CHAPTER-I

INTRODUCTION

1.1 General Background

Rural poverty is a multidimensional phenomenon which is the creation of mind. It is the condition in which rural people can not maintain a scale of living high enough to provide his physical and mental efficiency according to the standards of the society.

Poverty is the problem of under developed and developed countries. It is deeply rooted in underdeveloped countries. The incidence, magnitude and extent of poverty differ in under developed and developed countries. In developed countries, poverty is defined as the failure to come up a desired level of living but in underdeveloped countries, poverty reflects the level of income, expenditure, constituting food, clothing and so on.

Asian countries of the Himalayan and Hindukush regions such as Nepal, China, Myanmar, India, Pakistan, Bangladesh, Afghanistan and Bhutan are suffering from poverty. Since 75 percent of the world's poor (using 1\$ a day criterion) live in rural areas and an aggressive attack on rural poverty alleviation seems essential. Rural South Asia has the highest incidence of poverty after sub-Saha Africa. Within countries poverty is increasingly concentrated in remote parts (Kunwar, 2003:1).

Scholars have defined the term poverty in different ways, Oscar Altimar has defined it as a "situational syndrome" which includes following components: under consumption malnutrition, precarious housing conditions, low redistribution to its primitive strata, attitudes of discouragement and anemic little participation in the mechanism of social integration and possible adherence to a particular scale of values different in some extent from that held by rest of society (Altimar, 1982: 2).

Poverty can be classified broadly as absolute and relative. Absolute poverty refers to a situation where people receive income below minimum level required for survival and physical efficiency. The essential elements of survival are basic level of private consumption i.e. minimum diet, minimum amount of protein and certain essential public goods and services such as clean water and sanitation, health services and education similarly, relative poverty refers to a situation in which people's living standard is below the average level.

The problem of poverty is rooted in rural Nepal. The human development report 2005 shows that Nepal ranks 136th position among the 177 countries. Estimated per-capita income is Rs. 15,162 (NLSS-2003/04). The inequality between poor and rich has also been increased. NLSS-2003/04 has noted that the average per capita income of poorest 20 percent population is Rs. 4,003 whenever richest 20 percent population has Rs 40,486 as per capita income. Over 85 percent of total population of the country lives in rural areas. Agriculture sector is the backbone of Nepalese people for their livelihood. Out of sum total 80 percent people depends upon agriculture. The productivity of this sector is very low which is mainly due to the traditional farming system.

The poverty in Nepal is concentrated in rural areas. About 35 percent of rural people are living under the national poverty line when ever only about 10 percent of urban people are living under this poverty line (CBS:2004).

In Nepal, various factors are responsible for growing rural poverty. Anyhow poverty has been proved as the greatest obstacle in the way of development. It might have been almost agreeable that poverty anywhere is threat to everywhere. The presence of extreme poverty is sufficient to ruin the peaceful

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and prosperous countries too. According to a study of central Bureau of statistics, about 31 percent of people are below poverty line. The percentage of population below poverty line differs with the different geographical region. The poverty in terai, Hill and Mountain is 27.6 percent, 34.5 percent and 32.6 percent respectively. Among the different ethnic groups in rural areas, untouchable classes are mostly below the poverty line. The present study has been designed to trace the present economic situation of Damai of Paiyunthanthap VDC of Baglung district.

1.2 Damai and Nepalese Condition

Nepal is one of the countries of SAARC having traditional society and culture. Most of the people are Hindus and several societies has been divided by caste hierarchical system. According to census 2001, above 12 percent of the total population constitutes the occupational caste (so called untouchables, low caste or dalit) that is engaged in traditional occupation with low status. Hindu society recognizes a caste hierarchy Brahmins includes scholars and priest, Kshetriya include rulers and soldiers, Baishya include merchants and farmers and Shudra are considered as lower caste, in addition, they are seen as personas that exist to serve to so called higher caster people and they have assigned by certain traditional occupation. Even now, the untouchability is deeply rooted in society.

The definition of Dalit community differ: The National Dalit Commission defines as "The community known as so called untouchables (pani nachalne ra choichhi to halnu parne) by Hindu Varnashram system (occupation classification and the civil code 1910 B.S, from social, economic, political, educational and religious life and also from the national mainstream are "Dalit People." The NDC has identified 22 caste groups as Dalits (NDC:p.44).

Dalit are no exception, they themselves use practices the Hindu model of untouchability and exclusion is very much alive within their soual structure. Second, despite the serious efforts by HMG and INGOS/NGOS (including the dalit NGOS) to uplift the socio-economic condition of dalit over the last 40 years, they are until the most backward group in socio-economic and political platforms of Nepal (Dahal etal 2002). According to Dilli R. Dahal, at the out set to things are worth in Nepal. First, dalit are treated as untouchable in Nepal even today though. The caste system was abolished with the introducing of new legal code in 1963. The members of higher caste. (All Hindus including the indigenous nationalists) do not accept cooked food and water from them, keeping intact the exclusion model in their day to day life (Bhattachan et. al, 2002).

Out of 22 caste group of Dalits 'Damai" is one of the lowest Dalit caste. This caste in recognize as "Tailor Caste". About 2 percent of total population of the country are Damai. Ninety eight family name of Damai are recognized by NDC such as Pariyar, Darji, Dholi, Suchikar, Huike etc. The main occupation of Damai is sewing service called "Bista System" (the system in which the member of Damai community have to go to the home of so called upper class people for sewing service).

The main causes of backwardness of Damai are we all seen the social, economic, political, literacy rate, health, justice system etc. which explaining as following:

A. Social Condition

In Nepal, Damai have become victim of caste discrimination. Likewise, they have been facing the atrocity of untouchability for about one thousand six hundred years. Untouchability is practiced in drinking water, tea-stall, hotels, lodges, milk co-operative, school, festivals and rituals, temples etc. Damai face violation of civil liberties, inferior or no people status, dehumanized, living and working condition, impoverishment, bad health condition, high level of illiteracy and continuing social ostracism.

B Economic Condition

Damai communities in rural area are suffering from poverty. The rural poverty is also concentrated in Damais. They have not sufficient land. If they have few lands, it is also the unproductive, locally called 'Rukho-Jagga' (Non-fertile land). About 29 percent Damais are landless. Out of land-holding Damais, lands holding below 5 ropanies are more than 55 percent and having more than 21 ropanies are less than 2 percent. Similarly, the literacy is nearly 19 percent, though national literacy is more than 55 percent (NDC, 2062:64).

C Political Conditions

Dalit represented in the DDC and VDC is very rare. They are affected by feudal political society from 1958 onward till now. Only 14 Dalit became the MPs of upper house representatives. Till now, there is nearly negligible representation of Damai population in Nepal is not represented in national politics. Thus Damai are politically voiceless.

D Literacy Rate

According to 10th plan, the literacy rate of our country is not so satisfactory. The achievement of literacy has presented, the literacy rate into two groups i.e. the national literacy rate (above 6 years), which is 55.5 percent, and the literacy rate (above 15 years) is 49.2 percent. Among them 35.6 percent are female and 64.4 percent are male. If we

compare this literacy rate with almost Dalit community, we found it is very poor because only 3 percent Dalits are literate in Nepal.

E Health Condition

Average life expectation of Nepal 62.8 years and average life expectancy of Dalit is 50.3 years (CBS, 2005). Comparatively the health condition of Damai people is very low in society. Due to the lack of fresh drinking water their health condition is too poor. Besides, lack of sufficient food, Dalit children are highly suffering from malnutrition.,

F. Justice System

Since Damai are marginalized people. They have no access to justice. Damai people are humiliated and their minimum human rights are violated in every walk of life. For example, they excluded to enter in temples, hotels and other many Hindus ritual places. In other side, visible participation of Damai in field of justice is not seen. In this way, we can analysis; they are back warded in all sector of the society till 21st century.

1.3 Statement/Justification of the Problem

Nepal is a Country having rural agricultural economy where poverty is very high in comparison to other countries of south Asia. However, the agricultural productivity is very low on account of lack of fertilizer, irrigation, new technology agricultural credit. In the same way, the rural traditional agricultural suffers from floods, landslide, soil erosion, small and fragmental holding of land, insufficient of agricultural development program. Moreover, population pressure on land is responsible for deteriorating condition of agriculture sector. The marginal productivity of land has declined which has affected the standard of living of the poor to a great extent. Moreover, the large number of rural Damai people are not able to meet their day to day basic needs and suffering from the many problems like food, clothes, shelter, health, education etc.

World Development Report (1999/2000) noted that the per capita income of Nepalese people is Rs.7663 but in Dalit's per-capita income is Rs.4940. Similarly the condition of Damai is also same. This indicates that the status of Damai is very poor economically and socially. Nearly 29 percent of Damai are landless in Terai and 80 percent of Damai are unable to produce agricultural product for their livelihood. Other main problem of the Nepalese Damai is socially exclusion.

Attempts have been made by His Majesty's Government as well as nongovernmental organizations to reduce the poverty through various program. But the efforts are not sufficient in Damai community where poor people live. Since inequitable distribution of benefits and social exclusion, the lower caste people are becoming poorer and poorer day by day. Nepal has completed ninth five year plans and running the tenth plan through the experience of wide ranges of policies focused against rural poverty, but there is no visible impact on the lives in the rural Damai communities.

One of the Millennium Development Goals (MDG) is to halve the proportion of the world's people living on less than \$1 a day and next is to halve the proportion of the world's people suffering from hunger. Tenth five year plan (2059-64) has set a single objective as poverty reduction. Various programs were launched in this related field but the result is not so satisfactory. This research would have been helped in formulating plans and projects for the development of this community. Since no more researches had been held in Damai community it have been very useful for researchers, students and for those who wants to have further study in detail. This have been shown the present socio-economic situation of Damai community. In Paiunthanthap VDC of Baglung district, most of 'Damai' are poor as well as illiterate. Such kind of study had not been done yet in that area. So, I hope this research would have suitable for my thesis.

1.4 Objectives of the Study

The general objective of study is to assess the overall rural poverty in which Damai are affected and the specific objectives are as follows:

- (i) To assess the socio- economic situation of Damai community.
- (ii) To measure absolute and relative poverty of Damai community.
- (iii) To find out the causes of rural poverty in study area.

1.5 Limitation of the study

The study have been concerned in a Paiunthanthap VDCof Baglung district. Therefore, generalization of conclusion may not be equally applicable to other areas of Nepal. It have been conducted under time and financial constraints. The simple statistical tools have been used to analyze the data obtained. The prices of commodity have been calculated taking into account the current prices in the study area.

The study has been based on in sample survey but the size of sample would be already determined as 20 percent out of universe. Random sampling methods have been done for interviewing household. Use of descriptive design has been another limitation of the study. Data for the study have been collected with the limited tool such as questionnaire, interview, focus group discussion and observation.

CHAPTER-II

LITERATURE REVIEW

Poverty is a phenomenon which is most challenging issue of under-developed countries. Many studies and research works were launched by many researchers and institution in the world as well as in Nepal too.

The first attempt to measure poverty in Nepal was made by the National Planning Commission (NPC) in 1978 through the survey of employment, income distribution and consumption patterns. NPC used population growth rate, life expectancy at birth, infant mortality rate, school enrollment age, maternal mortality rate and daily supply of calorie among others as the major social indicators for the analysis.

The first Nepal living standard survey (1995/96) has been concluded that the population below poverty line was 42 percent. Moreover, Nepal living standard survey – 2003/04 has been concluded that about 31 percent people are living under poverty line. This survey shows that the poverty in Eastern Development Region 29.3 percent, Mid-Development Region 27.1 percent, Western Development Region 27.1 percent, Mid-Western Region 44.8 percent and far western development region 41.0 percent. Similarly, the poverty in mountainous ecological region 32.6 percent hill 34.5 percent and terai 27.6 percent (CBS).

Shrivastav has analyzed the caused of poverty by using primary data collected in the villages of Arghakhachi district. He has categorized poverty into three types in terms of household annual income. The three types of poverty are extreme poverty, moderate poverty and serious poverty. This study showed that about 80 percent of the households have income below poverty line and among the 40 percent households, 25 pecent and 15 percent are suffering from serious poverty and ordinary poverty respectively. Excessive dependence on agriculture, workload on female only, geographical situation, climatic and soil conditions, lack of education are defined to be the internal causes of poverty by the researcher. Similarly, lack of irrigation, capital and credit, off-farm employment opportunities, agriculture marketing, price support in agriculture products are taken to be external causes for poverty (Shrivastav, 1976).

O. Altimer, in his research, the extent of poverty in Latin America defines the concept of poverty and basic needs. The concentrates on the Latin American provinces by bringing out the measurement of poverty, the methods of drawing poverty lines for the areas. The actually traces out the extent of absolute poverty in ten Latin American countries. Through his estimation, it has come out that 40 percent of Latin American households were poor in the beginning of 1970's. In this way, the incidence of poverty was 25 percent in urban areas and 60 percent in rural areas. The study has gone through the poverty gap in terms of total household income. To highlight the dimension of poverty the various methods, like poverty gap, poverty index were used in the study. All the data used for the study were of secondary in nature (Altimar, 1980).

Most of the Dalit people are poor and landless. Their traditional occupations are stigmatized by the society and even if some how they try to pursue it, they can to compete with the cheap products available in market. Cheap products have displaced their means of livelihood (Battachan et.al.,2003). About 20 percent of the whole population, castitutes the service castes (so called untouchables) who are engaged in traditional occupation with low status. Hindu society recognizes a caste hierarchy of four classes or varnas. There are Brahmins, Kshetriyas, Vaisya and Shudras. Among the four classes, Shudras people have assigned the certain occupational and so called higher caste people refused them to charge their traditional occupation (Durga, 2060).

Keith Griffin, in his book, "World Hunger and World Economy" states that a state can play any possible role to eliminate poverty. His emphasis is that a state has to be used as an instrument by the governing class for the all round development of the nation, but generally it is not found to be so. It has been noticed by Keith that sometimes the state has been used in favor of some particular ethnic groups and not as a whole. He has cited many examples to highlight this point and has concluded that poverty elimination can not be more than an imagination in Nepal since there is a dominant position of land owners and the instruments can not be governed for the benefit of the poor. In conclusion, he says, though the pursuit of the class ambition may lead to growth, three still remains inequality and further economic also impoverishment in the greater portion of population (Griffin p.37).

The ninth plan has adopted the objectives to end the existing gap between the people of oppressed group and other communities by abolishing prevailing social discrimination of the country and to eliminate the poverty and unemployment with in the next 20 years period as envisaged in long term perspective. The tenth plan's long term vision is to raise the living standard of Dalit and neglected communities by empowering them to the basis of equality and mainstream them to the basis of equality, and mainstream them into the development efforts while enhancing their self-respect. Though there is no data by what measure the improvements are progressing in this front since the HDI based on caste hierarchy is not available during the last years. It is assumed that the progress in caste wise status should have been going forwarded as there is overall advancement in these indicators.

CHAPTER-III

RESEARCH METHODOLOGY

3.1 Research Design

The present study is a micro level research in rural poverty of Damai community in Paiyunthanthap VDC of Baglung district Primary and secondary sources of information have been used in this research. The research design has been as descriptive.

3.2 Selection of Study Area

The study area is Paiyunthanthap VDC of Baglung district. The total population of Damai in study area is 300 including males and females.

3.3 Nature of Data

Qualitative and quantitative data have been used in this research.

3.4 Sources of Data

This study has included both primary and secondary sources of information. The primary data have been collected through field survey. Secondary data have been obtained from offices of VDC, district, region and central level.

3.5 Sampling Procedure

The total household of Damais of Paiyunthanthap VDC has been taken as universe. The total household number is 60 had chosen one third households of total households as the respondents by random sampling methods. Among various types of random sampling, simple random method used.

3.6 Data Collection Method and Techniques

3.6.1 Household Survey

Semi structural questionnaire were prepared to generate data from household survey of the targeted people. The respondents were requested to fill up the questionnaire. In case of the respondents who could not fill up the questionnaire, questions were asked to the respondent and filled up by researcher himself to collect the required data.

3.6.2 Key Informant Interview

The primary data were collected method informants using the semi or unstructured interview. The interview was taken as cross checking for data obtained from questionnaire.

3.6.3 Focus Group Discussion

The focus group discussion was held in separate group with the participation of women and men. This discussion was focused mere on women and poorest of the poor among Damai.

3.7 Variables and their operationalisation

In this study employment, income, education, health condition and the poverty level are the main variables. Among them poverty level is the dependent variable and others are independent variables, because poverty level is entirely depend on education, employment, health condition and social inclusion, when the indicators of such independent variables are positive then dependent variable (poverty level of concerning people) will also improve.

3.8 Methods of Data Analysis

Some statistical tools have been used to show the interrelationship among poverty of income, unemployment, education, expenditure etc. various statistical tools were discussed below to measure the absolute poverty, relative poverty and total poverty as following:

3.8.2 Absolute Poverty Line

Absolute poverty has been measured by the following norms. According to ninth plan estimation, the per capita annual income is Rs.4,404 to meet the expenses on minimum average 2,144 Kilo calories form food but now the level at the current price turn out to Rs.6,100 per year.

3.8.3 Relative and Total Poverty

The relative poverty line is estimated on the basis of Wolf point and absolute poverty line. Those households whose income level is higher than minimum subsistence requirements and below the wolf point level are relatively poor.

For the driving total poverty line we take a linear Keynesian consumption function and compute wolf-point.

a) Keynesian Consumption Function

In Keynesian consumption function, it is assumed that consumption is the function of level of income, which is expressed as:

 $C_i = a + bY_i$

where, a = autonomous consumption.

b = marginal propensity to consumption

 C_i = consumption expenditure

 Y_i = income level (Todaro, 2004)

b) Calculation of Wolf-point

From the Keynesian consumption function wolf-point (i.e. break even point can be derived which implies equality between income and expenditure $Y_i = C_i$) or to compute wolf-point we have to know the value of 'a' and 'b' of Keynesian Consumption Function. Thus we have to do regression analysis as follows:

$$C_i = a + bY_i$$

 $\Sigma C_i = na + b\Sigma Y_i \dots (i)$

 $b\Sigma Y_i = a\Sigma Y_i + b\Sigma Y_i$...(ii)

where,

n = number of observation we use equation (i) and (ii) to determine the value of a and b by the help of matrix method.

The wolf-point is considered as that point at which C_i and Y_i equal in our Keynesian Consumption function. Thus, mathematically, we can express:

 $C_i = a + bY_i$

Where, $C_i = Y_i$, we get

$$C_{i} = a+bC_{i}$$

i.e.
$$a = (1-b)C_{i}$$

i.e.
$$C_{i} = \frac{a}{1-b}$$

Wolf Point = $\frac{a}{1-b}$ (Todaro, 2004)

The wolf point gives the total poverty. Hence the household, which lies below this poverty line, is known as poor.

3.9 Calculation of the extent of Income Inequality and Distribution of Income among the sample Household.

In this purpose, various statistical tools like Lorenz curve, Ginicoefficient and correlation were used. The theoretical backgrounds are as follows:

3.9.1 Lorenz Curve:

This is the graphical method of showing the inequality in income distribution. It shows the difference between equal distribution and actual distribution of income in the study area. As the area between equal distributions, actual distribution line increase, the inequality in the distribution of income also increases and viceversa. If both lines coincides each other that means, it is perfectly equal.

3.9.2 Gini-coefficient

It measures the inequality in income distribution. It can be calculated by using following formulas;

a) For ungroup data

G.C. =
$$\frac{2}{n^2 Y} [Y_1 + 2Y_2 + \dots NY_n] - \frac{1}{n} - 1$$

Where, G.C. = Gini Coefficient

n = number of income receiving unit. (Todaro, 2004)

The value of Gini remains always between 0 and 1. It is approaches to one, that means there is greater extent of inequality and if it approaches to zero, there is lesser extent of inequality in the distribution of income, where value of 'a' is zero. It means perfect equality.

3.10 Description of Variables:

Some important definitions used in the analysis and interpretation of data and conceptual framework are as follows:

3.10.1 Household

A household is considered as an economic, spatial, social etc. unit mostly private and non institutional where two or more members live, earns income and consumption together.

3.10.2 Total Households Income:

It is the income that is earned by all family members from various sources of income from agriculture, income from livestock, and total income from wage labor.

3.10.3 Total Household Consumption

The total household consumption expenditure is the sum of the expenses made by all household members, to fulfill their requirement on food/ non-food items in a year.

3.10.4 Literate/Illiterate

Those people who can read and write their own language are literate, those who have passed S.L.C. or more they are educated and the persons who are unable to read and write their own tongue language are illiterate.

3.10.5 Working Age Group Population

The household members who are in between 14-59 are active/working age group population.

3.10.6 Main occupation

It is defined as the particular occupation in which the household is mainly dependent and which contributes main share in total annual income of the household.

CHAPTER IV

INTRODUCTION OF THE STUDY AREA

4.1 Setting of the Study Area

The research has been hold in Paiyunthanthap VDC of Baglung district. The study area is located in the southern part of Baglung district. The area is situated in the constituency number two. This is attached with Damek VDC in east and north, Sarkuwa and Rankhani VDCs in south and Dhullubaskot in west. The average distance of the study area is 12 km from the district headquarter.

The total population size of the VDC is 4,210 in 800 household. Among this population size, the total number of women is 2,294 and the total number of male is 1,916 where the gender ratio is 0.84 and population growth rate is 0.44 (DDC profile, 2062). Brahmins, Kshetri, Magar, Kami, Gurung, Damai, Thakuri, Sarki, Teli, Sonar, Gharti and Gaine are the caste/ethnic group of Paiyunthanthap. Out of them, Brahmin and Kshetri constitute 45%, ethnic group constitute 39% and Dalit constitute 16% of total population. Magar is the largest group of this VDC.

The majority population of occupational group (so called untouchable) Damai, Kami and Sarki are landless or small sized landholders, most of them passed their life by serving higher caste as hired waged labors. Most of the Damai household has still carried out their traditional occupation of tailoring and making agricultural and household utensils. In this VDC, Dalit are in very poor condition because they are known as untouchable in the society most of them are involve in seasonal migrant work. Therefore, they can only maintain poor subsistence level.

4.2 District overview

Baglung district is located on the bank of the Kali-Gandaki River of the western Development Region having area 1784 km. The district is located between 28°15' North to 28° 37' North longitude, and 83°00' East to 83° 36' East latitude. As concerned to political boundaries of the district in the East-Parbat; West--Rukum, and Rolpa; North-Myagdi and South Gulmi and Pyuthan. Politically, Baglung is divided into three election constituencies. There is a municipality named Baglung Municipality which is the district headquarters too. There are 13 Ilaka and 59 VDCS. The total population of Baglung district is 2, 68,598 in which 1,45,176 women and 1,23,442 males are living with 1.46 percent annual growth rate. The population density is 150.55 per square km and sex ratio is 0.85. The Number of household is 53.565 maintaining 5.02 persons per household. The literacy rate is 55.21 percent having 66.21 percent-males and 46.25 percent-females (District profile: 2062).

4.3 Demographic Status

According to CBS, the total population of Paiyunthanthap VDC is 4,210. The total households are 800. The following table shows the population scenario of this VDC:-

Ward No.	Household	Male	Female	Total people
1	102	255	323	578
2	99	337	246	483
3	98	221	273	494
4	101	233	320	553
5	83	175	222	397
6	66	158	186	336
7	94	229	253	482
8	62	190	218	408
9	95	226	253	479
Total	800	1916	2294	4210

Table 1: Demographic Scenario

Source: CBS, 2001

Table 1 shows that the total population of the study area is 4,210. In the study area, population of female is greater them the population of female is greater than the population of male. The total household are 800 among them ward no. 4 has the largest number of household and ward no. 6 has only 66 households

4.4 Caste Distribution of Dalit Community in Nepal

The caste and race is very famous in Nepalese society. According to national census 2058 there are various castes too, among them about 13.07 percent are Dalit means that community which is neglected by society. The Dalit caste is categorized on the following headings.

S.N.	Caste	People	Percent	Male	Female
1	Kami	8,95,954	3.94	4,32,937	4,63,017
2	Damai	3,90,305	1.72	18,83,329	2,01,976
3	Sarki	3,18,989	1.40	1,53,681	1,65,308
4	Chamar	2,69,661	1.19	1,38,878	1,30,783
5	Mushar	1,72,434	0.76	88,041	84,393
6	Dushadh	1,58,525	0.70	52,173	76,352
7	Sunar	1,45,088	0.74	72,331	72,757
8	Lohar	82,637	0.36	42,270	40,367
9	Tatma	76,512	0.34	39,606	36,906
10	Khapte	74,972	0.33	38,643	36,329
11	Dhobi	73,413	0.32	38,350	35,063
12	Shatar	42,698	0.19	21,515	21,183
13	Bantar	35,839	0.16	18,139	17,700
14	Chidimar	12,296	0.05	6,516	5,780
15	Dom	8,931	0.04	4,631	4,300
16	Gaine	5,887	0.03	2,857	3,030
17	Badi	4,442	0.02	2,152	2,290
18	Halkhor	3,621	0.02	1,848	1,776
19	Patharktta	552	0.01	286	266
20	Undefined	1,73,401	0.76	85,063	88,338
Т	otal	2,94,6157	13.07	14,58,246	14,87,911

Table 2: Caste Distribution of Dalit Community in Nepalese Society

Source: NDC, 2058

Table 2 shows that total Dalit are 29, 46,156 in which male are 14, 58,246 and female are 14, 87,911 in Nepal in the year 2058. This covers 13.07 percent of the total population. Among them *Kami, Damai, Sarki* and *Bantar* are highly spread all over the country. The table depict that *Patharkatta* are in negligible percent.

4.5 Caste Distribution of Dalit Community in Baglung District

As caste diversities in national level, Baglung has also the various caste and ethnic groups. Out of them, the Dalit caste can be shown as the following table:

Total		34,162	32,024	66,186	22.67
	Dalit				
8	Non-identified	255	290	545	.20
7	Gaine	79	77	156	.05
6	Chamar	253	239	492	.16
5	Kishan	350	398	398	.27
4	Sonar	906	1,029	1,935	0.71
3	Damai	10,623	4,838	5,785	3.98
2	Sarki	5,363	6,336	11,699	4.36
1	Kami	16,333	18,817	35.150	12.94
S.N.	Caste	Male	Female	Total	percent
S N	Casta	Mala	Famala	Total	nora

 Table 2: Caste Distribution of Dalit Community in Baglung

 District

Source: CBS, 2001

Table 2 shows that the total Dalit population is 66,185 in which 34,162 male and 32,024 female. This covers 22.67 percent of total population of Baglung district.

4.6 Caste/ethnic Distribution of Total population in 3 Paiyunthanthap VDC

As caste diversities in district level, Paiyunthanthap VDC has also the various caste and ethnic groups. The following table shows the scenario of caste/ethnic distribution of paiyunthanthap VDC:

S.N.	Caste/Ethnic group	Total Population	Percentage
1	Magar	1549	36.79
2	Brahmin	1317	31.28
3	Kshetri	339	8.00
4	Damai	300	7.12
5	Thakuri	215	4.10
6	Sarki	316	7.50
7	Sonar	26	0.61
8	Gharti	79	1.87
9	Gaine	15	0.35
10	others	54	1.28
	Total	4210	100.00

Table 3: Caste/Ethnic Distribution of Total Population inPaiyunthanthap VDC.

Source: CBS, 2001

Table 3 shows that the caste wise distribution of population. According to the table, Magar 36.79 percent which is the highest number. Then Brahmin is the second largest caste which includes 31.28 percent

population. The largest of the Dalit caste is Damai which includes 7.12 percent of total population of paiyunthanthap.

4.7 Caste Distribution of Dalit in Paiyunthanthap VDC in Baglung District.

Baglung is a mountainous under developed district of Nepal. Among various caste and ethnic groups, Dalit are in very poor condition, because they are known as untouchable in the society. Most of them are involved in seasonal migrant work. Therefore, they can only maintain subsistence level.

Table 4: Caste Distribution of Dalit Community in PaiyunthanthapVDC.

S.N.	Caste	Population	Percentage
1	Damai	300	45.66
2	Sarki	316	48.09
3	Sonar	26	3.95
4	Gaine	15	2.28
	Total	657	100.00

Source: District Profile, 2062

Table 4 shows that the total population of Dalit is 657. Out of total population, Damai-300, Sarki-316, Sonar-26, Gaine-15 and the percent of Damai of total population of Dalit community is 45.66 percent.

4.8 Age and sex status of the sample household

The population of Dalit of Paiyunthanthap VDC by age groups and sex is presented in following table:

Age group	Male	Female	Total Population	Total percent
Below 15	63	72	135	45.00
15-59	72	80	152	50.67
60 above	7	6	13	4.33
Total	142	158	300	100.00

Table 5: Percentage of Age and sex structure of Respondents

Source: District Profile, 2062

The above table shows that 50.67 percent population is belong to the age group of 18-59 years. In the same way, 45 percent of total population is below 15 years and 4.33 percent that high percent people are economically active in the study area.

4.9 Educational Status:

Damai community is very backward in the field of education, must of Damai are illiterate. They are unable to get education opportunity. The following table shows the educational status of sample population.

Education Status	Male	Percent	Female	Percent	ТР	ТР
Illiterate	52	37.0	102	64.5	154	51.3
Informal	34	24.0	12	8.0	46	151
Primary	138	27.8	32	20.2	70	23.3
Secondary	12	8.4	10	6.3	22	7.3
Higher education	6	2.8	2	1.26	8	2.6
Total	142	100.0	158	100.0	300	100.0

Table 6: Distribution of Educational Status

Source: Field Survey, 2063

Above table shows that the Damai are very back warded in the field of education. According to the table, more than 51 percent people are illiterate. This tables also shows that 37 percent male and 64.5 percent female are illiterate while 24 percent of male and 8 percent of female has taken informal education. They are just literate. Likewise, 27.8 percent male, 20.2 percent female and in total 23.3 percent are get primary education. Among them a few number are running to school. Only 8.4 percent male and 6.3 percent female get secondary level education and 2.8 percent male and 1.26 percent female have studied higher education.

4.10 Occupational Structure

In Baglung district, most of the Dalit are engage in agriculture and very few one is other field occupation. But most of the Dalit who are involved in agriculture are involving in other land.

Occupation	No. of HHs	Percent
Agriculture	14	70
Non-agriculture	6	30
Total	20	100

Table 7: Occupational structure of Sampling HHs.

Source: Field Report, 2063

Above table shows that 70 percent household are engaged in agriculture sector and 30 percent people are occupied in non-agricultural sector.

4.11 Land Holding Size

The land distribution among Damai in the study area has been presented as below:

Size of	Total	percent	Total	average	Total	percent
Land	HHS	of HSS	land	land	population	of total
holding			(Ropani)	(Ropani)		land
(in ropani)						
Marginal	7	35.0	3.00	0.42	24	4.08
(1p-0.5)						
Small	10	50.0	43.00	4.30	53	58.48
(.5-5.0)						
Middle	2	10.0	10.65	5.32	19	14.63
(5-10)						
Large	1	5.0	16.87	16.87	5	22.94
(above 10)						
Total	20	100.00	73.52	6.62	101	100.00

 Table 8: Distribution of Land Among Sample Households

Source: Field survey, 2063

Table shows that 7 household has up to 0.5 ropani which constitute 35 percent 10 household has 0.6 to 5 ropani and average landholding size

is 4.30 ropani. Among the 20 households, only 10 percent household has to 5-10 ropanies land. Likewise, only 5 percent household has above 10 ropani of the total land. It shows that most of the households have 0.6 to 5 ropani which is insufficient if the compare with the family size of Damai.

4.12 Sources of income

The major income sources of the study area are agriculture, livestock and wage labor. Thus the present study concentrated on the different sources of income of Damai of study area..

S.N.	Sources of income	Total Income	Percent
1	Agriculture	86,626	17.51
2	Livestock	26,943	5.44
3	Abroad	3,70,000	74.82
4	Sewing	11,000	2.23
	Total	4,94,569	100.00

Table 9: Sources of Income of Sample Households

Source: Field Survey, 2063

Table 9 shows that Damai are able to earn 17.51 percent income by agriculture sector and 5.44 percent of income from livestock. It is clear that most of their income is from abroad that is 74.82 percent. Only 2.23 percent income is from the sewing labor. In this way greater number of population's income source is from remittance.

CHAPTER-V

POVERTY SITUATION IN STUDY AREA

5.1 **Poverty Lines and Population Under Poverty**

In this study, mainly two types of poverty lines are estimated viz. absolute poverty and relative poverty to define the extent of poverty. The absolute poverty line indicates the level of income or consumption which is required for minimum subsistence or for only survival. The person whose income is below poverty line is called poor. Similarly, the wolf point is the level of income at which households can meet necessary expenditures. In the other words, it is the income which is just equal to expenditure. If the income of a household is below this wolf point but above the absolute poverty line, it is called relatively poor household. In general, the sum of the absolutely poor and the relatively poor households can be referred to the total poor.

5.1.1 Absolute poverty

For the computation of the absolute poverty line minimum subsistence norm is followed. The income level required to purchase a basic need bundle of goods and services defined as absolute poverty line. This level of income is only sufficient for survival. The computation of poverty line, in this VDC (Paiyunthanthap), is based only on the specific food calorie requirement. In the present study, minimum calorie required per day is considered.

The National Planning Commission has declared the basic need income for the regional as well as the national level. The minimum daily calorie requirement for mountainous has been set at 2340 calorie and for the Terai, it is 2140. On an average, NPC has set 2256 calorie requirement for national level.

National Planning Commission has estimated different absolute poverty line for different region. It is assumed that "poverty bundle" of goods and services, expenditure on food items covers only 65 percent of total consumption is needed on other items based on the consumption, NPC has calculated minimum needed income per capita per day equal to Rs. 5.95 for hill and Rs. 4.75 for Terai (NPC, 2044)

To calculate the required per capita per day monetary value of cereals, the average available local market prices of each item is obtained and the corresponding items of cereal are multiplied by their respective average price. Similarly, we can calculate the per capita per day value of 60 gms of pulses. The summation of these values gives the total values gives the total value of 2256 calories per capita per day. In this context, only those cereals and pulses are taken which are common in the study area. Thus, regarding cereals the study has considered average price of different varities of rice: Basmati, Mansuli, Gaddar (moto). Wheat, maize. Regarding pulses the present study has taken Rahar, Chana, Musure, Mas, Bakulla, Kerau and Latari into account. Considering these items the value of 2256 calories per capita per day is found to Rs. 10.11 (see Annex-1)

According to NPC, the expenditure on food items covers only 65 percent of total subsistence expenditure; therefore the calculated value is Rs. 14.64 (Annex-1). This study gives only 65 percent of these expenditure on clothing, food wear, health, education etc. and non food items. By summation of expenditure on food and non food items, we get the absolute poverty line in the study area. The sum of Rs. 14.64 and Rs

4.88 gives the absolute poverty line. So, it is concluded that the absolute poverty line income per capita per day for the study area Paiyunthanthap VDC of Baglung District comes out to be NRs 22.52 On the basis of subsistence norm the households and population whose average per capital per day income is less than the income required to meet the minimum basic essential are termed as below poverty line.

S.N.	Study Area	year	Average	Lowest	Absolute
			Daily value of	Average	Poverty
			2256 calories	Actual Daily	line
			(605 gm) of	consumption	
			cereals and 60	Expenditure	
			gm of pulses	on non-food	
				items	
1	Rural Nepal	1978	1.3	0.7	2.0
2	Panchthar	1987	3.90	0.50	4.40
3	Lamjung	1995	8.0	4.3	12.3
4	Sindhuli	1994	6.4	3.4	9.8
5	MPHBS	1988	3.9	2.1	6.0
6	Pululachi,	1991	7.17	3.87	11.03
	Kathmandu				
7	Paiyunthanthap	2005	14.62	7.88	22.52
	VDC, Baglung				

Table No. 10: Absolute Line in Various Studies

Sources:

- NPC "Study on Employment, Income Distribution and Consumption Pattrern in Nepal." Summing Report, Vol. IV, Sept. 1978.
- 2 K.K. Dahal and M.K. Shrestha, "Poverty in Rural Nepal", March 1987.
- 3 S.M. Pant, "A Study on Rural Poverty in Nepal: A Case Study of Chiti VDC Lamjung, 1995.
- 4 J.P. Aryal, "Poverty in Rural Nepal: A Case Study of Purna Jhagajholi VDC, Sindhuli, 1994.
- 5 NRB, Multipurpose Household Budget Survey, 1988: A Case Study on Income Distribution, Employment and Consumption Pattern in Nepal.
- 6 L.K. Shrestha, "Income Distribution and Poverty in Rural Areas of Nepal", 1992.
- 7 Field Survey 2063 (Annex-1)

From Table 6, it has been observed that the absolute poverty line estimated by the present study is highest compared to previous studies due to time lag between present studies and previous studies, geographical features, inflation etc. Thus, the calculated absolute poverty line is quite reasonable for the study area:

S.N.	Study Area	Total	HH 1	below	Total	Population	below
		No.	poverty	line	Population	poverty line	
		HHs	HHS	%		population	%
1	Rural Nepal	213668	860769	40.3	12445368	4505835	36.2
2	Panchthar	89	56	56	519	333	64.16
3	Lamjung	100	41	41	588	245	41.7
4	Sindhuli	70	29	29	402	173	43.0
5	Arjewa,	100	43	43	707	289	40.88
	Baglung						
6	Paiyunthanthap	20	8	4.0	101	41	40.59
	VDC, Baglung						

Table 11: Absolute poor households and population in different studies.

Source: Field Survey 2063.

The populations below the poverty line in study are 40.59 percent. The estimate of absolute poverty line of the present study is higher than the national average estimated by NPC and lower than the estimates of other studies. It may be due to differences in socio-economic, geographic factors and sampling errors.

5.2 Relative Poverty and Relative Poor

To estimate relative poor, compute wolf point (1-) is a linear Keynesian consumption function, (where is autonomous consumption and is MPC). The wolf point is considered as a point at which the level of income is just equal to expenditure. This means that if the household income is below this wolf point income, such household's expenditure exceeds income. So, those households have nothing to save,

rather they have to draw their past savings, sell assets or incur debt to maintain expenditure. Using per capita daily income and consumption expenditure, a linear consumption function is estimated using least square method. Regression is computed to find out the value of and in the wolf point. The present study found the consumption function c = 6.44+0.72Y (Annex-2) and also found the wolf point to be Rs. 26 (Annex-3) per capita per day. The household whose income level below this point and above absolute poverty line are called relatively poor households.

For the study area, those households or population are relatively poor whose income level lies between those two income levels. Out of 20 sample households with 101 total populations, 5 households and 26 people are relatively poor. So, it is found that 25.74 percent of total population are relatively poor in the study area.

Relative poor in different studies are shown in the following table.

S.N.	Study Area	Relative Poor HHs		Relative Poor Population	
		Number	%	Number	%
1	Lamjunj	18	18	113	19.2
2	Panchthar	23	26	132	25.0
3	Sindhuli	13	18.6	68	16.9
4	Dang	38	35.5	247	28.3
5	Rautahat	9	15.0	73	15.9
6	Paiyunthanthap	5	25.0	26	25.74

Table: Relative poor Households and population indifferent studies

Source:

- 1 S.M. Pant, A study on rural poverty in Nepal "A case study of Chiti VDC, Lamjung 1995
- 2 Dahal and Shrestha, 1987
- 3 J.P. Aryal, 1994
- 4 B. Gautam poverty in Tarigaun VDC, Dang, 1997.
- 5 U.S. Prasad poverty in Rural Nepal. A case study of Sakhawa VDC, Rautahat, 1999.
- 6 Field survey by Author (2063)

5.3 Total Poverty Line and the Total Poor

The level of income which lies below the wolf point indicates total poverty line. Total is the sum of absolute poverty and relative poverty. Total poverty line is also called as upper poverty line. The wolf point for the present study is NRS 26 and on this basics, it is found that 66.33 percent of sampled households or 66.33 percent of sampled population are total poor, these data are presented the following table.

S.N.	Types of Poor	Households		Population		
		Number	%	Number	%	
1	Absolute poor	8	40	41	40.59	
2	Relative poor	5	25	26	25.74	
3	Total poor	13	66.33	67	66.33	
4	Non poor	7	43.67	33	32.67	
Total	,	20	100.00	101	100.00	

Table 13: Absolute, Relative, total and Non-poor in Paiyunthanthap.

Source: Field Survey, 2063

S.N.	Study Area	Total Poverty	Total poor household		Total Poor Population	
		line (per capital	Number	%	Number	%
		NRs.)				
1	Panchthar	4.3	79	89	465	90
2	Sindhuli	15.18	42	60	241	59.95
3	Sakhauwa	17.87	38	63.3	287	62.39
4	Dang	32.74	81	75	674	78.57
5	Paiyunthanthap	26.00	13	66.33	67	66.33

Table 14: Total Poverty Line and Total Poor in Different Studies

Source: Field Survey 2063.

Table 14 shows that the total percentage of household and population of total poverty of Paiyunthanthap is lower than other mentioned areas.

There are two types of income groups in the study area such as income group lying above the absolute poverty line which is known as 'non-poor' and income group lying below the absolute poverty line which is known as 'poor'. Out of 20 sampled households or 101 total sampled population 40% of households or 40.59 percent of population are found to be below the absolute poverty line or 'poor' category and 60 percent household and 59.41 percent of population a refound to be above the absolute poverty line or 'non poor'. The actual picture of poor and non-poor can be seen from the data presented in following table.

Living Standard of people	Households		Households Average per capital income (NRs)		Households below average income		Households above average income	
	No.	%		No.	%	No.	%	
Poor	8	40	20.07	7	35	0	0	
Non-poor	13	60	32.25	6	30	7	35	
Total	20	100.00	27.99	13	65	7	35	

Table 15: Distribution of Mean Income among the absolute poor and 'non poor'

Source: Field survey, 2063

From the field survey data, it is found that the average per capita daily income of total sampled households in NRs. 27.99, which is higher than that of absolute poverty line income. Out of 20 samples households 8 or 40 percent of households are poor and 12 or 60 percent of households are non poor, according to the absolute poverty lien. The percentage of households having this level of per capita daily income is 40 percent. As against this, the per capita income of non-poor is NRs. 32.25.

CHAPTER-VI

Rural Poverty of Damai and its Nature

6.1 Measurement of the Poverty and its Extent

Sen's poverty index is calculated for measuring the incidence of poverty in the study area. It is based on ordinal welfare concept, which is derived in Gini-coefficient. Gini-coefficient shows the extent of inequality that is taken as one of the major determinants of poverty.

6.2 Measurement of Income Inequality in the Study Area.

It is already mentioned that 20 households are taken from the study site. In order to study the income distribution and inequality, the sample households of the study area are divided into ten income groups. Each group has 10 percent of total sample households. Income has been arranged in ascending order and each decile has 2 households. The first deciles cover the low-income group and last deciles consists the high-income households group. So the following table shows the picture of income distribution per capita per day into deciles group.

% of	Cumulative	Pop _n	% of	Cumulative	Percapita	% of	Cumulat-ive
HHs	% of HHs	In decile	pop ⁿ	% of pop ⁿ	income	income	% of income
10	10	10	9.9	9.9	18.02	6.43	6.43
10	20	11	10.9	20.8	20.15	7.19	13.62
10	30	10	9.9	30.7	20.86	7.45	21.07
10	40	10	9.9	40.6	22.79	8.13	29.20
10	50	10	9.9	50.5	23.59	8.42	37.62
10	60	9	8.9	59.4	25.36	9.05	46.67
10	70	10	9.9	69.3	29.98	10.70	57.37
10	80	11	10.9	80.2	33.72	11.9	69.27
10	90	8	7.9	88.1	42.41	18.4	84.41
10	100	12	11.9	100.0	43.11	15.39	100.00
Total		101	100.0		279.99	100.00	

Table 16: Per capita Income Distribution by Deciles Group

Source: Field Survey, 2063

Table 16 shows that the income is not distributed equally among the group. Bottom 10 percent of household receive 6.43 total per capita daily incomes where as the top 10 percent households receive 15.39 percent. Similarly, the lowest 50 percent households receive 37.62 percent of total per capita daily income where as the richest 50 percent households receive rest 62.38 of total per capita daily income. So, it is clear that there is inequality in income distribution among the sampled households.

The inequality in income distribution can be represented graphically in the form of Lorenz curve. By the help of data we can draw the Lorenz curve where as actual distribution line and equal distribution lines are plotted.

Equal distribution line is 45°, which represents the equality. If the actual line is coinciding with the equal distribution line that means there is no income inequality or zero percent income inequality and vice versa. The Lorenz curve

shows the different between actual distribution line and equal distribution line, which is called the "Area of concentration". The notion is that, the greater is the area of concentration the larger is the magnitude of income inequality and vice versa. So, the table 10 can be shown in Lorenz curve as below in figure 2. The vertical axis measures the cumulative percentage of income. The 45° line represents the perfect equality line.





Source: Field Survey, 2063

From figure 2, it is clear that there is existence of income inequality is study area. To measure the extent of inequality, we have to know the area of concentration. Thus, to find the value of the area of concentration extent of inequality, we compute Gini-coefficient rate considering per-capita per day income the value of Gini-coefficient ratio is 0.17 (See Annex III).

Per capita	No of	No.	% of absolute	Per capita	Per capital	% of share of
per day	HHs	of	poor	income per mean		the total
	(A)	Pop ⁿ	population	population day (B)		absolute poor
					day B/A	
2-6	5	35	16.7	18.0	3.6	4.8
6-10	6	55	26.2	67.9	11.3	17.9
10-14	9	65	30.9	128.8	14.3	34.1
14-16	10	55	26.2	163.0	16.3	43.2
Total	30	210	100.0	377.7	11.44	100.0

Table 17: Income Distribution among Absolute Poor

Source: Field Survey, 2063

Table 17 shows that the absolute poor population and households are divided in to three income groups. The first group covers those people who's per capita per day income ranges from 17 to 19. Similarly, the minimum substance level of income is 22.52. Thus, it is clear, from the table that there is significant different in the distribution of income.

In the study area there are 8 absolute poor households and among them we classified three groups. Each group has 2, 3 and 3 households respectively and 24.39, 39.02, and 36.58 percent population are absolute poor. From this analysis, it is clear that lowest income group among the absolute poor is 9.6 percent of absolute Poor's total income, where as highest income in group among the absolute Poor's total income is 56.6 percent. So, it shows that the extent of inequality is also prevailing even among these groups.

6.3 Educational Level and Poor

Most of the people in the study area are poor due to insufficient education, which may be a serious cause of individual poverty. If the people are educated, it will increase the equality, job opportunity, standard of living, inner skill etc. So, if people are educated their income is generally higher than that of just literate and illiterate. Therefore, lack of education is a major cause of poverty. There is negative relationship between education and poverty. The following table presents the education condition of the total sampled households of the study area.

Table 18: Educational level and the poor among the total sampled Household

Educational Level	No. of household	Percentage
Illiterate	12	60
Literate (Primary education)	5	25
Up to S.L.C.	2	10
Higher than S.L.C.	1	5
Total	20	100

Source: Field Survey, 2063

Table 18 presents the percentage of households according to the level of education of household head. This is clear from the table that there is high percentage of illiterate. Those people who have higher education have relatively high income. It indicates 60% of household head are illiterate whereas only 5 percent of household heads have higher education.

In present analysis, covers those persons who can read and write in Nepali. There is a close relationship between level of education and income. The following table presents the distribution of poor households according to level of education.

Level of Education	No. HHs	of	Poor	Poor HHs %	Mean per capita income
T11:4		6		75	16.95
Initerate		0		/5	16.85
Literate		11		12.5	20.56
Up to S.L.C.		11		12.5	22.12
Higher than S.L.C.		0		0	0

Table 19: Distribution of Poor Household by the level of Education

Source: Field survey 2063

From the table 19, it is clear that the illiterate household heads have very low mean income per capita per day. 75 percent of absolute poor household heads are illiterate and their mean income per capita per day is Rs. 16.85 which is very low income required for minimum subsistence. As the level of education increases, the mean income also increases. In general, it is believed that income is closely related with educational study, it is found that there is positive relation between income and level of education.

6.4 Family Size and the poor

Family size of one of the major factors of sources of income and it is also caused by poverty. The large family size is also the cause of poverty problem because there is close relationship between level of income and the family size. If the family members are unskilled and unemployment, there is negative relationship between family size and income, but if the family members are employed and skilled then there is positive relationship between level of income and size of family. In the present study, 40 percent of households are living below the absolute poverty line. The following table presents the relationship between poverty line and family of the Damai community at Paiyunthanthap VDC of Baglung district.

Family Size	Number HHs	HHs %	Population number	Population percent
1-3	2	25	5	12 19
15		25	5	12.17
3-6	4	50	19	46.34
6+	2	25	17	41.36
Total	8	100	41	100.00

Table 20: Family size and poverty among the absolute poor

Source: Field Survey, 2063

The table 20 shows that relationship between family size and the condition of poor. The rural people are illiterate and unknown about the family planning. So, they reproduce large number of children and they think that this is the gift of god. In the above table, there is not a single absolute poor household which has 1 to 2 family sizes. The percentage of absolute poor households having family size of 3-6 is 50 percent. The remaining households 25 percent have family size of 6 and more members.

6.5 Land Holding Size and the Poor

After the end of the Rana Regime, various policies were used for the equal distribution of land i.e. 'Birta Unmulan', 'Guthi unmulan' etc. but still there is highly unequal distribution of land holdings. In underdeveloped countries like Nepal, the size of landholdings plays vital role for generating income and maintain social status. Nepal is also an agricultural country. About 80 percent people in rural Nepal are poor due to possession of insufficient land to generate income. The extent of poverty is highly affected by the size of landholding. Size of land is one of two main factors determining economic status of the rural households. The following table shows the relationship between the size of landholding and the income level of absolute poor in the study area

Table 21: Land Holding size and Mean per capita daily income ofAbsolute poor Households

Land Holding Size (in ropanies)	Number of HHs	Household percent	Population number	Population percent	per capita daily mean
Landless	2	25	13	31.7	16.30
0.0-0.5	4	50	19	46.3	20.13
0.5-5.0	2	25	9	21.9	22.32
5.0-10.0	0	0	0	0.0	0
100+	0	0	0	0.0	0
Total	8	100	41	100	19.64

Source: Field Survey, 2063

From the above table, it is clear that there is positive relationship between the size of landholding and the income level. Income level is found to be significantly higher in the case of large size of land holding than that of smaller size of landholding. Thus, the poverty problem is highly correlated with those households who have smaller size of landholding. Among 8 absolute poor households 2 households have no land and their per capita daily mean income is Rs. 16.30. About 50 percent, households have less than 0.5 ropanies and their per capita daily men income is Rs. 20.13. Similarly, 25 percent households have 0.5-5.0 ropanies land and their per capita daily income is 22.32. According to table, there is none household have more than 5 ropanies land.

6.6 Employment and poor

Considered as Employment is the basic determinant of income. There is direct relationship between income and employment but inverse relationship between poverty and employment. If population of a country is fully employed the existence of poverty is low due to their earning. On the other hand, if the people are unemployed their income is low and there appears to observe the relationship between the poverty and employment, it assumed that those members who are in the age of 15-19 are the working age groups and remaining are the non-working age group. The following table shows the distribution of population by working age group.

Groups of populations	Male Number	Female Number	Both Number	Male percent	female percent	Both percent.
Working Age Groups	72	80	152	50.7	50.6	50.6
Non working age group	70	78	148	42.2	49.3	49.3
Total	142	158	300	100	100	100

Table 22: Distribution of Population by Working Age Groups

Source: Field Survey, 2063

According to the above table, 50.6 percent are to found to be in working age groups and remaining 49.3 percent are in non-working age group. Among the total working age group populations 72 male and 80 female. In other words, out of 142 male, 72 are working group or 50.7% are working age group. Likewise, out of 158 female populations, 80 are working age group or 50.6 percent are working age group.

In order to make a comparison among the age groups have been categorized as such those people who work nine months in a year as fully employed, those people who walk less than nine months and more than three months as semi-employed and those people who work less than in a year as unemployed population. The level of employment of absolute poor household head is shown in the following table:

Level of employment	No. of HHs	Percent
Unemployment	2	25
Semi-employed	4	50
Fully employed	2	25
Total	8	100

Table23: Level of Employment and Absolute Poor Household head

Source: Field Survey, 2062.

From the table 23, it is clear that out of 8 absolute poor households head 4 (50%) household head are semi-employed and only 2 (i.e. 25) heads are fully employed.

6.7 Causes of Rural Poverty in the Damai Community

In field study an open question had been asked to all the respondents. The question was; what are the main causes of rural Poverty in your community (Damai community)? The entire respondents had replied in their own ways according to their views. Their replies are concluded as following:

- Social stratification system.
- Lack of proper utilization of resource.
- Minimum land holding condition by Damai.
- Traditional occupation of Damai.
- Illiteracy and lack of awareness.
- High population growth rate and lack of awareness about family planning
- High interest rate in locality
- Lack of skill and unemployment
- The system of untouchability
- Backward mentality of Damai.
- Lack of confidence.
- Legal obstacles.

Chapter – VII

Findings, Conclusion and Recommendations

7.1 Findings

Rural poverty is a challenging issue of modern economy. The unequal distribution of resources creates an increasing gap between rich and poor. It is one of the main causes of sustaining poverty. Among rural poor, Dalits (occupational caste) are more backward than so called higher caste. They have minimal access to resources and have also little knowledge about the mobilization of limited resources at their hand.

The present research was launched at Paiyunthanthap VDC where Damai have been settled from centuries. Some such facts are concluded as following:

- The absolute poverty line for the study area is found to be Rs. 22.52 per capita per day.
- 40 percent households or 40.59 percent of total population are below absolute poverty line
- Upper poverty line (wolf point) for the study area as been estimated Rs. 27
- 66.33 percent population in the study area under upper poverty line
- 25 percent households or 25.74 percent people are relative poor in the study are.
- 43.67 percent household or 32.67 percent Damai are non-poor

- The value of the Gini-coefficient for the sampled house holds is calculated to be 0.17, which shows that there is considerable degree of inequality in the distribution of income in the study area.
- There is high proportion of unemployment and *Semi* employed poor which are the main cause of rural poverty.
- The distribution of land is unequal in the study area.
- There is positive relationship between landholding and income and negative relationship between can hold and poverty.
- The rural poverty is higher among the illiterate people in Damai community (75% households head are illiterate)
- The level of income is dependent on education and employment
- The non-working age group population is also in higher portion.
 (49.3%)
- Lowest 50 percent house hold receive 37.62 percent of total per capital daily income whereas the richest 50 percent house hold receive Rs. 62.38 per capita Dalit income.

6.2 Conclusion

Poverty is the evil of under developed countries including Nepal. The mass poverty is in rural areas and mainly be rooted in Dalit community i.e. Damai etc. Traditionally, the occupation of Damai is sewing but their life standard is very low.

The maximum percent of Damai are dependent on agricultural sector but its productivity is very low which the main cause of poverty is. Besides this, access less condition of Damai, social and economic exclusion, lack of education etc. are the other causes.

The research has been concluded that most of the people are illiterate and most of them are unemployed or semi-employed. There is large portion of rural population has remained their basis needs of life like food, shelter, clothing, healthcare, education etc. remain unfulfilled.

In this study area, most of the people are below absolute poverty line. Similarly some people are in relative poverty and few peoples are nonpoor. So, the poverty has affected those households who have higher number of member, small land holding size, illiterate and unemployed people.

6.3 Recommendations

On the basis of the major findings and causes of poverty the following specifies are recommended to reduce poverty of Damai in Paiyunthanthap:-

- Expansion of qualitative and practicable education.
- Avoid the social stratification and hierarchical system.
- Formulate the strong legal provision and implementation.
- Decrease the interest rate and enhance the access of poor damais in banking system.
- Avoid untouchability.

- Control the process increasing
- Equitable distribution of resources for all Damai as same as so called higher caste
- Increase the awareness.
- Provide health facility and other social facilities.
- Product the skilled manpower by giving trainings.
- Launch the special technical support program and awareness program to establish the cottage industry in Damai communities.
- Provide reservation of employment in government and non government organization.

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ANNEX-I

S.N	Cereal Item	Price/kg (in Rs.)
1	Rice Basmati (Masino)	32
2	Rice Mansuli	27
3	Beaten Rice	20
4	Rice Gaddar (moto)	19
5	White (flour)	12
6	Maize	12
Total		122

Calculation of Minimum Subsistence Level of Income

6000 gm of cereal costs= Rs. 122

1 gm of cereal costs= Rs.122/6000

605gm of cereal costs= 122/6000x605=12.30

S.N	Pulses item	Price/kg (in Rs.)
1	Rahar	58
2	Masuro	40
3	Chana	38
4	Mas	44
5	Matar	39
6	Bakula	22
7	Laltr(Sanokerau)	32
	Total	273

7000gm of pulses costs Rs. 273

1 gm of pulses costs Rs.273/7000

60 gm of pulses costs Rs. 273/7000x60=2.34

Total cost required for 605 of cereal and 60 gm of pulses=12.30+2.34=14.64

According to National Planning Commission expenditure on minimum food requirement over only 65 percent of subsistence consumption expenditure, remaining 35 percent of subsistence consumption expenditure will be spent on other food, noon food items, thus

65% of subsistence expenditure= Rs.14.64

1% of subsistence expenditure = 14.64/65(Rs)

35% of subsistence expenditure= $14.64 \times 35/65 = \text{Rs.} 7.88$

Thus the total required expenditure per capita per day is 14.64 + 7.88 = 22.52

Absolute poverty line = Rs. 22.52 per capita per day

Total expenditure for year is $22.52x \ 365 = 8219.80$

Absolute poverty line = Rs. 8220 per capita per year.

ANNEX-II

Income Consumption Relationship Among Total Sampled Households and their MPC

If C = f(Y)

The consumption function can be expressed in the linear from as

 $Ci = \alpha + \beta Yi....(1)$

To find the values of α and β the least square method is adopted by introducing the following normal equations.

 $Ci = N \alpha + \beta \Sigma Yi...(2)$

CiYi= α Yi+ β Yi².....(3)

where,

Ci=531.87 Yi= 559.84

CiYi= 24782.67 Yi² =17172.69

N= 20

Substituting these values in equation (2) and (3) we get

 $531.87 = 80\alpha + \beta 559.84$

 $24782.67 = \alpha \ 2559.84 + \beta 17172.69$

Statistician have also derived a short cut method through which these two equations can be written so that the values of α and β can be directly obtained as under

Substituting these values in equation (4) we get,

$$\beta = \frac{20 \times 15766.51 - 531.87 \times 559.84}{20 \times 17172.69 - (559.84)^2}$$
$$= \frac{315330.2 - 297762.1}{343453.8 - 313420.8}$$
$$= \frac{21910.1}{30033}$$
$$\therefore \beta = 0.72$$

Which is MPC substituting these values in equation(5) we get

$$\alpha = \frac{531.87}{20} - \frac{0.72x}{20} \frac{559.84}{20}$$
$$= 26.59 - 20.15$$
$$= 6.44$$

Which is autonomous consumption.

 \therefore C= 6.44 +0.724 is the estimated consumption function.

ANNEX-III

Calculation of Wolf Point

Wolf point is defined as the point of equality between income and expenditure per capita per day in the Keynesian function.

 $Ci = \alpha + \beta Yi$

If Ci = Yi, this gives wolf point value

 $Ci = \alpha + \beta Ci (Yi = Ci)$

Ci - β Ci = α

Ci $(1-\beta) = \alpha$

Ci=
$$\frac{\alpha}{1-\beta}$$
 (where, Ci = Yi)

Thus the wolf point =
$$\frac{\alpha}{1-\beta}$$

= $\frac{6.44}{1-0.72}$
= 26

This given the value of total poverty line.

ANNEX-IV

Calculation of Gini-coefficient among total sampled households by taking households per capita.

G.C. =
$$\frac{2}{n^2 \overline{y}} [y_1 + 2y_2 + \dots + ny_n] - \frac{1}{n} - 1$$

Where, y₁<Y₂<Y_n

 \overline{y} = mean income of the poor (per capita per day)

y= Individual income of the poor (per capita per day)

n = No. of total poor households

G.C. = Gini-Coefficient

In this case, we compute G.C. from the decile group table.

n = 10,
$$\overline{y} = \frac{279.99}{10} = 27.9$$

G.C. = $\frac{2}{2790}$ [1774.58] - $\frac{1}{10}$ - 1
= 1.27-1.1
∴ G.C. = 0.1

ANNEX – V

Income and Consumption of Respondents

S.N	Income (Yi)	Consumption (Ci)	YiCi	Yi ²
1	17.34	20.04	347.49	300.67
2	18.71	20.22	378.31	350.06
3	19.89	21.30	423.65	395.61
4	20.41	21.62	441.26	416.56
5	20.44	25.15	514.06	417.79
6	21.29	24.59	523.52	453.20
7	22.45	22.57	506.69	504.00
8	23.14	23.12	534.99	535.45
9	23.37	24.28	567.42	546.15
10	23.82	25.08	597.40	567.39
11	25.08	26.12	655.08	629.00
12	25.65	23.11	592.77	657.92
13	27.66	24.14	667.71	765.07
14	32.31	28.66	926.00	1043.93
15	33.12	29.31	970.74	1096.93
16	34.32	31.12	1068.03	117.86
17	39.50	34.32	1355.64	1560.25
18	45.12	36.50	1646.88	2035.81
19	44.12	37.51	1654.94	1946.57
20	42.10	33.11	1393.93	1772.41
	yi=559.84	ci=531.87	yici=15766.51	yi ² =17172.69

Appendix-VI

Questionnaire

A Survey of the Nature and Dimensions of Poverty in Thanamaula VDC of Parbat District, in Nepal

1. General Information:

Name of Respondent:

Age:....

Sex:.....

Occupation:

Ward No:.....

2. Household structure of family by age sex and level of education.

S.N.	Name		Sex	Age	Qualification	Caste	Occupation
		Male	Female	-			
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

- 3. What is the main occupation of your family ?
 - (i) griculture
 - (ii) Service.....
 - (iii) Labor.....

- (iv) Others.....
- 4. Type of House
 - (i) House made of mud one with thatch.
 - (ii) House made of mud one with tins.
 - (iii) House made of cement and bricks with tins.
- 5. How much cultivable land does your family have ?
 - (i) Cultivating own land.....ropani
 - (ii) Lease hold land.....ropani

6. Income from Agricultural production.

S.N.	Crops	Cultivated land area	Total Production	Local unit price
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

7. Is your agricultural production sufficient to meet the family consumption ?

Yes () No ()

If, no, for how many days/months?

Yes () No ()

If, yes, have you got any surplus ?

Yes () No ()

If yes, how much ?

what do you do with surplus ?

8. Income from livestock rearing:

SN	Kinds	Number	Price	Total income
1	Cow			
2	Buffaloes			
3	Oxen			
4	Goats			
5	Ducks			
6	Pigs			
7	Poultry			
8	Others			

9. Do you have any income source of foreign currency?

- If yes, from where?
- 10. Any income from handicrafts and other occupation?

How much.....

11. How many family members are involved in income generating programme?

12. Expenditure on total food items in last year?

Items	Kg/Muri	Rs
Paddy		
Corn		
Wheat		
Maize		
Potato		
Millet		

13. Expenditure on non-food items

Items	Rs
Clothes	
Foot wear	
Education	
Health and Personal care	
Festival/custom/Ritual	
Smoking	
Drinks	
Transportation	
To pay interest	
Others	
Total	

14. What's your family's annual cost on various for the following items?

Items	Rs
Seeds	
Labor	
Fertilizers	
Insecticides/pesticides	
Total	

- 15. Economically active members engaged in number.
 - (i) Agriculture.....
 - (ii) Non-agriculture.....
 - (iii) Other.....

16. Is your family's income enough to fulfill your general necessities (basic needs)?

- (i) Yes, if any saving (Rs.....)
- (ii) No, if any deficit (Rs.....)

17. If income can't meet your family's requirements, what are the main causes?

- (i)
- (ii)
- (iii)

18. Did you borrow last year?

Yes () No ()

19. Have you invested on lending?

If yes,

- (i) How much did you lend last year?
- (ii) How much interest did you get from it?
- (iii) Any deposit

20. Satisfaction from health-post service?

Yes () No ()

- 21. What's your suggestion for reducing poverty level?
- 22. What type of help and incentive do you get from government and non-government institutions?

If yes then, which type of helps?

(i).....

23. What is the main reason of backwardness of Dalit community?

(i)..... (ii)..... (iii).....