



**TRIBHUVAN UNIVERSITY
INSTITUTE OF ENGINEERING
PULCHOWK CAMPUS**

THESIS NO: T05/071

**A Study on Impacts of Road Infrastructures on Regional Economy of
Developing Nation: A Case Study of Nepal**

by

Hari Prasad Subedi

A THESIS

**SUBMITTED TO THE DEPARTMENT OF CIVIL ENGINEERING IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE
OF
MASTER OF SCIENCE IN TRANSPORTATION ENGINEERING**

**DEPARTMENT OF CIVIL ENGINEERING
LALITPUR, NEPAL**

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DEPARTMENT OF CIVIL ENGINEERING**

The undersigned certify that they have read, and recommended to the Institute of Engineering for acceptance, a thesis entitled "**A Study on Impacts of Road Infrastructures on Regional Economy of Developing Nation: A Case Study of Nepal**" submitted by **Hari Prasad Subedi (071/MST/255)** in partial fulfillment of the requirements for the degree of Master of Science in Transportation Engineering.



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ABSTRACT

Road Infrastructure is a backbone of national economy. It causes socioeconomic development of the nation. A proper planning is required for road infrastructure development. Proper planning requires the inventory of roads, population and other socioeconomic parameters. As the economic growth of any nation is related to the transport infrastructure, transport infrastructure is also called the "infrastructure of infrastructure". Most of the agricultural products in developing nations are manufactured in rural areas and they need to be transported to the urban areas for consumption. The huge resource of water power, mines, agricultural products are produced in rural areas, which need to be transported to urban areas for power production, manufacturing of products, consumptions etc. Establishment of better connectivity between rural and urban area requires road infrastructures. The study on impact of road infrastructure on regional economy of developing nation is the main objective of this research. Nepal has been taken for case study. The GDP per capita of any nation is dependent on the infrastructures available in the nation. More the road infrastructures more will be the economical transactions and more will be the GDP. This research utilizes the principles of multiple regression and correlation to study the relationship of road density with GDP per capita and establishes best fit regression equations. Regression analysis is carried out using MS-Excel and XL-stat software. The independent variables taken here are road density per 100 sq. km and road density per 1000 population. The research also try to analyze the impact of pavement type on GDP per capita, so the variables are extended for bituminous, gravel and earthen type roads as well. It is found from the analysis that the GDP per capita largely depends upon road density of bituminous and graveled road than that of earthen roads.

Keywords: Road infrastructures, GDP per capita, road density, regional economy, road pavement.

ACKNOWLEDGEMENT

I express my sincere gratitude to my supervisor Mr. Anil Marsani, for his overall supervision, invaluable suggestions and constant encouragement in all stages of my study and research. I also express my gratitude to Mr. RajendraRaj Sharma for guiding me constantly for successful completion of this thesis. I would also like to thank and express my sincere appreciation to all faculty members of Department of Civil engineering, Pulchowk Campus for their continuous support and guidance.

I am very much indebted to Prof. Dr. Surya Raj Acharya and Mr. Ramesh Pokharel for their support and guidance during research formulation process. I would also like to acknowledge my colleagues and friends who helped me in various stages of my thesis work. In this regard I would also like to thank Mr. Bikal Adhikari for his valuable support during report writing.

Finally I would like to express my sincere respect to my parents and siblings for their continuous support and encouragement.

Hari Prasad Subedi
071/ MST/ 255

TABLE OF CONTENTS

COPYRIGHT.....	2
ABSTRACT.....	4
ACKNOWLEDGEMENT	5
TABLE OF CONTENTS.....	6
LIST OF TABLES	8
LIST OF FIGURES	9
LIST OF ABBREVIATIONS.....	10
CHAPTER ONE: INTRODUCTION.....	11
1.1 Background	11
1.2 Introduction	12
1.3 Identification of Research problem.....	14
1.4 Research Questions	14
1.5 Objectives of Research.....	15
1.6 Composition of the Report.....	15
CHAPTER TWO: LITERATURE REVIEW.....	16
2.1 Transport and Population	16
2.2 Road and Economy	17
2.3 Previous studies.....	19
2.4 Road Network in Nepal.....	19
2.5 Settlement planning in developed countries.....	20
2.6 Impact of road in Nepal.....	21
CHAPTER THREE: METHODOLOGY	22
3.1 Study Area.....	23
3.2 Data Collection.....	23
3.3 Data Analysis	23
3.4 Research Tools	24
3.5 Output and Validation	24
CHAPTER FOUR: DATA COLLECTION.....	25

4.1 Data Collection.....	25
CHAPTER FIVE: DATA ANALYSIS.....	37
5.1 Data Analysis	37
5.1.1 Projection of Socioeconomic data	37
5.1.2 Analysis of road data	41
5.1.3. Calculation of road densities	47
5.1.4 Regression analysis.....	51
5.1.5. Mathematical Modeling of GDP as function of Road density in terms of population and area:.....	52
5.1.6. Mathematical Modeling of GDP as function of Road density of bituminous, gravel and earthen road:	53
5.2 Result.....	56
5.3 Validation	56
5.3.1 GDP as function of road density of bituminous, gravel and earthen road.....	56
5.3.2 List of districts whose test is positive.....	57
5.3.3 Non linear mathematical Modeling of GDP as function of Road density of bituminous, gravel and earthen road:	59
5.3.4 Validation of Non linear regression equation.....	61
5.3.5 Non linear (logarithmic) mathematical Modeling using of GDP as function of Road density of bituminous, gravel and earthen road:	63
CHAPTER SIX: CONCLUSIONS & RECOMMENDATIONS	65
6.1 Conclusions	65
6.2 Recommendations	66
6.3 Limitations of report and further studies.....	67
REFERENCES.....	68

LIST OF TABLES

Table 2.1: Comparative chart of SRN with their influenced population and density	20
Table 4.1: Socioeconomic data consisting of population and GDP of districts of Nepal.	25
Table 4.2: Road Inventory data of Nepal (district-wise)	29
Table 4.3: State-wise summary of road Inventory	33
Table 5.1: Projection of socioeconomic data of Year 2011 to Year 2014	37
Table 5.2: Analysis of collected Road data	41
Table 5.3: Calculation of Road densities	47
Table 5.4: List of districts taken for validation Purpose	51
Table 5.5: Results of linear regression	56
Table 5.6: Validation of GDP as a function of road density of bituminous, gravel and earthen road	57
Table 5.7: List of districts with their lower and upper limit of GDP per capita whose test is positive	58
Table 5.8: Validation of data from non linear regression	61
Table 5.9: Validation of GDP as function of road density of bituminous, gravel and earthen road in log function	64

LIST OF FIGURES

Figure 1.1.: Map of Nepal with seven states.....	13
Figure 2.1: Interaction among drivers of spatial development	18
Figure 3.1: Flow diagram for Research Work	22
Figure 4.1: Distribution of Projected population (2014) of 7 states	34
Figure 4.2: Comparative pie chart of areas of 7 states.....	35
Figure 4.3: SRN distribution (km).....	35
Figure 4.4: GDP distribution (Million NRs, 2014).....	36
Figure 5.1: State-wise comparison of total road length (km)	49
Figure 5.2: Distribution of SRN and LRN in different states (km)	50
Figure 5.3: GDP and GDP per capita of 7 states	50
Figure 5.4: GDP of districts showing positive results in 95% confidence interval	58
Figure 5.5: GDP Vs Predicted GDP from non linear regression	61

LIST OF ABBREVIATIONS

BT	Bituminous Road
CBS	Central Bureau of Statistics
C.I.	Confidence Interval
DDC	District Development Committee
DoLIDAR	Department of Local Infrastructure and Agricultural Roads
DoR	Department of Roads
ER	Earthen Road
GDP	Gross Domestic Product
GIS	Geographical Information System
GR	Gravel Road
HDI	Human Development Index
IOE	Institute of Engineering
Km	Kilometer
LRN	Local Road Network
m	metre
No.	Number
NPC	National Planning Commission
NRs	Nepali Rupees
Pop	Population
Sq	Square
SRN	Strategic Road Network
TU	Tribhuvan University
U.S.	United States
USD	United States Dollar
VDC	Village Development Committee
WB	World Bank
%	Percentage
\$	Dollar

CHAPTER ONE:INTRODUCTION

1.1 Background

Everyone moves from one place to another. The history of movement is as old as the history of this planet. Any movement requires some infrastructures which people used for transportation. The facilities/ infrastructures which they use in their trip is simply the fixed facility, a very important element of transportation system. Transportation system as a whole is composed of various elements¹. Transport facilities are the important one. The transport facilities are provided for the purpose of assuring an economically viable, environmentally suitable and socially acceptable transportation system. The facilities include physical components of any highway, railway, airway or waterway. The road stretch for highways, tracks for railways, runways for airways, ports for waterways are typical physical components in the transportation system and they are called Transport Infrastructures. The infrastructures thus influence on various sectors in the society. A society is simply a mass of people living together with similar or different lifestyles. The population distribution is the key characteristics of any society. The settlement and migration processes are related to availability of infrastructures. Transport infrastructures are the most important of them. Thus, the economic development of any society is directly related to the amount of transportation facilities available. The transportation medium may be air, land or water. But the land transportation is much more suitable for the country like Nepal. The land transport mainly consists of railway and highway (roadway). Since Nepal contains a large amount of roadways than railways, the economic development and settlement patterns are much more affected by the provision of road infrastructures. So only the impact of road infrastructure on economy of Nepal has been taken for this research process.

As compared to the urban region, some facilities are not available in rural regions. For example, the provision of health, education and employment facilities may not be available on the rural regions and people need to make trip to fulfill these demands. So the migration and settlement of rural to urban is inevitable both for short term and long term reasons (Tacoli, 1998). "Proper rural-urban linkages are important for poverty

¹ Transportation system includes facilities, moving entities and control system.

reduction and sustainable rural development and urbanization. The living standards and employment opportunities both can be improved by the provision of strong rural- urban linkages. Domestic trade and the adequacy and efficiency of infrastructure are the backbone of mutually beneficial rural-urban relationships and of the success of the relationship between urban and rural areas”. (Tacoli, 1998; Tacoli, 1998; Tacoli, 2003; Rosenthal, 2000)

This linkage and the inter dependencies of rural, suburban and urban for the opportunities is possible only by the provision of road infrastructures. Provision of road infrastructure in any country certainly increases the economical activities. This research has been undertaken to establish the relation of transport infrastructure and economical parameter such as GDP taking the examples of districts of Nepal.

Transport facilities help in developing access with the rural-urban linkages. Road accessibility can reduce isolation, stimulate crop production and marketing activities, encourage public services and help to transfer technology. Road building has been seen to bring about notable enthusiasm and visible changes in rural life. It brings out a lot of economic activities in rural and urban area. Thus, Road infrastructure has been considered as the “infrastructure for infrastructure”.

1.2 Introduction

Nepal is a landlocked country lies between The Republic of China and India. It covers almost about 0.01% of the world area and about 0.3% of Asia area. The diverse cultural, religion and social lifestyles of people make this country a unique. Topographically, Nepal is classified into three regions: a plane southern part as a Terai region, the steep northern part as a Mountainous region and Hilly region with mild slope. About 17% of the land lies in terai region, 15% in mountainous region remaining 68% in hilly region.

Total population of the country is more than 28.17 million with GDP of 19.77 millionUS\$(as of March 2016, source: <http://www.worldbank.org/en/country/nepal>). The population is about 45% in terai and remaining in hilly and mountaneous region. Population density is 198.9 people per square kilometer as of March 2016 (Source: <http://countrymeters.info/en/Nepal> as of 31st March 2016). The capital city of Nepal is Kathmandu and the major cities are Kathmandu, Pokhara, Biratnagar, Dharan, Nepalgunj etc. They are also the market centers for their localities.

Nepal is now entered into the federal system² with proposed 7 states. The boundaries of 7 states are almost clearly defined in Constitution of Nepal 2015. The distribution of physical infrastructures in these federal states is not uniform. The population distribution, geographical area, economical activities are different. So, it is also necessary to study and analyze the present status of population distribution, transport distribution in these states. The figure below (downloaded from (www.ekantipur.com)) shows the 7 federal states as marked in Constitution of Nepal 2015.



Figure 1.1.: Map of Nepal with seven states

On the other hand, diversity in climatic condition within a very small area is a unique characteristic of the country. The geographical, topographical and climatic variations sometimes are the problems for the infrastructure development within the nation.

The infrastructure development causes the migration of people. The infrastructure development is directly related to the amount of road length. When looking to the back, the populations in urban regions were not of so high as there were not sufficient transport facilities. But due to the transport infrastructures, the population has been increased in the urban region leading to more economical activities. This research paper tries to find out

² Constitution of Nepal 2072 is made after successful *Janaandolan* leading to end of monarchy system and start of democratic federal system.

the pattern of increase in economical activity (in terms of GDP per capita) with roaddensity of bituminous, gravel and earthen road in graphical formats and will prepare a mathematical model using various statistical tools.

1.3 Identification of Research problem

It is required for any policy makers to understand the relationship between transport infrastructure and the transport demand. Generally the transport demand is related to the social need. The social need, on the other hand is directly related with the population distribution and economic activities. The exact relationship of economic activity and transport infrastructure is thus very important. While making policies and programs for any region, one should know the road length data and its relation with GDP.

Gap in supply and demand of transport infrastructures causes a lot of problems to people. Economic activities are also related to the land use pattern of any region. It is related with socioeconomic factors, employment opportunities, available services etc. which is mostly related with the availability of transport infrastructures. With the availability of different opportunities, people try to agglomerate in those strips, where more facilities are available, so the land value increases and economic activities are changed.

Lack of sufficient researches in field of transport economy and planning is another problem that exists today in Nepal. Nepal is now entered into Federalism and seven different states are identified by the Constitution of Nepal 2015. So, it is required to study and analyze the present status of transport and economical characteristics in these states, finding the problems and solve that problem by doing research to establish the relationship between economical activities and road length. It is also required to search the data related to population distribution, road length and economic status of the area for future research and planning works.

1.4 Research Questions

Based on the problem that was identified, following research questions are made:

- What is the relation between road length and economy of developing nation?
- What is the impact of pavement type on regional economy of developing nation?

1.5 Objectives of Research

The main objective of this research is to analyze and understand the impact of road infrastructure on economy of developing nation. The specific objectives of the research are:

- To assess the impact of road density in GDP per capita.
- To express the impact of pavement types on regional economy of developing nation.

Note that the interest of this thesis is not only to establish a causal relationship between road infrastructure and various economic variables. Instead, this thesis will be used for regression for Projection, the interest is to obtain the best fit possible regression equation on 95% of confidence level. This research aim to take districts of Nepal in consideration and try to make relation of GDP with type of pavement: Earthen, Gravel, Bituminous.

1.6 Composition of the Report

This report comprises of six chapters. Chapter one briefly explains about background and introduction of research. This chapter also includes various processes of research formulation such as identification of research problem, generation of research questions and research objectives. Chapter two explains about the literature reviews which include relation of transport with population distribution and land use patterns, road and economy and previous studies etc. Chapter three contains the methodologies that are applied during the research process. This chapter briefly explains how the data are collected and how the analysis has been done. Chapter four contains data collection for the research and Chapter five includes data analysis, result and validation part. Chapter six contains conclusions, recommendations, limitations and possible further researches.

CHAPTER TWO: LITERATURE REVIEW

Literature review is an ongoing process in research. Document collection is the first step in literature review. The documents are collected from various articles, journals, papers etc. Books are also referred for various literatures. Internet is mostly used as it is easy to access and various references can be obtained from that.

2.1 Transport and Population

Transport and population are dependent to each other. Transport infrastructure brings economic development thereby creating opportunities for employment, business, health, education services etc. Therefore transportation is said to be the backbone of national economy. There are some theses related to transport infrastructure and land use patterns in different cities of United States, Japan etc. The society is generally recognized as a group of people. Therefore the distribution of population is just the reflection of society nature.

According to the study of (Zhenau, 2014), the public transportation infrastructure played a vital role in stimulating and facilitating regional economic growth even after the maturity of the systems after the 1990s in the U.S. northeast mega region. The positive effects of public transportation infrastructure were found under both the partial equilibrium assessment and the general equilibrium assessment. In terms of the modal comparison, highway infrastructure was found to play a dominant role in contributing to regional economic growth at the national level, the state level and the metropolitan level. The regional impact of public passenger rail and transit varies among different geographic scales and locations, but it is significant. A higher impact was found at both the metropolitan level and the regional state level. After considering spatial spillover effects, the dissertation confirms that public passenger rail and transit infrastructure in the northeast mega region play a substantial impact on regional economic growth. The regional impact is stronger than public airports' but significantly smaller than highways'. The impact of public airport infrastructure was found much larger at the national level rather than only in the northeast state level or the northeast metropolitan level (Zhenau, 2014).

According to (M.Burdina, 2004) the effect of transportation is very much important for business location decisions and impact of transportation on employment growth. The ordinary least-squares model was used in that study to evaluate the impact of transportation on employment rate of the study region. The transportation factors were significant for total and manufacturing employment in the Upper Great Plains. Second, the results of the estimated logit model for new manufacturing establishments showed that influence of transportation differs for companies with less than 50 employees and companies with more than 50, and finally, factors which have been associated with total employment in the county were different from those associated with manufacturing employment.(M.Burdina, 2004).

“At the municipal level, the coordination between land use planning and transportation is easiest due to factors such as the number of people being smaller and less bureaucracy. Furthermore, the notion is presented that transportation planning is one of the most mathematically justified areas of planning. This follows along with the area of population distribution and its mathematical basis. For his part, Levy (2006) also brings up a good point about populations. Showing the distinction between the western world and the third world, he explains that, in many Third World nations population increases have been and are still happening. These population booms can occur in urban areas since they are still developing and growing. Also the rural populations are also a factor when rural to urban migration is concerned”(Levy, 2006).

Relation between transport facility and land use is also important. The population of rural regions is also need to be taken into account as the future populations that migrate to urban regions are those of rural areas (Levy, 2006).

2.2 Road and Economy

Physical infrastructure is often indicated as a key input to economic growth both in developed and developing countries (Roberts et al, 2006).

The study carried out by LulitAkiluTerefe (Ethiopia) on 'Impact of Road on Rural Poverty Evidence Form Fifteen Rural Villages in Ethiopia'concluded that better road access would contribute to economic growth by reducing transport cost, travel time and

vehicle operating costs. Roads can increase rural households’ access to agricultural inputs and product markets. It also facilitates utilization of existing socio-economic services such as education and health which enhances the human capital accumulation of the poor. Moreover, roads play a vital role to enhance productivity by fostering technology and information flows. In addition, roads create employment opportunities for the local people through facilitation of small businesses and industries in the long run while providing temporary employment opportunities through road construction works. (TerefeL. A).

“Road plays vital role in economical development of countries especially developing countries. The approach adopted is empirical in that selected variables on existing road networks are directly compared or correlated with a country's income. As pointed out by Owen (2), comparisons of income and road infrastructure are not meant to imply that a road by itself is capable of developing a country or region, but that it is a necessary element in the development process”(Queiroz C. et al, 1992).

According to World Bank Report (2006), physical isolation is a strong contributor to poverty. Populations without reliable access to social and economic services are poorer than those with reliable access (World Bank, 2006). The interaction among drivers of spatial development is as shown in figure(World Development Report, 2009)

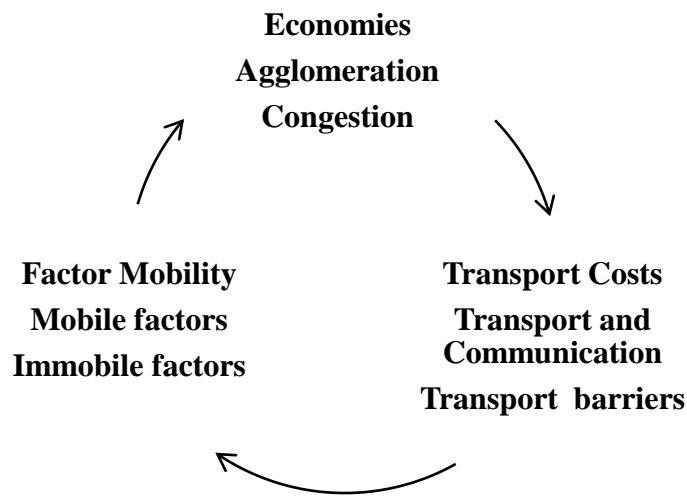


Figure 2.1: Interaction among drivers of spatial development

2.3 Previous studies

Growth model of Barro (1990) implies a simple “reduced form” relationship between income per capita and infrastructure stocks per capita.(Canning D.).

Kocherlakota and Yi (1996, 1997) used a related approach to study the relationship between shocks to public capital and subsequent changes in GDP in the United States and the United Kingdom over the last 100 years and an approach was built upon their methodology. (Canning D.).Khandker and Koolwal(2011) examines the impact of rural roads in the long run by using household level panel data from Bangladesh between 1997and 2005. They estimate the benefit of road projects on consumption expenditure before and after the project in control and treatment villages (Terefe L.A.).

Other studies by Mu and Dominique(2007); Khandker et al(2006); Stifel et al(2012) and Wondemu and John(2010) are also found significant impact of roads on poverty reduction and economic growth using impact evaluation techniques and panel data estimation by taking specific road projects.(TerefeL. A.)

A research done by Dhakal S.(2016) had made a regression analysis regarding relation of GDP with Road density per area and road density per population taking 9 districts of Nepal. In his report, he has mentioned in chapter "Conclusion and Recommendations" that, it is advised to perform future researches taking road and GDP data of all districts. This report aims to use all the available data of most of the districts of Nepal.

World Bank Development Report, 2009 has also specified three spatial dimensions which are supposed to affect on economy of any region: density, distance and division.

2.4 Road Network in Nepal

The 42 km all weather gravel road between Amlekhganj to Bhimphedi was thefirst road of its kind constructed in 1929 outside the Kathmandu valley. Rapid development of road construction has been started only after the advent of democracy in 1950. The 115 km long road between Thankot (Kathmandu) andBhainse (Makawanpur) was constructed in 1957. The national network of road in Nepal is either of SRN or LRN. SRN includes national highway and feeder roads while LRN includes urban roads, district roads and rural roads (Sitaula T.P).

Table 2.1: Comparative chart of SRN with their influenced population and density

Year	Descriptions	Length			Total	Influenced pop. (no.per km)	Density km/100sqkm
		BT	GR	ER			
1998	9th five year plan	2905	1656	179	4740	3901 *	3.22
2000		2974	1649	171	4794	3857 *	3.26
2002	10th five year plan	3029	1664	168	4861	4763 **	3.3
2004		3495	883	614	4992	4636 **	3.39
2006/7		4258	2062	3079	9399	2463 **	6.39

(Sitaula T.P)

Population census 1991 *

Population census 2001 **

2.5 Settlement planning in developed countries

“Rural-urban transformations are related with economic development, poverty reduction and disparities in living standards. These disparities cause economic activities in the region. The living standards mean availability of basic and sophisticated things for human beings” (World Bank Development Report, 2009).

In many developed countries, in its early stage of developing, proper land use planning is required to carry out for spatial development. The geographical accessibility is the main criterion for planning purposes. The various studies show that instead of linking a very small settlement by the road link, it may be a better idea to transfer the settlement to urban region or to road side. This idea may be financially and economically sound. As we know, linking each and every people with proper transportation medium is the main responsibility of any nation. Since, the prime objective of any developing nation is to linkeach and every society by road infrastructure so as to achieve a rapid economic growth thus by increasing GDP of that nation.

2.6 Impact of road in Nepal

Better access to roads could have a considerable role on economic growth in the country especially for countries which have very low initial road density and even more so for the land locked countries(LulitAkliuTerefe). For the transportation of materials, manpowers, equipmentsetc from one place to other for the purpose of any development, construction etc. requires road infrastructures. For example: construction of hydropower in any locality first requires road accessibility.

In this thesis impact of pavement type bituminous, gravel and earthen to economic growth is also studied and compared herewith.

CHAPTER THREE: METHODOLOGY

Proper planning is necessary to make the research work effective and efficient. The process as a whole follows the standard method of research. Starting from the formulation of research problem up to the final preparation of research report, many activities are performed. The most time consuming activities are data collection and analysis part. The analysis was started after the data collection. The results are validated and are presented to experts for the feedback. After their feedback the final research report was presented and submitted. Various steps followed in Research work are expressed through flow diagram as follows:

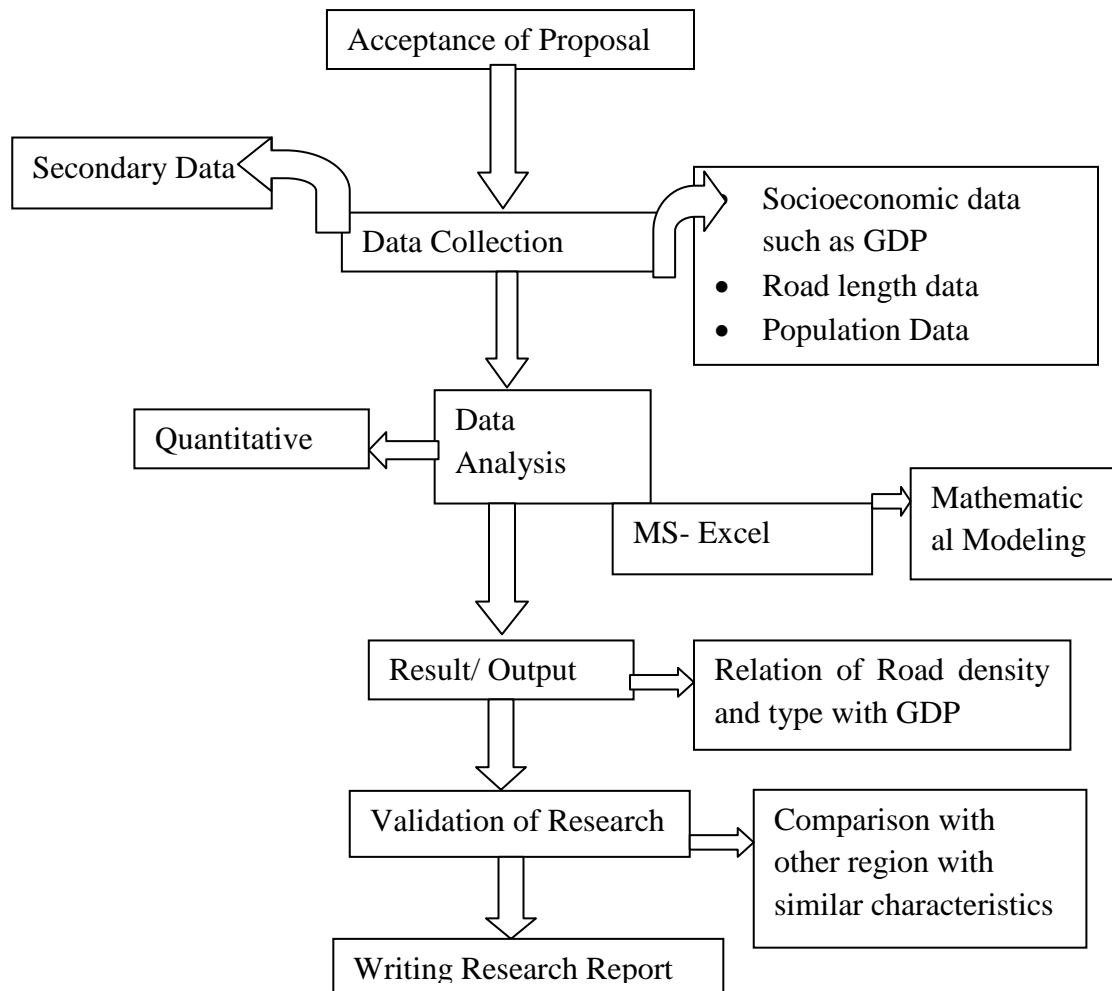


Figure 3.1: Flow diagram for Research Work

3.1 Study Area

Nepal was entered into federalism and the constitution of Nepal had clearly identified seven different states. The states are divided based on their geographical location and population considering cultural and religion status. The classification of states considered the geography of districts. Almost individual district is put in different states except Nawalparasi and Rukum. The research has used districts of Nepal as study area.

3.2 Data Collection

Data collection is the key step in any research. The data used in this research are of secondary type.

The secondary data are collected using following devices:

1. Review of literatures from library and internets and data collection from previous studies
2. Data collection from journals, articles and newspapers
3. Collection of road data and GDP data of developing and developed countries
4. Collection of road data of Nepal from DoR, DoLIDAR, DDC, VDC, Municipality and ward offices
5. Collection of population data of Nepal from CBS, DDC, VDC, Municipality office and ward offices
6. Collection of socioeconomic data of Nepal (Human Development Index, HDI, Per capita income), population density data from CBS, NPC
7. Use of google earth and google maps for some data collection

3.3 Data Analysis

The data collected from secondary sources are quantitatively analyzed and a relationship between the road densities with GDP is established using mathematical modeling. The least square method is used to find the relation for Nepal. The data of road density, GDP and Population of different districts are correlated using MS- Excel to establish a result using regression equation.

3.4 Research Tools

Various tools are used for data collection, analysis and presentation purpose. Used of laptop/desktop for internet surfing was done so as to perform literature reviews. Use of IOE library, TU library and other libraries were done for searching of previous studies, thesis on related topic. The data thus obtained are analyzed using MS- Excel 2007 and XL-STAT software. Use of MS- Project and Primavera software is done for scheduling and planning of research work. Extensive use of MS- Word is performed for report preparation.

3.5 Output and Validation

The result after the data analysis was validated by comparing the results with other similar district or region. The final outcome was presented in presence of experts for the validation. The output is presented in the form of graph plotted between road densities with GDP.

CHAPTER FOUR: DATA COLLECTION

4.1 Data Collection

Based on the objectives of the research, data collection process is carried out. Most of the data are secondary type. The demographic and socioeconomic data are collected from different reliable sources. The GDP data of districts of Nepal are obtained from Nepal Human Development Report, 2014, UNDP and demographic and socioeconomic data of Nepal are downloaded from website of National Planning Commission(url: www.npc.gov.np) and Central Bureau of Statistics (url: www.cbs.gov.np). The data thus collected are reliable as these are downloaded from reliable sources.

Following tables show the data collected during research process:

4.1.1 Population and GDP data

The population and GDP data are obtained from CBS and Nepal Human Development Report, UNDP and are tabulated as follows:

Table 4.1: Socioeconomic data consisting of population and GDP of districts of Nepal

State	S.N	Name of District	Area, km ²	Population, 2011 ³	Growth rate (%): 2001-2011 ⁴	GDP (Value Added, Million Rs.), 2014 ⁵
State No. 1	1	Taplejung	3,646	127,461	-5.4	6,802.80
	2	Panchthar	1,241	191,817	-5.1	8,413.50
	3	Ilam	1,703	290,254	2.6	14,852.20
	4	Sankhuwasabha	3,480	158,742	-0.3	7,687.80
	5	Terhathum	679	101,577	-10.2	5,850.40
	6	Dhankuta	891	163,412	-1.8	8,335.40
	7	Bhojpur	1,507	182,459	-10.1	7,383.70
	8	Khotang	1,591	206,312	-10.8	9,476.50
	9	Solukhumbu	3,312	105,886	-1.7	7,947.90

³ Source: Central Bureau of Statistics (CBS)

⁴ Source: Central Bureau of Statistics (CBS)

⁵ Source: National Planning Commission Report

State	S.N	Name of District	Area, km ²	Population, 2011 ³	Growth rate (%): 2001-2011 ⁴	GDP (Value Added, Million Rs.), 2014 ⁵
	10	Okhaldhunga	1,074	147,984	-5.6	5,748.30
	11	Udayapur	2,063	317,532	10.4	11,841.70
	12	Jhapa	1,606	812,650	18.1	40,370.20
	13	Morang	1,855	965,370	14.5	49,026.10
	14	Sunsari	1,257	763,487	22	34,261.10
			25,905	4,534,943		217,997.60
State No. 2	1	Saptari	1,363	639,284	12.1	20,822.90
	2	Siraha	1,188	637,328	11.3	17,784.30
	3	Dhanusa	1,180	754,777	12.4	28,727.10
	4	Mahottari	1,002	627,580	13.4	17,283.90
	5	Sarlahi	1,259	769,729	21.1	25,341.10
	6	Rautahat	1,126	686,722	26	21,193.00
	7	Bara	1,190	687,708	23	41,527.00
	8	Parsa	1,353	601,017	20.9	30,004.60
			9,661	5,404,145		202,683.90
State No.3	1	Dolakha	2,191	186,557	-8.7	6,991.90
	2	Ramechhap	1,546	202,646	-4.6	7,835.80
	3	Sindhuli	2,491	296,192	5.9	9,884.10
	4	Kavrepalanchok	1,396	381,937	-1	21,777.60
	5	Sindhupalchok	2,542	287,798	-5.9	12,976.40
	6	Rasuwa	1,544	43,300	-3.2	2,677.40
	7	Nuwakot	1,121	277,471	-3.8	12,266.70
	8	Dhading	1,926	336,067	-0.8	13,391.60
	9	Chitawan	2,218	579,984	22.9	36,270.90
	10	Makwanpur	2,426	420,477	7.1	24,156.70
	11	Bhaktapur	119	304,651	35.1	17,142.00
	12	Lalitpur	385	468,132	38.6	36,179.00
	13	Kathmandu	395	1,744,240	61.2	320,170.50
			20,300	5,529,452		521,720.60
ate No. 1	1	Gorkha	3,610	271,061	-5.9	11,419.70

State	S.N	Name of District	Area, km ²	Population, 2011 ³	Growth rate (%): 2001-2011 ⁴	GDP (Value Added, Million Rs.), 2014 ⁵
	2	Lamjung	1,692	167,724	-5.3	8,057.90
	3	Tanahu	1,546	323,288	2.6	14,006.50
	4	Kaski	2,017	492,098	29.3	31,244.70
	5	Manang	2,246	6,538	-31.8	845
	6	Mustang	3,573	13,452	-10.2	1,055.00
	7	Parbat	494	146,590	-7.1	6,004.50
	8	Syangja	1,164	289,148	-8.9	14,179.90
	9	Myagdi	2,297	113,641	-0.7	4,721.80
	10	Baglung	1,784	268,613	-0.1	9,397.10
	11	Nawalparasi (East of SustaBardaghat) ⁶	1,081	321,754	14.3	15,070.10
			21,504	2,413,907		116,002.20
State No. 5	1	Nawalparasi (West of SustaBardaghat)	1,081	321,754	14.3	15,070.10
	2	Rupandehi	1,360	880,196	24.2	40,138.80
	3	Kapilbastu	1,738	571,936	18.7	23,002.80
	4	Palpa	1,373	261,180	-2.7	10,373.80
	5	Arghakhanchi	1,193	197,632	-5.2	7,198.20
	6	Gulmi	1,149	280,160	-5.6	8,418.20
	7	Rukum (Eastern Part) ⁷	1,439	104,284	10.7	3,297.30
	8	Rolpa	1,879	224,506	6.9	5,779.00
	9	Pyuthan	1,309	228,102	7.4	6,191.90
	10	Dang	2,955	552,583	19.5	25,240.20
	11	Banke	2,337	491,313	27.3	22,619.60
	12	Bardiya	2,025	426,576	11.5	18,787.40

⁶Nawalparasi has been splitted into two states (4 and 5). So the features of the districts are assumed to be equally distributed in both the states.

⁷Rukum has been splitted into two states (5 and 6). So the features of the districts are assumed to be equally distributed in both the states.

State	S.N	Name of District	Area, km ²	Population, 2011 ³	Growth rate (%): 2001-2011 ⁴	GDP (Value Added, Million Rs.), 2014 ⁵
			19,837.50	4,540,222		186,117.30
State No. 6	1	Rukum (Eastern Part)	1,439	104,284	10.7	3,297.30
	2	Salyan	1,462	242,444	13.6	7,703.80
	3	Dolpa	7,889	36,700	24.2	1,558.50
	4	Jumla	2,531	108,921	21.8	4,474.90
	5	Mugu	3,535	55,286	25.8	1,955.10
	6	Humla	5,655	50,858	25.3	1,649.20
	7	Kalikot	1,741	136,948	29.7	3,227.90
	8	Jajarkot	2,230	171,304	27	4,255.40
	9	Dailekh	1,502	261,770	16.2	7,266.70
	10	Surkhet	2,451	350,804	21.6	12,925.00
				30,435	1,519,319	
State No. 7	1	Bajura	2,188	134,912	24	2,851.50
	2	Bajhang	3,422	195,159	16.8	3,816.60
	3	Doti	2,025	211,746	2.3	6,590.60
	4	Achham	1,680	257,477	11.3	5,513.80
	5	Darchula	2,322	133,274	9.2	3,397.20
	6	Baitadi	1,519	250,898	7	5,821.30
	7	Dadeldhura	1,538	142,094	12.6	4,392.40
	8	Kanchanpur	1,610	451,248	19.4	17,140.60
	9	Kailali	3,235	775,709	25.8	29,569.90
				19,539	2,552,517	
			147,181.00	26,494,504		1,371,929.3

4.1.2 Road Inventory data

The road data are downloaded from the website of DoLIDAR and DoR. The LRN data are extracted from website of DoLIDAR and SRN data are extracted from website of DoR. The road data are tabulated as follows.

Table 4.2: Road Inventory data of Nepal (district-wise)

	S.N	Name of District	SRN ⁸				LRN ⁹			
			BT	GR	ER	Total	BT	GR	ER	Total
State No. 1	1	Taplejung	29.50	-	17.00	46.50	-	-	76.38	76.38
	2	Panchthar	91.86	-	124.40	216.26	-	-	427.00	427.00
	3	Ilam	115.95	17.40	127.10	260.45	-	-	920.00	920.00
	4	Sankhuwasabha	47.70	25.00	62.00	134.70	-	-	158.99	158.99
	5	Terhathum	33.07	-	94.60	127.67	-	-	339.24	339.24
	6	Dhankuta	80.18	45.50	9.00	134.68	1.70	4.00	347.70	353.40
	7	Bhojpur	-	7.50	108.50	116.00	-	-	253.42	253.42
	8	Khotang	13.00	-	183.76	196.76	-	-	141.55	141.55
	9	Solukhumbu	-	-	37.20	37.20	-	-	20.67	20.67
	10	Okhaldhunga	9.00	6.00	56.70	71.70	-	-	84.26	84.26
	11	Udayapur	90.86	42.00	112.50	245.36	0.81	16.79	106.52	124.12
	12	Jhapa	139.92	39.68	17.00	196.60	45.66	687.78	208.19	941.63
	13	Morang	150.52	25.50	40.20	216.22	22.36	859.72	230.70	1,112.78
	14	Sunsari	115.03	66.00	10.00	191.03	-	-	342.40	342.40
State No. 2	1	Saptari	135.00	65.50	46.00	246.50	-	42.50	214.26	256.76
	2	Siraha	111.93	19.00	14.00	144.93	-	92.20	357.50	449.70
	3	Dhanusa	104.14	47.50	43.50	195.14	-	38.06	610.44	648.50
	4	Mahottari	99.79	59.00	26.50	185.29	2.44	228.92	52.21	283.57
	5	Sarlahi	58.22	85.20	38.00	181.42	-	97.24	194.07	291.31

⁸ SRN including UR, 2013/14 (Source: dor.gov.np)

⁹ LRN, 2014/15 (Source: dolidar.gov.np)

	S.N	Name of District	SRN ⁸				LRN ⁹			
			BT	GR	ER	Total	BT	GR	ER	Total
	6	Rautahat	71.83	9.00	7.00	87.83	-	250.87	314.48	565.35
	7	Bara	83.34	68.00	16.00	167.34	-	182.64	349.59	532.23
	8	Parsa	37.82	13.00	2.00	52.82	7.95	239.89	130.50	378.34
State No.3	1	Dolakha	106.68	10.00	20.00	136.68	0.50	79.78	376.48	456.76
	2	Ramechhap	44.00	-	33.00	77.00	-	-	608.20	608.20
	3	Sindhuli	73.50	27.80	221.50	322.80	-	-	395.21	395.21
	4	Kavrepalanchok	130.48	54.34	4.30	189.12	23.30	193.70	1,172.70	1,389.70
	5	Sindhupalchok	121.15	6.00	69.10	196.25	1.30	0.20	1,794.60	1,796.10
	6	Rasuwa	40.50	-	25.70	66.20	-	-	132.92	132.92
	7	Nuwakot	104.71	11.00	25.00	140.71	-	26.75	782.55	809.30
	8	Dhading	114.88	20.00	38.20	173.08	-	-	844.30	844.30
	9	Chitawan	158.45	56.50	37.00	251.95	122.05	1,169.52	180.36	1,471.93
	10	Makwanpur	193.67	100.77	40.70	335.14	-	40.50	268.20	308.70
	11	Bhaktapur	90.85	19.84	7.00	117.69	22.98	40.42	107.65	171.05
	12	Lalitpur	129.26	25.54	33.20	188.00	27.91	57.29	160.30	245.50
	13	Kathmandu	259.19	11.50	37.16	307.85	91.25	113.62	298.85	503.72
State No. 4	1	Gorkha	26.84	40.50	109.90	177.24	-	-	2,366.31	2,366.31
	2	Lamjung	19.17	1.00	51.87	72.04	-	-	412.25	412.25
	3	Tanahu	128.49	-	33.00	161.49	-	37.21	972.78	1,009.99
	4	Kaski	114.46	5.00	20.50	139.96	2.70	25.06	794.25	822.01
	5	Manang	-	-	30.00	30.00	-	-	3.20	3.20
	6	Mustang	-	-	181.00	181.00	-	-	-	-
	7	Parbat	37.11	-	48.50	85.61	0.65	-	245.83	246.48

	S.N	Name of District	SRN ⁸				LRN ⁹			
			BT	GR	ER	Total	BT	GR	ER	Total
	8	Syangja	97.94	2.00	57.00	156.94	-	-	680.00	680.00
	9	Myagdi	-	10.00	21.00	31.00	-	-	319.01	319.01
	10	Baglung	9.71	2.42	142.00	154.13	-	-	272.02	272.02
	11	Nawalparasi (East of SustaBardaghat)	77.44	10.00	14.50	101.94	62.59	307.80	159.76	530.15
State No. 5	1	Nawalparasi (West of SustaBardaghat)	77.44	10.00	14.50	101.94	62.59	307.80	159.76	530.15
	2	Rupandehi	137.69	12.50	13.50	163.69	71.88	426.09	19.11	517.08
	3	Kapilbastu	150.97	43.00	29.00	222.97	0.42	286.08	247.33	533.83
	4	Palpa	108.59	-	91.00	199.59	-	-	898.91	898.91
	5	Arghakhanchi	60.91	1.00	109.00	170.91	-	-	191.43	191.43
	6	Gulmi	44.54	-	82.50	127.04	-	-	590.47	590.47
	7	Rukum (Eastern Part)	-	10.00	82.70	92.70	-	-	30.50	30.50
	8	Rolpa	38.41	84.00	34.00	156.41	-	6.14	208.37	214.51
	9	Pyuthan	85.43	-	75.00	160.43	-	-	146.10	146.10
	10	Dang	174.22	136.00	56.00	366.22	-	79.71	381.72	461.43
	11	Banke	178.81	13.50	34.10	226.41	6.72	221.75	90.11	318.58
	12	Bardiya	132.49	49.93	29.00	211.42	-	284.82	59.48	344.30
State No. 6	1	Rukum (Eastern Part)	-	10.00	82.70	92.70	-	-	30.50	30.50
	2	Salyan	46.16	68.50	61.00	175.66	3.70	23.07	163.45	190.22
	3	Dolpa	-	-	-	-	-	-	-	-
	4	Jumla	-	-	85.00	85.00	-	-	69.20	69.20

	S.N	Name of District	SRN ⁸				LRN ⁹				
			BT	GR	ER	Total	BT	GR	ER	Total	
	5	Mugu	-	-	-	-	-	-	16.58	16.58	
	6	Humla	-	-	40.00	40.00	-	-	-	-	
	7	Kalikot	-	-	77.00	77.00	-	-	-	-	
	8	Jajarkot	-	-	118.00	118.00	-	-	-	-	
	9	Dailekh	144.45	8.22	118.56	271.23	-	-	239.00	239.00	
	10	Surkhet	138.14	53.70	43.30	235.14	5.66	-	147.08	152.74	
	State No. 7	1	Bajura	13.00	-	30.00	43.00	-	-	1.49	1.49
		2	Bajhang	60.32	-	48.36	108.68	-	1.19	2.10	3.29
		3	Doti	115.46	6.00	65.00	186.46	-	-	198.13	198.13
		4	Achham	75.00	-	67.00	142.00	-	-	132.16	132.16
5		Darchula	10.00	50.00	18.42	78.42	-	-	4.11	4.11	
6		Baitadi	122.42	-	51.60	174.02	0.61	-	21.11	21.72	
7		Dadeldhura	77.08	-	64.00	141.08	-	-	135.00	135.00	
8		Kanchanpur	44.32	89.00	22.10	155.42	10.20	6.40	128.32	144.92	
9		Kailali	171.35	74.25	64.00	309.60	-	249.44	174.54	423.98	

Table 4.3: State-wise summary of road Inventory

State No.	SRN roads				LRN roads				Area Km ²	Population, 2014 (Projected)	GDP (Value Added, Million Rs.), 2014
	BT	GR	ER	Total	BT	GR	ER	Total			
State No. 1	916.59	274.58	999.96	2,191.13	70.53	1,568.29	3,657.02	5,295.84	25,905	4,662,095	217,997.60
State No. 2	702.07	366.20	193.00	1,261.27	10.39	1,172.32	2,223.05	3,405.76	9,661	5,695,236	202,683.90
State No. 3	1,567.32	343.29	591.86	2,502.47	289.29	1,721.78	7,122.32	9,133.39	20,300	5,996,108	521,720.60
State No. 4	511.16	70.92	709.27	1,291.35	65.94	370.07	6,225.41	6,661.42	21,504	2,455,467	116,002.20
State No. 5	1,189.50	359.93	650.30	2,199.73	141.61	1,612.39	3,023.29	4,777.28	19,838	4,744,875	186,117.30
State No. 6	328.75	140.42	625.56	1,094.73	9.36	23.07	665.81	698.24	30,435	1,614,065	48,313.80
State No. 7	688.95	219.25	430.48	1,338.68	10.81	257.03	796.96	1,064.80	19,539	2,685,595	79,093.90
Total	5,904.33	1,774.59	4,200.43	11,879.35	597.93	6,724.94	23,713.85	31,036.72	147,181	27,853,441	1,371,929.30

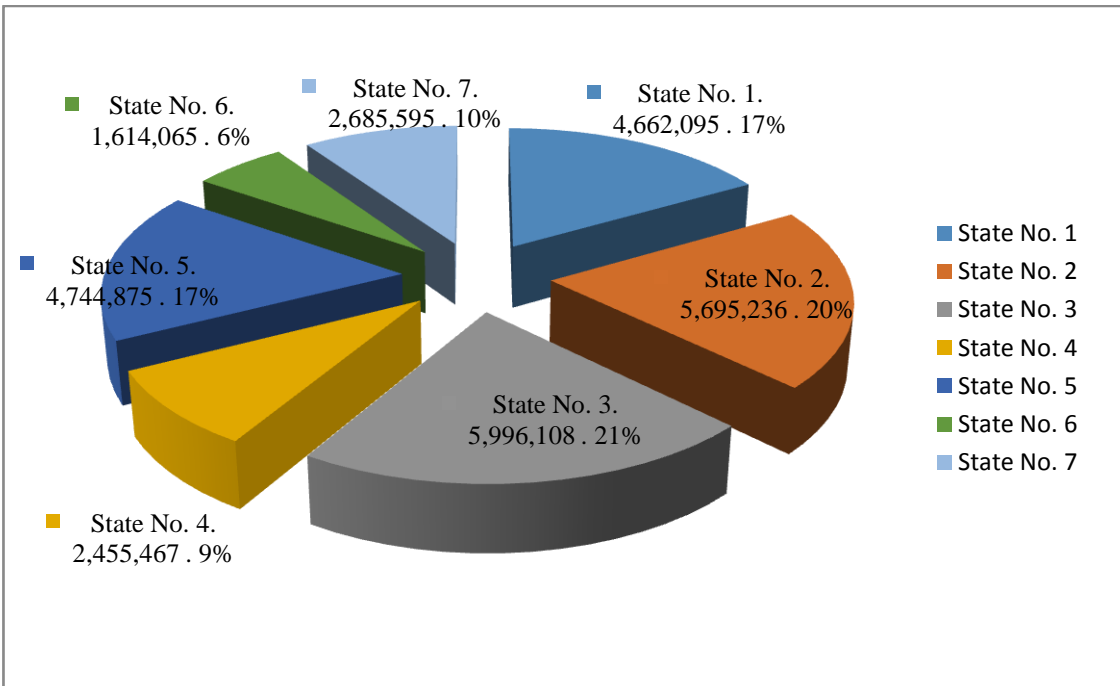


Figure 4.1: Distribution of Projected population (2014) of 7 states

The projected population of 7 states is shown in pie charts below. About 21% of populations live in State No.3 and only 6% populations live in State No.6. The population in State No. 2 is 20%. 17% of populations live in State No. 1. State No. 7 and 4 covers 10% and 9% respectively.

The total area covered by each state is shown in pie charts below. State No. 4 covers almost about 21%. State No. 1 and 4 covers 18% and 15% respectively. State No. 3 covers 14% of area while State No. 5 and 7 covers about 13% of total area of 147, 181 square km.

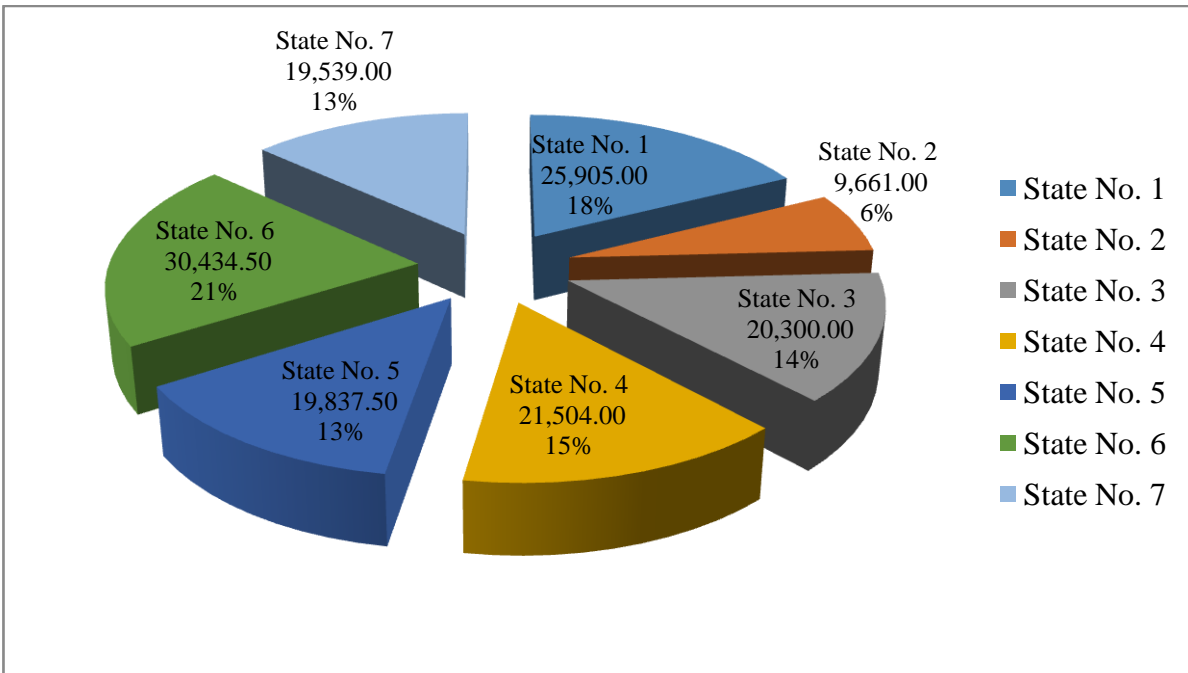


Figure 4.2: Comparative pie chart of areas of 7 states

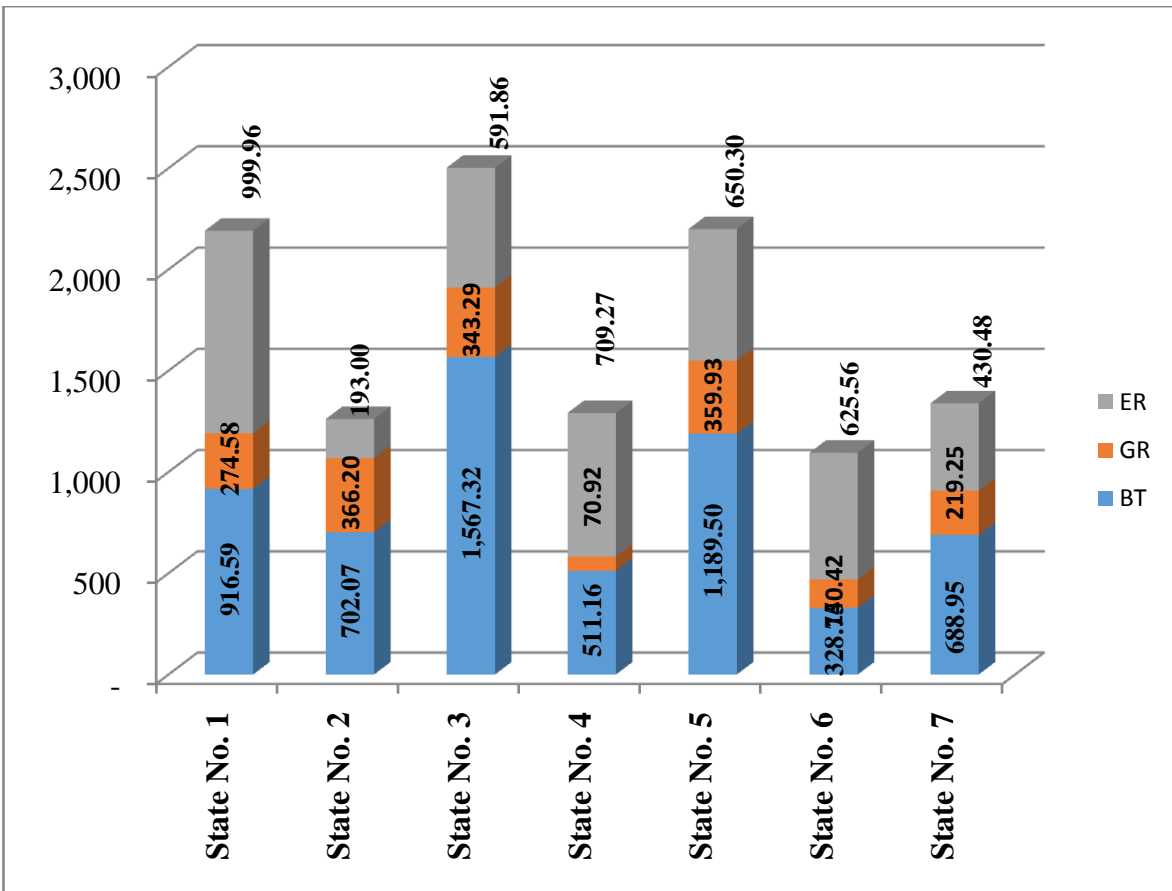


Figure 4.3: SRN distribution (km)

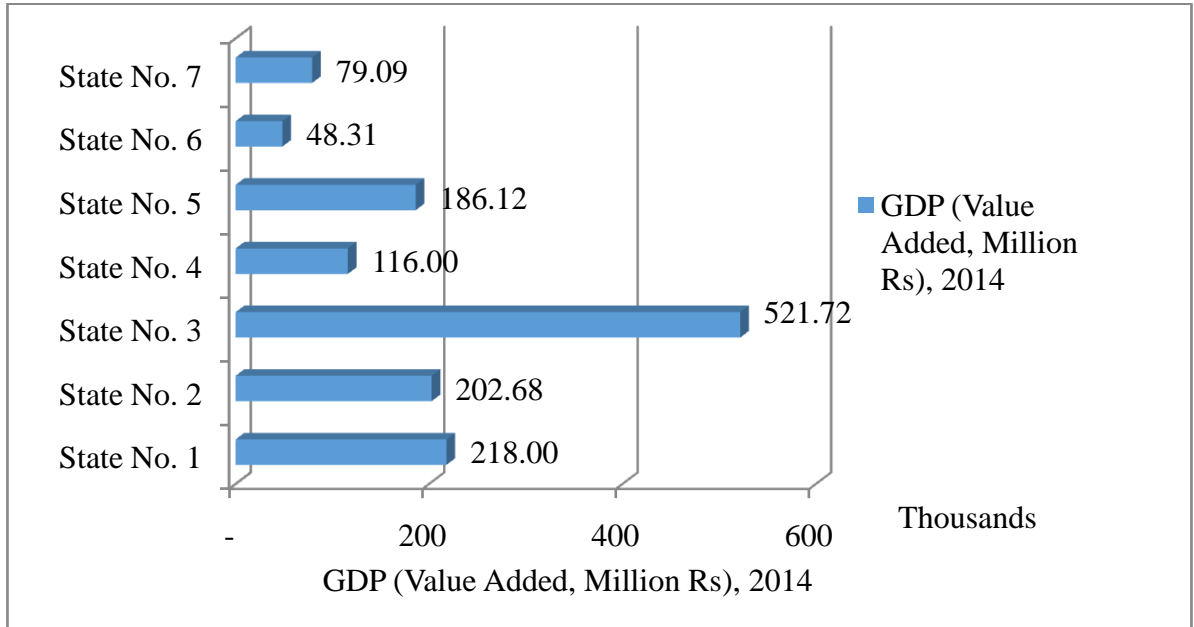


Figure 4.4: GDP distribution (Million NRs, 2014)

CHAPTER FIVE: DATA ANALYSIS

5.1 Data Analysis

The data collected from secondary sources are quantitatively analyzed and a relationship between the road density with GDP & population density is established using mathematical modeling. The least square method is used to find the relation for Nepal. The data of road density, GDP and Population of various districts within Nepal are correlated using MS- Excel to establish a mathematical model.

The data are analyzed using MS- Excel 2007 and XL-STAT software (trial version).

5.1.1 Projection of Socioeconomic data

The population data of various districts (2011) is obtained from the website of Central Bureau of Statistics (www.cbs.com). The population for study period 2014 is obtained by projecting the population of 2011 with growth rate from 2001-2011.

Using growth factor (2001-2011 as per CBS)

Formula applied:

Projected population for 2014, $Pop_{14} = Pop_{11} (1+ra\%)^3$

GDP per capita = GDP / Pop_{14}

Table 5.1: Projection of socioeconomic data of Year 2011 to Year 2014

	S.N	Name of District	Population, 2011	Growth rate (%): 2001-2011	Projected Population for 2014	GDP (Value Added, Million Rs.), 2014	GDP per capita, 2014
State No. 1	1	Taplejung	127,461	-5.4	105,347	6,802.80	54,245.66
	2	Panchthar	191,817	-5.1	145,512	8,413.50	44,540.11
	3	Ilam	290,254	2.6	327,542	14,852.20	50,772.61
	4	Sankhuwasabha	158,742	-0.3	857,580	7,687.80	48,473.14
	5	Terhathum	101,577	-10.2	1,007,975	5,850.40	59,394.72
	6	Dhankuta	163,412	-1.8	814,994	8,335.40	51,284.93
	7	Bhojpur	182,459	-10.1	105,347	7,383.70	41,719.09
	8	Khotang	206,312	-10.8	145,512	9,476.50	47,453.82
	9	Solukhumbu	105,886	-1.7	327,542	7,947.90	75,445.03
	10	Okhaldhunga	147,984	-5.6	857,580	5,748.30	39,504.02

	S.N	Name of District	Population, 2011	Growth rate (%): 2001-2011	Projected Population for 2014	GDP (Value Added, Million Rs.), 2014	GDP per capita, 2014
	11	Udayapur	317,532	10.4	1,007,975	11,841.70	36,153.18
	12	Jhapa	812,650	18.1	814,994	40,370.20	47,074.54
	13	Morang	965,370	14.5	105,347	49,026.10	48,638.19
	14	Sunsari	763,487	22	145,512	34,261.10	42,038.48
			4,534,943		4,662,095	217,997.60	46,759.58
State No. 2	1	Saptari	639,284	12.1	662,772	20,822.90	31,417.90
	2	Siraha	637,328	11.3	659,178	17,784.30	26,979.49
	3	Dhanusa	754,777	12.4	783,204	28,727.10	36,678.94
	4	Mahottari	627,580	13.4	653,148	17,283.90	26,462.44
	5	Sarlahi	769,729	21.1	819,488	25,341.10	30,923.08
	6	Rautahat	686,722	26	741,691	21,193.00	28,573.89
	7	Bara	687,708	23	736,260	41,527.00	56,402.66
	8	Parsa	601,017	20.9	639,494	30,004.60	46,919.29
			5,404,145		5,695,236	202,683.90	35,588.33
State No. 3	1	Dolakha	186,557	-8.7	181,730	6,991.90	38,474.09
	2	Ramechhap	202,646	-4.6	199,862	7,835.80	39,205.99
	3	Sindhuli	296,192	5.9	301,466	9,884.10	32,786.83
	4	Kavrepalanchok	381,937	-1	380,792	21,777.60	57,190.23
	5	Sindhupalchok	287,798	-5.9	282,734	12,976.40	45,896.15
	6	Rasuwa	43,300	-3.2	42,886	2,677.40	62,431.14
	7	Nuwakot	277,471	-3.8	274,320	12,266.70	44,716.78
	8	Dhading	336,067	-0.8	335,261	13,391.60	39,943.79
	9	Chitawan	579,984	22.9	620,748	36,270.90	58,430.93
	10	Makwanpur	420,477	7.1	429,497	24,156.70	56,244.18
	11	Bhaktapur	304,651	35.1	337,870	17,142.00	50,735.50
	12	Lalitpur	468,132	38.6	524,461	36,179.00	68,983.19
	13	Kathmandu	1,744,240	61.2	2,084,481	320,170.50	153,597.22
			5,529,452		5,996,108	521,720.60	87,009.87
State No. 4	1	Gorkha	271,061	-5.9	266,291	11,419.70	42,884.21
	2	Lamjung	167,724	-5.3	165,071	8,057.90	48,814.66
	3	Tanahu	323,288	2.6	325,816	14,006.50	42,988.96

	S.N	Name of District	Population, 2011	Growth rate (%): 2001-2011	Projected Population for 2014	GDP (Value Added, Million Rs.), 2014	GDP per capita, 2014
	4	Kaski	492,098	29.3	536,633	31,244.70	58,223.57
	5	Manang	6,538	-31.8	5,934	845	142,402.15
	6	Mustang	13,452	-10.2	13,045	1,055.00	80,876.67
	7	Parbat	146,590	-7.1	143,490	6,004.50	41,846.19
	8	Syangja	289,148	-8.9	281,496	14,179.90	50,373.32
	9	Myagdi	113,641	-0.7	113,403	4,721.80	41,637.52
	10	Baglung	268,613	-0.1	268,532	9,397.10	34,994.28
	11	Nawalparasi (East of SustaBardaghat)	321,754	14.3	335,756	15,070.10	44,884.14
			2,413,907		2,455,467	116,002.20	47,242.42
State No. 5	1	Nawalparasi (West of SustaBardaghat)	321,754	14.3	335,756	15,070.10	44,884.14
	2	Rupandehi	880,196	24.2	945,657	40,138.80	42,445.40
	3	Kapilbastu	571,936	18.7	604,625	23,002.80	38,044.72
	4	Palpa	261,180	-2.7	259,070	10,373.80	40,042.44
	5	Arghakhanchi	197,632	-5.2	194,565	7,198.20	36,996.39
	6	Gulmi	280,160	-5.6	275,480	8,418.20	30,558.34
	7	Rukum (Eastern Part)	104,284	10.7	107,667	3,297.30	30,625.00
	8	Rolpa	224,506	6.9	229,185	5,779.00	25,215.39
	9	Pyuthan	228,102	7.4	233,203	6,191.90	26,551.50
	10	Dang	552,583	19.5	585,544	25,240.20	43,105.59
	11	Banke	491,313	27.3	532,660	22,619.60	42,465.36
	12	Bardiya	426,576	11.5	441,463	18,787.40	42,557.16
			4,540,222		4,744,875	186,117.30	39,224.91
State No. 6	1	Rukum (Eastern Part)	104,284	10.7	107,667	3,297.30	30,625.00
	2	Salyan	242,444	13.6	252,471	7,703.80	30,513.62
	3	Dolpa	36,700	24.2	39,429	1,558.50	39,526.32
	4	Jumla	108,921	21.8	116,201	4,474.90	38,510.04
	5	Mugu	55,286	25.8	59,676	1,955.10	32,761.65
	6	Humla	50,858	25.3	54,817	1,649.20	30,085.77
	7	Kalikot	136,948	29.7	149,516	3,227.90	21,588.99

	S.N	Name of District	Population, 2011	Growth rate (%): 2001-2011	Projected Population for 2014	GDP (Value Added, Million Rs.), 2014	GDP per capita, 2014
	8	Jajarkot	171,304	27	185,558	4,255.40	22,933.04
	9	Dailekh	261,770	16.2	274,699	7,266.70	26,453.30
	10	Surkhet	350,804	21.6	374,031	12,925.00	34,555.99
			1,519,319		1,614,065	48,313.80	29,933.00
State No. 7	1	Bajura	134,912	24	144,861	2,851.50	19,684.43
	2	Bajhang	195,159	16.8	205,161	3,816.60	18,602.93
	3	Doti	211,746	2.3	213,210	6,590.60	30,911.25
	4	Achham	257,477	11.3	266,304	5,513.80	20,704.87
	5	Darchula	133,274	9.2	136,986	3,397.20	24,799.56
	6	Baitadi	250,898	7	256,204	5,821.30	22,721.36
	7	Dadeldhura	142,094	12.6	147,533	4,392.40	29,772.30
	8	Kanchanpur	451,248	19.4	478,023	17,140.60	35,857.24
	9	Kailali	775,709	25.8	837,311	29,569.90	35,315.30
			2,552,517		2,685,595	79,093.90	29,451.17
		26,494,504		27,853,441	1,371,929.30	49,255.29	

5.1.2 Analysis of road data

Table 5.2: Analysis of collected Road data

	S. N	Name of District	SRN including UR, 2013/14, km				LRN , 2014/15, km				Total Road,km			
			BT	GR	ER	Total	BT	GR	ER	Total	BT	GR	ER	Total
State No. 1	1	Taplejung	29.50	-	17.00	46.50	-	-	76.38	76.38	29.50	-	93.38	122.88
	2	Panchthar	91.86	-	124.40	216.26	-	-	427.00	427.00	91.86	-	551.40	643.26
	3	Ilam	115.95	17.40	127.10	260.45	-	-	920.00	920.00	115.95	17.40	1,047.10	1,180.45
	4	Sankhuwasabha	47.70	25.00	62.00	134.70	-	-	158.99	158.99	47.70	25.00	220.99	293.69
	5	Terhathum	33.07	-	94.60	127.67	-	-	339.24	339.24	33.07	-	433.84	466.91
	6	Dhankuta	80.18	45.50	9.00	134.68	1.70	4.00	347.70	353.40	81.88	49.50	356.70	488.08
	7	Bhojpur	-	7.50	108.50	116.00	-	-	253.42	253.42	-	7.50	361.92	369.42
	8	Khotang	13.00	-	183.76	196.76	-	-	141.55	141.55	13.00	-	325.31	338.31
	9	Solukhumbu	-	-	37.20	37.20	-	-	20.67	20.67	-	-	57.87	57.87
	10	Okhaldhunga	9.00	6.00	56.70	71.70	-	-	84.26	84.26	9.00	6.00	140.96	155.96
	11	Udayapur	90.86	42.00	112.50	245.36	0.81	16.79	106.52	124.12	91.67	58.79	219.02	369.48
	12	Jhapa	139.92	39.68	17.00	196.60	45.66	687.78	208.19	941.63	185.58	727.46	225.19	1,138.23
	13	Morang	150.52	25.50	40.20	216.22	22.36	859.72	230.70	1,112.78	172.88	885.22	270.90	1,329.00

	S. N	Name of District	SRN including UR, 2013/14, km				LRN , 2014/15, km				Total Road,km			
	14	Sunsari	115.03	66.00	10.00	191.03	-	-	342.40	342.40	115.03	66.00	352.40	533.43
										5,295.84	987.12	1,842.87	4,656.98	7,486.97
State No. 2	1	Saptari	135.00	65.50	46.00	246.50	-	42.50	214.26	256.76	135.00	108.00	260.26	503.26
	2	Siraha	111.93	19.00	14.00	144.93	-	92.20	357.50	449.70	111.93	111.20	371.50	594.63
	3	Dhanusa	104.14	47.50	43.50	195.14	-	38.06	610.44	648.50	104.14	85.56	653.94	843.64
	4	Mahottari	99.79	59.00	26.50	185.29	2.44	228.92	52.21	283.57	102.23	287.92	78.71	468.86
	5	Sarlahi	58.22	85.20	38.00	181.42	-	97.24	194.07	291.31	58.22	182.44	232.07	472.73
	6	Rautahat	71.83	9.00	7.00	87.83	-	250.87	314.48	565.35	71.83	259.87	321.48	653.18
	7	Bara	83.34	68.00	16.00	167.34	-	182.64	349.59	532.23	83.34	250.64	365.59	699.57
	8	Parsa	37.82	13.00	2.00	52.82	7.95	239.89	130.50	378.34	45.77	252.89	132.50	431.16
										3,405.76	712.46	1,538.52	2,416.05	4,667.03
State No.3	1	Dolakha	106.68	10.00	20.00	136.68	0.50	79.78	376.48	456.76	107.18	89.78	396.48	593.44
	2	Ramechhap	44.00	-	33.00	77.00	-	-	608.20	608.20	44.00	-	641.20	685.20
	3	Sindhuli	73.50	27.80	221.50	322.80	-	-	395.21	395.21	73.50	27.80	616.71	718.01
	4	Kavrepalanchok	130.48	54.34	4.30	189.12	23.30	193.7	1,172.70	1,389.70	153.78	248.04	1,177.00	1,578.82

S. N	Name of District	SRN including UR, 2013/14, km				LRN , 2014/15, km				Total Road,km				
							0							
5	Sindhupalchok	121.15	6.00	69.10	196.25	1.30	0.20	1,794.60	1,796.10	122.45	6.20	1,863.70	1,992.35	
6	Rasuwa	40.50	-	25.70	66.20	-	-	132.92	132.92	40.50	-	158.62	199.12	
7	Nuwakot	104.71	11.00	25.00	140.71	-	26.75	782.55	809.30	104.71	37.75	807.55	950.01	
8	Dhading	114.88	20.00	38.20	173.08	-	-	844.30	844.30	114.88	20.00	882.50	1,017.38	
9	Chitawan	158.45	56.50	37.00	251.95	122.05	1,169.52	180.36	1,471.93	280.50	1,226.02	217.36	1,723.88	
10	Makwanpur	193.67	100.77	40.70	335.14	-	40.50	268.20	308.70	193.67	141.27	308.90	643.84	
11	Bhaktapur	90.85	19.84	7.00	117.69	22.98	40.42	107.65	171.05	113.83	60.26	114.65	288.74	
12	Lalitpur	129.26	25.54	33.20	188.00	27.91	57.29	160.30	245.50	157.17	82.83	193.50	433.50	
13	Kathmandu	259.19	11.50	37.16	307.85	91.25	113.62	298.85	503.72	350.44	125.12	336.01	811.57	
									9,133.39	1,856.61	2,065.07	7,714.18	11,635.86	
State No. 4	1	Gorkha	26.84	40.50	109.90	177.24	-	-	2,366.31	2,366.31	26.84	40.50	2,476.21	2,543.55
	2	Lamjung	19.17	1.00	51.87	72.04	-	-	412.25	412.25	19.17	1.00	464.12	484.29
	3	Tanahu	128.49	-	33.00	161.49	-	37.21	972.78	1,009.99	128.49	37.21	1,005.78	1,171.48
	4	Kaski	114.46	5.00	20.50	139.96	2.70	25.06	794.25	822.01	117.16	30.06	814.75	961.97
	5	Manang									-	-		

S. N	Name of District	SRN including UR, 2013/14, km				LRN , 2014/15, km				Total Road,km				
		-	-	30.00	30.00	-	-	3.20	3.20			33.20	33.20	
6	Mustang	-	-	181.00	181.00	-	-	-	-	-	-	181.00	181.00	
7	Parbat	37.11	-	48.50	85.61	0.65	-	245.83	246.48	37.76	-	294.33	332.09	
8	Syangja	97.94	2.00	57.00	156.94	-	-	680.00	680.00	97.94	2.00	737.00	836.94	
9	Myagdi	-	10.00	21.00	31.00	-	-	319.01	319.01	-	10.00	340.01	350.01	
10	Baglung	9.71	2.42	142.00	154.13	-	-	272.02	272.02	9.71	2.42	414.02	426.15	
11	Nawalparasi (East of SustaBardaghat)	77.44	10.00	14.50	101.94	62.59	307.8	159.76	530.15	140.03	317.80	174.26	632.08	
									6,661.42	577.10	440.99	6,934.68	7,952.76	
State No. 5	1	Nawalparasi (West of SustaBardaghat)	77.44	10.00	14.50	101.94	62.59	307.8	159.76	530.15	140.03	317.80	174.26	632.08
	2	Rupandehi	137.69	12.50	13.50	163.69	71.88	426.09	19.11	517.08	209.57	438.59	32.61	680.77
	3	Kapilbastu	150.97	43.00	29.00	222.97	0.42	286.08	247.33	533.83	151.39	329.08	276.33	756.80
	4	Palpa	108.59	-	91.00	199.59	-	-	898.91	898.91	108.59	-	989.91	1,098.50
	5	Arghakhanchi	60.91	1.00	109.00	170.91	-	-	191.43	191.43	60.91	1.00	300.43	362.34
	6	Gulmi	44.54	-	82.50	127.04	-	-	590.47	590.47	44.54	-	672.97	717.51
	7	Rukum (Eastern Part)	-	10.00	82.70	92.70	-	-	30.50	30.50	-	10.00	113.20	123.20

S. N	Name of District	SRN including UR, 2013/14, km				LRN , 2014/15, km					Total Road,km			
8	Rolpa	38.41	84.00	34.00	156.41	-	6.14	208.37	214.51	38.41	90.14	242.37	370.92	
9	Pyuthan	85.43	-	75.00	160.43	-	-	146.10	146.10	85.43	-	221.10	306.53	
10	Dang	174.22	136.00	56.00	366.22	-	79.71	381.72	461.43	174.22	215.71	437.72	827.65	
11	Banke	178.81	13.50	34.10	226.41	6.72	221.75	90.11	318.58	185.53	235.25	124.21	544.99	
12	Bardiya	132.49	49.93	29.00	211.42	-	284.82	59.48	344.30	132.49	334.75	88.48	555.72	
									4,777.28	1,331.11	1,972.32	3,673.59	6,977.01	
State No. 6	1	Rukum (Eastern Part)	-	10.00	82.70	92.70	-	-	30.50	30.50	-	10.00	113.20	123.20
	2	Salyan	46.16	68.50	61.00	175.66	3.70	23.07	163.45	190.22	49.86	91.57	224.45	365.88
	3	Dolpa	-	-	-	-	-	-	-	-	-	-	-	-
	4	Jumla	-	-	85.00	85.00	-	-	69.20	69.20	-	-	154.20	154.20
	5	Mugu	-	-	-	-	-	-	16.58	16.58	-	-	16.58	16.58
	6	Humla	-	-	40.00	40.00	-	-	-	-	-	-	40.00	40.00
	7	Kalikot	-	-	77.00	77.00	-	-	-	-	-	-	77.00	77.00
	8	Jajarkot	-	-	118.00	118.00	-	-	-	-	-	-	118.00	118.00
	9	Dailekh	144.45	8.22	118.56	271.23	-	-	239.00	239.00	144.45	8.22	357.56	510.23
	10	Surkhet	138.14	53.70	43.30	235.14	5.66	-	147.08	152.74	143.80	53.70	190.38	387.88

S. N	Name of District	SRN including UR, 2013/14, km				LRN , 2014/15, km				Total Road,km			
									698.24	338.11	163.49	1,291.37	1,792.97
1	Bajura	13.00	-	30.00	43.00	-	-	1.49	1.49	13.00	-	31.49	44.49
2	Bajhang	60.32	-	48.36	108.68	-	1.19	2.10	3.29	60.32	1.19	50.46	111.97
3	Doti	115.46	6.00	65.00	186.46	-	-	198.13	198.13	115.46	6.00	263.13	384.59
4	Achham	75.00	-	67.00	142.00	-	-	132.16	132.16	75.00	-	199.16	274.16
5	Darchula	10.00	50.00	18.42	78.42	-	-	4.11	4.11	10.00	50.00	22.53	82.53
6	Baitadi	122.42	-	51.60	174.02	0.61	-	21.11	21.72	123.03	-	72.71	195.74
7	Dadeldhura	77.08	-	64.00	141.08	-	-	135.00	135.00	77.08	-	199.00	276.08
8	Kanchanpur	44.32	89.00	22.10	155.42	10.20	6.40	128.32	144.92	54.52	95.40	150.42	300.34
9	Kailali	171.35	74.25	64.00	309.60	-	249.44	174.54	423.98	171.35	323.69	238.54	733.58
									1,064.80	699.76	476.28	1,227.44	2,403.48
									31,036.72	6,502.26	8,499.53	27,914.28	42,916.07

5.1.3. Calculation of road densities

The road densities are calculated in terms of km per 100 sq.km and km per 1000 population. The following formulas are used for density calculations:

Road density in km per 100 square km area= Road length (km)/ area(km²)*100

Road density in km per 1000 popln= Road length (km) / Population*1000

Table 5.3: Calculation of Road densities

State No.	Total Road, km				Road density (km per 100 sq km area)				Road density(km per 1000 popln)				GDP Per capita, 2014 Rs.
	BT	GR	ER	Total	BT	GR	ER	Total	BT	GR	ER	Total	
State No. 1	987.12	1,842.87	4,656.98	7,486.97	3.811	7.114	17.977	28.902	0.212	0.395	0.999	1.606	46,759.58
State No. 2	712.46	1,538.52	2,416.05	4,667.03	7.375	15.925	25.008	48.308	0.125	0.270	0.424	0.819	35,588.33
State No. 3	1,856.61	2,065.07	7,714.18	11,635.86	9.146	10.173	38.001	57.320	0.310	0.344	1.287	1.941	87,009.87
State No. 4	577.10	440.99	6,934.68	7,952.76	2.684	2.051	32.248	36.983	0.235	0.180	2.824	3.239	47,242.42
State No. 5	1,331.11	1,972.32	3,673.59	6,977.01	6.710	9.942	18.518	35.171	0.281	0.416	0.774	1.470	39,224.91
State No. 6	338.11	163.49	1,291.37	1,792.97	1.111	0.537	4.243	5.891	0.209	0.101	0.800	1.111	29,933.00
State No. 7	699.76	476.28	1,227.44	2,403.48	3.581	2.438	6.282	12.301	0.261	0.177	0.457	0.895	29,451.17

Total	6,502.2 6	8,499.53	27,914.28	42,916.07	4.418	5.775	18.966	29.159	0.233	0.305	1.002	1.541	49,255.29
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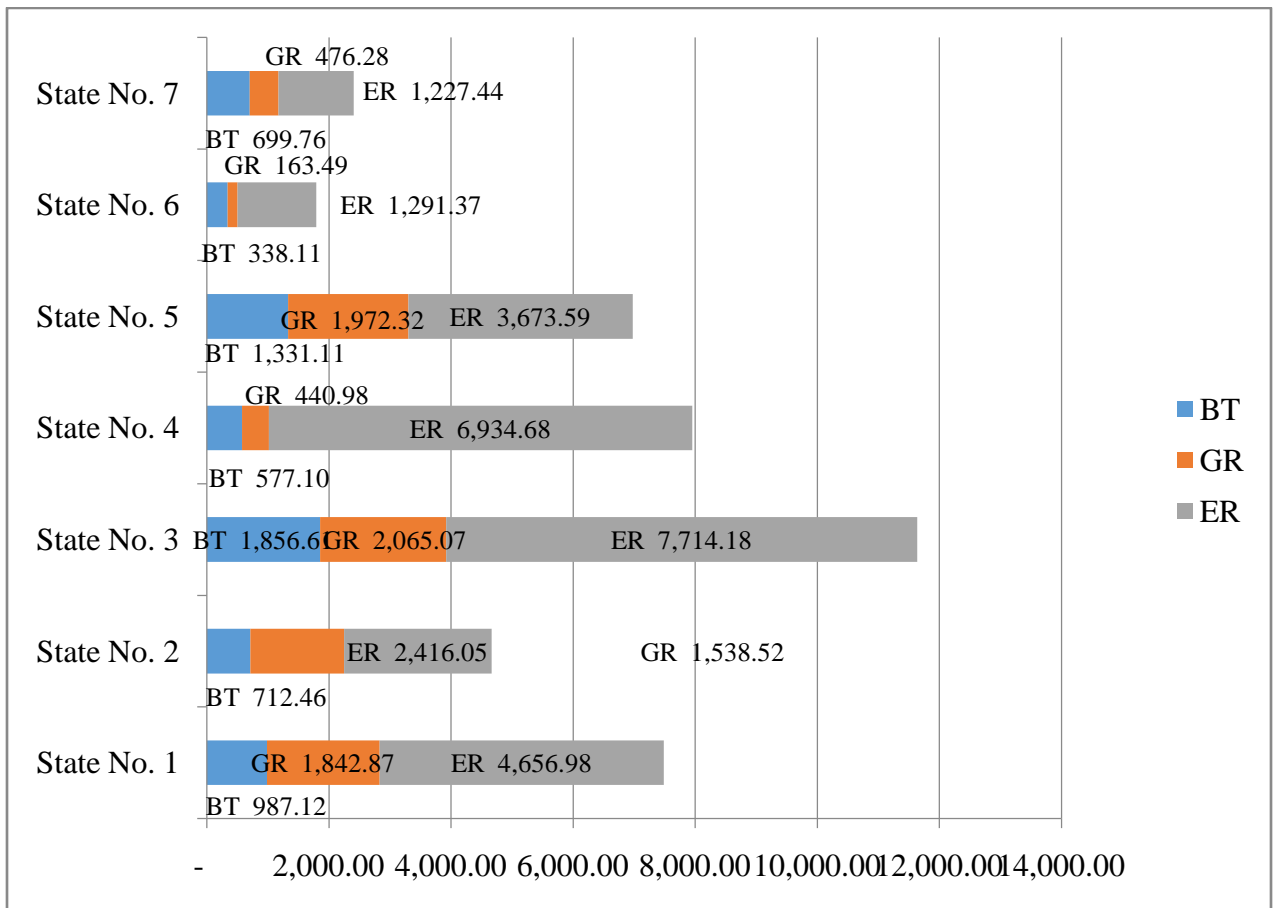


Figure 5.1: State-wise comparison of total road length (km)

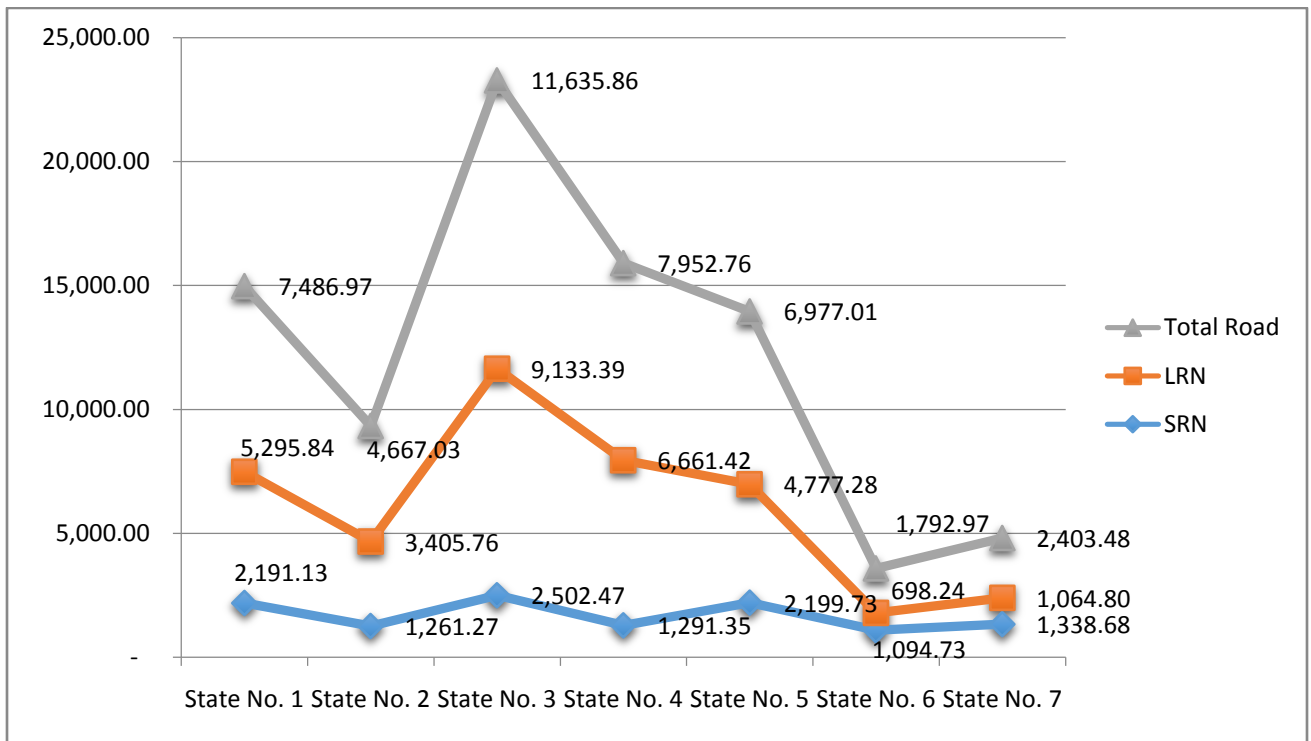


Figure 5.2: Distribution of SRN and LRN in different states (km)

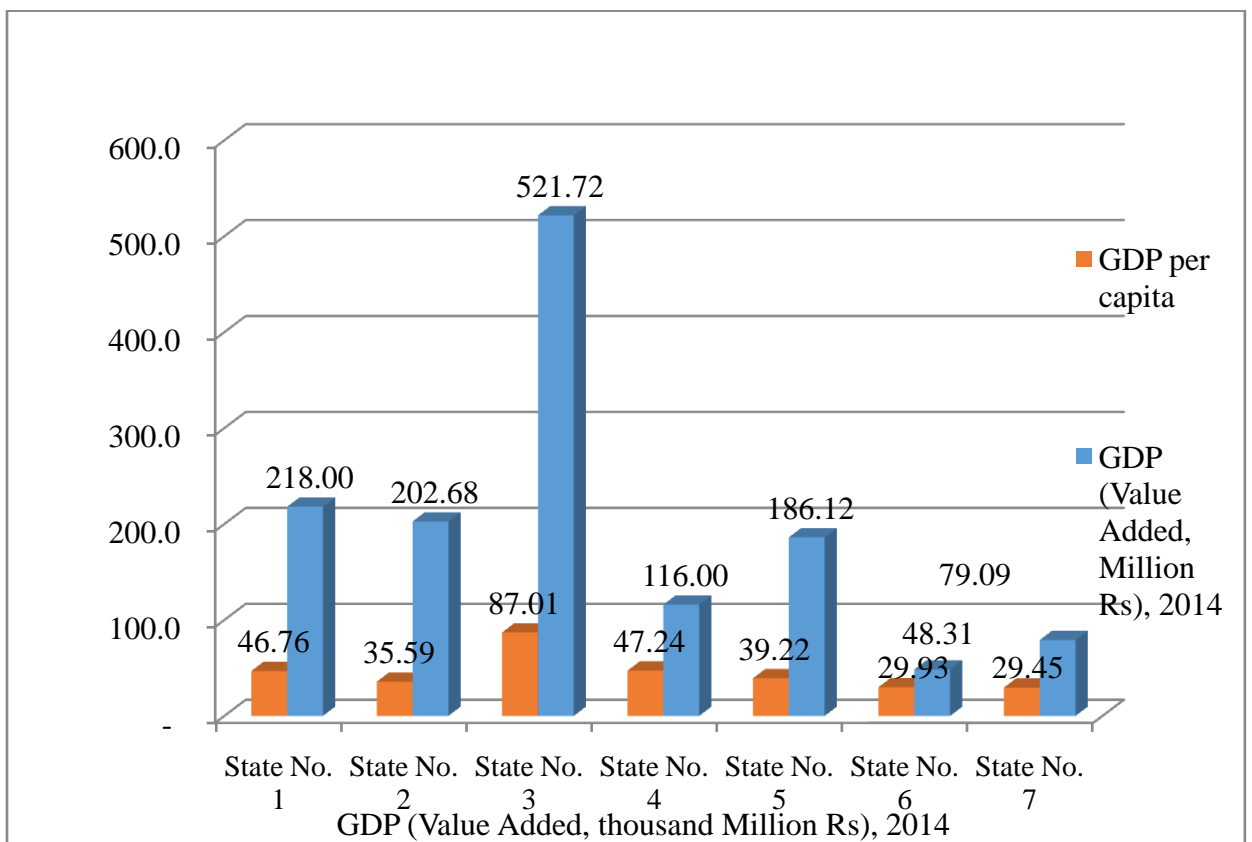


Figure 5.3: GDP and GDP per capita of 7 states

5.1.4 Regression analysis

Multiple regression analysis has been performed to establish relation of various parameters with GDP taking data of various districts of Nepal. Data of some districts are not used in analysis but are used for validation purpose so that they assist for the validation.

Following districts representing from different geographical locations and different federal states are used for validation purpose.

Table 5.4: List of districts taken for validation Purpose

Mountaneous	Hilly	Terai	Remarks
		Jhapa	
Dolakha		Chitwan	
Gorkha			
	Rolpa	Dang	
	Salyan		
Darchula	Doti	Kailali	

Similarly some developing nations like Nepal, India and Brazil are also taken for validation purpose.

5.1.5. Mathematical Modeling of GDP as function of Road density in terms of population and area:

A regression analysis is carried out for mathematical modeling to find the relation of GDP (per capita) with road density in terms of population and area using MS-Excel. The output after analysis is as follows:

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.850952074
R Square	0.724119432
Adjusted R Square	0.70133585
Standard Error	24809.87841
Observations	58

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	9.05E+10	4.52E+10	73.49319	2.91E-16
Residual	56	3.45E+10	6.16E+08		
Total	58	1.25E+11			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0							
RDa	298.7147407	69.47159	4.299811	6.9E-05	159.5464	437.8831	159.5464	437.8830667
RDp	9172.488166	1288.232	7.120213	2.19E-09	6591.849	11753.13	6591.849	11753.12754

$$\text{GDP}=298.715\text{RD}_a+9172.488\text{RD}_p$$

Upper and Lower limit at 95% confidence interval

$$\text{Lower Limit: GDP}=159.546\text{RD}_a+6591.849\text{RD}_p$$

$$\text{Upper Limit: GDP}=437.88\text{RD}_a+11753.13 \text{RD}_p$$

Where,

GDP= Gross Domestic Product per capita (NRs per capita)

RD_a= Road density in terms of km/100sqkm

RD_p= Road density in terms of km/1000 populations

The result above shows that GDP is more related with road density in terms of length per population rather than length per area. So the road density expressed in terms of km/1000 population is used as road density for further research work.

5.1.6. Mathematical Modeling of GDP as function of Road density of bituminous, gravel and earthen road:

A regression analysis is carried out for mathematical modeling to find the relation of GDP (per capita) with road density of bituminous, gravel and earthen road in terms of km/1000 population using MS-Excel. The output after analysis is as follows:

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.872369807
R Square	0.76102908

Adjusted R Square	0.73415741
Standard Error	23299.64353
Observations	58

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	95086188351	31695396117	58.38450878	5.87934E-17
Residual	55	29858036369	542873388.5		
Total	58	1.24944E+11			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0							
RD _b	43384.0385	13344.35545	3.251115325	0.00196518	16641.3527	70126.7244	16641.3526	70126.7244
RD _g	57907.8989	14015.12781	4.131813786	0.00012367	29820.9542	85994.8417	29820.9542	85994.8417
RD _e	8837.45124	1304.393004	6.77514466	8.80583E-09	6223.38937	11451.5137	6223.38937	11451.5137

$$\text{GDP} = 43384.039\text{RD}_b + 57907.898\text{RD}_g + 8837.451\text{RD}_e$$

Upper and Lower limit at 95% confidence interval

$$\text{Lower Limit: GDP} = 16641.353\text{RD}_b + 29820.955\text{RD}_g + 6223.389\text{RD}_e$$

$$\text{Upper Limit: GDP} = 70126.724\text{RD}_b + 85994.842\text{RD}_g + 11451.513\text{RD}_e$$

Where,

GDP= Gross Domestic Product per capita (NRs/capita)

RD_b= Road density of bituminous road in terms of km/1000 populations

RD_g= Road density of gravel road in terms of km/1000 populations

RD_e= Road density of earthen road in terms of km/1000 populations.

5.2 Result

Various mathematical expressions are generated using regression analysis through MS-Excel. The regression analysis is carried out in 95% confidence interval taking 58 districts of Nepal. Remaining districts are used for validation purpose. The results are shown as follows:

Table 5.5: Results of linear regression

Relation of GDP with	Expression for GDP	Lower Limit at 95% C.I.	Upper Limit of 95% of C.I.	R square value
RDa, RDp	$GDP=298.715RDa+9172.488RDp$	$GDP=159.546RDa+6591.849RDp$	$GDP=437.88RDa+11753.13RDp$	0.724
RDb, RDg, RDe	$GDP=43384.039RDb+57907.898RDg+8837.451RDe$	$GDP=16641.353RDb+29820.955RDg+6223.389RDe$	$GDP=70126.724RDb+85994.842RDg+11451.513RDe$	0.761

Where,

GDP= Gross Domestic Product per capita (NRs/capita)

RDb= Road density of bituminous road in terms of km/1000 populations

RDg= Road density of gravel road in terms of km/1000 populations

RDe= Road density of earthen road in terms of km/1000 populations.

5.3 Validation

The results obtained from the analysis are validated by using the data of 10 districts which are not used in data analysis as follows:

5.3.1 GDP as function of road density of bituminous, gravel and earthen road

The results after the regression is taken for validation using the data of other districts and presented in the table below:

Table 5.6: Validation of GDP as a function of road density of bituminous, gravel and earthen road

Districts	RD _b	RD _g	RD _e	GDP from equation		GDP, 2014 from data	Test
				Lower limit	Upper Limit		
Jhapa	0.2164	0.8483	0.2626	30,531.597	91,129.287	47,074.54	OK
Dolakha	0.5898	0.4940	2.1817	38,124.641	108,826.74	38,474.09	OK
Chitwan	0.4519	1.9751	0.3502	68,597.371	205,543.92	58,430.93	Not OK
Gorkha	0.1008	0.1521	9.2989	64,083.241	126,633.21	42,884.21	Not OK
Rolpa	0.1676	0.3933	1.0575	21,099.153	57,685.371	25,215.39	OK
Dang	0.2975	0.3684	0.7475	20,589.478	61,105.584	43,105.59	OK
Salyan	0.1975	0.3627	0.8890	19,635.068	55,219.674	30,513.62	OK
Darchula	0.0730	0.3650	0.1645	13,123.021	38,390.785	24,799.56	OK
Doti	0.5415	0.0281	1.2341	17,531.492	54,528.469	30,911.25	OK
Kailali	0.2046	0.3866	0.2849	16,706.772	50,857.467	35,315.30	OK
Nepal	0.2454	0.3208	1.0536	20,207.66	56,863.06	49,255.29	OK
India ¹⁰	2.0223	1.7371	0	85,465.04	291,237.89	146,137.79	OK
Brazil ¹¹	1.0645	6.8210	0	221,122.84	661,219.87	1,302,828.38	Not OK

5.3.2 List of districts whose test is positive

Out of 10 districts, 8 districts shows positive results regarding GDP whose value lies in the interval of lower and upper limit of 95% confidence interval. Following table shows the results:

¹⁰ Data of India (2011) for validation are extracted from https://knoema.com/atlas/india_in_10th_March_2017, 8:23 AM, assuming paved road as bituminous and unpaved as gravel. Impact of earthen road is very small, so it is neglected.

¹¹ Data of Brazil (2011) for validation are extracted from https://knoema.com/atlas/brazil_in_10th_March_2017, 8:25 AM, assuming paved road as bituminous and unpaved as gravel. Impact of earthen road is very small, so it is neglected.

Table 5.7: List of districts with their lower and upper limit of GDP per capita whose test is positive

S.N	District	Lower limit	Upper limit	GDP (NRs per capita)
1	Darchula	13,123.02	38,390.79	24,799.56
2	Dolakha	38,124.64	108,826.74	38,474.09
3	Kailali	16,706.77	50,857.47	35,315.30
4	Doti	17,531.49	54,528.47	30,911.25
5	Salyan	19,635.07	55,219.67	30,513.62
6	Dang	20,589.48	61,105.58	43,105.59
7	Rolpa	21,099.15	57,685.37	25,215.39
8	Jhapa	30,531.60	91,129.29	47,074.54

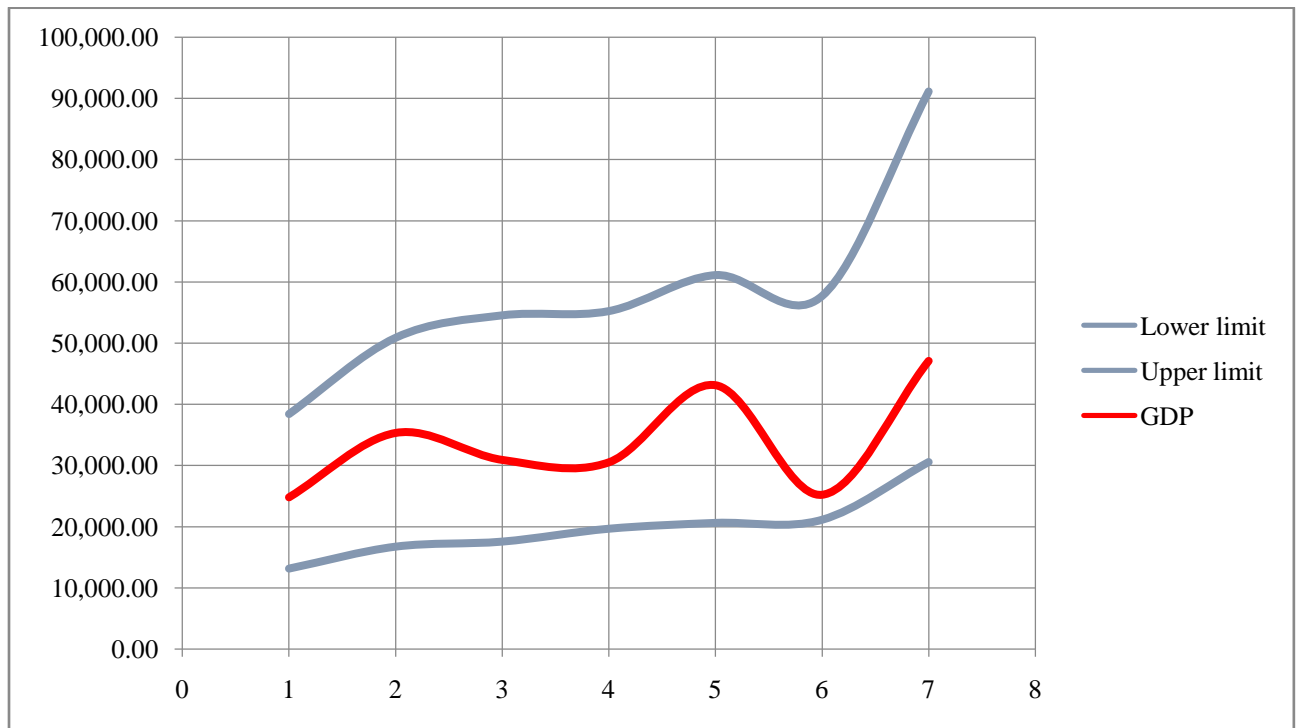


Figure 5.4: GDP of districts showing positive results in 95% confidence interval

5.3.3 Non linear mathematical Modeling of GDP as function of Road density of bituminous, gravel and earthen road:

XLSTAT 2016.06.37287 - Nonlinear regression - Start time: 11/24/2016 at 8:31:29 AM / End time: 11/24/2016 at 8:31:31 AM

Y / Quantitative: Workbook = 1. Data Analysis r2.xlsx / Sheet = regression_bit_gra_earthen / Range = regression_bit_gra_earthen!\$AB\$2:\$AB\$40 / 38 rows and 1 column

X / Quantitative: Workbook = 1. Data Analysis r2.xlsx / Sheet = regression_bit_gra_earthen / Range = regression_bit_gra_earthen!\$X\$2:\$Z\$40 / 38 rows and 3 columns

Stop conditions: Iterations = 200 / Convergence = 0.00001

Function: $Y = pr1 + pr2 * X1 + pr3 * X2 + pr4 * X3 + pr5 * X1^2 + pr6 * X2^2 + pr7 * X3^2$

Run again:

Summary statistics:

Variable	Observations	Obs. with missing data	Obs. without missing data	Minimum	Maximum	Mean	Std. deviation
GDP	38	0	38	18602.934	68983.190	41928.510	10629.833
RDb	38	0	38	0.000	0.526	0.251	0.146
RDg	38	0	38	0.000	0.878	0.215	0.222
Rde	38	0	38	0.034	6.592	1.480	1.453

Correlation matrix:

Variables	RDb	RDg	Rde	GDP
RDb	1.000	0.012	0.311	0.266
RDg	0.012	1.000	-0.425	0.169
Rde	0.311	-0.425	1.000	0.312
GDP	0.266	0.169	0.312	1.000

Nonlinear regression of variable GDP:

Goodness of fit statistics:

Observations	38.000
DF	31.000
R ²	0.270
SSE	3052231957.090
MSE	98459095.390
RMSE	9922.656

Model parameters:

Parameter	Value	Standard error
pr1	24332.309	6708.585
pr2	33405.732	41035.327
pr3	40795.667	25595.879
pr4	6947.597	3440.387
pr5	-53584.386	83500.427
pr6	-29465.180	31334.746
pr7	-607.073	567.934

Equation of the model:

$$\text{GDP} = 24332.309 + 33405.732 \cdot \text{RD}_b + 40795.667 \cdot \text{RD}_g + 6947.597 \cdot \text{RD}_e - 53584.386 \cdot \text{RD}_b^2 - 29465.180 \cdot \text{RD}_g^2 - 607.073 \cdot \text{RD}_e^2$$

Where,

GDP= Gross Domestic Product per capita (NRs per capita)

RD_b= Road density of bituminous road in terms of km/1000 populations

RD_g= Road density of gravel road in terms of km/1000 populations

RD_e= Road density of earthen road in terms of km/1000 populations.

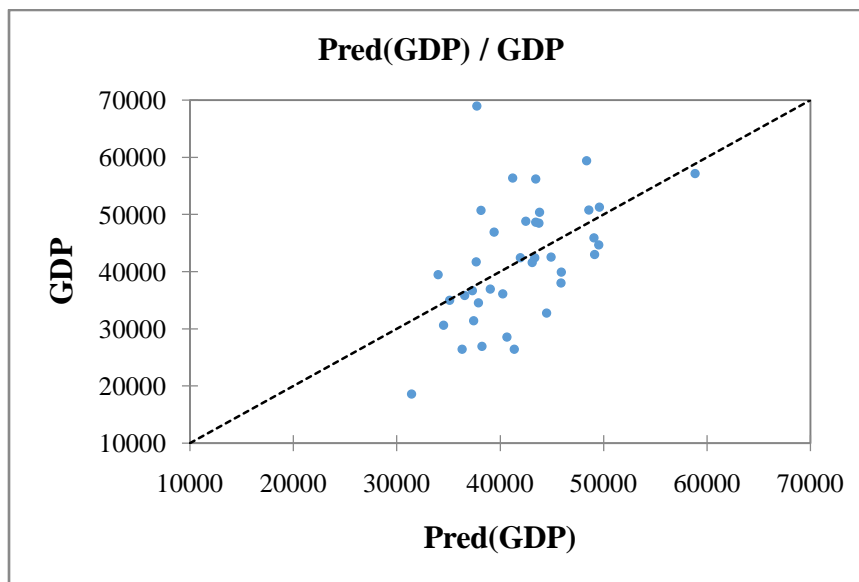


Figure 5.5: GDP Vs Predicted GDP from non linear regression

5.3.4 Validation of Non linear regression equation

The expression from non linear regression is validated for the data of following districts as follows:

Table 5.8: Validation of data from non linear regression

Districts	RD _b	RD _g	RD _e	GDP from equation	GDP, 2014 from data	Error (%)	Test
Jhapa	0.2164	0.8483	0.2626	44238.212	47,074.54	6.03	OK
Dolakha	0.5898	0.4940	2.1817	50626.494	38,474.09	(31.59)	Not OK

Chitwan	0.4519	1.9751	0.3502	-3521.887	58,430.93	106.03	Not OK
Gorkha	0.1008	0.1521	9.2989	44789.8	42,884.21	(4.44)	OK
Rolpa	0.1676	0.3933	1.0575	46581.41	25,215.39	(84.73)	Not OK
Dang	0.2975	0.3684	0.7475	45412.422	43,105.59	(5.35)	OK
Salyan	0.1975	0.3627	0.8890	45456.696	30,513.62	(48.97)	Not OK
Darchula	0.0730	0.3650	0.1645	38576.539	24,799.56	(55.55)	Not OK
Doti	0.5415	0.0281	1.2341	35482.961	30,911.25	(14.79)	Not OK
Kailali	0.2046	0.3866	0.2849	42221.969	35,315.30	(19.56)	Not OK

The mathematical expression from non linear regression analysis doesnot show satisfactory results as shown in table. Hence, the result from this analysis is not considered.

5.3.5 Non linear (logarithmic) mathematical Modeling using of GDP as function of Road density of bituminous, gravel and earthen road:

SUMMARY
OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.485848867
R Square	0.236049121
Adjusted R Square	0.168641691
Standard Error	9692.160171
Observations	38

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	986863383.3	328954461.1	3.501826422	0.025737438
Residual	34	3193890938	93937968.77		
Total	37	4180754322			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	49168.06065	4036.912285	12.17962076	5.95819E-14	40964.06787	57372.05343	40964.06787	57372.05343
lnRD _b	-444.3618816	2342.463998	-0.189698489	0.850673398	-5204.821453	4316.09769	-5204.821453	4316.09769
lnRD _g	3362.541505	1214.111887	2.769548294	0.009027381	895.1693034	5829.913706	895.1693034	5829.913706
lnRD _e	4113.674305	1623.545851	2.533759241	0.016061419	814.2321814	7413.116428	814.2321814	7413.116428

$$\text{GDP}=49168.06-444.36 \ln\text{RD}_b+3362.54 \ln\text{RD}_g +4113.67\ln\text{RD}_e$$

Upper and Lower limit at 95% confidence interval

$$\text{Lower Limit: GDP}=40964.07-5204.82 \ln\text{RD}_b+895.17\ln\text{RD}_g +814.23\ln\text{RD}_e$$

$$\text{Upper Limit: GDP}=57372.05+4316.10\ln \text{RD}_b+5829.91 \ln\text{RD}_g+7413.12\ln\text{RD}_e$$

Where,

GDP= Gross Domestic Product per capita (NRs/capita)

RD_b= Road density of bituminous road in terms of km/1000 populations

RD_g= Road density of gravel road in terms of km/1000 populations

RD_e= Road density of earthen road in terms of km/1000 populations.

Table 5.9: Validation of GDP as function of road density of bituminous, gravel and earthen road in log function

Districts	lnRD _b	ln RD _g	ln RD _e	GDP from equation		GDP, 2014 from data	Test
				Upper limit	Lower Limit		
Jhapa	-1.531	-0.165	-1.337	47,694.704	39,894.325	47,074.54	OK
Dolakha	-0.528	-0.705	0.780	43,715.962	56,764.910	38,474.09	Not OK
Chitwan	-0.794	0.681	-1.049	44,853.164	50,133.533	58,430.93	Not OK
Gorkha	-2.295	-1.883	2.230	53,036.994	53,019.749	42,884.21	Not OK
Rolpa	-1.786	-0.933	0.056	49,470.956	44,636.823	25,215.39	Not OK
Dang	-1.212	-0.999	-0.291	46,143.224	44,160.429	43,105.59	Not OK
Salyan	-1.622	-1.014	-0.118	48,402.712	43,586.481	30,513.62	Not OK
Darchula	-2.617	-1.008	-1.805	52,214.859	26,820.300	24,799.56	Not OK
Doti	-0.613	-3.572	0.210	41,130.504	35,459.427	30,911.25	Not OK
Kailali	-1.587	-0.950	-1.256	47,349.449	35,675.128	35,315.30	Not OK

The mathematical expression from non linear regression analysis using logarithmic value also doesnot show satisfactory results as shown in table. Hence, the result from this analysis is also not considered.

CHAPTER SIX: CONCLUSIONS & RECOMMENDATIONS

The main objective of this research is to analyze and understand the impact of road infrastructure on regional economy of developing nation. Collection of road related data of Nepal and its analysis has been done in this report. Establishment of a mathematical model to relate GDP per capita with road density of paved and unpaved roads (bituminous, gravel and earthen roads) is an important achievement of this thesis.

6.1 Conclusions

Regression analysis has been used to relate GDP with road density of bituminous, gravel and earthen roads. The road density is expressed in terms of road length per 1000 population as it has been found more appropriate than road density in terms of road length per 100 square km.

In regression analysis, 95% confidence level is used and the expressions for lower and upper limit of GDP per capita have been formulated. After carrying out regression analysis, the results are validated using data of other 10 districts which are not actually taken into consideration for analysis. Out of 10 districts, result has been verified by 8 districts. That means, the GDP per capita of eight districts lies in the interval of lower and upper limit of 95% confidence interval which is acceptable. Also, non linear regression analysis is done to find the expression of GDP per capita with road density of bituminous, graveled and earthen road. The validation shows that the results are not satisfactory as are not validated by the result. Only 4 out of 10 districts show that the results are within 10% error, so are not acceptable.

The linear regression analysis in which, 8 out of 10 districts show positive results is supposed to be valid and expression for 95% confidence level. The expressions for lower limit (LL) and upper limits (UL) of GDP per capita so obtained are as follows:

$$\text{GDP (NRs per capita)} = 43384.039\text{RD}_b + 57907.898\text{RD}_g + 8837.451\text{RD}_e$$

$$\text{GDP}_{LL}(\text{NRs per capita}) = 16641.353\text{RD}_b + 29820.955\text{RD}_g + 6223.389\text{RD}_e$$

$$\text{GDP}_{UL}(\text{NRs per capita}) = 70126.724\text{RD}_b + 85994.842\text{RD}_g + 11451.513\text{RD}_e$$

Where,

GDP= Gross Domestic Product per capita (NRs per capita)

RDb= Road density of bituminous road in terms of km/1000 populations

RDg= Road density of gravel road in terms of km/1000 populations

RDe= Road density of earthen road in terms of km/1000 populations

If the GDP per capita is expressed in USD per capita (Assuming 1 USD=100 NRs), results shall be,

$$\text{GDP (USD per capita)} = 433.84\text{RDb} + 579.08\text{RDg} + 88.38\text{RDe}$$

$$\text{GDP}_{LL}(\text{USD per capita}) = 166.41\text{RDb} + 298.21\text{RDg} + 62.23\text{RDe}$$

$$\text{GDP}_{UL}(\text{USD per capita}) = 701.27\text{RDb} + 859.95\text{RDg} + 114.52\text{RDe}$$

Where,

RDb= Road density of bituminous road in terms of km/1000 populations

RDg= Road density of gravel road in terms of km/1000 populations

RDe= Road density of earthen road in terms of km/1000 populations

The above equations show that the regional economy of Nepal is driven basically by density of bituminous and gravel road. There is less influence of earthen road density in regional economy.

6.2 Recommendations

The mathematical equation thus generated shows that there is great influence of road transport in generating regional economy. For the regional economy of any developing nations, based on the findings of this research, following are some of the recommendations:

- It is observed from the research that bituminous and gravel road plays vital role in contributing regional economy of developing nation. So, up gradation of fair weathered (earthen) roads to all weather (at least graveled) roads is to be given higher priority by the concerned authority.
- It is found that GDP per capita is more affected by road density in terms of length/population than length/ area. So, it is recommended to give priority based

on population than geographical location to increase GDP per capita of developing nation.

6.3 Limitations of report and further studies

The thesis has made some considerations which are its limitations. Also, this research has made a platform for further researches in field of transport economy. The limitations of this research can be incorporated in further researches.

- Impact of other modes of transportation is not considered in this thesis, so impact of other modes can be incorporated in further researches.
- Effect of other infrastructures in generating regional economy is almost neglected in this research. So, further research can be performed by considering effect of such other infrastructures.
- This thesis has considered the impact of road infrastructure on regional economy in terms of GDP per capita of districts. Further research can be done to study the impact of road infrastructure on spatial development (land use plan etc) and its effect on economy.
- Further researches can be performed to do comparative study on benefit cost analysis (studies) for road construction in widely separated community versus resettlement of habitats to road heads.

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