Limbu community in Nepal. Poverty is drawn from the consumption expenditure and line has been derived on the basis of Nepal Living Standard Survey (2003-04) conducted by CBS following the Living Standards Measurement Survey method which was developed by the World Bank.

Poverty line is based on consumption expenditure which includes both food and non – food expenditure. Food consumption basket of 2,124 calories includes 37 items of food.

It is better to use poverty line of rural eastern hill and rural eastern Terai. So poverty line is drawn on the basis of poverty line of NRs. 8,070 (5,311.2 and 2,758.5 for food and non – food) per person per year for rural eastern hill which is calculated by Nepal Living Standard Survey (2003-04). Similarly, NRs. 6,079 (4,323.2 and 1,755.6 for food and non-food) per person per year for rural eastern hill.

Here, a current price per person per year is calculated as multiplying poverty line of NRs. 8,070 and 6,079 by price influence rate which is calculated by the Rastra Bank.

The tobacco consumption expenditure is excluded while drawing poverty line.

5.3.3 Poverty incidence of Limbu community

The consumption expenditure is the best method than income to measure poverty because consumption measures more accurately.

Table 25: Poverty incidence of Limbus by districts

	Non poor	poor	Total
Panchthar	60.0	40.0	100.0
Village	33.3	66.7	100.0
City	86.7	13.3	100.0
Jhpa	82.8	17.2	100.0
Village	76.3	23.7	100.0
City	89.5	10.5	100.0
Total	**71.2**	**28.8**	**100.0**

The above table shows that poverty of Limbus in two districts Panchthar and Jhapa. It reveals that poverty rate of Limbus in 2006/07 is 29 percent. There is large difference on poverty rate between Panchthar and Jhapa. Poverty rate in Panchthar is 40 percent as compare to 17 percent in Jhapa. Very large proportions of poor Limbus are dwelling in rural area.

It is also revealed that there is slightly decline in poverty rate of Limbu in 2006-07 to 29 percent as compare to national poverty rate 31 percent in 2003 – 04.

5.3.4 Percent of poor receiving and not receiving remittance

The remittance has the important role to reduce the poverty rate in Nepal that would be clear through the comparative study of percent of poor receiving and not receiving remittance.

Table – 26: percent of poor of limbus receiving and not receiving remittance

	No. of HHs receiving Remittance	No. of HHs not receiving Remittance	percent of poor receiving remittance	percent of poor not receiving remittance
Panchthar	38	82	36.84	41.46
Village	18	42	66.7	66.7
City	20	40	10.0	15
Jhapa	58	58	12.07	22.41
Village	29	30	20.7	26.7
City	29	28	3.4	17.9
Total	**96**	**140**	**21.88**	**33.57**

Field survey 2006

Table shows that 22 percent Limbus are under poverty line those who are receiving remittance. But around 34 percent are under poverty lines who are not receiving remittance. It is also revealed that poor of non receiver of remittance is higher than receiver of remittance.

CHAPTER – SIX

SUMMARY, CONCLUSION AND RECOMMENDATION

6.1 Summary

This study contains two parts socio-cultural aspects and economic aspect. Summary of the findings as follow-

This survey follows the method of Nepal Living Standard Survey, 2003/04. It has appointed 240 households from 8 primary sampling units but able to attain only 236 households. All the household heads were interviewed for the collection of required information.

Report reveals that 0-9 age groups have higher proportion as compare to other age groups. As an aggregate, population of female is seemed to be higher than male. But current growth rate of female is higher than male.

It has estimated that 98 percent of the households reside in their own housing units and 2 percent households reside in free or rented house. Out of total, about 54 percent Limbu households are Kachhi/Pakki (Ardhapakki), 35 percents are Pakki and 11 percents are Kachhi. In Limbu community 80 percent households are headed by male while only 20 percent households are headed by female.

In nominal terms, annual average household income of Limbus is NRs. 105,094 and per capita income is NRs. 24,304. Nominal per capita income by deciles poorest (first) receives NRs. 6,555 while richest (tenth) receives NRs.74, 183.

Around 41 percent of the Limbu households are receiving remittance. It has estimated that the total amount of remittance in Limbu communities is NRs. 13,048,600 in nominal terms. Malaysia accounts for 29.6 percent, Gulf country for 19.2 percent, UK for 12.0 percent, India for 12.0, other countries for 22.4 percent and remaining accounts by internal sources.

Large proportion of the income is spent on the food consumption expenditure that contains 66.88 percent. About 25.34 percent shares on non-food, 0.59 on tobacco and 7.19 shares on fuel expenditure.

It has reported that around 29 percent of the Limbus are under poverty line in Nepal. Among them large proportion of the poor Limbus are those who are dwelling in the rural areas and those who are non receiver of the remittance. It has also found that percent of poor receiving remittance is 23 percent while percent of poor not receiving remittance is 34.

6.2 Conclusion

Most of the youth Limbus is working aboard such as Malaysia, Gulf countries, Hong Kong, UK and other countries which enhance to improve their economic condition.

It has also found that percent of poor receiving remittance is higher than percent of not receiving remittance. So it can be concluded that remittance has the greater role to reduce the poverty level not only in Limbu communities too but also in Nepal too.

Per capita income in Jhapa is higher than Panchthar while the household size is smaller than Panchthar. So it can be concluded that larger the family size smaller the per capita income. Or there is inverse relationship between the per capita income and household size.

6.3 Recommendation

There is vast difference between remittance receiver's and not receiver's household income. Poverty rate is also high of the not remittance receivers. So the measure should be taken to reduce poverty rate.

The major remedies of poverty alleviation in Nepal are provision of land ownership to the rural poor, rising land productivity capacities in the rural area and creation of employment opportunities outside agricultural sector.

The land reform programmed can be a right step for poverty reduction such as acquisition of land over and above the ceiling and distribution of such land to the land – less people.

Skill upgrading training should be provided to the lower income class so that the technical know-how may help them finding employment which will ultimately increase their income level.

BIBLOGRAPHY

Adhikari, N. P. (2001), income and consumption pattern in Rural Terai: A Case Study of Kolhuwa VDCs of Nawalparasi District, Unpublished M.A. Dissertation, Submitted to the CEDECON, T.U. Kirtipur.

Bista, D.B. (1967), People of Nepal, Kathmandu: Ratna Pustak Bhandar.

Branson, W.H. (1972), Macroeconomic Theory and Policy, Harpen International Edition, Harpen and Raw Publication, New York.

Bajracharya, Bhuban B. (2004), poverty in Nepal, Central Department of Economics, Kirtipur, Kathmadu

Bhusal, Yuba Raj and Maharjan, Keshav L. (2004), The Economic Journal of Nepal, Vol. 27 No. 3, Central Department of Economics, Kirtipur, Kathmandu.

CBS (2005), Poverty Trends in Nepal, Central Bureau of Statistics, Thapathali, Kathmandu, Nepal

CBS (2004), Nepal Living Standard Survey, Central Bureau of Statistics, Thapathali, Kathmandu

Gurung, Chhatra Pati(2001), Consumption Expenditure Pattern of Nepal, M. A. Dissertation, Submitted to the CEDECON, T.U. Kirtipur.

Jhingon, M.L. (1999), Macroeconomic Theouy, 10th Edition, Vrinda Publication Pvt. Ltd. Delhi

Mathama, Dr. Kanhiya (2004), The Economic Journal of Nepal, Vol. 27, No. 3, Central Department of Economics, Kirtipur, Kathmandu.

Regmi, M.C. (1976), Land Ownership in Nepal, London, University of California Press

Shapiro, E (1990), Macroeconomic Analysis, 5th Edition, Galgotia Publication Pvt. Ltd. India

Subba, Chaitanya (1995), The Culture and Religion of Limbus, K.B. Subba, Hatigauda, Kathmandu

Subba, (pondhak), J.B. (2005), The Philosophy and Concepts of Yuma Samyo Tradition, Sukhim Yakthung Mundhum Saplopa, Gangok, Sikkim

Tiwari, Bishwa Nath, An Appraisal of Poverty Reduction Strategy in Nepal, Central Department of Economics, Kirtipur, Kathmandu

UNDP (1998), Human Development Reports, Oxford University press, New York, U.S.A

Jusha Limbu (2001), Income structure and Consumption behaviors of Limbu community, A case study of Dharan Municipality, M.A. Dissertation, Submitted to the department of Economics , T.U. Kirtipur