CHAPTER – I

INTRODUCTION

1.1   Background of the Study

Nepal is a least developed country in the world. It has a rural economy based on agriculture and characterised by scare and underdeveloped resources increasing inequality illiteracy, unemployment and increasing poverty.

The problem of poverty has been one of the most challenging problem. Poverty is the problem of developed and underdeveloped countries. In developed countries, poverty is defined as the failure come up with a desired level of living whereas in underdeveloped countries, it means hungry, malnourished, illiterate, poverty strikes and survival oriented people. However, the problem of poverty is deeply rooted in underdeveloped countries. Especially, in rural areas, people are suffering from conflict condition of people, family, community, and political causes. So this conflict condition is also creating the poverty to the people.

Thus, the poverty is deeply rooted in developing countries because of slow economic growth, unemployment on the one hand rate of population growth, unemployment on the one hand rate of population growth then greater the rate of gross domestic product (GDP) on the other hand. Hence, poverty means the situation where people are incapable to expense in minimum level of requirement. The minimum requirement represents foods, health, cloth and shelter. Poverty is not only the problem of underdeveloped or developing countries but also the developed countries (HDR, 1998).

We can define poverty in absolute and relative terms. Absolute poverty refers to a situation where people receive income below minimum

level of required for survival and physical efficiency where as income level higher than minimum subsistence requirement but below the "Wolf Point" is considered to be relative poverty (Carvalho, Soniya: Combining the Quantities and Qualitative Approaches to Poverty Measurement and Analysis, 1997).

Poverty in Nepal can be seen from micro and macro perspective. At micro level, it focuses primarily on individual's experience an extreme poverty, which is in terms of low caloric intake per day, lack of basic health facilities, illiteracy, high infant mortality, inadequate shelter and low purchasing power. At macro level, poverty can be identified in terms of high level of population growth, low productivity and lack of employment opportunities technological land, administrative inefficiency of lack of marketing facilities (Population and Social Justices, International Labour Organization ILO/IPEC, Kathmandu, March, 2002).

Nepal is an agricultural country. About 81.10 percent of the total population in 1991 are engaged in the agricultural sectors while 59.6 percent in 2001. But the level of productivity per unit land is low due to small size of land holding, technological backwardness, farmer training lack of improved seed and lack of irrigation. So most of the Nepalese farmers are not able to save anything they consume themselves. The poverty is not merely an economic issue. It is also an issue related to human dignity. In Nepal, poverty is mostly concentrated in rural areas depends, upon agriculture. The agriculture remains the main stay of the economy over the past few decades 94.37 percent are engaged in agriculture in 1971. Similarly 91.37 percent in 1981, 81.10 percent in 1991 and 59.61 percent in 2001. The poor people in rural areas either have a very small area of unproductive land or no land mainly due to low productivity of agriculture, fragmentation of land, the limited based and inadequate growth rate of growth of population, the lack of exploitable mineral resources, poor agriculture

policy, topographical disadvantage and unemployment are also responsible for its economic backwardness and poverty (Population Monograph of Nepal, Vol. I, CBS, 2003).

Nepal was placted in the 154th position in the list of global human development index for 1996. Among the SAARC countries also Nepal finds itself 6th rank in, which Sri-Lanka has occupied the 1st position and followed by Maldives, India, Pakistan and Bangladesh (UNDP, 1997). Nepal is ranked by 152nd position in the worlds according to (HDR, 1998). Nepal improved a bit economic development after the political changed in 1990; because Nepal is ranked in the 144th position among the 174 countries of the world and 5th position among the SAAR countries leading to Bangladesh and Bhutan, according to (HDR, 2003).

The poverty alleviation has been taken as one of the major objectives since sixth five year plan (1980-85) particularly after the political change of 1990, the long term target of poverty alleviation has been continuously set for four periodic plans. The long term plan aims to achieve the target of reducing poverty in Ninth Five Year Plan from 42 percent to 32 percent in the 10th Five Year Plan (2002 – 2007) from 32 percent to 15 percent and in 12th Five Year Plan (2012 – 2017) from 15 percent to 10 percent (NPC, 1997).

Poverty can be categorized into two groups i.e., 'absolute poverty' and relative poverty. Absolute poverty relates to those households or individuals which/who are of able to meet their basic requirements like food shelter, cloth, education and health with their income. So far as 'Relative poverty' is concerned, it relates to those household or individuals which/who have low income in comparison to the essential average income.

Poverty has two dimensions low income which is in sufficient to maintain a dignified life, and low level of human capabilities, which restrict

a citizens options to lead a life of his/her choosing. Poverty is a from of deprivation which strong interactive linkage to other from such as physical weaknesses, isolation, vulnerability and powerlessness. It is a state of economic, social and psychological deprivation occurring among people or countries lacking sufficient ownership control or access to resources to maintain minimal acceptable standards of living. It represents an exclusionally relationship. Where individual or states are divided access to an adequate package of resources (Nepal Human Development Report 2001, Poverty Reduction and Government, UNDP).

In summary, the poverty is a multidimensional phenomenon. Generally, common people know poverty is lack of shelter, being sick and not being able to see a doctor, not having job, not being able to go to school powerless, lack of representation and freedom, poverty has many faces changing from place and across time and has been described in many ways. World Bank (1980) defined poverty as "a stat of economic, social and psychological deprivation occurring among people or countries lacking sufficient ownership, control or access to resource to maintain minimum standard of living. In fact, poverty is a treat to prosperity everywhere but the problem of poverty was deeply rooted particularly in less development countries like Nepal. In the cause of Manpur VDC (Study area), lack of resources, growing unemployment rate market imperfection, technological backwardness, slow pace of economic growth could be the reasons in distribution of income could be the reason for poverty. The socio-economic variables such as cast location occupation, education level, consumption of income land holding and family size are also in some extent with economic issue are responsible for poverty in Manpur VDC.

Five Year Plans

The first five years plan of Nepal (1956-61) had the goal to rise production, standard of living and employment etc. In the similar way, the second three year plan (1962-65) had adopted the objectives of criterion of opportunities, justice in income distribution, improvement of standard of living and provision of social service etc. The second three year plan, third, fourth and fifth five year plans had not taken their objectives to allevative the poverty and human development. The sixth five year plan (1980-85) and seventh five year plan (1985-90) where formulated with the poverty alleviation and human resource development objectives. In the eight five year plan (1992-97), poverty alleviation had been taken as one of the major objectives.

At the end of the eight five year plan 42.0 percent of the people of Nepal remained under the National Poverty Line (NPL). The past efforts made in the social and economic sectors to alleviate poverty were not very effective, keeping this view, the poverty alleviation has been still set as one of the major objectives in the ninth five year plan (1997-2002).

At the end of ninth five year plan 38 percent of the people of Nepal remained under NPL. Thus, the poverty alleviation has been still set as major objective in the tenth plan (2002-2007). It aims to achieve the target of reducing poverty from 38 percent at its ending year.

Nepal is one of the poorest countries in the world. Its place is twelfth's in world and first poorest in the content of south Asia (Nepal Human Development Report, 2002). The per capita GNP of Nepal is US $ 220 WDR, 2000/2001) which is one of the lowest in the world and the incidence of poverty in the country is 42 percent (NPC, 1997).

Nepal is poor not only in term of per capita income but also in terms of socio-economic and health indicators. Such as life expectancy 58.3 years infant mortality (per 000) rate 64.1 literary rate 53.7 percentage (CBS, 2001). These indicator implies that Nepal is not only poor, it remains below the world in terms of health and socio-economic indicators.

In Nepal 85.4 percent of total population live in rural areas. Thus, rural poverty is one of the burning problem of Nepal.

1.2   Statement of the Problem

Poverty is the rural Nepal is the great problem of mankind. It is the quite serious and observable to developing countries like Nepal. The recent problem is rising for the alleviation of poverty. Poverty is the cause of conflicts, caste, ethnicity and gender discrimination.

Poverty causes the differentiation among the caste, colour, family, culture, tradition language and can decrease the economic man power. Hence, it decreases the per capita income. So, people are far from the fulfillment of needs and poverty is created.

In this context, it has become necessary that this problem is to be reduced to a minimum level. But the present situation of poverty in Rural Nepal is complex and hence it is not easily understandable. So a study in this field of poverty is felt necessary as it world not raise our understanding of the situation of poverty in Rural Nepal in the country. It also provides an insight to the antipoverty measures to be adopted. In this relation the study is related to an alleviation poverty as rural problem and it analysis the problem in micro perspective of one rural community in western hill of Nepal, thus this study can give vivid and upto date information of poverty problem in the study area. It these circumstances, the present study in the field of

poverty is very useful to understand the extent of poverty problem in rural areas.

This topic mainly focus on following problems and provides proper recommendation.

⟩ How the rural peoples are living ? What is the socio-economic status of rural people ?

⟩ How con the rural poverty be reduced ?

1.3 Objectives of the Study

The objectives of the study are as follows:

⟩ To identify absolute, relatives and total poverty in the study area.
⟩ To identify extent of the poverty in the study area.
⟩ To analyze the incidence of poverty in the study area.
⟩ To make policy re-commendation for poverty alleviation.

1.4 Significance of the Study

This study will explore the cause and consequence of the poverty in Rural Nepal. Poverty in Nepalese people and including south Asian countries being a major problem day by day. This sample will cover as a whole condition of poverty in Nepal and other less developed countries. This study will be effective to explore the government and civil society rules and arise and solve the problem.

1.5 Rationale of the Study

Poverty has been a great problem for the human beings in the world till now. Various developmental agencies, developed countries, government are investing in this sector. But poverty is increasing day by day. This vast

problem has spreading as a vicious circle of poverty. It has direct impact on the socio-economic aspect of rural people such as death, prison, thief, drity sickness murder, prostitution, lying suicide, deception, over thinking madness, lack of self confidence, receives no respects neglected by family, malnutrition, social exclusion, unemployment, environmental degradation etc. So it is very important to alleviate the poverty, poverty can be solved by the treatment of socio-economic problem. Moreover, identification of the role of poverty in the society is very helpful to prepare a suitable plan, projects and program for the development of society or particular group. On the other hand, the study will be also helpful to find out the effectiveness of new social and political structure or old structure. Thus, this study will be helpful for government authority, planning commission, social workers, social institution, NGO as well as government employees, students and teachers.

1.6   Limitation of the Study

The study has following limitations:

i.   The study has covered the extent of poverty in Manpur VDC of Dang District.

ii.   The study is based upon interview, data responses by the respondent by the filing of questionnaire of the study area.

iii. The sample size of the household used for the study has 10 percent out of total household in the study area and it is assumed that the study provides the representative picture of the poverty problem.

iv.   Only 70 household have been selected from 1 to 3 wards using purposive sampling.

v.   Simple statistical tools has used to analyze the data obtained.

1.7   Organization of the Study

The thesis is divided into eight chapters. The first chapter is concerned with background of the study, statement of the problem, objectives of the study, significance of the study, rational of the study. The second chapter is review a literate. In the chapter three methodology has been included. Chapter four concerned with poverty situation in the study area. In chapter five has been included analysis of survey data. In chapter six includes income distribution in study area. In chapter seven nature of poverty in study area. Finally chapter eight includes summary, conclusion and recommendations.

CHAPTER – II
REVIEW OF LITERATURE

Poverty is multidimensional and multicultural phenomena. It is basically defined by its nature whether it is more acute. Poverty is one of the major problem in the world, but it is a serious burning issue in the developing countries. Various institutions conducted many studies and research works in the context of world, but very few research works were done in Nepal, particularly in the study area. Therefore in this chapter, a review of available literatures of poverty is presented to conduct this study.

National Planning Commission (NPC, 1978) has attempted a study to define and quantity the level of poverty in Nepal. In this study some statistical tools like Lorenz Curve and Gini-concentration ratio have been used. In this survey 10 town panchayats and 128 village panchayats of 37 different districts had taken as a sample. In this study absolute poverty line at NRs 21 per capita per day at 1976/77 prices was taken as the minimum subsistence level.

Development practitioners have worked for half a country to pull millions of people out of poverty, disease, and fear to offer them hope and to support peace – but the challenge of poverty remains enormous. More then help of the people in developing countries 2.8 billion people – live on less than $ 2 a day and 1.2 billion of those people earn less than $ 1 a day. These statistics represent real people who do not have the means to satisfy their basic needs. They are hungry, isolated and vulnerable to weather, war and sudden fluctuations in international markets. The disparity in levels of income, health and education between developed and developing economics grows greater, even as level of absolute poverty decline (WB, 2005) (Reduction Poverty on a global scale World Bank Washington D.C.).

Rural poverty is a world wide problem, it exists in both developing and developed countries of the world. Over one billion people in the world are estimated to be living in poverty. The incidence of poverty is highly uneven among the regions of the world, among counties within those regions and among localities within those counties. Nearly half of the world's poor live in south Asia, a region that accounts for roughly 30 percent of the world population. Alleviation of poverty has been important objective of development policies and programmes all over the world, including India (Katar Singh, 2004).

DFID (1998) explain about Nepal that half of the population lives on less than $ 1 per day. A fifth are very poor social indicators resemble the worst in Africa. Key characteristics of poverty are low calorific intake; low health and literacy standards especially amongst women and girls: high indebtness; and high out-migration. The rate of growth in per capita income needed to helve poverty in 25 years is 1.6 percent per annum.

Damodar Gawali (2005) explain that poverty and fertility are both endogenous variables, the technique of instrumental variables regression is employed to produce reliable, consistent estimates for the model relating poverty and fertility. In the research, the mean number of children ever born (CEB) of ever – married women of reproductive age in a household is selected over two other variables as a proxy measure of fertility. Two-stage least square regression is performed. In the first stage, the endogenous fertility variable is predicted through instrumental variables regression using other independent variables. In the second stage, a logistic regression model of poverty status on predicted CEB and other independent variables in fitted. The effect of predicted CEB on poverty status is used to observe the nexus between poverty and fertility. The result show that poverty and fertility are positively associated. This sends the massage to planners and policy makers

that reducing high fertility has a positive impact on reducing poverty as well.

CBS (2005) estimated 31 percent of the people lived below the poverty line in 2003/04 (NLSS – II). Thus, the national goal of redacting poverty to 30 percent by the end of tenth plan is almost achieved. However, the spatial distribution of poverty is not uniform throughout the kingdom. Poverty in the remote, hilly and mountainous parts of the country is more servere. The incidence of poverty is higher in Mountain (33%) and Hill (35%) than in Terai (28%) poverty in the rural areas is worse than in urban areas. About 35 percent and 10 percent of the people residing in rural and urban areas, respectively, live below the poverty line.

Poor people are deprived from the new opportunities. This has no access of infrastructural development. Electricity, telephone, road and other needs are found rare with rural poor people (Tenth Plan, 2002).

Nepal Rastra Bank (NRB 1994) has analyzed in final report that representative the 7336 household of 32 districts of Tarai, Hill and Mountain sectors. The major findings are 36 percent of population engaged in agriculture sector and average family size is 6.2 percent, the literacy role of rural sector was 38 percent, landless family were only 17 thousand.

Sharmila Acharya (1998) in her dissertation paper "nature of rural poverty" has attempted to examine the poverty in Tarigaun VDC, Dang district study area. She has also tried to show the relationship between poverty and employment in the study area. Her study is based on both primary and secondary data. Primary data was collected from 70 sampled households which were selected randomly. She has used secondary data published by NPC, CBS, WB etc. for the purpose analysis and comparison. Various statistical tools like Keynesian consumption function wolf-point, Sen's poverty index, Gini-coefficient, Lorenz curve, range regression etc. are

used. The study shows that 48.57 percent household or 57.87 percent of population are absolutely poor and 30 percent household or 25 percent population are relatively poor. The study also shows that 21.43 percent household or 17.13 percent population are non poor. As found by Miss Acharya, in the study area the level of income is dependent on agriculture. She has suggested that to reduce the poverty adequate land should be provided to the people on the basis of the size of their family. Training for the labour is the factor to improve the income for them. Formal, non-formal and informal education is to be used to wipe out their traditional beliefs and cultural defects.

Miss Mira Ghale (1997) in her dissertation paper "Poverty Among Chepang Community" conducted a study to analyze the cause of poverty and the nature of the poor. Primary data have used to analyze the cause of poverty and the nature of the poor. Primary data have used to analyze cause of poverty and the nature of poor from data collected by taking into consideration the various factors like the size of land holding, literacy, family size monthly income by ethnic group etc. in a village of Chitwan district where break even technique is used to determine the wolf-point. Sen's poverty index and the minimum substance norm have been used to analyze the poverty. The majority of the population (96.06%) are living below the absolute poverty lines no relative poor population is there. She concluded that poverty exists due to lack of education and technical skills, low productivity along with the growth of population etc. In this study some economic tools are used like Gini-coefficient Lorenz curve, simple linear regression etc.

Dr. Kishov Kumar Guru Gharana (1997) the indicators of poverty in Nepal is pervasive, largely Chronic and reflected in all dimensions of social and human progress. The per capita income of about US $ 200 puts Nepal among the ten poorest countries in a list of 133 countries in the WDR 1997,

with only devasted countries in sub-saharan Africa below Nepal. Nepal lags in almost all key aspects of socio-economic progress compared to its neighbours ins south Asia and the average for the 49 low income economies listed in the WDR 1997, Nepal is one of the not only in per capita income but also in all socio-economic aspects such as life. Expectancy, infant and maternal mortality, Adult illiteracy (especially female), per capita caloric and commercial energy consumption.

Nepal Human Development Report (2001), Nepal is a poor country and getting poor every day, according to government document published a few years ago. This is reflected in various social and economic indicators as well as Nepal's current rank as 129th world wide in the Human Development Index (HDI). Nepals levels of human development are low even by south Asian standards. The country's HDI value, calculated in the Global Human Development Report 2001, stood at 0.480 slightly above Bhutan (0.477) and Bangladesh (0.470), but below the other disaggregated at the regional and sub-regional level human development indices rural and urban areas 2000 are 0.446 and 0.616 respectively.

The ninth plan (1997-2002) has its core theme poverty alleviation. This plan has expected that in the plan period, the existing situation of poverty is 46 percent and would be reduced by 10 percent. In order to achieve this objective, the plan has started following strategies:

) Achieve high economic growth by directing all the development activities under all the sectors of the economy towards poverty alleviation.

) Improvement of socio-economic condition of the deprived and week communities.

) Emphasis on agriculture, agro-based industries and agro-trade, community and rural tourism and rural infrastructure development programs.

) Expansion of employment and income opportunities through the extension of skill development training and micro credit.

) Bring the backward communities and women into the main stream of socio-economic development by means of social mobilization and empowerment.

WB Research Programme (2004) explained about the climate change and rural poverty is investigating the link between climate and rural poverty using detailed household survey data and remote sensing data on climate from defence satellites. The study applies a Ricasdain (Cross-sectional) approach, development in earlier studies in Africa and India, to seven countries in Latin America – Argentina, Brazil, Chile, Colombia, Paraguay Uruguay and Republica Balivariana de Venezuela.

Shanker Prasad Dhital (2003) in his thesis paper "Poverty in Rural Nepal" has attempted to examine the poverty in Duruwa VDC of Dang District study area he has found poverty from the field observation. It has been found that the rate of illiteracy, unemployment and dependency ratio is very high. Most of the children of the poor families are deprived of nutrition, vitamins protein etc. Though government has provided freeship facilities but most of the poor children are isolated from getting school education. As soon as they enter the age of 8 or above they have to work for earning and are compelled to help their parents is household activities. The case is more serious among tharu and occupational caste groups.

Poverty and income distribution in rural Nepal by Rizwanul. Islam analysis the extent of poverty, distribution income, distribution of

landholding, trends in poverty. He has used the secondary data supplied by NPC in 1978 and KO's survey in 1974 to fulfil the objectives of the study. The writer has asked two question about the trends of poverty.

a.   He has been an increase or decrease in proportion of population and households living in condition of poverty.

b.   What has been happening to the living. Condition of the poor ? In this study, he compares various aspects of poverty with other Asian and South Asian countries like Pakistan, Bangladesh and Thiland (Source : Isalm, Riz Wanual (1984) Poverty and Income Distribution in Rural Nepal. Edited by Azizur Rahaman Khan and Body Lee, ARTED Bangkok, Thiland).

Krishna Bahadur Kunwar (2003) explained about poverty trap. It is a condition from where one can come out. The poor should try to come out from the trap and try to enter in the main stream of the economy in which they live. Slavery and debt bondage never give the way for coming out from the vicious circle of poverty because the son cannot repay the inherited loan for life long. If he pays the interest, the principal remains unreduced. Furthermore, as per the Hindu belief no one can enter the Heaven with loan after death.

Indebtedness

Physical handicapped or work

Poverty Trap

Powerlessness

Isolation
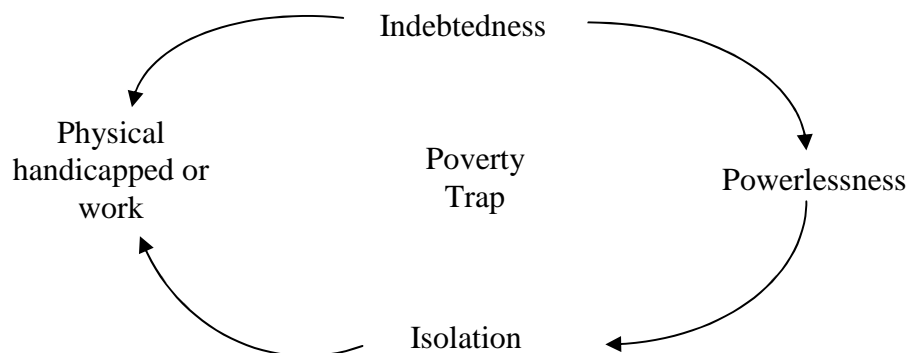
Dr. Kishor Guru Gharana (1997) has explained casual factors for chronic and pervasive poverty is the Notwithstanding the planned development efforts for over four decades and explicit poverty alleviation

program/projects such as subsidy and transfer programs, IRDPs food and feeding programs, targeted credit programs like small farmers development program and production credit for rural women, rural public works and food-for works programs, and employment and skill generating programs, poverty in Nepal seems to have expanded as well as deepened, because of the following causal factors:

A. Economic Factors

i.   Sluggish overall growth, stagnant agriculture and high population growth.

ii.   High inequality in asset and income distribution, and lopsided dualistic development process.

iii. Massive underemployment increasing unemployment and declining real wages.

iv.   In appropriate macro-economic policy environment and inefficient management of available resources.

v.   Lock of access to institutional credit.

B. Political and Socio-Cultural Factors

i.   Lack of good governance, inefficiency corruption and rent seeking.

ii.   Lack of people's participation.

iii. Discrimination by gender, ethnicity etc.

iv.   Weak social services and row human development.

v.   Cultural – traditional factors.

C. Geophysical Factors

i.   Poverty in Aggregate resources.

ii.   Land – Lockedness between poor neighbours.

iii. Long open border with India.

iv.   Extremely different topography and poor infrastructure.

v.   Environmental degradation.

Global Economic Prospects (2005) has showed about poverty forecast that developing country economic performance has been strong since 2002, and this is projected to continue over the next two years and beyond. This pattern of high growth would in all likelihood lead to a halving of the number of poor in developing countries between 1990 and 2015. One of the key MDGs. At the global level, the target to be achieved in 2015 is around 14 percent and the forest is for a headcount index of 10.2 percent. This translates into a forecast of 622 million persons living $ 1 or less a day in 2015, compared 1.1 billion in 2001. With respect to the somewhat higher poverty line of $ 2 a day, the headcount should improve to 32 percent in 2015 not quite a halving of the estimated 61 percent headcount index in 1990 and corresponding to almost 2 billion poor.

HDR (2003) addressing poverty requires understanding its causes adds to that under standing by analyzing the root causes of failed development. During the 1990s debates about development focused on three sets of issues (i) need for economic reforms to establish macroeconomic stability, (ii) need for strong institutions and governance to enforce the rule of law and control corruption, (iii) need for social justice and involving people in decisions that affect them and their communities and countries – an issue that this report continue to chamption, (iv) the structural constraints that impede economic growth and human.

The poor in Nepal range over a wide varieties of socio-economic groups irrespective of caste, sex, religion and geographic regions. Women cut all these categories, whether Dalits, indigenous people individuals with disabilities, or children, not all traditionally high-caste people are rich. Likewise, not all low caste people are poor or otherwise disadvantaged. But exclusion has regional dimension in Nepal; the continued improvement and

underdevelopment of the mid and far western development regions constitutes a glaring manifestation of historical geographic exclusion that has shut every population segments irrespective of caste, religion and sex out of mainstream development. From this perspective any analysis of disadvantaged groups that focus only on Dalits, indigenous people, the physically disabled and children will to capture the true picture of poverty in Nepal (HDR, 2004).

Defending who is poor ? is always a difficult proposition because there are several concept of poverty. Perhaps most familiar is the one used to identify the poor in sample survey in low income countries: that is based on a composite measure of total household consumption per member. Poor people are than defined as those living in household below a particular theshold of this measure of consumption. Such as below $ 1 or $ 2 a day or below a nationally defined level (WDR, 2004).

CBS (2005) has showed the remittances income is high in the national income the proportion of households receiving remittances increased from 23 percent in 1995-96 to 32 percent in 2003-04. The average amount of remittances increased in real terms from NRs 674 per peson per year in 1995-96 to NRs 1,723 per person per year in 2003-04, an over 150 percent increase over 8 years. These trends are present across all strata of the population, although richer households are more likely to receive remittances and the remittances they receive are substantially larger in absolute terms.

Note that because the incidence of headcount poverty was in 1995-96, the increase in incomes of the households in the second PCE quintile would have the most impact on the incidence of poverty. The real amount of per capita remittances for this group of household has increased in absolute term

from NRs 1392 to NRs 2886, which is equivalent to a increase from 30 percent of the requisite poverty line to almost 60 percent of that line.

The new Encyclopaedia Britannica (1978) explain the poverty is the condition that is said to exist when people lack the means to satisfy their basic needs. In the context, the identification of poor people, then first requires a determination of what constitutes basic needs. These may be defined as narrowly as "those necessary for survival" or as broadly as those reflecting the prevailing standard of living in the community. "The first criterion would cover only those people near the borderline of starvation or death from exposure; the second world extend to people whose nutrition, housing and clothing, though adequate to preserve life do not measure up to those of the population as a whole.

MP Todaro (1998) extent of poverty in any country depends upon two factors: (i) the average level of national income and (ii) the degree of inequality in its distribution. Clearly for any given level of national per capital income, the more unequal the distribution the greater will be the more unequal the distribution the greater will be the incidence of poverty. Similarly, for any given distribution, the lower the average income level, the greater will be the extent of poverty. But how is one to measure "poverty" in any meaningful quantitative sense ?

During the 1990s as interest in problem of poverty increased, development economists took the first steep in measuring its magnitude with in and across countries by attempting to establish a common poverty line. They went even further however and devised the now widely used concept of 'absolute poverty'. It is meant to represent a specific minimum level of subsistence income necessary to secure the 'basic physical needs' of food clothing and shelter in order to assure continued survival' the authors concluded that almost forty present of third would populations were

attempting to survive at absolute poverty levels (Eccuric for A Development World 1988, London and New York).

2.1 Some Common Measures and Indicators of Poverty

2.1.1 Head Count Index

It is the proportion of units – households or individuals – below poverty line. If NP is the number of units below the poverty line and N the total population, then NP/N or its percentage form is the headcount index of poverty or incidence of poverty. This measure is simple to interpret and calculate but is insensitive to the extent of inequality among the poor, and does not consider the depth of poverty or the degree of short ball in income from the poverty threshold. It simply counts the number of units, which fall below the poverty line without any consideration of the distance or the distribution among the poor.

2.1.2 Sen's Index

It is the idex of Nobel Laurate Amartya Sen with the sensitivity of poverty. It is calculated using the headcount index, the poverty gap measure and the Gini-coefficient of the poor. Sen's Index $= P_1 (1 - G) + P_0$. G where G = Gini-coefficient among the poor, p_1 and P_0 = the two above indexes as defined. The measure better than the both measures of about but it can not satisfy a useful poverty, additively or decomposability, which is useful and implies that aggregate poverty index is equal to the population weighted poverty indexes in the various well-defined sub-groups of society.

2.1.3 Index for the Selection of Poor in Nepal

Index for the Selection of Poor in Nepal is explain by Krishna Bhadur Kunwar (2003) indicators of HDR and WDR also vary time to time. Poverty measuring is a difficult task and calculation process is not simple for the

common people and concerned officials. If such calculation could not be done properly the result might come different. It becomes more complicated for the people where the literacy rate is vary low. Nepal needs a clear simple and less expensive measure to find out the poverty index. In this regard, the following calculation for the poverty identification would be practicable. The selection could be endorsed at the ward-level committee in every VDC. In that process, participatory rural appraisal (PRA) will be very much beneficial to make the selection more realistic and trustworthy.

World Bank has published a report on the poverty of the world. The bank has used both descriptive and analytical approach to show the vivid picture of poverty in developing countries on various aspects of poverty of the world and critically examined the various program generated by the institutions concerned for the poor people. The bank classifies the world in the six different regions like sub-saharan,, America. East Asia South Asia, Eastern Europe, Latin America and the Caribbean. According to the report, South Asia is the poorest region where 300 million people are estimated to be extremely poor including 25 million people of India. The population of south Asia, falling into poor including extremely poor is about 250 million on which Indian's share is 420 million. In measure the incidence of poverty, head count index and poverty gap for south Asia is 29 and 3 respectively, while corresponding data for all developing counties is 18 (WB, 2000/01).

Jeetendra Prakash Aryal in his dissertation poverty in Rural Nepal, A cause study of Purnashangajholi VDC of Sundhuli district has discussed the extent and nature of poverty by establishing the relationship of poverty with various socio-economic characteristics such as level of education, employment, family size, landholding etc. The study is mainly based on primary data collected from 70 sample households in the study area. He has also used secondary data published by NPC, WB and various other research organizations for the purpose of comparison. To analyze the incidence of

poverty, he has used various statistical tools like Gini-coefficient, Loren Curve, Sen's poverty index, Chi-square test, mean deviation, wolf-point, correlation etc. The study shows that 42.42 percent of households or 43.03 percent of population are absolute poor and 18.57 percent of households are relative poor (Aryal, 1994).

A survey on "The Neglected Majority, poverty the Nemesis of Development" conducted by Action Aid Nepal (1997), has discussed various aspects of poverty. It has also defined poverty in absolute and relative term. The overall objective of this study is to advocacy and other work and strengthen the relationship between program and advocacy work. The study is based on the secondary and primary information. The study is based on the secondary and primary information. The secondary information was generated through a revive of a large number of publications from both within and outside Nepal and the primary information was collected at the field level in 11 (eleven) districts. These districts represent geographical and political as well as urban and rural sector of Nepal. No any statistical tools have been used in this study to analyze the data. In this study, the nature of poverty has been summarized into three interrelated category i.e. material poverty, intellectual poverty and entrepreneurial poverty. The major findings of the study are :

⟩ The growth of economy is around 3 percent per annum.

⟩ Bottom 70 percent of rural household owing less then 1 hectors of land which accounts for about 31 percent of cultivated land area.

⟩ Bottom 40 percent population receive only 23 percent of national income while top 10 percent receive 23 percent of national income.

⟩ The poor have limited access to institutional credit and are largely dependent on informal sources with exorbitant interest rates.

The study gives some future strategies on poverty and development and also suggests controlling the rampant corruption at all level which has diverted large amount of resources from genuine development program (Action Aid Nepal, 1997).

The World Bank and UNDP have jointly conducted a research entitled "Nepal Relieving poverty in scarce economy in the context of Nepalese Economy in the context of Nepalese economy". The research work is based on the both primary and secondary data. The bank itself has undertaken the multipurpose household budget survey specifically for the study to identify the characteristics of poor and non poor households. The study shows that bottom 40 percent of household cover 18 percent of the national income while to 10 percent household 28 percent of national income. In the study, three different line incomes have been used comparatively to analyze the incidence of poverty. Firstly NPC's estimate on the basis of an income needed to supply minimum calorie requirement, secondly, international line income equivalent to US $ 150 per capita per annum and thirdly, the definition suggested by Lipton that food expenditures absorbs 70 percent or more of total expenditure. These three different poverty lines give the three different percentage of people below poverty lines, 40, 71 and 66 percent respectively (WB/UNDP, 1990).

The budget speech of the fiscal year, MOF 1999/2000 has described same poverty alleviation programs. According to this budget speech poverty has been serious impediment to social change and our development efforts. To get rid of vicious circle of poverty, a nation wide poverty reduction campaign called "Bishweshwor among the poor" will be launched targeted to absolute poor people, who are deprived of minimum basic necessities like cloth, shelter, food basic health services and education. Similarly, a "Poverty Alleviation Fund" will be established with the aim of developing resources and enhancing institutional capabilities to directly fascinate the poverty

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alleviation program and all poverty alleviation related program would be integrated a coordinated through this fund (MOF, 2000).

The poor in Nepal range over a wide varieties of socio-economic groups irrespective of course, sex, religion and geographic regions. Women cut all these categories, whether dalits, indigenous people, individuals with disabilities or children. Not all traditionally high cast people are rich. Likewise, not all low caste people are poor or other wise disadvantaged. But exclusion has regional dimension in Nepal, the continued impoverishment and underdevelopment of the mid and far western development region constitutes a glaring manifestation of historical geographic exclusion that has shut every population segments irrespective of caste, religion and sex out of mainstream development. From this perspective any analysis of disadvantaged groups that focus only on Dalits, indigenous people, the physically disabled and children will to capture the true picture of poverty in Nepal (Nepal HDR, 2004).

Budget 2005/06, is the main vision is to create foundation from prosperous new Nepali with in three years by contributing to the political, social and economic sectors and by reducing the level of poverty.

The budget announced social mobilization and income enabling programs targeted to poor communities to be carried out through poverty alleviation fund in 25 districts with poor human development index for the promotion of income generation activities. It also announced community based program means in the 40 districts and with an allocation of Rs 400 million. For commercialization and diversification of agriculture, the budget announced special livestock programs targeted to Dalits and freed bonded labours in 22 district and highway special program in life with concept of one village one product for the promotion of various cash crops. It also

stated that arrangements were made to launch viable agriculture program targeting 50 thousand households of the ultra poor.

The government has earmarked Rs. 790 millions for land reform programs with plan to establish the land bank to ensure landless farmers assess to farmland. The bank will provide loans to the farmers to purchase land.

In this way government has increased the budget in various sectors as road, health, education, peace maintenance and other various developmental activities. So, it will benefit to the rural people (MOF, 2005/2006).

CHAPTER – III
RESEARCH METHODOLOGY

3.1 Study Site Description and Rationale for the Selection of the Study Site

The present study will be has conducted in the Manpur VDC of Dang. It lies in the middle part of Dang and near from city area. Most of the people living in this area are Tharus. People of this area have low income, unfulfilled basic needs poor education, low health and transportation facilities. There is increasing caste, colour, racial, gender, ethnic, political discrimination due to which people's income is decreasing. Poor livelihood condition, as a whole is creating the poverty problem. The extent of poverty is increasing day by day. This vicious circle of poverty is creating bad effect on socio-economic status in this study area. So the researcher wants to study on socio-economic impact of rural poverty in Manpur VDC of Dang to make policy recommendations for alleviation of poverty to concerned authorities.

3.2 Research Design

The study is mainly based on micro study of poverty. The study tries to analyze the existing level of poverty in a specific study area. So the study will be descriptive and analytic in nature.

3.3 Method of Data Collection

The study is primarily based on primary data collected from using structured questionnaire by researcher himself in the study area. Information collected by taking personal interviews with the household heads of the

selected area. Relevant books, articles, journals, publication of national planning commission (NPC), world bank CBS etc. are also used.

3.4 Source of Data

This study has made an analysis of the existing state of poverty in particular area.

a. Primary Data

Primary data is mainly collected from 70 households through the structured questionnaire using stratified random sampling method. The sample size is about 10 percent of total households (692) which have been taken in a same ratio from the income group viz. Lower, middle and higher income group. The population that is divided into sub population is known as strata, the strata are the 3 words of the Manpur VDC of Dang Districts.

b. Secondary Data

Secondary data are collected from the publication of National Planning Commission (NPC), Nepal Rastra Bank (NRB), World Bank (WB) and various other research institutes are also used. Secondary data are used for supplementary of primary data.

3.5 Data Processing

A master tables were prepared from the complicated questionnaire for tabulating different socio-economic characteristics such as income, land hold size, family sizes, expenditure pattern etc. The data were processed for analysis with the help of scientific calculation.

3.6   Total Household and Sample

From among the (692) total household hold in the study area (70) household were selected using proportional to size with random sampling method. In order to make the study meaningful and also complicated the study within the limited time period a larger sample size was not feasible. The sample is about 10 percent of the total households which can be considered to be representative of the unverse of study.

The strata are the three (1, 2, 3) ward of the Manpur VDC, the selection of sample household in each ward is made on proportional to size basis. The size is the total number of households in each ward.

3.7   Method and Tools Used for Data Analysis

Various statistical tools are used to measure poverty. Relevant statistical tools are also used to show the relationship between poverty and other factors like income inequality, consumption, expenditure etc.

3.7.1 Computation of Total Poverty Line

For computation total poverty line, two types of tools. Such as Keynesian consumption function and wolf point are used which are discussed below.

a.   Keynesian Consumption Function

In Keynesian consumption function, we assume that consumption is the function of income. Thus it is expressed as:

$$C_i = \Im + \beta Y_i$$

Where,

$\Im$ =   Autonomous consumption

$\wp$ = Marginal propensity to consume (MPC)

C_i = Consumption expenditure

Y_i = Income level

b. Computation of Wolf Point

It is also know as break – even point which implies equality between income and consumption expenditure (i.e. $C_i = Y_i$) Mathematically,

$$C_i = \Im + \wp Y_i$$

It the case of equality between the C_i and Y_i the following expression can be obtained:

$$\text{Wolf point} = \frac{\Im}{(1 - \wp)}$$

Thus wolf point gives the total poverty line.

3.7.2 Derivation of Relative Poverty Line

The relative poverty line is divided on the basis of absolute poverty line and the wolf point because the relative poverty level is income level between the absolute poverty line and the wolf point.

3.7.3 Absolute Poverty Line

To measure absolute poverty line, the minimum subsistence norm followed by food and agriculture organization (FAO, 1972) is used. According to this norm, calorie requirement per capita per day for survival for Nepal is 2256 calorie. For this intake, net consumption of 605 grams of creals 60 grams of pulses are required daily. The average cost for these norms are estimated through using average market prevailing in the study area at the time of survey.

According to NPC 1978 the norms prescribed by FAO secures only 65 percent of the total subsistence consumption expenditure, other 35 percent of

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subsistence consumption expenditure is spent on other food and non food items. Therefore, the absolute poverty line is determined by summing up 65 percent expenditure on nutritional requirement and 35 percent expenditure on other food non-food items.

3.7.4 Estimation of Non-Poor

Those households are considered to be non-poor whose income is above the wolf point.

3.8 Computation of Magnitude or Intensity of Poverty

To estimate the magnitude or intensity of poverty situation. Sen's poverty index is used. It is calculated in two ways i.e. considering inequality and without considering inequality among the poor.

3.8.1 Sen's Poverty Index with Considering Inequality

$$P^* = \frac{X}{C^*_P} \ [C^*_P - C_P(I - G_P)]$$

3.8.2 Sen's Poverty Index Without

Considering inequality:

$$P^* = \frac{X}{C^*_P} \ [C^*_P - C_P]$$

Where,

P^*	=	Poverty index
X	=	Percentage of population living below the poverty line
C^*_P	=	Poverty lien per capita per day
C_P	=	Per capita mean income of the poor
G_P	=	Gini-Coefficient of the poor

The theoretical nation is that if the value of poverty index (P*) approaches near to zero, it indicates lower intensity of poverty and if it (P*) approaches near to one, it indicates higher intensity.

3.9 Calculation of the Extent of Income Inequality and the Distribution of Income

For the computation of income inequality and distribution of income, various statistical tools like Gini-coefficient, Lorenz Curve, men dimidiation, variance, coefficient of variation, range, regression, correlation coefficient etc. are used. These discussed below.

3.9.1 Gini-Coefficient

It measures the inequality in income distribution. It can be calculated by using falling formula if data are arranged in ascending order:

$$\text{G.C.} = 1 + \frac{1}{n} - \frac{2}{n^2 Y_{\supseteq}} \; [Y_1 + 2Y_2 + \text{---------} + nY_n]$$

For $Y_1 \; ^{TM}Y_2 \; ^{TM}\text{------} \; ^{TM}Y_n$

Where,

n	=	The number of the observation
$Y_{\supseteq}$	=	Mean income of household
Y_1	=	Individual income in household
G	=	Gini-Coefficient $(0 < G < 1)$

If the value of Gini-coefficient approaches near one, there is greater extent of inequality and if it approaches to zero, there is lesser extent of inequality.

3.8.2 Lorenz Curve

The Lorenz Curve is the graphical method of studying dispersion in a distribution. It shows the difference between equal distribution and actual distribution of income in the study area. As the area between actual and equal distribution line increases, the inequality in the distribution of income also increase and vice-versa.

3.9.3 Mean Deviation

Mean deviation is known as the average deviation. It is the average difference between the items in distribution and the mean of the series. It is calculated by using the fowling formula.

$$\text{M.D.} = \sum_{i=1}^{n} \frac{\left| Yi \, Z\overline{Y} \right|}{N\overline{Y}}$$

Where,

MD	=	Mean Deviation
Y_i	=	Income of an individual
n	=	Number of observation
$Y\supseteq$	=	Mean income

3.9.4 Variance

The variance is defined as the average of the square deviation from the mean. It is used to measure inequality of income dis4tribution. It is calculated by using the following formula :

$$\text{Variance} = \exists^2 = \sum_{i=1}^{n} \frac{\left(Yi \, Z\overline{Y} \right)}{N}$$

Where,

Y_i	=	Income of an individual
σ^2	=	Variance
$\bar{Y}$	=	Mean income
n	=	Number of observation

3.9.5 Coefficient of Variation

The coefficient of variation is the ratio of standard to mean level of income. It is expressed as :

$$C.V. = \frac{\sigma^2}{\bar{Y}}$$

Where,

C.V.	=	Coefficient of variation
σ^2	=	Standard deviation of Y series
$\bar{Y}$	=	Mean income

3.9.6 Range

Range is the simplest method to measure inequality. It is the difference between highest and lowest item of the given series as ratio of its mean. Symbolically.

$$R = (\text{Max } Y – \text{Min. } Y) / \bar{Y}$$

Where,

R	=	Range
Max. Y =		Minimum income
Min Y =		Minimum income
$\bar{Y}$	=	Mean income

As the value of Range tends to zero it implies that there is equality in the distribution of income and vice-versa.

3.9.7 Correlation

Correlation analysis deals with the statistical technique that measure the degree of relationship between the variables. To show the relationship between income and consumption, correlation coefficient is used and can be expressed as :

$$r = \frac{N \sum Y_i C_i - \sum Y_i \sum C_i}{\sqrt{N \sum C_i^2 - (\sum C_i)^2}\sqrt{N \sum Y_i^2 - (\sum Y_i)^2}}$$

Where,

r	=	Correlation coefficient
C_i	=	Consumption expenditure of the household
Y_i	=	Income of the household
N	=	Number of observation

The value of correlation coefficient range from +1 to -1. If it is negative, it implies inverse relationship between the variables and if it is positive, it implies direct relationship between the variables.

3.10 Definition of Concept of Variables

Households is a private and non-institutional economic unit in which a single individual or more then one family are learning together. They earn together and consume together.

3.10.1 Households Head

In this study, the person who manages all the rules and regulations in the family is considered as the household head. He always plays a dominate role in the family. Most of the economic activities in the family depend upon the households head's decision.

3.10.2 Total Income of a Households

The income which is earned by family members through productive services from difference sources, which are defined as total households income. In this study, it is sum total of net income from agricultural production, income from livestock and poultry farming income from labour, income from business and cottage industry, income from service and income from rent.

3.10.3 Total Consumption of a Household

It includes the expenditure on food and non-food items made by the family members of households within a given time frame to fulfil their requirements.

3.10.4 Literate/Illiterate/Educated

All person who can read and write Nepali language are literate, who passed SLC and more and educated otherwise illiterate.

3.10.5 Active Working Age Group Population

In this study, all the household members who are in between 10-60 years ago are active/working age group population.

CHAPTER – IV

POVERTY SITUATION IN THE STUDY AREA

4.1 Estimation of the Poverty Line and the Poor

In the present study, in order to define the extent of poverty in the study area, mainly two types of poverty lines are estimated viz. absolute poverty line and relative poverty line. The absolute poverty line is determine on the basic on minimum income required to purchase subsistence culoire requirement per day per person i.e. known as Keynesian consumption nation of break – even point. An individual whose income is above absolute poverty line and below the break – even point is known as relative poor. In other words, break even point is the level of income where is just equals the consumption expenditure. Thus break – even point is known as total poverty line and people below the break – even point are considered as total poor. Therefore, the total poor is the sum of absolute poor and the relative poor.

4.1.1 Absolute Poverty Line and Absolute Poor

The absolute poverty line is determined on the basic of minimum income required to purchase the subsistence calorie requirement per day person for the survived and social existence which is known as subsistence norm.

According to FAO standards (1972) the calorie required for survival level in Nepal is 2256 per person per day. A net consumption of 605 grams of cereals (Rice, maize, wheat etc.) and 60 grams of pulses (Rahar, Musuro, Mass etc.) which provided on average of 2042 and 214 calories respectively.

National planning commission has estimated different absolute poverty lines for different regions. The minimum daily calorie requirement

for hill region has found to be 2340 calorie, for the mountain regions has it has been found to be 2140 and for the tari, it has been found to be 2250 (NPC, 2044).

In the study area the caste of 605 grams of cereals and 60 grams of pulses are Rs. 8.07 and Rs. 2.2 respectively in the local market prices. Thus the aggregate value of subsistence food consumption is Rs. 10.27 per capita for day (Appendix – I). The study considers only those cereals and pulses which are commonly consumed by the people and are easily available in the local market. The creals items include Rice, Maize and wheat. The pluse items include bean, mussuro, mass pea and rahar the value of these food items are derived by taking average of the precluding market prices.

According to NPC, the expenditure on food items covers only 65 percent of total subsistence expenditure, the remaining is for meeting other basic non food requirements, such as clothing, housing etc. Likewise, the calculated value for food is NRs. 10.27 in the present study area which represents 65 percent of the total expenditure per capita per day. The remaining 35 present of total expenditure is expended on non-food items.

The value of minimum average daily consumption expenditure on non-food item is estimated to be NRs. 5.53 per person per day. The absolute poverty line income per capita per day in NRs. 15.8 on the basic of subsistence norm in the study area (Appendix I).

Those household whose per capita daily income is less than NRs. 15.8 are known as absolute poor households. Various researchers have estimated absolute poverty line in different time and different place of Nepal. The comparison of the absolute poverty line in the present study and some other past studies are shown in Table 4.1.

Table 4.1

Absolute Poverty Lines in Different Studies

S.N.	Study area	Average daily value of 2256	Average daily value of non food item	Absolute poverty line
1.	Rural Nepal	1.32	0.70	2.02
2.	Nepal Hill/Mountain	3.86	2.08	5.94
3.	Purma Jhanga Jhholi Sindhuali	6.38	3.43	9.81
4.	Sakhuawa Rautahject	8.42	4.53	12.95
5.	Piple Chitwan	10.96	5.90	16.86
6.	Manpur, Dang	10.27	5.53	15.8

Source:

1.   NPC, 1978.

2.   NRD HHs Budget Survey, 1988.

3.   J.P. Aryal "Poverty in Rural Nepal".

4.   Uma Shankar "Poverty in Rural Nepal", 1974.

5.   P. Pathak, "Poverty in Piple VDC", 2001.

6.   Field Survey, 2006.

From the Table 4.1 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 inflection etc.

The analysis of the absolute poor among the sample household and sampled population of the different studies is presented in Table 4.1.

Table 4.2

Distribution of Sample Households by Size

S. N.	Study area	Total sampled HHs	Absolute poor Hhs		Total sampled population	Absolute poor population	
			No.	%		No.	%
1.	Rural Nepal	213669	860769	40.3	12445368	4505835	36.2
2.	Purna Jhanga Joshi, Sindhuali	70	29	41.42	402	173	43.03
3.	Sakhuwwa, Rautahject	60	29	48.33	460	214	46.52
4.	Piple, Chitwan	80	35	43.75	440	196	49.54
5.	Manpur Dang	70	26	37.14	380	164	43.16

Source:

1.   NPC, 1978.

2.   J.P. Aryal "Poverty in Rural Nepal".

3.   Uma Shankar Poverty in Rural Nepal, 1997.

4.   P. Pathak Poverty in Piple VDC, 2001.

5.   Field Survey, 2006.

4.2   Relative Poverty Line and Relative Poor

Relative poverty line refers to that level of income, which lies between the wolf point and absolute poverty line. The household or population whose income level is below the wolf point and above the absolute poverty line are called relative poor.

Relative poverty line is estimated with help of wolf point is calculated by Keynesian consumption function using equality between income and consumption. Then the wolf point is $\Im/1 - \wp$ is Keynesian linear consumption function. Such household just Able to meet the minimum

subsistence expenditure but not total expenditure. Therefore, the wolf point can be taken as the total poverty line (See Appendix IV).

The value of wolf point of found to be Rs. 21.0 per capita per day (Appendix IV) and absolute poverty is Rs. 15.8 per capita per day (Appendix I).

Out of the 70 total households and 380 population 15 households and 81 people are relatively poor. Thus it found that 21.43 percent of households and 21.89 percent of population are relatively poor.

Table 4.3

Relative Poor in Different Studies

S.N.	Study Area	Relative Poor HHs		Relative Poor Pop[n]	
		No.	%	No.	%
1.	Purna Jhang Jholi	13	18.57	68	16.91
2.	Sakhuwa Rauthat	9	15.00	73	15.87
3.	Kihon, Tahahu	31	34.45	202	33.95
4.	Piple, Chitwan	14	17.50	73	16.59
5.	Manpur, Dang	15	21.43	81	21.89

Source:
1.   J.P. Aryal, 1994
2.   Uma Shankar, 1974.
3.   R. Shgdel, 2000.
4.   P. Pathak, 2001
5.   Field Survey, 2006.

Table 4.3 present the relative poor households and population in different studies from various studies besides in Lamjung, the study area has comparatively higher relative poor other previous studies.

4.3   Total Poverty Line and the Total Poor

Total poverty line refers to the wolf point which has income equal to expenditure. Total poverty line is also known as upper poverty line. Thus the household or population below this line (wolf point) including absolute as well as relative poor are known as total poor. In other words, total poor are the sum of absolute poor and relative poor. The wolf point for the present study is NRs. 21.00 and on this basis, it is found that 58.57 percent sampled households or 68.47 percent of sampled population are total poor.

Table 4.4

Absolute, Relative, Total and Non Poor in the Manpur VDC

Types of poor	Households		Population	
	No.	%	No.	%
Absolute poor	26	37.14	164	43.16
Relative poor	15	21.43	81	21.32
Total poor	41	58.57	245	64.48
Non Poor	29	41.43	135	35.52
Total	70	100.00	380	100.00

Source: Field Survey, 2006.

The absolute, relative and non poor is shown is the bar diagram as follow.

Fig. 4.1

Absolute, Relative, Total and Non-Poor in the Manpur VDC
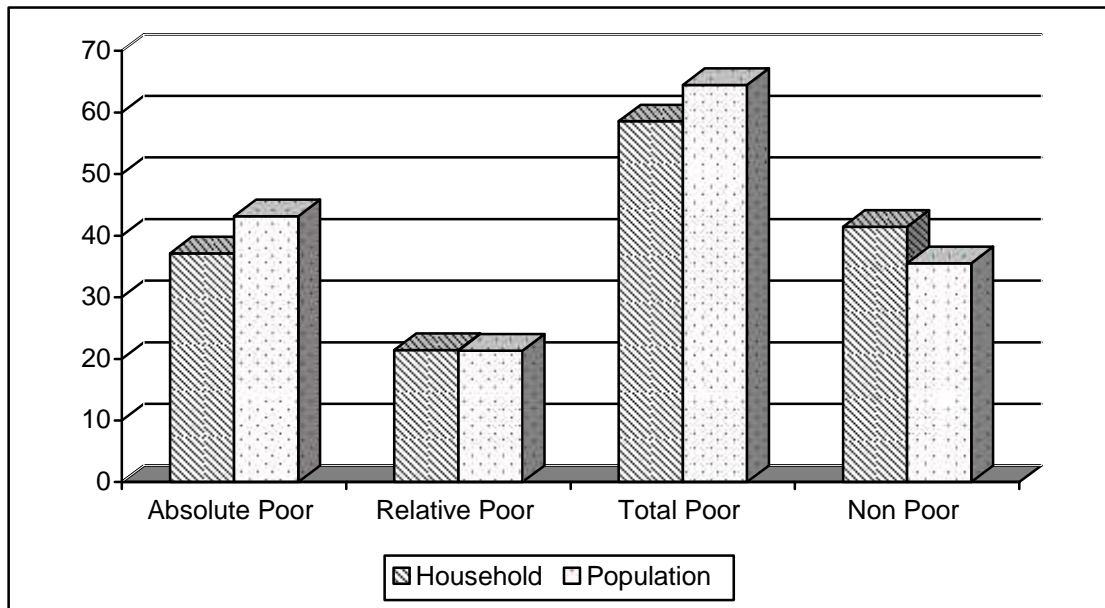
4.4 Total Poverty Line and Total Poor in Different Studies

Table 4.5

Total Poverty Line and Total Poor in Different Studies

S.N.	Study area	Total poverty (Line PCI)	Total Poor HHs		Total Poor Pop[n]	
			No.	%	No.	%
1.	Purna Jhanga Jholi, Sinduli	15.18	42	60.00	241	59.95
2.	Sakhuwa Rauthat	17.87	38	63.33	287	62.39
3.	Kihum Tanahu	33.14	72	78.90	282	61.13
4.	Piple, Chitwan	20.25	49	61.26	269	79.91
5.	Manpur, Dang	21.00	41	58.57	245	64.68

Source: Metioned in Table (4.2).

The income level, which lies below the wolf point, indicates total poverty line. Total poverty line is also called as upper overly line. The wolf point for the present study is 21.0 per capita per day which is the total poverty line (See the Appendix IV) on the basic, out of 70 sample

households 41 households are out of total 380 sample population. 245 people have the level of income less then the total poverty line. So 58.57 percent of household or 64.68 percent of population are found to be total poor in the study area.

Table 4.5 shows that the total poverty line of the present study is higher in different studies area.

4.5 Mean Income Among the Absolute Poor Relative Poor, and Non-Poor Household

Income groups in the study area is divided into three types as income group lying below the absolute poverty, relative poverty and non poor. In which person's household per capita below 15.8 we can say absolute poverty, the person's households per capita is over 15.8 and below 21.0 is known as relative poor (Appendix I and IV) and which person's per capita income over the 21.0 is known as non poor.

Table 4.6

Distribution Mean Income Among the Absolute, Relative and Non-Poor

S. N.	Study area	Households		Average income	Population	
		No.	%		No.	%
1.	Absolute poor	26	37.14	10.44	164	43.16
2.	Relative poor	15	21.43	17.84	81	21.32
3.	Non poor	29	41.43	42.91	135	35.52
	Total	70	100.00			

Source: Survey, 2006.

From the Table 4.6 the average per capita daily income of absolute poor, households is Rs. 10.44, relative poor 17.84 and non poor is 42.91.

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4.6　Relative Poor and Ethnic Groups

The value of wolf point by this study is found to be the 21.0 per capita per day for the study area. The study shows that the ethnic groups are relatively poor, whose income levels lies between these two income levels.

Table 4.7

Relative Poor Household and Population of Ethnic Group

Study area	Relative Poor HHs		Total Population	Relative Poor Population	
	No.	%		No.	%
Brahman	4	26.67	63	19	23.46
Chhetri	5	33.33	68	27	33.33
Tharu	3	20.00	126	18	22.22
Dalit	2	13.33	60	11	13.58
Others	1	6.67	63	6	7.41
Total	15	100.00	380	81	100.00

Source: Survey, 2006.

Comparative study of relative poverty line of ethnic groups is shown in Table 4.7. the relatively poverty in the higher caste Brahman and Chhetris in higher then the other groups as Tharu Dalit and others.

4.7　Total Poor and Ethnic Groups

Those households of different ethnic groups are known as total poor whose income lies below wolf point income i.e. Rs. 21.0 per capita per day.

Table 4.8

Total Poverty Line and Total Poor of Ethnic Group

Study area	Total Poor Households		Total Poor Population	
	No.	%	No.	%
Brahman	5	12.2	25	10.20
Chhetri	7	17.07	40	16.33
Tharu	17	41.46	106	43.26
Dalit	7	17.07	46	18.78
Others	5	12.2	28	11.43
Total	41	100.00	245	100.00

Source: Survey, 2006.

The total poverty line and total poor of the different ethnic groups are shown in Table 4.8. This shows that the total population below the poverty line of Brahmin/Chhetris is comparatively lower then other ethnic groups and the total population below poverty line of lower (Tharu, Dalit) caste is higher than other ethnic groups.

Table 4.9

Total Poverty and Non Poor Percent in Different Cast of the Sample Households

Caste	Total sampled HHs	Total poor HHs	Non poor HHs	Total Poor % HHs	Non poor % HHs
Brahmin	14	5	9	35.71	64.29
Chhetri	14	7	7	50.00	50.00
Tharu	21	17	4	80.95	19.05
Dalit	10	7	3	70.00	30.00
Others	11	5	6	45.45	54.55
Total	70	41	29		

Source: Field Survey, 2006.

The extent of poverty shows that different their caste in highest percent (80.95%) household of Tharus are poor, Dalit (70%) are poor.

CHAPTER – V
ANALYSIS OF SURVEY DATA

Nepal is divided into 5 development region with 14 zones and 75 districts. Dang lies in the mid western part of Nepal. It lies in Rapti zone. It has 39 VDC and 2 municipality. Among these, Manpur VDC is a study area for research this VDC is located 18 km west from the district head quarter Ghorahi and 5 km south east from the zonal head quarter, Tulsipur.

5.1 Households and Population by Ward and Sex

In the total household and size of population, ward no. 1, 2, 3 has the total household 682 of the study area.

The total No. of female is higher then male the female population 1994 and male 1952. Total number of population is 3946.

Table 5.1

Household and Population by Ward and Sex

Ward No.	Total Hhs	Population				Total population
		Male	Percent	Female	Percent	
1	249	701	49.35	719	50.65	1420
2	231	652	49.17	666	50.53	1318
3	212	599	49.58	609	50.42	1208
Total	692	1952	49.47	1994	50.53	3946

Source: Field Survey, 2006.

5.2 Ward Wise Distribution of Sampled Household and Population

Out of total 692 household 70 household are selected as sample; 25 from ward no. 1, 25 from ward no. 2 and 20 from 3.

The above Table 5.2 shows that the total number of sampled population is 380. Out of them 181 (49.18%) are male and 199 (50.82%) are females.

Table 5.2

Ward Wise Distribution of Sampled Households and Population

Ward No.	Sampled Hhs	Population				Total population
		Male	Percent	Female	Percent	
1	25	65	46.52	75	53.57	140
2	25	62	47.33	69	52.67	131
3	20	54	49.54	55	50.46	109
Total	70	181	49.18	199	50.82	380

Source: Field Survey, 2006.

5.3 Distribution of Sampled Household by Caste/Ethnic Group

Brahmin, Chhetri, Kami, Dami, Sarki (Dalit), Tharu (Trabal) are the main ethnic groups. Majority of the household people are Tharu as number 21 (30%) and sample population are 126 (33.16%).

Table 5.3

Distribution of Sampled Household by Castes/Ethnic Group

S.N.	Caste/Ethnic Group	Sample Households		Sample Population	
		Number	Percent	Number	Percent
1.	Brahmin	14	20.00	63	16.58
2.	Chhetri	14	20.00	68	17.89
3.	Tharu	21	30.00	126	33.16
4.	Dalit	10	14.29	60	15.79
5.	Other	11	15.71	63	16.58
	Total	70	100.00	380	100.00

Source: Field Survey, 2006.

5.4   Educational Status of Sampled Population

Sampled populations for the study of educational status are classified as illiterate and literate. Literate are as their academic class level primary (1-5), secondary (5-10), higher (above 10) class.

Among sampled people 142 (37.37%) are illiterate where as 48 (26.52%) are male and 94 (47.24%) are female.

238 (62.63%) sample population are literate; where as 123 (73.48%) are male and 105 (52.76%) are female. Among the literate people, 23.95 percent has higher (upto 10 class) education and 42.86 percent has primary education (1-5 class).

Table 5.4

Educational Status of Sampled Population

Educational Status	Sampled Population				Total	Percent
	Male		Female			
	No.	Percent	No.	Percent		
Illiterate	48	26.52	94	47.24	142	37.37
Literate	133	73.48	105	52.76	238	62.63
Primary (1-5)	53	39.85	49	46.67	102	42.86
Secondary (6-10)	45	33.83	34	32.38	79	29.41
Higher	35	26.32	22	20.95	57	23.95
Total	181		199		380	

Source: Field Survey, 2006.

5.5 Sampled Population Distribution by Age and Sex

According to Table 5.5, there exists some degree of disparity. It is because there is a large number of dependent population i.e. the population below 14 years of age and the population above 60 years age. The population 47.11 percent are dependent.

Table 5.5

The Sampled Population Distribution by Age and Sex

Age Group	Sampled Population				Total	Percent
	Male	Percent	Female	Percent		
0-4 years	24	13.26	27	13.57	51	13.42
5-14 years	49	27.07	55	27.64	104	27.37
15-59 years	97	53.59	104	52.26	201	52.89
60 above years	11	6.08	13	6.53	24	6.32
Total	181	100.00	199	100.00	380	100.00

Source: Field Survey, 2006.

5.6   Distribution of Sampled Households by Family Size

From the Table 5.6 shows most of the households have (4-7) members. They have 195 population as 51.31 percent. The system of large family has been vanishing. However, the feeling of the people is that they must have a son to perform religious duties after death. This notion has given force growing population. Sampled household 13 (18.57%) has found (8 above) members in a family.

Table 5.6

Distribution of Sampled Households by Family Size

Family	No. of households	Percent	Population	Percent
0-3 members	25	25.71	73	19.21
4-7 members	32	45.72	195	51.31
8 above members	13	18.57	112	29.48
Total	70	100.00	380	100.00

Source: Field Survey, 2006.

5.7   Distribution of Sampled HHs According of the Main Occupation

Most of the people in this VDC are engaged in agriculture other occupations such as manufacturing and construction are rarely found. Those some people who are engaged in services are also the school teacher. They spend their part time in agriculture activities.

Manpur VDC is economically backed society. Traditionally almost all farmers in this are small hand holders and landless present who derive their livelihood from agro based activities through they are unable to produce sufficient foods grains to livelihood from agro based activities though they are unable to produce sufficient foods grains to fulfil even their

basic needs. They work hard for very few income and they spent about 3/4th of their income in food item due to lack of alternative income source then agriculture.

Table 5.7

Distribution of Sampled Households According to Main Occupation

Occupation	No. of HHs	Percent
Agriculture	30	42.86
Business	5	7.14
Domestic service	15	21.43
Foreign labour	10	14.28
Other	10	14.29
Total	70	100.00

Source: Field Survey, 2006.

Table 5.7 shows that, most of the people 30 (42.86%) sampled households are engaged in agriculture and least number of sampled household 5 (7.14%) are engaged in business.

5.8   Source of Income

Table 5.8 incidences that, the contribution of agriculture sector is only 37.51 percent of total annual income. It is much les then the population engagement. But the share of foreign labour and domestic service is higher then their engagement, it's contribution is 51.41 (23.85 + 27.56) of total annual income of the sample household. Agriculture sector has less productive then other sector due to traditional techniques, small and holding lack of knowledge, lack of agricultural market etc.

Table 5.8

Source of Income

Source of income	Income Rs.	Percent
Agriculture	2050400	37.19
Business	502000	9.11
Labour work	21000	0.38
Domestic services	1520000	27.56
Foreign labour	1315200	23.85
Other	105200	1.91
Total	5513800	100.00

Source: Field Survey, 2006.

5.9 Distribution of Sampled Households According to the Size of Landholding

Most of the people's occupation is agriculture in the study area. The distribution of land seems. On extreme inequality. The land is categorized on to two from i.e. "Knet and Bari", most of the poor families do not posses khet but they posses Bari, both types of land is non irrigated and depend on rain fall for cultivation.

Table 5.9

Distribution of Landholding Among the Sampled Households

Size of landholding	Household	Percent
Landless	1	1.43
Upto 5 Katha	6	8.57
5-10 Katha	9	12.86
10-20 Katha	14	20.00
20-30 Katha	17	24.29
30-40 Katha	10	14.28
40-60 Katha	7	10.00
60 above Katha	6	8.57
Total	70	100.00

Source: Field Survey, 2006.

From the above table, it is clear that 17 number of sampled households (24.29%) have 20-30 Kattha of cultative land 1 (1.43%) and 6 (8.57%) sampled household have landless and above 60 Kattha. Thus there is the existence of highly unequally distribution of land among the total sampled household. It is obtained but maximum household have minimum percentage of land where as few upper household have maximum percentage of land. In this way, land is the basic asset that creates initially the inequality of wealth and finally the inequality of incomes.

5.10 Housing Structure

As far as the housing structure is concerned out of total 70 sampled households 35 (50%) have Jhapadi, then 18 (25.72%) have stone wall and thatched roof and 5 (7.14%) of households have cemented house structure. This shows that majority of the people have Jhupadi and stone wall, thatched roof indicates the symbol of poverty of the household.

Table 5.10

Housing Structure

Types of house	No. of sampled household	Percent
Jhupadi	35	50.00
Stone, wall and thatched roof	18	25.72
Stone and cemented roof	12	17.14
Stone, wall, tile/galvanized sheet roof	5	7.14
Total	70	

Source: Field Survey, 2006.

CHAPTER – VI

INCOME DISTRIBUTION IN THE STUDY AREA

Income determines the living standard of the people. Economic and social inequality may itself be only cause of the prevailing and of the difficulty for a country is rising out of poverty but also at the same time, it's consequence. So, the incidence of any poverty at any given time is very related to inequalities in the income distribution. The main cause of increasing incidence of poverty of problem is the growing inequality in the distribution of income. In other words, inequality in the distribution of income is considered as one of the major causes of social injustice and evils like poverty and unemployment. Therefore, a more equal pattern of income distribution given a fixed level of national income world lower the incidence of poverty then when the income distribution pattern is more unequal.

Inequality in come distribution is one of the most responsible factors for the poverty problem in the study area. Therefore, it is necessary to analyze the existing pattern of income distribution and inequality. This section of the study examines the income distribution among the sample household as well as poor households.

A measure that has been very widely used to represent the extent income inequality is the Gini-coefficient. It is calculated with the help of Lorenz Curve. The Lorenz Curve is a graphical of the concentration of income and wealth. Thus, this section of the study examines the pattern of income distribution with the help Gini-coefficient and Lorenz Curve.

6.1 Income Distribution Among Sampled Households

In order to study the income distribution and inequality on its distribution, the sampled household distributed in to ten income groups.

Each groups occupies ten percent of the total sampled household i.e., in each decile groups there are seven households. It has been ranked from low-income group to high. Thus, the first decile covers 10 percent household of low-income group and list decile covers 10 percent household of high income group. In percent study, the per capita daily income is taken to draw Lorenz Curve as well as to estimate the value of Gini-coefficient ratio.

Table 6.1 represents a picture of income distribution per capita per day of sample household in to decile groups. It shows that higher disparity in income distribution among sample household. It has been that low income 10 percent of household have received 3.64 percent of total income where as high income of 10 percent of household members received the 25.64 percent of total income.

Table 6.1

Income Distribution Among Sampled Households Per Capita Daily Income by Decile Group

Group	% of household	Com. % of household	Total daily income of decile	% of income	Cum % of income
1	10	10	460	3.64	3.64
2	10	20	580	4.59	8.23
3	10	30	790	6.25	14.48
4	10	40	920	7.28	21.76
5	10	50	1010	7.99	29.75
6	10	60	1050	8.31	38.06
7	10	70	1260	9.47	48.03
8	10	80	1460	11.39	59.42
9	10	90	1890	14.94	74.36
10	10	100	3241	25.64	100.00
Total	100	100	12641		

Source: Field Survey, 2006.

Poverty gap can be expressed in Lorenz Curve as following ways:

Fig. 6.1

Income of Sampled Households
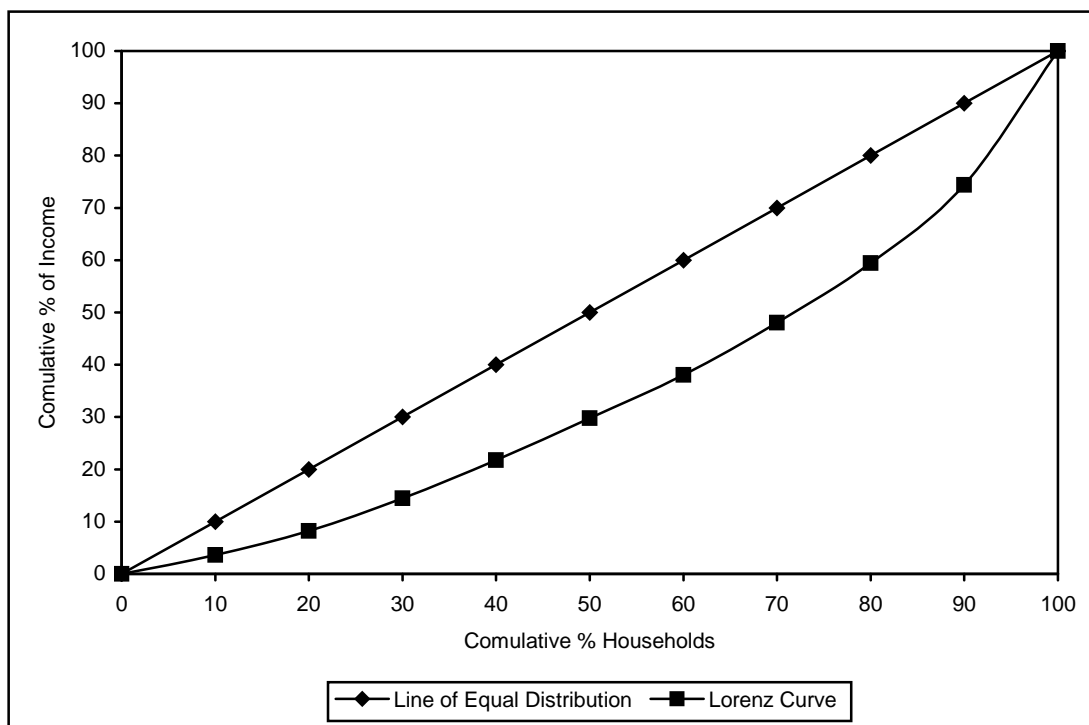
The Lorenz Curve shows the difference between equal distribution of income and actual distribution of income. The area between Lorenz Curve and the line of equal distribution known as the area of concentration. The basic notion is that the greater the area, of concentration the larger magnitude of income inequality and vice-versa.

From figure 6.1, it is clear that there is the existence of income inequality in the study area. To measure the extent of inequality, we have to find out the value of area of concentration. Thus, to find out the value of area of concentration or extent of inequality, we compute Gini-coefficient ratio is found to be 0.31 among the total household (Appendix – V).

6.2 Income Distribution of Ethnic Groups in the Study Area

The ethnic groups and sample households are categorized into different income group. It ranked from low income group to high. Income distribution of Brahmin/Chhetri ethnic (Tharu), Dalit (Kami, Damai, Sariki) are studied as following ways.

6.2.1 Income Distribution of Brahmin/Chhetri

Table 6.2 shows the income distribution, among sampled households of Brahmin/Chhetri according to daily household income.

Table 6.2

Income Distribution of Brahmin/Chhetri

S.N.	% of HHs	Com % of HHs	Total daily income of decile	% of income	Com % of income
1.	20	20	750	12.34	12.34
2.	20	40	910	14.97	27.31
3.	20	60	1020	16.78	44.09
4.	20	80	1420	23.19	67.28
5.	20	100	1990	32.72	100.00
Total	100		6080		

Source: Field Survey, 2006.

This table shows that the low income of 20 percent of household of Brahmin/Chhetri members receives 12.34 percent of the total income and other hand, the 20 percent high income of households Brahmin/Chhetri members receives 32.72 of total income, so these is a income inequality in the study area.

The inequality of income distribution of Brahmin can also be shown in terms of Lorenz Curve and Gini-Coefficient.

Fig. 6.2

Income Distribution of Brahman/Chhetri
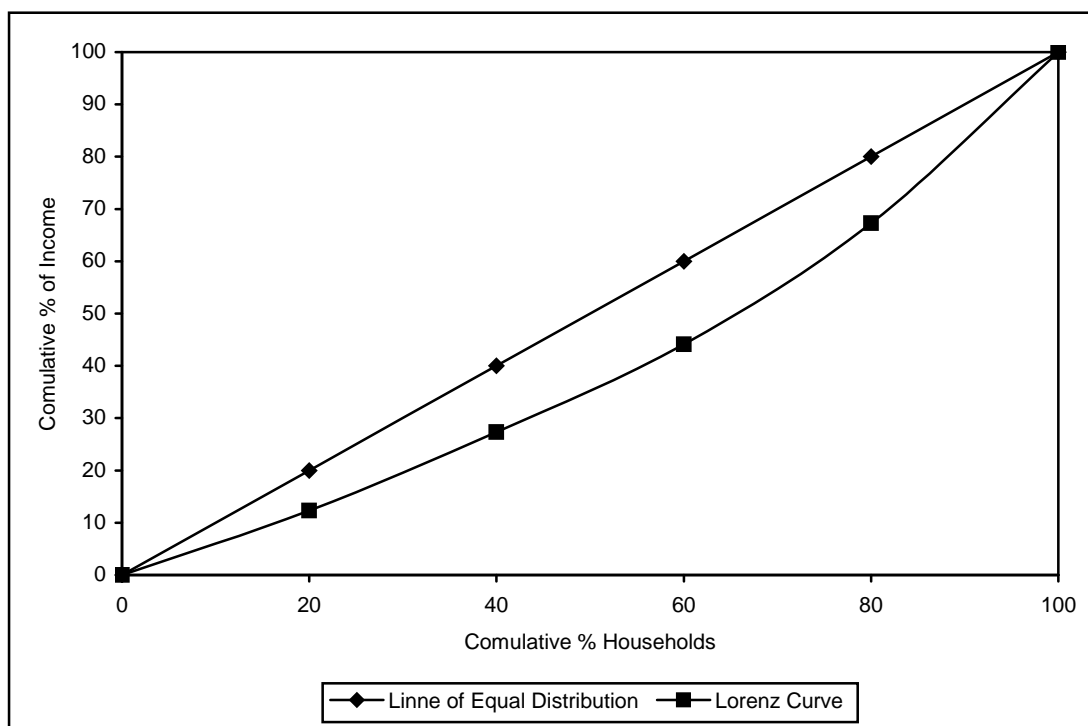
The Lorenz Curve shows that there is a existence of income inequality. The value of Gini-coefficient is 0.19 among the total sample households, which shows inequality in the distribution of income (Appendix VI).

6.2.2 Income Distribution of Tribal People (Tharu)

Table 6.2 shows that low income of 20 percent household of Tharu members receives 11.77 percent of total income and on the other hand top 20 percent of households of Tharu member receives 29.49 percent of total income so there is a income inequality in the study area.

Table 6.3

**Income Distribution of Tribal People (Tharu)**

S.N.	% of HHs	Com % of HHs	Total daily income of decile	% of income	Com % of income
1.	20	20	360	11.77	11.77
2.	20	40	407	13.30	25.07
3.	20	60	560	18.31	43.38
4.	20	80	830	27.13	70.51
5.	20	100	902	29.49	100.00
Total	100		3059	100.00	

Source: Field Survey, 2006.

The inequality of income distribution of Tharu can also be shown in terms of Lorenz Curve and Gini-Coefficient.

Fig. 6.3

Income Distribution of Tribal People (Tharu)
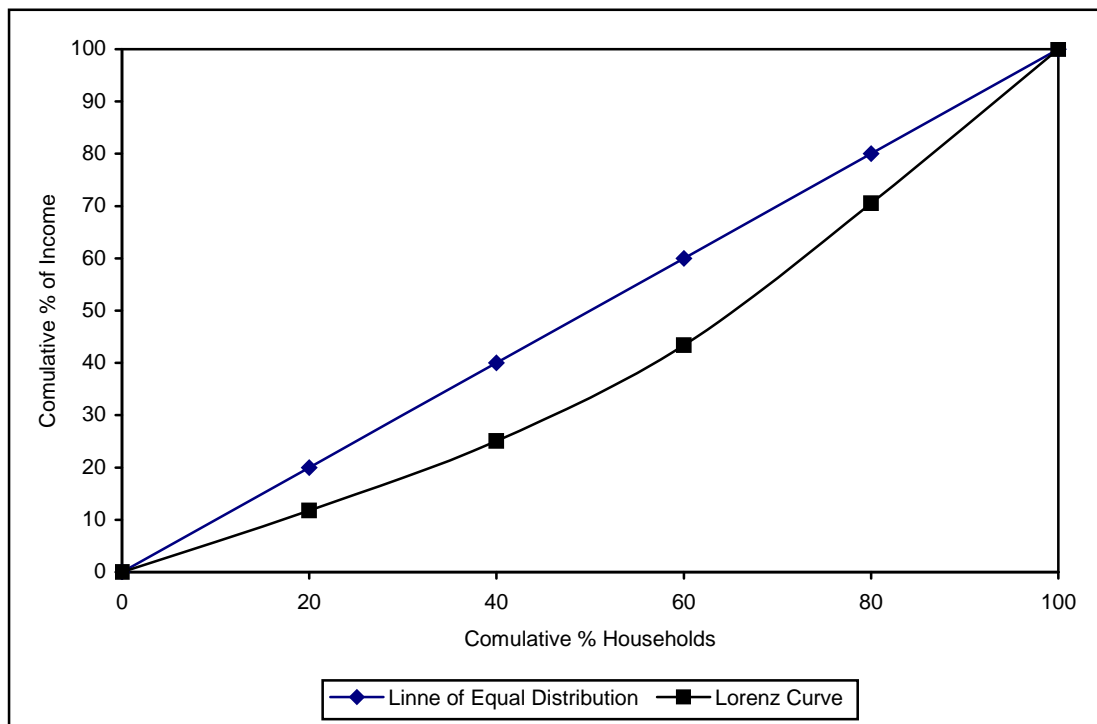
The Lorenz Curve shows that there is a existence income inequality. The value of Gini-coefficient is 0.2 among the total sampled households, which shows inequality in the distribution of income (Appendix VII).

6.2.3 Income Distribution of Dalit (Kami Dami Sharki)

Table 6.4 shows that the low income 20 percent households of Dalit members receive 11.59 percent of total income on the other hand the top 20 percent households of Dalit member receives 33.77 percent of total income inequality. In this the poverty gap show the Dalit members show highly inequality low rank and top rank.

Table 6.4

**Income Distribution of Dalit (Kami, Damai, Sharki)**

S.N.	% of HHs	Com % of HHs	Total daily income of decile	% of income	Com % of income
1.	20	20	175	11.59	11.59
2.	20	40	200	13.25	24.84
3.	20	60	275	18.21	43.05
4.	20	80	350	23.18	66.23
5.	20	100	510	33.77	100.00
Total	100		1510	100.00	

Source: Field Survey, 2006.

The inequality of income distribution of Dalit can also be shown in terms of Lorenz Curve and Gini-Coefficient.

Fig. 6.4

Income Distribution of Daility (Kami, Damai, Sharki)
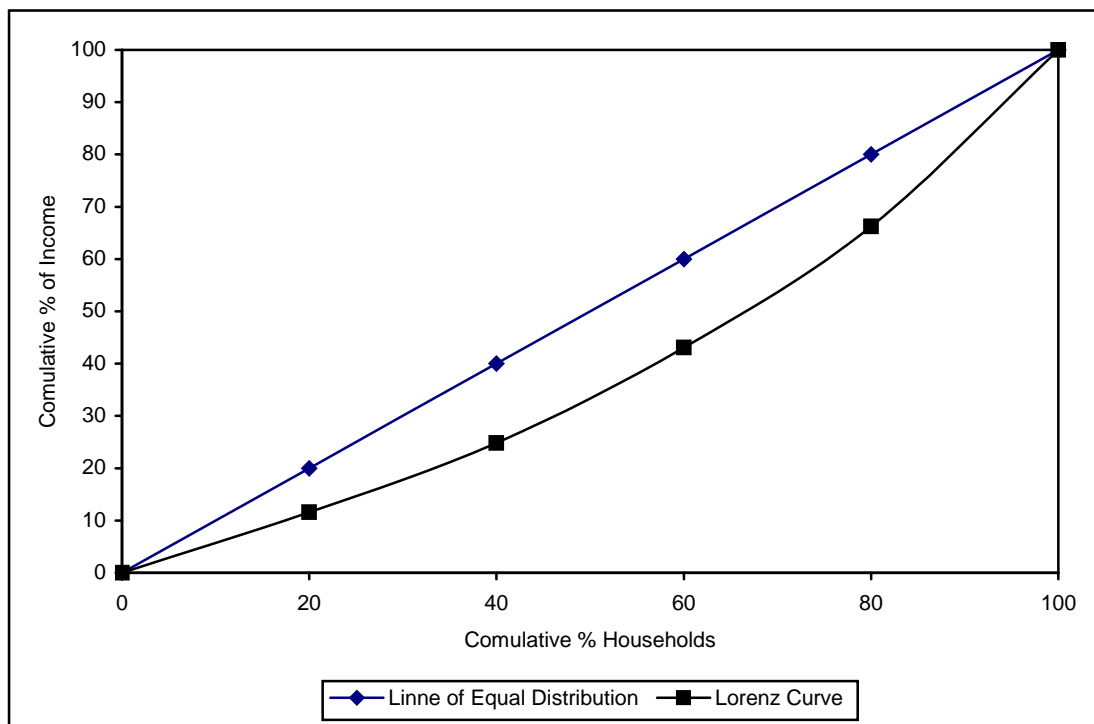
The Lorenz Curve shows that there is a existence income inequality. The value of Gini-coefficient is 0.21 among the total sampled households, which shows inequality in the distribution of income (Appendix VIII). In this we can see the any ethnic group in each group the Dalit groups shows the high gap then other ethnic group Tharu and Brahman/Chhetri.

6.2.4 Income Distribution of Women

Table 6.5 shows that the 20 percent low income of household women members receive 11.75 percent of total income and on the other hand, the top 20 percent of household women members receive 35.47 percent of total income so then is a income inequality in the study area.

Table 6.5

Income Distribution of Women

S.N.	% of HHs	Com % of HHs	Total daily income of decile	% of income	Com % of income
1.	20	20	550	11.75	11.75
2.	20	40	620	13.26	25.01
3.	20	60	730	15.59	40.6
4.	20	80	1120	23.93	64.53
5.	20	100	1660	35.45	100.00
Total	100		4680	100.00	

Source: Field Survey, 2006.

The inequality of income distribution of women can also be shown in terms of Lorenz Curve and Gini-Coefficient.

Fig. 6.5

Income Distribution of Women
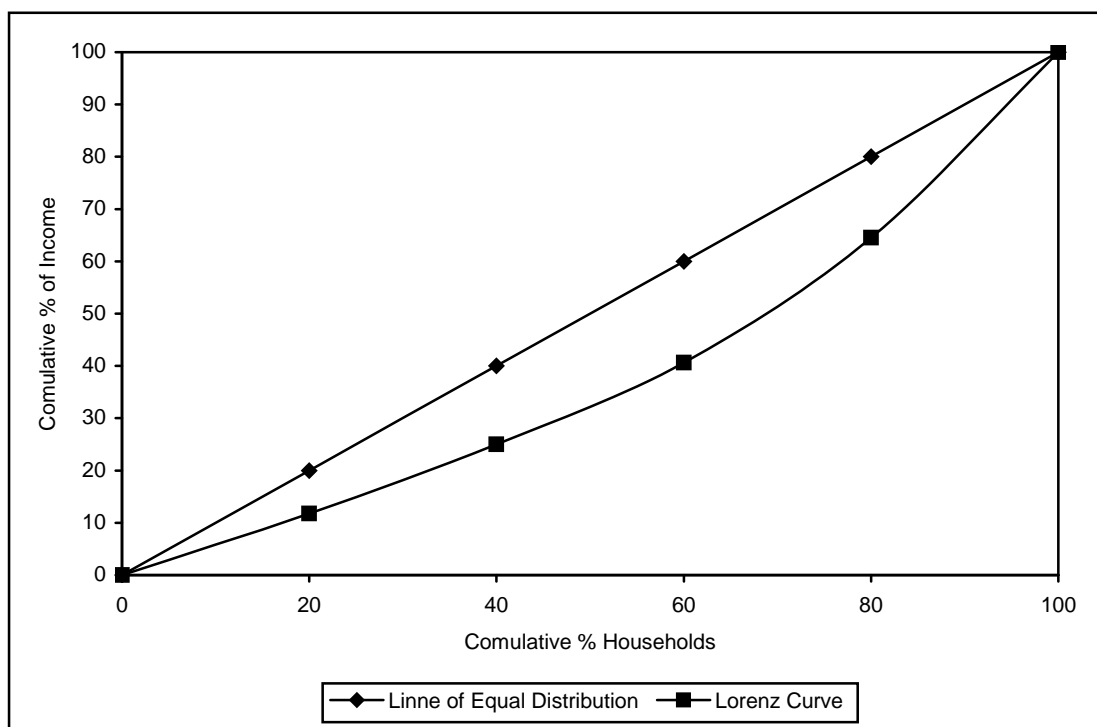
The Lorenz Curve shows that there is a existence income inequality. The value of Gini-coefficient is 0.23 among the total sampled households, which shows inequality in the distribution of income (Appendix IX).

CHAPTER – VII
NATURE OF POVERTY IN THE STUDY AREA

The nature of poverty is determined by the socio-economic structure of the village (Dahal and Shrestha, 1987). Poverty is one of the major obstacles in the path of development. It is multi-dimensional in nature and it is a multi-sectoral concerned subject. To elevate poverty, first of all, we should study the nature of poverty.

About the definition of poverty, many researchers and economist have presented their different view. Some of them state that poverty, is mainly concerned with agriculture i.e. small size of landholding income level, family, population and educational level etc. Size of land is most important source of rural income and status in rural areas; hence it is main concern of the poverty of problem. In the rural part of Nepal, the distribution of land is highly unequal. Finally size is also major factor for poverty problem. The illiterate guardians think that big size of family is helpful for the field work. Actually, to maintain the huge family size, the existing source of income is not adequate and the family thinks sinks in poverty.

The poverty of problem has a strong correlation with the socio-economic structure. The nature of poverty and its relation with other variables such as income, unemployment, education etc. are taken into consideration in present section.

The socio-economic of the study area and their relationship with the poverty problem has been observed in this chapter because any poverty alleviation program should be identified the nature of poverty. As poverty is taken as the main obstacle of sustainable economic development, the socio-economic structure is supposed to contribute entrapping a nation in vicious circle of poverty. Thus, the present chapter can help a lot visualizing the

situation. In this chapter, only absolute poor have been taken to analyze the relationship between socio-economic characteristics and poverty.

7.1 Main Occupation and Mean Income of the Poor Households

An individuals occupation plays crucial role in determining his economic status. In other words the income level of every households or individuals are highly influenced by the main occupation in which they are involved. The largest percentage of people in the study area is engaged in agriculture and it is their main occupational. Due to low productivity of land, small size of landholding etc. their income is low. Table 7.1 shows that the distribution of poor by occupation and their income level.

Table 7.1

Main Occupation and Mean Income of the Poor Household

S.N.	Occupation	Households		Daily per capita mean income
		No.	Percent	
1.	Agriculture	19	73.08	15.5
2.	Labour	7	26.92	12.4
	Total	26	100.00	27.9

Source: Field Survey, 2006.

This table show that 26 households are as a poor households, in which of poor households 19 (73.08%) are involved in agriculture as their main occupation 7 (26.92%) households are engaged in labour. People engaged in agriculture has daily per capital mean income is 15.5 and labour has daily per capital mean income is 12.4.

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7.2   Size of Landholding and the Poor

Most of the 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 the main factors determining economic status of the rural households. The size of landholding and poor are correlated. There is always positive relationship between size of landholding and the poverty. The following table 7.2 shows the landholding of the poor according to households.

Table 7.2

Distribution of Poor by Size of Landholding and Per Capital

S.N.	Size of land holding (In Kattha)	Household		Population		Daily per capita mean income
		No.	%	No.	%	
1.	Landless	1	3.85	7	4.27	7.2
2.	1-5	4	15.38	29	17.68	9.1
3.	5-10	7	26.92	49	29.88	11.2
4.	10-20	11	42.31	64	39.02	13.3
5.	20-30	3	11.54	15	9.15	15.0
	Total	26	100.00	164	100.00	

Source: Field Survey, 2006.

Above table shows the fact that the size of land holding and income level are positively correlated. Dailey per capita mean income of the landless poor have only 7.2 whereas it is found to be 15.0 for the landholder which have land are 20-30 Kattha. In the study area, majority of the poor has small size of landholding i.e. 10-20 Kattha. Thus, the lack of access to land and very low land ownership are the main reason for the poor to remain poverty.

7.3   Family Size the Poor and Income Level

Family size is another factor which determines the income level or the living standard of the family. There may be positive or negative relationship between income level and the family size. If all the family members are skilled and employed there is positive relationship otherwise there is high dependency ratio and negative relationship.

Table 7.3

Distribution of Households Size and Income Level of the Poor

Family Size	Households		Population		Per capita main income
	No.	%	No.	%	
1-4	4	15.38	14	8.54	15.3
5-7	14	53.85	80	48.78	13.4
8-10	8	30.77	70	42.68	9.3
Total	26	100.00	164	100.00	

Source: Field Survey, 2006.

From the table, there are 4 households whose family size is 1-4 and their per capita mean income is 15.3 which is highest then other group. Similarly, there are 14 households whose family size is 5 to 7 and their per capita daily income is 13.4 is clear that in the study. In this way 8 households whose family size 8 to 10 their per capita daily income 9.3 which is the lowest among all. Thus the poverty problem is serious in very large family.

7.4   Educational Status and the Poor

The nature of poverty is also influenced by the educational status, because there is a positive relationship between literacy status and income

level of the households. Table 7.4 reflects the clear picture of literacy status of household head and daily mean income of the poor households.

Table 7.4

Education Status and the Poor

S.N.	Level of education	Main of households		Daily per capita income
		No.	%	
1.	Literate	18	69.23	15.5
2.	Illiterate	8	30.77	12.4
	Total	26	100.00	

Source: Field Survey, 2006.

Table 7.4 shows that out of 26 absolute poor household's head 30.77 percent are illiterate and 69.23 percent are literate. It is found that who is literature they is only read primary school or night class they do not 3read high class.

7.5   Ethnic Group and the Poor

The caste or ethnic group plays an important role in the determining of standard of living of he people in the rural area. In the study area, there are different ethnic groups. The below shows the poor households and population belonging to different ethnic groups in the study area and their daily per capita main income.

Table 7.5

Distribution of Poor by Ethnic Group and their Daily Per Capita Mean Income

S.N.	Ethnic group	Household		Population		Daily per capita mean income
		No.	%	No.	%	
1.	Brahman	1	3.85	6	3.66	15.3
2.	Chhetri	2	7.69	13	7.73	13.2
3.	Tharu	14	53.85	88	53.66	10.4
4.	Dalit	5	19.23	35	21.34	9.5
5.	Other	4	15.38	22	13.41	10.8
	Total	26	100.00	164	100.00	

Source: Field Survey, 2006.

Above table shows that out of 26 total poor households occupational caste, Dalit has the lower per capita daily income then other groups. Among all, Brahmans have highest per capita daily income i.e. 15.3. Illiteracy socio-inferiority, many cultural defects etc. are the major responsible factors for their lower income level. The table 7.5 shows that out of total 26 poor household, the Tharu shows the highest percent (53.85%).

CHAPTER – VIII

SUMMARY, MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

8.1   Summary

Poverty has become the serious obstacle in the path of development of developing and underdeveloped countries. The most of the rural areas are characterised by the poor in Nepal. But the natural of poverty in rural Nepal are not same for all areas. It depends upon the socio-economic structure and other factors of the particular area. The main objective of the study is to idenityf absolute, realtives and total poverty, to identify extent of the poverty, analyze the incidence of poverty and to make policy recommendation for alleviating poverty in the study area of the basis of survey of 70 households and 380 population in Manpur VDC Dang District.

8.2   Major Findings

)   In the study area, the absolute poverty line is NRs. 15.8 per capita for day, in which 37.14 percent of total sampled households and 43.16 percent of total sampled population are absolute poor.

)   Total poverty line is NRs 21.0 per capita per day in which 58.57 percent of households and 68.78 percent of sampled population are total poor.

)   It is found that 21.43 percent of households or 21.32 percent of sampled population are relatively poor.

)   It is found that 41.43 percent sampled households or 35.52 total sampled population are non poor.

⟩ The value of Gini-coefficient among the total sampled household is 0.31. This show that there is income inequality in the selected household.

⟩ The distribution of land is unequal in the study area. Most of the people have small and landless size of landholding. There is positive relationship between landholding and income and negative relationship between landholding and poverty.

⟩ Types of household are also a indication of poverty. Most of the sampled households 35 (50%) have thotchod type of houses.

⟩ The nature of poverty is more serious in disadvantaged ethnic group like Tharu, Damai, Kami, Sharki. It is less serious in Chhetris and Brahmin.

⟩ The wolf point or upper poverty line for the study area has been estimated Rs. 21.0 per capita per day. According to this 58.57 percent households or 64.48 percent population are poor.

⟩ It is found that 41.43 percent of household or 35.52 percent of population are not poor.

⟩ The value of Gini-coefficient among the total sampled household is 0.31. This show there is income inequality in the selected households.

    i)   The value of Gini-coefficient of Brahmin/Chhetri is 0.19.

    ii)   The value of Gini-coefficient of Tharu is 0.2.

    iii)   The value of Gini-coefficient of Dalit (Kami, Damai, Shariki) is 0.21.

    iv)   The value of Gini-coefficient of women is 0.23.

⟩ Peoples of rural areas are suffered by conflict condition. So their living style, economic status is degrading day by day.

⟩ The poverty problem is high among the illiterate people.

8.3   Conclusions

In Manpur VDC, the majority of economically active population are engaged in agriculture sector, but they have low productively, lack of agriculture credit, fertilizers and irrigation, small size of land holding, backward technology, lack of market facilities and minimum basic infrastructure and others which make them poor. From the field observation, it was found that most of the poor are illiterate and those who are literate persons are not employed. Thus there is a significantly large proportion of rural population have remained unemployed and underemployed. Further the poor people concerned with food are badly suffering from hunger and malnutrition and their slender body and wrinkled face shows they are in vast burden of loan. Those people who did not have loan also their basic minimum needs of life like food shelter clothing, education, health etc. are remain unfulfilled. The distribution of income exists highly unequal and this inequality helps to rise poverty in Manpur VDC. Then training for the labour one of the factors to improve the income for them.

In conclusion the poverty as shown in Manpur VDC is vastly problematic. Poverty is shown the 58.57 percent and not poor is 41.43 percent those people who are poor in 58.57 percent the people who leave in absolute poverty 37.14 percent their life is very danger though the government has provided free-ship facilities but most of the poor children are isolated from getting such education. As soon as they enter the age of 8 or above they have to work for earning and are compelled to help their parents in household activities.

In such situation, there is necessary to understand the situation of poverty of the rural area. In order to curtail down the extent and the intensity of problem, through various programs and policies which have already been adopted but these programs and policies are not so effective.

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In conclusion the nature and extent of poverty has secured to be almost as in other rural areas of Nepal.

8.4 Recommendations

The problem of poverty is different from country and even from region to region within a country. However, the study has following suggestions for alleviation of poverty in the study area:

) The provision of irrigation should be spread for increasing agricultural productivity.

) Improved agricultural technology, live stock development, vegetable cultivation, poultry farming, bee-keeping, vocational training and some cottage industries should be promoted.

) The compulsory and free education should be instituted for children because education is the most important to bring change in culture and tradition.

) Excess labour forced engaged in agricultural sector should be transformed to other more productive sectors. Agro based industry should be established.

) Large family size is serious problem of poverty in the study area so the importance of family planning program should be pramoted.

) The government should provide alternative opportunity of employment for the lower caste people having small size of land holding.

) Health facilities should be expended to prevent unnecessary expenditure.

) There is a need for making aware to improve the living standard in all respect.

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