

Table 3.11: Percentage of Growers using Fertilizers in Selected Crops

	Main Paddy	Wheat	Summer Maize	Winter Potato	Mustard	Winter Vegetables	Summer Vegetables
<b>DEVELOPMENT REGION</b>							
Eastern	39.50	49.25	25.24	11.18	9.30	5.29	1.58
Central	77.86	64.91	51.72	22.20	14.40	11.21	8.33
Western	64.22	60.47	22.31	15.37	19.38	6.17	3.93
Midwest	42.45	28.53	9.51	7.41	9.21	6.25	3.58
Farwest	17.87	19.47	7.37	0.00	8.49	2.46	1.27
<b>ECOLOGICAL BELT</b>							
Mountain	26.45	13.32	35.82	6.51	4.36	0.00	0.00
Hill	47.49	36.12	29.39	13.90	8.21	6.59	4.46
Tarai	66.55	67.96	12.67	14.77	18.33	10.44	5.83
<b>URBAN</b>							
Kathmandu	86.52	90.06	17.26	58.88	0.00	27.92	37.87
Other urban	51.16	55.06	38.35	17.80	24.85	11.73	16.89
<b>RURAL</b>							
Eastern Mountain/Hill	53.42	44.88	46.79	15.51	15.13	5.76	4.67
Western Mountain/Hill	34.90	23.28	15.58	8.66	2.09	4.95	1.69
Eastern Tarai	69.19	68.29	16.59	17.72	9.48	13.34	5.32
Western Tarai	64.79	68.02	8.97	11.55	24.30	6.02	6.09
<b>TOTAL</b>	<b>54.60</b>	<b>48.62</b>	<b>26.79</b>	<b>13.85</b>	<b>13.13</b>	<b>7.45</b>	<b>4.32</b>

Table 3.12: Percentage of Agricultural Households using Selected Equipment

	Plough	Tractor	Thresher	Pumpset	Bin
<b>DEVELOPMENT REGION</b>					
Eastern	68.69	0.29	0.91	2.03	12.29
Central	52.30	0.73	0.39	2.09	32.75
Western	61.42	0.96	1.70	2.63	6.65
Midwest	80.13	1.14	0.00	1.66	2.86
Farwest	76.11	0.43	1.12	6.63	4.84
<b>ECOLOGICAL BELT</b>					
Mountain	71.25	0.00	0.00	0.00	13.48
Hill	57.77	0.68	0.03	0.28	9.06
Tarai	69.27	0.92	1.92	5.90	24.11
<b>URBAN</b>					
Kathmandu	0.00	2.61	0.95	1.89	35.05
Other urban	33.62	0.00	1.55	1.43	18.29
<b>RURAL</b>					
Eastern Mountain/Hill	56.22	0.33	0.00	0.30	16.05
Western Mountain/Hill	65.13	0.76	0.00	0.15	3.62
Eastern Tarai	63.78	0.80	1.16	4.11	34.56
Western Tarai	82.09	1.22	3.23	9.36	7.06
<b>TOTAL</b>	<b>63.88</b>	<b>0.71</b>	<b>0.82</b>	<b>2.60</b>	<b>15.78</b>

Table 3.13: Percentage of Agricultural Households with Livestock and Poultry

	Households With				
	Cattle	Buffalo	Goat-Sheep	Pig	Poultry
<b>DEVELOPMENT REGION</b>					
Eastern	81.21	42.97	62.59	23.60	64.68
Central	65.11	47.97	56.44	5.58	43.13
Western	66.29	68.18	47.04	5.48	51.04
Midwest	83.92	50.04	46.20	17.79	61.00
Farwest	86.66	56.13	43.18	11.54	22.41
<b>ECOLOGICAL BELT</b>					
Mountain	84.75	46.45	50.04	10.95	47.93
Hill	72.47	63.01	54.86	12.27	57.19
Tarai	72.10	42.07	51.72	11.19	42.26
<b>URBAN</b>					
Kathmandu	4.16	6.82	4.01	0.00	18.22
Other urban	63.74	30.94	38.03	1.02	25.39
<b>RURAL</b>					
Eastern Mountain/ Hill	75.14	52.23	65.24	20.02	69.02
Western Mountain/Hill	75.63	69.00	45.20	5.27	44.63
Eastern Tarai	69.39	41.35	54.32	6.48	36.21
Western Tarai	77.10	44.77	48.77	20.65	55.31
<b>TOTAL</b>	<b>73.47</b>	<b>52.43</b>	<b>53.05</b>	<b>11.68</b>	<b>49.89</b>

Table 3.14: Average Number of Head Per Agricultural Household with Livestock

	Average Number of Head				
	Cattle	Buffalo	Goat-Sheep	Pig	Poultry
<b>DEVELOPMENT REGION</b>					
Eastern	3.5	2.0	3.9	1.9	7.4
Central	2.7	2.0	3.6	1.3	7.0
Western	2.9	2.2	3.5	1.4	7.2
Midwest	4.5	2.5	6.2	1.9	7.6
Farwest	3.8	2.4	5.4	1.6	8.4
<b>ECOLOGICAL BELT</b>					
Mountain	3.8	2.3	5.4	1.3	5.9
Hill	3.2	2.1	4.4	1.6	6.2
Tarai	3.4	2.2	3.5	1.9	9.3
<b>URBAN</b>					
Kathmandu	8.0	1.5	2.6	0.0	5.6
Other urban	2.2	2.1	3.6	1.8	9.5
<b>RURAL</b>					
Eastern Mountain/ Hill	3.3	2.1	4.3	1.5	5.9
Western Mountain/Hill	3.4	2.2	4.9	1.6	6.5
Eastern Tarai	2.9	1.9	3.1	2.2	9.6
Western Tarai	4.1	2.7	4.4	1.8	8.9
<b>TOTAL</b>	<b>3.3</b>	<b>2.2</b>	<b>4.1</b>	<b>1.7</b>	<b>7.3</b>

Table 3.15: Distribution of Agricultural Households with Livestock by Number of Head

Number of Head	Households With				
	Cattle	Buffalo	Goat & Sheep	Pig	Poultry Birds
1 - 2	52.57	72.59	45.19	88.38	23.83
3 - 5	32.75	25.24	36.44	8.92	31.06
6 - 9	11.23	1.96	12.35	1.35	18.59
9 and over	3.45	0.20	6.03	1.35	26.53
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Table 3.16: Distribution of Agricultural Households with Livestock and Poultry

	Households With				
	Cattle	Buffalo	Goat-Sheep	Pig	Poultry
<b>DEVELOPMENT REGION</b>					
Eastern	24.16	17.91	25.79	44.16	28.33
Central	29.27	30.22	35.14	15.79	28.56
Western	20.02	28.85	19.67	10.40	22.70
Midwest	14.93	12.48	11.38	19.91	15.99
Farwest	11.62	10.55	8.02	9.74	4.43
<b>ECOLOGICAL BELT</b>					
Mountain	10.91	8.38	8.92	8.86	9.08
Hill	46.87	57.10	49.13	49.91	54.47
Tarai	42.23	34.52	41.95	41.23	36.45
<b>URBAN</b>					
Kathmandu	0.03	0.06	0.03	0.00	0.16
Other urban	2.21	1.50	1.82	0.22	1.29
<b>RURAL</b>					
Eastern Mountain/ Hill	27.04	26.33	32.51	45.31	36.58
Western Mountain/Hill	30.20	38.61	25.00	13.24	26.25
Eastern Tarai	24.66	20.59	26.74	14.49	18.95
Western Tarai	15.87	12.91	13.90	26.73	16.77
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## WAGE EMPLOYMENT

In addition to investigating the activity status of the household members the survey had a separate section that collected additional information on wage employment. The section on Activity Status ( Table 2.6, page 20 ) provides the distribution of employed population ten years and older classified according to categories of wage employment and self employment. And according to the table wage earners constitute around 20 percent of the total population employed. Of these, 11 percent are in Agriculture and 9 percent in non-agriculture. The composition by gender reveal that out of the total employed 29 percent wage earners are males and 12 percent females. The distribution of wage earners by gender in agriculture is closer ( 12 percent male and 9 percent female ) but wider (16 percent male and 3 percent female ) in non-agriculture.

### 4.1. Wage Employment by Main Sector

Table 4.1 presents the distribution of wage employment by agriculture and non-agriculture. The share of male wage earners in non-agriculture (57 percent) is comparatively higher compared to those engaged in agriculture (43 percent). The reverse is the case regarding female participation and the gap wider with 77 percent wage earners in agriculture and 23 percent in non-agriculture.

Participation by age group indicate that the largest share (79 percent) of wage earners in agriculture came from the age group 10-14. In non- agriculture the largest share (52 percent) of wage earners belong to the age group 15-24. Similarly, participation of wage earners in the non-agriculture sector by ecological belts show that the hills represent the highest share (67 percent). Urban participation of wage earners (89 percent) in non-agriculture is more than twice that in the rural areas (42 percent). In agriculture, the rural participation at 58 percent is five times more than that in the urban areas (11 percent).

The distribution of wage earners are presented column-wise in Table 4.2 The distribution of wage earners in agriculture by sex indicates that 58 percent are males and 42 percent females. Outside agriculture, the gap is wider and highly in favor of males; the figures indicate that there are about seven times as many male wage earners as there were female wage earners. More than 50 percent of wage earners in both the agriculture and non-agriculture sectors are found coming from 25-44 age group. The proportion of wage earners outside agriculture by ecological belts show that the hills provide the largest share (51 percent), followed by Terai (42 percent) and the Mountains (7 percent). Almost the entire share of agricultural wage earners come from the rural areas (98 percent), whereas urban areas provide only a small share (2 percent). In totality, the rural areas also provide the majority (79 percent) of wage earners in the non-agriculture sector. The remaining 21 percent wage earners in non-agriculture come from the urban areas.

## **4.2 Distribution by Industry :**

Table 4.3 presents the distribution of wage earners outside agriculture by industry. Unfortunately, there are not enough observations in the sample to consider this distribution representative; nonetheless, the figures are presented here because of interest.

The three prominent industrial sectors outside agriculture employ a significant number of wage earners: Construction (30 percent), Personal and community services (25 percent) and Manufacturing (21 percent). Other important industries having a substantial share of wage earners are Trade and Transport ( 8 and 6 percent respectively). It is worth noting that female wage earners are prominent in two industries, Manufacturing and Personal and community services. Female participation in personal and community services are usually encouraged and this could be the reason for it being high. Likewise, the wider coverage of informal sector in this survey may have made it possible to detect a high female participation in the manufacturing sector.

## **4.3 Basis of Wage Payment**

Table 4.4 presents the distribution of wage earners by mode of payment - daily wage or other, including piecemeal, contract or monthly salary. In agriculture, the overwhelming majority of the wage earners are paid on a daily basis (98 percent). The picture is a bit different in the non-agriculture sector, but still a majority of wage earners are paid on a daily basis (65 percent); compared to agriculture, though, the proportion in the other category is substantially high (35 percent).

## **4.4 Wage Rates :**

Wage rates by cash and kind are presented in Table 4.5. Once again, the small number of observations in some of the categories means that these averages may not be representative; nonetheless they are interesting. The table indicates that average wage rates differ significantly between agriculture (Rs. 40) and non-agriculture (Rs. 74). This is also true in all the regions. In the urban areas the rates are Rs.48 and Rs. 83, while in the rural areas the rates are Rs. 40 and Rs. 73. Similar differences are found in the Mountains, Hills and Terai. The table also presents the composition of wage rates in cash and kind. Wage components in kind are common in both agriculture and non-agriculture. The difference in the two lies in the size of share. While the share of in-kind payment in agriculture is around 48 percent, the share in non-agriculture is just 37 percent.

**Table 4.1: Percentage Distribution of Wage Earners by Main Sector of Activity, Row-Wise.**

	Wage in agriculture	Wage in non-agriculture	Total
<b>SEX</b>			
Male	43.01	56.99	100.00
Female	77.49	22.51	100.00
<b>Age Group</b>			
10-14	79.00	21.00	100.00
15-24	47.90	52.10	100.00
25-44	51.64	48.36	100.00
45-59	56.62	43.38	100.00
60 +	59.32	40.68	100.00
<b>Ecological Belt</b>			
Mountain	54.90	45.10	100.00
Hill	33.48	66.52	100.00
Terai	65.00	35.00	100.00
<b>URBAN</b>	11.44	88.56	100.00
Kathmandu	0.68	99.32	100.00
Other urban	20.22	79.78	100.00
<b>RURAL</b>	57.96	42.04	100.00
R-W Hill	45.43	54.57	100.00
R-E Hill	38.55	61.45	100.00
R-W Terai	63.81	36.19	100.00
R-E Terai	71.43	28.57	100.00
<b>Total</b>	<b>52.76</b>	<b>47.24</b>	<b>100.00</b>

Table 4.2 : Percentage Distribution of Wage Earners by Main Sector of Activity, Column-Wise.

	Wage in agriculture	Wage in non -agriculture	Total
<b>SEX</b>			
Male	58.47	86.53	71.72
Female	41.53	13.47	28.28
<b>Age Group</b>			
10-14	5.81	1.73	3.88
15-24	23.22	28.21	25.58
25-44	50.91	53.25	52.02
45-59	16.22	13.88	15.11
60 +	3.84	2.94	3.42
<b>Ecological Belt</b>			
Mountain	7.49	6.87	7.20
Hill	23.17	51.42	36.52
Terai	69.34	41.70	56.28
<b>URBAN</b>	2.43	20.97	11.19
Kathmandu	0.07	10.57	5.03
Other urban	2.36	10.40	6.16
<b>RURAL</b>	97.57	79.03	88.81
Western Hill/Mountain	17.96	24.10	20.86
Eastern Hill/Mountain	12.13	21.60	16.60
Western Terai	17.11	10.84	14.15
Eastern Terai	50.37	22.50	37.20
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Table 4.3- Distribution of Wage Earners by Industry.

	Mining	Manufact	Electric	Construc	Trade	Transpor	Finance	Personal	Other	Total
<b>DEVELOPMENT</b>										
<b>REGION</b>										
Eastern	2.04	19.89	1.73	20.22	10.33	13.82	0.00	22.12	9.84	100.00
Central	0.85	25.68	0.96	28.00	7.25	6.27	1.76	23.54	5.70	100.00
Western	0.43	14.80	0.97	32.66	5.30	2.68	0.58	28.22	14.36	100.00
Midwest	0.32	22.02	3.05	41.99	4.23	2.01	0.00	25.36	1.02	100.00
Farwest	0.67	14.92	2.61	36.29	15.45	0.67	0.72	26.34	2.33	100.00
<b>ECOLOGICAL BELT</b>										
Mountain	0.41	13.81	0.00	47.77	9.92	10.19	0.00	16.86	1.03	100.00
Hills	0.81	17.25	0.99	29.34	9.22	6.03	1.47	27.23	7.66	100.00
Terai	1.25	27.64	2.63	25.71	6.07	5.46	0.33	23.11	7.80	100.00
<b>OTHER GROUP</b>										
Kathmandu	0.00	19.99	3.08	12.28	7.87	8.27	4.59	38.30	5.63	100.00
Other urban	0.00	14.35	2.33	8.81	11.08	15.54	0.82	31.37	15.70	100.00
W Hill	0.42	15.35	0.70	37.65	8.76	1.36	0.00	28.55	7.21	100.00
E Hill	1.28	17.12	0.29	33.16	10.45	11.59	1.42	19.34	5.37	100.00
W Terai	0.60	21.89	4.46	40.30	3.87	1.86	1.18	20.59	5.25	100.00
E Terai	1.82	33.29	1.84	22.87	5.78	4.60	0.00	22.16	7.63	100.00
<b>URBAN OR RURAL</b>										
URBAN	0.00	17.19	2.71	10.55	9.46	11.88	2.72	34.86	10.63	100.00
RURAL	1.09	21.73	1.39	32.56	7.79	5.38	0.58	22.96	6.52	100.00
<b>SEX</b>										
MALE	1.00	20.78	1.62	31.34	8.20	6.86	0.84	22.38	6.97	100.00
FEMALE	0.55	23.79	1.13	17.94	6.60	1.59	0.99	39.83	7.58	100.00
Total	0.95	21.15	1.56	29.72	8.00	6.22	0.86	24.50	7.05	100.00

**Table 4.4: Distribution of Wage Earners by Mode of Payment.**

Paid on daily basis						
DEVELOPMENT REGION	Agriculture sector			Non-agriculture sector		
	YES	NO	Total			
Eastern	98.84	1.16	100.00	77.54	22.46	100.00
Central	98.53	1.47	100.00	54.76	45.24	100.00
Western	99.14	0.86	100.00	63.01	36.99	100.00
Midwest	91.09	8.91	100.00	73.11	26.89	100.00
Farwest	93.56	6.44	100.00	70.45	29.55	100.00
<b>ECOLOGICAL BELT</b>						
Mountain	100.00	0.00	100.00	86.85	13.15	100.00
Hills	99.17	0.83	100.00	60.09	39.91	100.00
Terai	96.79	3.21	100.00	65.88	34.12	100.00
<b>2 URBAN - 4 RURAL</b>						
Kathmand	100.00	0.00	100.00	18.27	81.73	100.00
Oth urban	99.33	0.67	100.00	40.13	59.87	100.00
R-W Hill	99.51	0.49	100.00	73.37	26.63	100.00
R-E Hill	99.27	0.73	100.00	68.56	31.44	100.00
R-W Terai	92.50	7.50	100.00	65.47	34.53	100.00
R-E Terai	98.36	1.64	100.00	72.07	27.93	100.00
<b>URBAN / RURAL</b>						
Urban	99.37	0.63	100.00	29.18	70.82	100.00
Rural	97.70	2.30	100.00	70.46	29.54	100.00
<b>SEX</b>						
Male	97.25	2.75	100.00	66.56	33.44	100.00
Female	98.31	1.69	100.00	53.19	46.81	100.00
<b>Total</b>	<b>97.72</b>	<b>2.28</b>	<b>100.00</b>	<b>65.07</b>	<b>34.93</b>	<b>100.00</b>

Table 4.5: Average Daily Wages in Cash / Kind Received by Wage Earners.

DEVELOPMENT REGION	(in Rs)					
	Agriculture sector			Non-agriculture sector		
	Cash	Kind	Total	cash	Kind	Total
Eastern	24.49	17.87	37.83	59.65	24.60	66.70
Central	39.55	19.61	37.48	76.10	24.29	84.61
Western	33.13	17.36	40.50	63.03	24.89	70.63
Midwest	36.92	24.28	52.00	59.86	33.19	70.52
Farwest	39.45	24.56	52.22	56.43	39.31	69.11
<b>ECOLOGICAL BELT</b>						
Mountain	32.05	15.80	45.22	71.21	35.68	82.90
Hills	32.45	14.78	44.51	71.89	28.19	80.45
Terai	32.87	21.83	37.61	55.82	23.76	63.89
<b>OTHER GROUP</b>						
Kathmand	73.99	15.23	88.08	113.18	46.46	121.28
Oth urban	38.94	17.22	44.71	62.10	15.41	65.42
R-W Hill	35.61	18.46	49.10	64.38	35.55	76.14
R-E Hill	29.06	12.35	40.31	76.31	23.87	83.14
R-W Terai	34.45	21.84	41.09	51.47	22.93	57.85
R-E Terai	31.82	21.87	36.23	57.83	24.86	67.31
<b>URBAN / RURAL</b>						
Urban	41.28	16.95	47.51	78.53	21.15	82.96
Rural	32.45	19.27	40.12	64.45	27.46	73.43
<b>SEX</b>						
Male	37.64	20.72	44.38	66.65	26.95	75.72
Female	26.75	17.48	35.10	50.93	29.71	56.69
<b>Total</b>	<b>32.62</b>	<b>19.25</b>	<b>40.23</b>	<b>65.27</b>	<b>27.15</b>	<b>73.99</b>

## NON-FARM ECONOMIC ACTIVITIES

The distribution of households with non-farm enterprises is given in table 5.1. In total around 24 percent of the households are found to be operating non-farm enterprises. The shares of such households in the Hills and Terai are found almost identical at 25 percent; the Mountains have a smaller share of 17 percent. According to development regions the central has the highest proportion (29 percent) and the mid-west has the lowest (18 percent). The urban share of households with non-farm enterprises at 41 percent is twice that of rural areas at 20 percent.

### 5.1 Activities by Industry:

According to different types of industry (Table 5.1 ) the largest proportion ( 52 percent ) of activities are found to be in trade. Trade is prominent among non-farm activities in both the urban and rural part of the country. This is equally true in most of the regions excluding the mountains in the north and the far west development region. The proportion of trade activities is also found to rise with quintiles. Only in the lowest quintile the share of activities in manufacturing surpasses that of trade. One possible explanation is that poor people often tend to go for activities other than trade simply due to lack of funds. The second highest share of enterprises are seen to be in Manufacturing. (Enterprises belonging to Mining and Quarrying, Electricity, Gas and Water and Construction have been grouped into Manufacturing simply because the numbers were almost negligible.) The distribution of non-farm enterprises by different industries indicate that the share of manufacturing is higher in the Mountains and Western Hills. Absolutely the number of enterprises in the two regions is not that large. The higher proportion in manufacturing may be due to the fact that the activities are informal and of the small scale cottage type for example - carpet weaving, bamboo products etc.

### 5.2 Hired Labor:

In table 5.2 it can be observed that of the total non-farm activities reported in the survey 91 percent did not have any kind of hired labor. Enterprises that had obtained official registration constituted a mere 12 percent of the total activities. This clearly indicates that a large share of non-farm activities is highly unorganized or are informal in character. If the criterion "having ten or more hired workers" used in the Census of Manufacturing Establishments - CBS is applied to classify an establishment to be in the formal sector, the survey reveals that almost 92 percent of the total non-farm activities fall in the informal category. Enterprises that operate outside, at premises other than the dwelling of the households constitute a small percentage.

### **5.3 Revenue and Expenditure:**

Table 5.4 presents average revenues and expenditures of non-farm activities by different regions. In terms of average net revenue, the hills are found to have larger activities compared to the mountains and Terai. Urban areas similarly are seen to have larger enterprises having higher net revenues than the rural areas as compared to the national average.

### **5.4 Duration of Operation**

Table 5.5 and 5.6 presents non -farm activities classified by months and years of operation. A significant proportion of non-farm activities were observed to have been in operation three years and more. Enterprises that are in operation for considerable period of time are likely to be family businesses. At 14 percent, the share of activities that are less than a year old in terms of operation indicates that new enterprises are coming up. The number of months an enterprise operates over a year indicates weather the business is seasonal ( Table 5.6 ). Considering activities that operate no more than six month to be seasonal, the share of such activities comes to 38 percent. The proportion of activities that operate regularly would be around 62 percent of total non-farm activities.

Table 5.1 : Distribution of Non-farm Activities by Type and Regions

Ecological belt	Households with enterprises			Percentage distribution of enterprises				
	Household Number	% out of sample hh	No. of enterprise	Manufaturing <sup>1</sup>	Trade	Services	Others	Total
<b>ECOLOGICAL BELT</b>								
Mountain	70	17.11	79	72.91	20.62	5.36	1.11	100.00
Hill	442	25.40	504	37.22	47.26	12.07	3.45	100.00
Terai	305	24.92	369	20.18	58.79	16.81	4.22	100.00
<b>DEVELOPMENT REGION</b>								
Eastern	150	20.92	168	25.48	58.29	11.03	5.21	100.00
Central	381	28.86	455	23.38	54.37	17.53	4.72	100.00
Western	146	23.40	168	37.22	48.09	14.14	0.56	100.00
Midwest	63	17.50	72	35.19	52.41	8.52	3.88	100.00
Farwest	77	21.88	89	58.25	29.17	11.48	1.11	100.00
<b>URBAN</b>								
Kathmand	159	40.15	187	22.81	55.10	20.83	1.26	100.00
Oth urban	134	41.88	160	25.01	56.11	17.00	1.89	100.00
<b>RURAL</b>								
Eastern Hill	107	14.92	115	39.62	47.62	7.63	5.13	100.00
Western Hill	153	18.48	173	50.21	37.00	11.14	1.66	100.00
Eastern Terai	204	27.42	250	17.32	59.75	17.35	5.58	100.00
Western Terai	60	16.30	67	28.52	55.73	14.30	1.45	100.00
<b>CONSUMPTION GROUP</b>								
First Quintile	98	12.00	110	49.15	36.49	11.81	2.55	100.00
Second Quintile	99	12.12	115	28.55	52.37	15.37	3.71	100.00
Third Quintile	113	13.83	130	33.06	43.08	18.53	5.33	100.00
Fourth Quintile	140	17.14	154	29.90	55.14	12.28	2.68	100.00
Fifth Quintile	367	44.92	443	20.69	61.78	13.56	3.96	100.00
<b>Total</b>	<b>817</b>	<b>24.22</b>	<b>952</b>	<b>29.88</b>	<b>52.08</b>	<b>14.30</b>	<b>3.74</b>	<b>100.00</b>

<sup>1</sup> It includes mining and quarrying, manufacturing, construction and electricity.

Table : 5.2 Distribution of Non -farm Activities by Regions

	Ownership			Registration			Hired labour		
	Household	Shared	Total	Yes	No	Total	Yes	No	Total
<b>ECOLOGICAL BELT</b>									
Mountain	100.00	0.00	100.00	2.40	97.60	100.00	4.95	95.05	100.00
Hill	96.03	3.97	100.00	13.66	86.34	100.00	9.85	90.15	100.00
Terai	96.48	3.52	100.00	11.29	88.71	100.00	9.22	90.78	100.00
<b>DEVELOPMENT REGION</b>									
Eastern	97.40	2.60	100.00	12.59	87.41	100.00	8.65	91.35	100.00
Central	94.80	5.20	100.00	11.89	88.11	100.00	10.97	89.03	100.00
Western	98.38	1.62	100.00	14.56	85.44	100.00	7.54	92.46	100.00
Mid-western	99.10	0.90	100.00	7.73	92.27	100.00	12.35	87.65	100.00
Far-western	96.74	3.26	100.00	5.18	94.82	100.00	0.89	99.11	100.00
<b>URBAN</b>									
Kathmandu	88.00	12.00	100.00	31.20	68.80	100.00	29.65	70.35	100.00
Other urban	98.28	1.72	100.00	33.78	66.22	100.00	21.86	78.14	100.00
<b>RURAL</b>									
Eastern Hill	97.14	2.86	100.00	5.42	94.58	100.00	4.95	95.05	100.00
Western Hill	98.18	1.82	100.00	9.25	90.75	100.00	5.79	94.21	100.00
Eastern Terai	95.53	4.47	100.00	10.17	89.83	100.00	8.48	91.52	100.00
Western Terai	98.86	1.14	100.00	6.25	93.75	100.00	6.03	93.97	100.00
<b>INDUSTRY GROUP</b>									
Industry	96.91	3.09	100.00	10.00	90.00	100.00	11.68	88.32	100.00
Trade	96.01	3.99	100.00	11.23	88.77	100.00	6.66	93.34	100.00
Services	97.08	2.92	100.00	17.77	82.23	100.00	12.55	87.45	100.00
Others	98.23	1.77	100.00	8.18	91.82	100.00	12.16	87.84	100.00
<b>Total</b>	<b>96.52</b>	<b>3.48</b>	<b>100.00</b>	<b>11.69</b>	<b>88.31</b>	<b>100.00</b>	<b>9.22</b>	<b>90.78</b>	<b>100.00</b>

Table 5.3: Non - farm Activities by Size of Hired Workers

Urban or Rural	1 worker	2 - 9 workers	10+ workers	Total
URBAN	40.64	51.48	7.88	100.00
RURAL	50.93	40.34	8.73	100.00
<b>Total</b>	<b>47.34</b>	<b>44.23</b>	<b>8.43</b>	<b>100.00</b>

Table : 5.4 Average Revenue and Expenditure in Non-farm activities by Regions

	Gross revenue Mean (Rs)	Net revenue Mean (Rs)	Total Expenditure Mean (Rs)	Expenditure on Wages Mean (Rs)	Capital expenditure Mean (Rs)
<b>ECOLOGICAL BELT</b>					
Mountain	42159	11629	30406	3176	5285
Hill	180669	36564	142596	8744	5469
Terai	65794	17772	48022	2182	682
<b>DEVELOPMENT REGION</b>					
Eastern	77030	19167	57863	4829	822
Central	164708	32541	130344	6601	3373
Western	62530	19906	42737	2266	5794
Mid-western	87732	24402	63716	4401	806
Far-western	8205	6327	1878	455	309
<b>URBAN</b>					
Kathmandu	445212	53223	338115	21989	3527
Other urban	800429	60902	607836	38958	4633
	197357	47865	149916	10148	2755
<b>RURAL</b>					
Eastern Hill	59372	20502	45974	2249	2704
Western Hill	88922	43570	82597	4094	4396
Eastern Terai	49906	14675	35272	1619	6554
Western Terai	60072	16177	43895	2187	871
	28672	11829	16843	811	693
<b>INDUSTRY GROUP</b>					
Industry	73887	6636	55291	8750	922
Trade	150297	34876	121086	2227	2131
Services	54252	28253	26003	6184	8846
Others	28881	14458	14423	3465	4051
<b>Total</b>	<b>109069</b>	<b>24717</b>	<b>83663</b>	<b>4792</b>	<b>2810</b>

Table 5.5: Non-farm Activities by Years of Operation

Ecological belt	<=1 yr	1-2 yr	3-5yr	5-10yr	> 10 yrs	Total
<b>ECOLOGICAL BELT</b>						
Mountain	7.20	7.15	8.17	33.24	44.23	100.00
Hill	11.79	11.12	27.36	22.81	26.92	100.00
Terai	16.75	9.13	26.13	18.65	29.34	100.00
<b>DEVELOPMENT REGION</b>						
Eastern	17.76	11.81	26.29	18.29	25.86	100.00
Central	13.91	9.81	27.18	21.93	27.17	100.00
Western	11.41	9.36	24.81	22.82	31.59	100.00
Midwest	17.13	7.78	27.19	22.03	25.87	100.00
Farwest	9.22	6.99	13.64	20.30	49.84	100.00
<b>URBAN</b>						
Kathmandu	18.30	12.13	23.12	20.76	25.69	100.00
Other Urban	16.01	15.79	27.05	22.91	18.23	100.00
Other Urban	19.83	9.67	20.48	19.31	30.70	100.00
<b>RURAL</b>						
Eastern Hill	13.60	9.43	25.89	21.23	29.86	100.00
Western Hill	13.29	9.47	23.45	23.42	30.36	100.00
Eastern Terai	7.63	8.92	25.99	25.46	32.00	100.00
Western Terai	14.73	10.82	29.31	19.21	25.93	100.00
Western Terai	21.50	5.50	17.58	16.79	38.63	100.00
<b>INDUSTRY GROUP</b>						
Industry	9.20	10.51	24.25	20.56	35.48	100.00
Trade	17.90	11.28	28.29	20.28	22.25	100.00
Services	12.12	1.95	17.73	25.18	43.02	100.00
Others	14.90	15.39	30.17	21.83	17.71	100.00
<b>CONSUMPTION GROUP</b>						
First Quintile	9.21	12.80	25.70	17.97	34.32	100.00
Second Quintile	14.45	4.20	21.89	19.88	39.58	100.00
Third Quintile	12.13	5.66	28.40	25.41	28.39	100.00
Fourth Quintile	13.77	13.94	27.75	19.09	25.43	100.00
Fifth Quintile	17.78	11.48	24.25	21.81	24.69	100.00
<b>Total</b>	<b>14.23</b>	<b>9.79</b>	<b>25.52</b>	<b>21.17</b>	<b>29.30</b>	<b>100.00</b>

Table 5.6: Non-farm Activities by Months of Operation

	upto 3 months	3 - 6 months	7 - 9 months	10 - 12 months	Total
<b>ECOLOGICAL BELT</b>					
Mountain	32.42	33.96	4.62	28.99	100.00
Hill	7.70	18.73	5.38	68.19	100.00
Terai	19.17	23.16	10.05	47.62	100.00
<b>DEVELOPMENT REGIONS</b>					
Eastern	12.91	20.59	6.69	59.81	100.00
Central	17.54	20.79	10.06	51.61	100.00
Western	10.07	19.72	5.14	65.08	100.00
Midwest	16.59	29.48	8.33	45.60	100.00
Farwest	22.82	31.51	4.95	40.72	100.00
<b>URBAN</b>					
Kathmand	3.63	10.96	5.56	79.85	100.00
Oth urban	16.73	9.25	5.55	68.47	100.00
<b>RURAL</b>					
Eastern Hill	8.24	21.27	6.49	64.01	100.00
Western Hill	15.65	23.59	4.48	56.28	100.00
Eastern Terai	19.89	23.48	10.73	45.91	100.00
Western Terai	15.13	30.50	9.49	44.89	100.00
<b>INDUSTRY GROUP</b>					
Industry	13.59	24.89	9.42	52.09	100.00
Trade	18.40	18.52	8.15	54.93	100.00
Services	10.14	22.54	4.60	62.72	100.00
Others	10.61	47.23	5.36	36.80	100.00
<b>HIRED ANYONE</b>					
Yes	7.12	19.67	5.85	67.36	100.00
No	15.95	22.43	8.19	53.43	100.00
<b>REGISTRATION</b>					
Yes	4.98	9.34	9.60	76.09	100.00
No	16.48	23.87	7.76	51.88	100.00
<b>LOCATION</b>					
Home	13.48	20.09	7.14	59.29	100.00
Other Fixed place	11.76	16.55	8.39	63.30	100.00
Other Variable places	24.19	32.85	9.01	33.96	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	24.30	31.21	4.82	39.67	100.00
Second Quintile	10.60	29.86	8.89	50.66	100.00
Third Quintile	18.84	23.26	11.61	46.30	100.00
Fourth Quintile	20.20	19.46	5.03	55.30	100.00
Fifth Quintile	9.49	15.33	8.32	66.86	100.00
<b>Total</b>	<b>15.49</b>	<b>22.07</b>	<b>7.92</b>	<b>54.52</b>	<b>100.00</b>

## Section VI

### LOANS (CREDIT AND SAVINGS)

#### 6.1. Regional Distribution:

This section covers about loans and the households that have borrowed it. Table 6.1 presents the number of loans that the households borrowed, loans repaid during the twelve months preceding the date of the interview and loans outstanding. In total 3060 loans were taken out by around 59 percent of the sampled households and 191 loans repaid during the survey period. It can be observed that 91 percent of the households that borrowed (or 54 percent of the total) had loans outstanding at the time of the interview. In other words, 94 percent of the total loans are found outstanding during the time of interview. Distribution of loans by ecological belts show that the highest number of loan transactions have taken place in the Hills but has a lower percentage of (53%) households involved. The Terai has recorded the second largest number of loan transactions with around 65 percent of the households to have borrowed them. In absolute numbers, loan transactions in the Mountains compared to other two regions is low but show a higher proportion of households (69 %) involved in the business.

If observed by development regions the central has recorded the largest number of loans (1304) borrowed by 57 percent of the households. The eastern development region has recorded only half (661) the number of loans but has 63 percent of households involved in the transaction. Similarly, the far western region recorded the lowest number of loans (232) almost one third that in the eastern region but borrowed by a significant share (52%) of the households. In all the development regions more than 90 percent of the loans still remained outstanding.

#### 6.2. Rural / Urban Distribution:

The rural urban distribution of loans show that around 12 percent of total loans have been borrowed by 35 percent of the urban households and the remaining 88 percent of the loans is seen to be borrowed by around 66 percent of the rural households. The bulk of loans outstanding in both the areas do not differ significantly. The urban proportion of 96 percent outstanding loans is just three points higher than rural percentage at 93 percent loans outstanding.

#### 6.3. Sources of Loans:

Three prominent sources are found to provide loans viz. banks, family relatives and local money lenders. Table 6.2 indicates that the highest (41%) source of loan financing comes from family relatives. Local money lenders stand second and finance around 40 percent

of the loans. Institutional money lending through banks cover just 16 percent of the total loans revealing that loan financing through formal institutions to households is still low. Such institutional lending by quintile groups show that the bottom 40 percent households received only 23 percent of the loans disbursed. Banking institutions are seen to have advanced 40 percent of the loans to top 40 percent in the quintile group.

Table 6.3 presents the distribution of loans borrowed at different periods of years. It can be seen from the table that 41 percent of the loans were advanced during the year of interview. Obviously, 59 percent of the loans were taken before the year of interview and the figure should therefore be 1561 loans. If in this figure the number of loans repaid (191) are deducted the left over figure (1370) are loans extended and is 45 percent of the total loans.

#### **6.4. Purpose of Taking Loans:**

Purposes for which loans were taken is given in Table 6.4. A major share (49 percent) of the loans taken are seen to be for household consumption. Similarly, around 29 percent of the loans were taken for the purpose of business or farming. And 22 percent of the loans are found to be taken for other personal uses. Figures in the consumption group in the same table indicate that in each lower quintile there is a higher percentage of people borrowing loans for household consumption. The proportion of 62 percent in the bottom quintile can be seen to gradually decrease with each increase in the quintiles and the figure in the top quintile goes down to 42 percent. The opposite case can be seen in the loans taken for business or farming. The loans are seen to gradually increase from 18 percent in the first quintile to 36 percent in the fifth quintile.

Table 6.5 presents the basis on which the loans were advanced. For a majority of the loans (75 percent) the table indicates there was no collateral used. Land and housing as collateral was used to borrow 17 percent of the loans which is identical to the share of loans advanced by banks. Other kinds of property other than land or house is frequently used as a collateral and the proportion of loans under this is 5 percent.

Table 6.1: Households Having Loan and Distribution of Loan by Different Characteristics

	Total households and loans			Having outstanding loan		
	Total no. of hhs involved	Percent of hhs involved	Average no. of loans	No. of households	Percent of hhs involved	Average no of Loan
<b>ECOLOGICAL BELT</b>						
Mountain	274	67.38	1.77	260	63.59	1.68
Hill	900	59.24	1.58	854	56.02	1.49
Terai	750	62.30	1.52	716	59.73	1.47
<b>DEVELOPMENT REGION</b>						
Eastern	435	60.93	1.50	403	56.52	1.38
Central	722	64.17	1.81	700	62.18	1.72
Western	354	58.28	1.51	335	55.41	1.39
Mid-western	229	64.38	1.47	216	60.34	1.37
Far-western	184	57.73	1.32	176	51.98	1.27
<b>URBAN</b>	248	37.59	1.38	240	38.07	1.35
Kathmandu	99	24.29	1.32	97	23.62	1.29
Other urban	149	46.54	1.41	143	46.12	1.37
<b>RURAL</b>	1676	63.18	1.61	1590	60.02	1.50
Eastern hill/mountain	488	66.29	1.78	466	60.39	1.70
Western hill/mountain	490	59.82	1.46	460	55.79	1.35
Eastern Terai	484	65.74	1.65	455	62.02	1.52
Western Terai	214	58.99	1.47	209	57.81	1.38
<b>Total</b>	<b>1924</b>	<b>61.32</b>	<b>1.60</b>	<b>1830</b>	<b>58.35</b>	<b>1.49</b>

No. of Extended loans	328
Share of extended loans out of total loans	11.22 %

Table 6.2 : Sources of Loan by Regions

	Bank	Relative	Money	Others	Total
			lenders		
<b>ECOLOGICAL BELT</b>					
Mountain	7.69	50.90	37.69	3.72	100.00
Hill	13.75	55.70	27.38	3.18	100.00
Terai	20.23	24.56	51.83	3.39	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	21.21	45.21	32.27	1.31	100.00
Central	14.28	35.03	48.27	2.42	100.00
Western	13.82	53.46	26.08	6.64	100.00
Midwest	19.79	33.77	42.50	3.95	100.00
Far-west	10.84	40.13	43.62	5.42	100.00
<b>URBAN</b>					
Kathmandu	13.03	72.72	13.58	0.67	100.00
Other urban	29.65	43.37	24.72	2.25	100.00
<b>RURAL</b>					
Eastern Hill/Mountain	13.08	60.68	24.09	2.15	100.00
Western Hill/Mountain	11.79	47.42	36.08	4.72	100.00
Eastern Terai	19.13	17.39	61.52	1.97	100.00
Western Terai	20.82	39.82	31.99	7.37	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	8.21	38.46	49.61	3.72	100.00
Second Quintile	15.06	36.53	45.90	2.51	100.00
Third Quintile	15.55	37.29	43.35	3.80	100.00
Fourth Quintile	17.79	42.45	36.38	3.38	100.00
Fifth Quintile	21.79	48.18	26.81	3.23	100.00
<b>YEARS OF BORROWED LOANS</b>					
Before 45	18.20	36.24	40.83	4.73	100.00
45-48	27.12	41.81	29.40	1.67	100.00
49-51	19.32	40.17	36.95	3.56	100.00
52-53	10.11	41.77	44.85	3.26	100.00
<b>Total</b>	<b>16.14</b>	<b>40.84</b>	<b>39.70</b>	<b>3.33</b>	<b>100.00</b>

Table 6.3 : Loans Borrowed by Years and Regions

	052-53 (1995-96)	049-51 (1992-94)	045-48 (1988-93)	Before 045 (1987)	Total
<b>ECOLOGICAL BELT</b>					
Mountain	36.39	49.51	8.95	5.15	100.00
Hill	36.20	50.61	10.19	3.00	100.00
Terai	46.31	45.62	5.52	2.55	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	36.59	50.01	10.65	2.74	100.00
Central	43.04	46.74	6.81	3.42	100.00
Western	40.36	48.96	7.89	2.80	100.00
Midwest	47.33	42.84	6.85	2.98	100.00
Far-west	31.12	59.28	7.75	1.85	100.00
<b>URBAN</b>					
Kathmandu	42.18	47.12	6.55	4.14	100.00
Other urban	32.02	45.53	10.03	12.41	100.00
<b>RURAL</b>					
Eastern Hill/Mountain	33.50	51.84	11.11	3.55	100.00
Western Hill/Mountain	39.03	49.09	8.63	3.25	100.00
Eastern Terai	47.95	44.66	5.46	1.93	100.00
Western Terai	45.30	47.88	5.07	1.74	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	40.75	49.20	6.81	3.24	100.00
Second Quintile	44.17	46.57	6.65	2.61	100.00
Third Quintile	42.52	47.52	7.92	2.04	100.00
Fourth Quintile	38.94	49.17	8.67	3.22	100.00
Fifth Quintile	38.62	48.47	9.00	3.92	100.00
<b>Total</b>	<b>40.89</b>	<b>48.19</b>	<b>7.91</b>	<b>3.01</b>	<b>100.00</b>

Table 6.4: Purpose of Loan by Regions

	Business or farm	House Hold consumption	Other personal uses	Total
<b>ECOLOGICAL BELT</b>				
Mountain	20.67	56.22	23.12	100.00
Hill	22.97	57.49	19.54	100.00
Terai	35.83	40.29	23.88	100.00
<b>DEVELOPMENT REGION</b>				
Eastern	29.98	51.35	18.67	100.00
Central	28.19	44.82	26.98	100.00
Western	29.07	50.71	20.22	100.00
Midwest	32.88	49.84	17.28	100.00
Far-west	18.38	68.51	13.11	100.00
<b>URBAN</b>				
Kathmandu	31.36	35.85	32.79	100.00
Other urban	37.77	37.60	24.64	100.00
<b>RURAL</b>				
Eastern Hill/Mountain	21.92	54.67	23.41	100.00
Western Hill/Mountain	22.82	61.65	15.53	100.00
Eastern Terai	34.40	41.07	24.53	100.00
Western Terai	38.38	39.31	22.30	100.00
<b>CONSUMPTION GROUP</b>				
First Quintile	17.98	61.55	20.47	100.00
Second Quintile	29.08	49.36	21.56	100.00
Third Quintile	24.51	53.97	21.52	100.00
Fourth Quintile	32.77	44.16	23.07	100.00
Fifth Quintile	35.95	41.69	22.36	100.00
<b>YEARS OF BORROWED LOANS</b>				
Before 45	36.10	40.30	23.61	100.00
45-48	32.01	42.79	25.21	100.00
49-51	29.89	48.94	21.18	100.00
52-53	26.07	51.94	21.99	100.00
<b>Total</b>	<b>28.68</b>	<b>49.42</b>	<b>21.90</b>	<b>100.00</b>

Table 6.5 : Collateral by Sources of Loan

Sources of loan	Land & Housing	Property	No collateral	Others	Total
Bank	70.72	15.61	11.46	2.21	100.00
Relative	6.42	1.42	88.75	3.41	100.00
Money lenders	6.20	4.38	85.32	4.11	100.00
Others	10.15	4.84	82.01	3.00	100.00
<b>Total</b>	<b>16.81</b>	<b>4.99</b>	<b>74.71</b>	<b>3.48</b>	<b>100.00</b>

Table 6.6: Collateral by Consumption Group

Consumption Groups	Land & Housing	Property	No collateral	Others	Total
First Quintile	9.81	4.16	85.12	0.90	100.00
Second Quintile	16.09	6.65	73.40	3.86	100.00
Third Quintile	16.60	4.51	72.79	6.10	100.00
Fourth Quintile	17.96	5.20	73.97	2.87	100.00
Fifth Quintile	21.65	4.39	70.82	3.14	100.00
<b>Total</b>	<b>16.81</b>	<b>4.99</b>	<b>74.72</b>	<b>3.48</b>	<b>100.00</b>

## Section VII

### REMITTANCES

In the survey, remittances are defined as transfers in cash or kind sent or received by households over the year preceding the interview. All transfers received from or sent to a single source are counted as one remittance. Although remittances flow both in and out of the country, the outflow was ignored because of its meager size and the tables presented only contain the inflows.

#### 7.1 Households and Remittances

Altogether, 760 sample households (23 percent) received 948 remittances (Table 7.1), on average 1.24 for each household receiving remittances. These figures include remittances originating both from within and from outside the country. Households in the Terai were slightly more likely to receive remittances (25 percent versus 23 percent on average). In the Hills and the Mountains, 23 and 18 percent of households respectively received remittances. Classified by development region, the highest percentage is found in the Western region (31 percent) and the lowest in the Eastern region (15 percent). In the other three regions, 24 percent of households received remittances. The share of households receiving remittances was lower in urban than in rural areas (20 versus 24 percent). Interestingly, the share does not vary much by quintile, with the highest share (25 percent) in the fourth quintile.

#### 7.2 Origin of Remittances:

Table 7.2 presents the place of origin of remittances by urban/rural Nepal, India and other countries. Figures in the table indicate that the largest share of remittances (38%) originated in India. Likewise, significant proportions of remittances originated in the urban and the rural areas of Nepal (26 and 33 percent respectively). Remittances originating from other countries besides India constitute a small share (3 percent). The same table presents the breakdown of remittances by source for various geographical areas. Out of total remittances received by households in urban areas, 44 percent came from urban areas, 31 percent from rural areas, 14 percent from India and 12 percent from other countries. Similarly, among the remittances received by households in rural areas, 25 percent came from urban areas, 33 percent from rural areas, 40 percent from India (significantly more than in urban areas) and around 3 percent from other countries (significantly less than in urban areas).

### **7.3 Remittances by Consumption Groups:**

The distribution of remittances by consumption quintile shows that the most important source for all the quintiles except the top one was India (Table 7.2 ). The share of remittances coming from India is highest (53 percent) in the bottom quintile and gradually goes down to 37 percent in the next three quintiles; in the top quintile, it is only 24 percent. A similar pattern can be observed for the contributions coming from rural areas -- the second largest share of remittances in all the four bottom quintiles came from rural areas, and the share was much lower for the top quintile. The share of remittances coming from urban areas, on the contrary, increased with higher levels of consumption.

### **7.4 Size of Remittances:**

Table 7.3 presents the average amount received per remittance by source. Although remittances from other countries represented only a small share of the total, they were much higher than the average (Rs. 79,183 versus an average of Rs. 12,090 per remittance). The second highest average amount (Rs. 15,294) came from urban Nepal. Remittances from India and from rural Nepal were lower than the average (Rs. 10,532 and Rs. 4,586 respectively). In terms of absolute monetary value, India provided the largest share (33 percent) of total remittances, followed by urban Nepal contributing 32 percent, other countries contributing 22 percent and rural Nepal contributing 12 percent. In total, external sources accounted for 55 percent of the remittances and internal sources provided 45 percent.

### **7.5 Remittances and Income:**

For those households that receive remittances, these represent a significant fraction of household income; 27 percent on average (Table 7.4). The share of remittances over total household income is a bit higher than the average in the hills (30 percent) and in the Western region (33 percent). Interestingly, the share does not vary much by consumption quintile; combined with the observation that the likelihood of receiving remittances does not vary much by quintile, this indicates that remittances play an important role at all levels of consumption.

### **7.6 Recipients and Donors by Sex and Industry:**

Forty-six percent of those sending remittances worked in the services sector, while 27 percent worked in agriculture and 22 percent in manufacturing (Table 7.5). Those in the services sector were mainly found to be involved in social, personal and community services and trade, restaurants and hotels. By source, while agriculture was the dominant occupation for donors in rural Nepal (62 percent of all donors from rural Nepal worked in agriculture), social, personal and community services dominated among donors from urban Nepal, India and other countries (56, 53 and 67 percent respectively). Donors from urban Nepal and India were found prominently involved in manufacturing, and Services.

Almost half of all remittances (45 percent) were sent by a son or daughter (in almost 90 percent of the cases, a son); 17 percent were sent by a spouse (almost always the husband), and 13 percent by a parent (usually, the father) Table 7.7. While the donors are overwhelmingly male, recipients are almost evenly split between male and female (52 percent males versus 48 percent females). Table 7.8.

Table 7.1: Distribution of Households and Remittances

	No of hhs receiving remittances	Percent of hhs receiving remittances	No of remittances received by hhs	Average no of remittance	Average Rs.of remittance
<b>ECOLOGICAL BELT</b>					
Mountain	79	18.33	96	1.22	7862
Hill	389	23.16	480	1.20	20439
Terai	292	24.63	372	1.28	11178
<b>DEVELOPMENT REGION</b>					
Eastern	103	14.63	129	1.25	12966
Central	303	24.09	389	1.27	16018
Western	187	31.46	230	1.24	21097
Mid-western	83	24.29	101	1.22	7839
Far-western	84	24.15	99	1.16	7174
<b>URBAN</b>					
Kathmandu	76	18.95	100	1.30	33620
Other urban	61	20.07	84	1.41	27561
<b>RURAL</b>					
Eastern hill/mountain	103	13.56	126	1.22	19508
Western hill/mountain	250	30.83	298	1.19	15806
Eastern Terai	193	26.02	244	1.27	12508
Western Terai	77	22.86	96	1.29	8736
<b>CONSUMPTION GROUP</b>					
First Quintile	104	19.19	126	1.22	7129
Second quintile	106	21.05	136	1.27	8056
Third Quintile	134	22.71	168	1.27	12396
Fourth Quintile	159	25.13	196	1.24	10322
Fifth Quintile	257	21.25	321	1.22	30597
<b>Total</b>	<b>760</b>	<b>23.44</b>	<b>948</b>	<b>1.24</b>	<b>15160</b>

Table 7.2: Distribution of Remittances by Source

	Source				Total
	Urban Nepal	Rural Nepal	India	Other Country	
<b>ECOLOGICAL BELT</b>					
Mountain	27.43	46.27	25.21	1.10	100.00
Hill	26.59	25.63	41.62	6.16	100.00
Terai	24.89	37.10	36.69	1.31	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	30.26	35.22	30.50	4.03	100.00
Central	41.49	29.82	25.49	3.20	100.00
Western	15.67	23.81	54.55	5.97	100.00
Midwest	6.58	56.27	37.15	0.00	100.00
Far-west	10.60	34.89	54.51	0.00	100.00
<b>URBAN</b>					
Kathmandu	43.92	30.46	13.83	11.80	100.00
Other urban	48.08	29.77	2.55	19.60	100.00
Other urban	41.48	30.86	20.45	7.22	100.00
<b>RURAL</b>					
Eastern hill/mountain	24.49	32.81	39.88	2.82	100.00
Eastern hill/mountain	56.08	29.95	9.61	4.36	100.00
Western hill/mountain	13.32	27.42	55.07	4.19	100.00
Eastern Terai	29.76	31.80	36.43	2.01	100.00
Western Terai	8.73	50.53	40.74	0.00	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	10.54	34.23	53.24	2.00	100.00
Second Quintile	20.62	33.58	42.77	3.03	100.00
Third Quintile	29.85	31.44	37.42	1.30	100.00
Fourth Quintile	27.75	33.81	36.58	1.86	100.00
Fifth Quintile	37.29	28.22	24.25	10.24	100.00
<b>Total</b>	<b>25.80</b>	<b>32.65</b>	<b>38.13</b>	<b>3.42</b>	<b>100.00</b>

Table 7.3: Mean Rs. and Share of Remittances by Source

Source	Number of remittances received	Mean Rs. received	Share of remittances received
Urban Nepal	260	15294	32.38
Rural Nepal	311	4586	12.29
India	319	10532	32.87
Other countries	58	79183	22.46
<b>Total</b>	<b>948</b>	<b>12090</b>	<b>100.0</b>

Table 7.4: Percentage Share of Remittances in Income

	No. of Households Receiving Remittances	Percentage
<b>ECOLOGICAL BELT</b>		
Mountaun	79	28.45
Hill	389	30.43
Terai	292	22.84
<b>DEVELOPMENT REGION</b>		
Eastern	103	27.67
Central	303	24.64
Western	187	32.87
Mid-West	83	15.92
Far-West	84	28.78
<b>URBAN OR RURAL</b>		
Urban	137	24.12
Rural	623	26.80
<b>URBAN/RURAL</b>		
Kathmandu	76	27.56
Oth urban	61	21.92
R-W Hill	250	31.23
R-E Hill	103	27.76
R-W Terai	77	19.09
R-E Terai	193	24.86
<b>QUINTILES</b>		
First Quintile	104	24.42
Second Quintile	106	23.01
Third Quintile	134	29.80
Fourth Quintile	159	21.77
Fifth Quntile	257	27.59
<b>Total</b>	<b>760</b>	<b>26.64</b>

**Table 7.5: Source of Remittances by Industry**

Source of remittance	Industry of donor				Total
	Not defined	Agriculture	Industry	Services	
Urban Nepal	8.80	2.21	33.37	55.62	100.00
Rural Nepal	1.64	61.75	8.44	28.18	100.00
India	5.53	16.49	25.26	52.72	100.00
Other countries	5.14	11.83	16.27	66.76	100.00
<b>Total</b>	<b>5.09</b>	<b>27.34</b>	<b>21.58</b>	<b>45.99</b>	<b>100.00</b>

**Table 7.6: Relation of Donor to Recipient**

Source of remittance	Industry of donors				Total
	Not defined	Agriculture	Industry	Services	
Urban Nepal	44.49	2.08	39.84	31.15	25.76
Rural Nepal	10.42	73.30	12.69	19.88	32.45
India	41.60	23.12	44.86	43.95	38.33
Other countries	3.49	1.49	2.61	5.02	3.46
<b>Total (col)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Table 7.7 : Relationship of Donor to Recipient

Rel of Donor to recipient	Percent	Cum.
Wife or Husband	17.15	17.15
Son/Daughter	44.75	61.90
Grandchild	1.60	63.50
Father or Mother	13.32	76.81
Sister or Brother	10.57	87.38
Niece or Nephew	0.75	88.12
Son/Daug. in Law	1.56	89.68
Broth./Sist. in Law	0.81	90.49
Father/Mother in Law	3.55	94.04
Other Family Relative	4.03	98.08
Other Person not Related	1.92	100.00
<b>Total</b>	<b>100.00</b>	

Table 7.8: Distribution of Recipients and Donor by Sex

Sex	Recipients		Donor	
	Percent	Cum.	Percent	Cum.
Male	51.80	51.80	88.77	88.77
Female	48.20	100.00	11.23	100.00
<b>Total</b>	<b>100.00</b>		<b>100.00</b>	

## Section VIII

### ADEQUACY OF GOODS AND SERVICES

#### 8.1 Food Consumption :

This is the last section in the survey that attempts to analyze the response received from the household heads regarding their views towards the adequacy of consumption of several items. Respondents were asked to give their opinion about their consumption levels for various items by indicating if it was less than adequate, just adequate or more than adequate. The term "adequate" in the survey meant neither more nor less than what the respondent considers consumption needs of the family. The items covered include food consumption, housing, clothing, health care, schooling and total income.

In Table 8.1 it can be observed that 51 percent of the households felt that their consumption in food was less than adequate. Those that answered the food consumption to be just adequate constituted 47 percent and a mere 2 percent opined that it was more than adequate. Household proportion answering to have consumed less than adequate food by different regions do not differ widely. The highest share (56 percent) is seen in the far-west and the mid-west has the lowest share (47 percent). The urban rural proportion of households indicating less than adequate food consumption is wider. While the share in the urban is 36 percent, the rural share is higher by 16 points at 52 percent. Significant differences persist between the Hills and Terai in the share of households responding to the adequacy of food consumption. Proportion of households indicating less than adequate food consumption is higher and that of just adequate is lower in the hills compared to Terai obviously pointing that the food situation in the hills to be more grim.

Households responding to have consumed less than adequate food appear in sizable proportions in all the quintiles. The lowest quintile has the highest proportion of 70 percent and the percentage declines by subsequent quintiles. However the highest quintile which has the lowest proportion of households reporting less than adequate food consumption even reveals a perplexing figure of 34 percent. Two conclusions may be possibly be drawn from for such a result. The first conclusion is that subjective interrogations are likely to give responses towards producing such unrealistic results. Response to questions that are subjective in nature could vary from person to person because of the different angles they look at it. The other conclusion is that the households expressing that their consumption to be not adequate could have compared it to a household with still higher consumption level.

## **8.2 Housing :**

Figures in Table 8.2 show that in total 64 percent of the households indicate having less than adequate housing facilities and almost 36 percent expressed having just adequate housing facilities. Percentage of households indicating more than adequate housing facility is almost found to be negligible. The same table shows that the urban areas compared to the rural areas have a lower percentage of households that have indicated less than adequate housing facility. The story is just the opposite in many other countries with urban areas having more housing problems. In average while 64 percent expressed less than adequate housing facility, the proportion in the western development region and beyond is found to be still higher than the average.

In all quintiles, the share of households indicating less than adequate housing facilities is large and even in the highest quintile the share recorded is 51 percent. Another interesting result that can be noticed is in the sizable proportion of households in all the quintiles that have indicated having just adequate housing facilities. It appears that the answers were based on two things viz. affordability and access.

## **8.3 Clothing :**

In the case of clothing 52 percent of the households indicated they had less than adequate clothing and 42 percent answered just adequate clothing. Households reporting more than adequate clothing is negligible. The urban/rural difference in the first two category are significant. Household proportion with less than adequate clothing in the rural areas is 60 percent and in the urban is 27 percent. Similarly in the just adequate clothing category the proportion in the rural is 40 percent and the urban proportion quite high at 72 percent areas. Significant proportion of households that indicate having less than adequate clothing are found in all the quintiles. These proportion in all the quintiles ranging from a minimum 40 percent in the highest quintile to a maximum of 76 percent in the lowest quintile exceeds to those shares responding for the same category in food.

## **8.4 Health Care :**

In total there are 59 percent of the households reporting to have less than adequate health care and 41 percent expressing to have just adequate health care. Households reporting more than adequate health care is almost nil. By ecological belts the Mountains have the largest proportion of households (63%) indicating less than adequate health care. The Hills with 60 percent and Terai at 57 percent have slightly lower shares in this category. By development regions the Far-west has the highest share of households expressing less than adequate health care (75%). Eastern development region has the lowest percentage (51%) of households indicating less than adequate health care. The same type of share in other development regions lie in between the two extremes. Urban Kathmandu has only 4 percent of the households indicating less than adequate health care and is comparatively low. Similar household proportion in other urban areas at 37 percent is also significantly low compared to the average figure. As compared to the rural average of 61 percent

households indicating less than adequate health care, Eastern Terai is the only rural area with a lesser share.

The three lower quintiles have higher percentage of households than the average figure reporting less than adequate health care facilities. The two top quintiles although have a lower share of households in this category is not insignificant.

### **8.5 Schooling :**

In average there are 45 percent households indicating less than adequate schooling and 34 percent expressing schooling facility to be just adequate. Around 21 percent of the sampled households are found to have fallen into "not applicable" category because the questions did not turn out to be relevant to these households. Households without school going children could be one of the reasons. Other instances of households could be those that were unable to send their children to school. The largest share of households (57%) indicating less than adequate schooling facility is to be seen in the Hills. The same response in Terai is given by a lower percentage (33%) of households and far below the mean indicating better schooling facilities. However this region is also found to have the largest share of households falling in the "not applicable" group.

Household share expressing less than adequate schooling facility in the rural/urban areas differ widely. The rural share of 47 percent is quite close to the mean but the urban share of 22 percent is just half of the mean. As in other items, a sizable proportion of households indicating less than adequate schooling facility appear in all quintiles. The top quintile has 35 percent of households.

### **8.6 Income :**

Nearly 73 percent of the sampled households responded that their income was less than adequate. The share of households indicating their income to be just adequate comprised 26 percent and around 1 percent of the households responded to have more than adequate income. In the Mountains and the Hills the share of households that indicated to have less than adequate income is higher than the average. The same share in the Terai is slightly lower than average at 70 percent.

Households responding they have less than adequate income by development regions do not deviate significantly compared to the average share. It is a bit low in the eastern region (67%), a bit high (80%) in the western region and almost at par in the remaining three regions. Urban share of similar households are found to comprise of 51 percent and the rural share is slightly higher than the average at 74 percent. The share of households indicating to have less than adequate income in all the quintiles are larger compared to the same figures in other items.

Lastly, by combining the tables it can be observed that; urban Kathmandu is better off than other areas simply because in all things the share of less than adequate households

are lower. Similarly, the share of less than adequate households in the eastern development region is found to be lower than average in all the categories.

Table 8.1: Food Consumption by Different Characteristics

	Less than adequate	Just adequate	More than adequate	Total
<b>ECOLOGICAL BELT</b>				
Mountain	63.16	33.55	3.29	100.00
Hill	54.67	43.11	2.22	100.00
Terai	44.86	53.96	1.18	100.00
<b>DEVELOPMENT REGION</b>				
Eastern	49.13	49.70	1.16	100.00
Central	49.83	47.42	2.75	100.00
Western	54.82	44.32	0.86	100.00
Mid-west	46.86	51.29	1.85	100.00
Far-west	55.84	41.96	2.19	100.00
<b>URBAN</b>				
Kathmandu	36.27	61.82	1.92	100.00
Other urban	11.39	85.86	2.75	100.00
<b>RURAL</b>				
Western Hill/Mountain	53.01	45.63	1.36	100.00
E Hill/Mountain	52.01	46.17	1.82	100.00
Western Terai	58.70	39.93	1.37	100.00
Eastern Terai	59.51	37.01	3.48	100.00
<b>CONSUMPTION GROUP</b>				
First Quintile	42.76	55.61	1.64	100.00
Second Quintile	44.20	54.83	0.97	100.00
Third Quintile	69.84	30.16	0.00	100.00
Fourth Quintile	57.01	42.19	0.80	100.00
Fifth Quintile	55.02	44.48	0.50	100.00
Total	46.30	51.83	1.87	100.00
	34.10	61.06	4.84	100.00
<b>Total</b>	<b>50.86</b>	<b>47.31</b>	<b>1.83</b>	<b>100.00</b>

Table 8.2: Housing by Different Characteristics

	Less than adequate	Just adequate	More than adequate	Not appl- icable	Total
<b>ECOLOGICAL BELT</b>					
Mountain	67.74	30.97	0.00	1.29	100.00
Hill	67.07	32.56	0.37	0.00	100.00
Terai	60.49	39.38	0.00	0.12	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	58.07	41.93	0.00	0.00	100.00
Central	59.45	39.73	0.36	0.46	100.00
Western	71.38	28.58	0.04	0.00	100.00
Midwest	67.89	31.80	0.31	0.00	100.00
Far-west	76.51	23.49	0.00	0.00	100.00
<b>URBAN</b>					
Kathmandu	28.64	71.36	0.00	0.00	100.00
Other urban	43.42	55.08	0.19	1.31	100.00
<b>RURAL</b>					
Western Hill/Mountain	73.35	26.51	0.14	0.00	100.00
Eastern Hill/Mountain	66.34	32.68	0.53	0.45	100.00
Western Terai	70.14	29.86	0.00	0.00	100.00
Eastern Terai	57.63	42.37	0.00	0.00	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	75.46	24.54	0.00	0.00	100.00
Second Quintile	68.47	31.53	0.00	0.00	100.00
Third Quintile	69.73	30.27	0.00	0.00	100.00
Fourth Quintile	61.00	38.88	0.00	0.12	100.00
Fifth Quintile	51.39	47.36	0.69	0.55	100.00
<b>Total</b>	<b>64.10</b>	<b>35.56</b>	<b>0.17</b>	<b>0.16</b>	<b>100.00</b>

Table 8.3: Clothing by Different Characteristics

	Less than adequate	Just adequate	More than adequate	Not appl- icable	Total
<b>ECOLOGICAL BELT</b>					
Mountain	68.46	31.29	0.25	0.00	100.00
Hill	62.05	37.43	0.52	0.00	100.00
Terai	51.22	48.16	0.46	0.16	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	51.47	48.36	0.00	0.16	100.00
Central	53.37	45.79	0.85	0.00	100.00
Western	65.22	34.55	0.24	0.00	100.00
Midwest	58.35	40.35	0.99	0.31	100.00
Far-west	71.97	28.03	0.00	0.00	100.00
<b>URBAN</b>					
Kathmandu	11.08	88.69	0.23	0.00	100.00
Other urban	38.40	61.41	0.19	0.00	100.00
<b>RURAL</b>					
Western Hill/Mountain	67.32	32.23	0.45	0.00	100.00
Eastern Hill/Mountain	65.63	33.84	0.53	0.00	100.00
Western Terai	62.04	37.38	0.31	0.27	100.00
Eastern Terai	47.60	51.69	0.58	0.13	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	75.65	23.91	0.00	0.44	100.00
Second Quintile	63.97	36.03	0.00	0.00	100.00
Third Quintile	62.15	37.85	0.00	0.00	100.00
Fourth Quintile	54.53	45.12	0.35	0.00	100.00
Fifth Quintile	39.71	58.70	1.59	0.00	100.00
<b>Total</b>	<b>57.60</b>	<b>41.86</b>	<b>0.47</b>	<b>0.08</b>	<b>100.00</b>

Table 8.4: Health Care by Different Characteristics

	Less than adequate	Just adequate	More than adequate	Not appl- icable	Total
<b>ECOLOGICAL BELT</b>					
Mountain	63.13	36.64	0.00	0.22	100.00
Hill	59.70	40.00	0.19	0.11	100.00
Terai	56.90	41.84	0.06	1.19	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	51.19	46.64	0.00	2.16	100.00
Central	56.73	42.93	0.14	0.20	100.00
Western	65.24	34.56	0.00	0.20	100.00
Midwest	55.91	43.78	0.31	0.00	100.00
Far-west	75.14	24.53	0.33	0.00	100.00
<b>URBAN</b>					
Kathmandu	4.44	95.56	0.00	0.00	100.00
Other urban	37.30	61.01	0.66	1.03	100.00
<b>RURAL</b>					
Western Hill/Mountain	67.28	32.57	0.14	0.00	100.00
Eastern Hill/Mountain	60.62	38.88	0.21	0.30	100.00
Western Terai	62.36	37.34	0.00	0.30	100.00
Eastern Terai	56.26	42.14	0.00	1.60	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	69.41	29.36	0.00	1.23	100.00
Second Quintile	64.16	34.61	0.00	1.23	100.00
Third Quintile	62.24	37.52	0.00	0.23	100.00
Fourth Quintile	57.77	41.99	0.13	0.11	100.00
Fifth Quintile	45.46	53.67	0.35	0.52	100.00
<b>Total</b>	<b>58.70</b>	<b>40.57</b>	<b>0.11</b>	<b>0.62</b>	<b>100.00</b>

Table 8.5: Schooling by Different Characteristics

	Less than adequate	Just adequate	More than adequate	Not appl- icable	Total
<b>ECOLOGICAL BELT</b>					
Mountain	53.98	27.66	0.00	18.36	100.00
Hill	56.55	32.83	0.50	10.11	100.00
Terai	32.84	35.56	0.16	31.44	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	34.26	44.20	0.17	21.37	100.00
Central	43.89	30.02	0.43	25.66	100.00
Western	53.68	26.81	0.17	19.34	100.00
Midwest	41.44	41.45	0.64	16.48	100.00
Far-west	67.76	25.50	0.00	6.74	100.00
<b>URBAN</b>					
Kathmandu	22.45	55.72	0.00	21.83	100.00
Other urban	14.63	70.48	0.00	14.89	100.00
<b>RURAL</b>					
Western Hill/Mountain	27.72	45.78	0.00	26.50	100.00
Eastern Hill/Mountain	47.25	31.93	0.33	20.49	100.00
Western Terai	62.29	27.40	0.29	10.01	100.00
Eastern Terai	55.44	31.66	0.65	12.25	100.00
Eastern Terai	37.52	35.31	0.26	26.91	100.00
Eastern Terai	31.48	34.64	0.13	33.75	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	53.55	22.60	0.21	23.64	100.00
Second Quintile	50.65	28.09	0.00	21.26	100.00
Third Quintile	46.32	31.87	0.19	21.61	100.00
Fourth Quintile	45.57	35.41	0.17	18.85	100.00
Fifth Quintile	35.40	45.09	0.79	18.71	100.00
<b>Total</b>	<b>45.44</b>	<b>33.66</b>	<b>0.31</b>	<b>20.59</b>	<b>100.00</b>

Table 8.6: Total Income by Different Characteristics

	Less than adequate	Just adequate	More than adequate	Not appl- icable	Total
<b>ECOLOGICAL BELT</b>					
Mountain	82.02	17.14	0.55	0.28	100.00
Hill	73.73	25.04	1.09	0.14	100.00
Terai	69.69	29.31	0.48	0.52	100.00
<b>DEVELOPMENT REGION</b>					
Eastern	66.86	32.59	0.14	0.41	100.00
Central	71.90	26.23	1.76	0.11	100.00
Western	79.70	19.53	0.00	0.77	100.00
Midwest	73.29	25.77	0.94	0.00	100.00
Far-west	72.45	27.19	0.00	0.36	100.00
<b>URBAN</b>					
Kathmandu	50.93	47.27	1.53	0.26	100.00
Other urban	35.70	62.71	1.59	0.00	100.00
<b>RURAL</b>					
Western Hill/Mountain	61.19	36.88	1.49	0.44	100.00
Eastern Hill/Mountain	74.25	24.71	0.71	0.33	100.00
Western Terai	77.29	22.05	0.44	0.22	100.00
Eastern Terai	77.89	20.43	1.58	0.10	100.00
Western Terai	75.47	23.62	0.00	0.92	100.00
Eastern Terai	67.91	31.19	0.58	0.33	100.00
<b>CONSUMPTION GROUP</b>					
First Quintile	83.18	16.54	0.00	0.29	100.00
Second Quintile	79.63	20.17	0.00	0.21	100.00
Third Quintile	76.04	23.34	0.00	0.63	100.00
Fourth Quintile	70.79	28.46	0.63	0.13	100.00
Fifth Quintile	59.03	38.04	2.56	0.36	100.00
<b>Total</b>	<b>72.55</b>	<b>26.36</b>	<b>0.77</b>	<b>0.32</b>	<b>100.00</b>

## **Errata-Corrige**

### **ACCESS TO FACILITIES**

#### **Introduction**

After the publication of the first volume of results, an error was discovered in the figures on access to facilities; this section explains the cause of the error and reports corrected results.

The questionnaire asked each household how long it took to reach a number of facilities from the household's dwelling. The list of facilities included, among others, both paved roads and dirt roads. Since it did not make sense to ask what was the distance to the nearest dirt road to those households who lived on or near a paved road, the questionnaire offered "not applicable" as an answer, and the interviewer manual explained that "not applicable" was to be used in these cases only. Consequently, "not applicable" answers were interpreted to mean that the facility was near the household and the distance was zero. However, it turned out that "not applicable" had been used in a number of cases where the facility, instead of being present near the household, was actually very far. Moreover, it was noticed that the "not applicable" answer was sometimes used for facilities other than dirt roads. For all of these cases, the distance was missing. Treating all "not applicable" as very near was not correct -- distances to facilities were underestimated, as a distance of zero was assigned to a number of households who were instead very far from facilities.

To correct for this problem, a distance had to be estimated when the response was "not applicable" and the true distance was missing. The method used was to replace the missing distance with the median distance for the facility in the ward where the household lived. The ward medians were calculated based on non-missing observations. Where all observations were missing for a ward, the distance was left missing.

All average distances were then recalculated. The problem, and thus the difference in estimates, was negligible for primary schools, health posts, cooperatives, Krishi Kendra, Commercial banks/branch offices, and market centers, for which the percentage of households not reporting was less than 3 percent, as can be seen from Table 1. The problem was more significant for bus stops, paved roads, and dirt roads, for which the percentages of missing responses were five, eight, and 16 percent respectively. Thus, the difference between the figures reported in Volume 1 and the current estimates is quite significant for these facilities. The problem was so pervasive for haat bazaars that the results are not too informative (only 61 percent of households responded, and for only 13 percent of the non-respondents could a ward median be used).

#### **Corrected Results**

Tables 1-4 present corrected results on distance to facilities. The main differences between these numbers and those reported in Volume 1 is in access to bus stops, roads, and haat bazaars. A smaller percentage of households than reported earlier has access to a paved road within half an hour (24 versus 30 percent), while a higher percentage (32 versus 29) needs more than three hours to travel to a paved road. 22 percent report being more than three hours away from a dirt

road (24 percent in rural areas). Rural households report that the average travel time to a dirt road is three hours and forty minutes, to a bus stop more than four hours, and to a paved road five-and-a-quarter hours (that this may include time spent both walking and by bus).

As for haat bazaars, 39 percent of the households did not give a distance. Of these, 12 percent are urban households that are likely to have access to other markets; 88 percent are rural, and probably do not have easy access to other markets. Among the households that reported their distance to haat bazaars, or for which a ward median was available, 82 percent of urban households and 39 percent of rural households have access within half an hour.

Table 4.1: Distribution of Households by Time taken to reach the Nearest Facility

Facilities	Up To 30 Minutes	30 Minutes To 1 Hour	1 - 2 Hours	2 - 3 Hours	3 Hours & More	Total
<b>URBAN</b>						
Primary School	97.40	2.11	0.49	0.00	0.00	100.00
Health Post	88.70	10.36	0.94	0.00	0.00	100.00
Sajha (Cooperative)	85.39	12.56	1.67	0.09	0.29	100.00
Krishi Kendra	80.54	17.43	1.75	0.09	0.19	100.00
Comm.Bank/Branch Office	89.77	8.92	1.22	0.09	0.00	100.00
Market Centre	88.78	10.00	1.13	0.09	0.00	100.00
Local Shop	97.5	2.29	.06	0.00	0.11	100.00
Haath Bazaar	82.12	15.85	1.85	0.00	0.18	100.00
Paved Road	94.92	4.04	0.94	0.09	0.00	100.00
Dirt Road, Vehicle Passable	99.13	0.33	0.06	0.00	0.48	100.00
Dirt Road, Vehicle Impassable	99.34	0.12	0.00	0.00	0.55	100.00
Bus Stop	89.44	9.46	0.99	0.00	0.10	100.00
<b>RURAL</b>						
Primary School	87.73	8.41	2.99	0.37	0.50	100.00
Health Post	41.33	26.10	19.29	8.26	5.03	100.00
Sajha (Cooperative)	21.15	19.87	24.78	13.93	20.27	100.00
Krishi Kendra	19.94	20.17	26.15	14.93	18.81	100.00
Commercial Bank/Branch Office	15.23	18.40	26.63	17.07	22.67	100.00
Market Centre	19.12	17.11	26.62	14.95	22.20	100.00
Local Shop	77.50	9.91	7.51	2.00	3.08	100.00
Haath Bazaar	39.29	19.82	14.00	7.32	19.56	100.00
Paved Road	18.36	14.03	19.60	13.32	34.69	100.00
Dirt Road, Vehicle Passable	54.74	6.81	7.71	6.65	24.10	100.00
Dirt Road, Vehicle Impassable	89.38	3.34	3.85	1.34	2.09	100.00
Bus Stop	28.42	15.73	17.24	12.00	26.60	100.00

NEPAL						
Primary School	88.44	7.95	2.81	0.34	0.47	100.00
Health Post	44.81	24.94	17.94	7.65	4.66	100.00
Sajha (Cooperative)	25.90	19.33	23.07	12.90	18.79	100.00
Krishi Kendra	24.45	19.97	24.33	13.83	17.43	100.00
Commercial Bank/Branch Office	20.71	17.70	24.76	15.82	20.01	100.00
Market Centre	24.21	16.59	24.76	13.87	20.57	100.00
Local Shop	78.97	9.35	6.96	1.86	2.86	100.00
Haath Bazaar	41.38	19.63	13.41	6.96	18.62	100.00
Paved Road	24.19	13.27	18.18	12.31	32.05	100.00
Dirt Road, Vehicle Passable	57.98	6.34	7.15	6.16	22.37	100.00
Dirt Road, Vehicle Impassable	90.02	3.13	3.60	1.25	1.99	100.00
Bus Stop	33.07	15.26	16.01	11.08	24.59	100.00

Note: The time taken to reach the facility is measured irrespective of the mode of transport used by the household. The mode of transport includes Foot (without load), Bicycle, Motorcycle, Car/Bus and Mixed (foot plus vehicle)

Table 4.2: Distribution of Households by Time taken to reach the Nearest Facility by Quintiles (Percent)

Facilities	Up To 30 Minutes	30 Minute To 1 Hour	1 - 2 Hours	2 - 3 Hours	3 Hours & More	Total
<b>FIRST QUINTILE</b>						
Primary School	79.27	13.28	5.50	0.63	1.32	100.00
Health Post	29.08	26.08	26.57	12.49	5.78	100.00
Sajha (Cooperative)	12.83	16.43	23.01	15.97	31.76	100.00
Krishi Kendra	12.43	17.77	24.50	16.85	28.47	100.00
Commercial Bank/Branch Office	9.67	14.81	24.37	11.99	31.16	100.00
Market Centre	12.96	15.42	21.92	16.10	33.60	100.00
Local Shop	67.66	12.63	9.71	3.36	6.63	100.00
Haath Bazaar	30.45	20.67	13.39	6.20	29.29	100.00
Paved Road	16.48	11.07	15.94	16.50	40.01	100.00
Dirt Road, Vehicle Passable	46.73	7.02	5.31	8.48	32.45	100.00
Dirt Road, Vehicle Impassable	84.34	6.24	4.69	1.17	3.56	100.00
Bus Stop	21.93	13.47	17.47	16.23	30.90	100.00
<b>SECOND QUINTILE</b>						
Primary School	87.98	8.52	2.68	0.40	0.42	100.00
Health Post	40.67	27.60	20.22	7.83	3.67	100.00
Sajha (Cooperative)	19.69	21.26	25.70	13.92	19.43	100.00
Krishi Kendra	16.66	22.96	26.63	15.16	18.58	100.00
Commercial Bank/Branch Office	12.09	19.58	30.22	17.17	20.93	100.00
Market Centre	16.06	19.80	29.59	15.24	19.31	100.00
Local Shop	77.53	8.32	9.62	2.34	2.18	100.00
Haath Bazaar	39.29	22.66	13.82	6.12	18.12	100.00
Paved Road	17.42	17.00	25.05	10.87	29.66	100.00
Dirt Road, Vehicle Passable	58.94	6.77	7.30	4.41	22.58	100.00
Dirt Road, Vehicle Impassable	88.39	2.41	5.77	0.52	2.91	100.00
Bus Stop	28.77	18.98	19.10	9.35	23.80	100.00

**THIRD QUINTILE**

Primary School	88.51	8.84	2.32	0.11	0.22	100.00
Health Post	43.16	27.44	19.32	4.91	5.17	100.00
Sajha (Cooperative)	21.86	22.06	25.58	13.79	16.71	100.00
Krishi Kendra	20.34	21.55	27.75	14.47	15.88	100.00
Commercial Bank/Branch Office	16.63	19.73	27.68	17.25	18.71	100.00
Market Centre	21.32	18.61	27.63	13.97	18.47	100.00
Local Shop	78.31	11.74	5.84	1.12	2.99	100.00
Haath Bazaar	46.65	18.94	12.14	6.27	16.00	100.00
Paved Road	17.50	15.85	21.70	14.88	30.07	100.00
Dirt Road, Vehicle Passable	58.73	7.41	7.47	5.84	20.55	100.00
Dirt Road, Vehicle Impassable	91.98	2.88	1.83	2.12	1.20	100.00
Bus Stop	29.45	18.02	17.22	11.65	23.67	100.00

**FOURTH QUINTILE**

Primary School	91.55	5.09	2.71	0.31	0.34	100.00
Health Post	48.24	24.22	16.03	6.87	4.64	100.00
Sajha (Cooperative)	28.92	16.40	24.47	13.9	16.81	100.00
Krishi Kendra	27.32	16.71	26.17	14.66	15.14	100.00
Commercial Bank/Branch Office	20.60	17.19	25.94	16.78	19.49	100.00
Market Centre	26.30	13.92	25.57	15.29	18.92	100.00
Local Shop	82.35	7.94	6.00	1.94	1.78	100.00
Haath Bazaar	43.93	19.83	11.44	7.83	16.96	100.00
Paved Road	24.24	12.61	17.08	12.78	33.30	100.00
Dirt Road, Vehicle Passable	59.50	5.47	7.58	7.25	20.25	100.00
Dirt Road, Vehicle Impassable	92.32	2.71	2.67	.78	1.52	100.00
Bus Stop	33.37	14.59	15.73	11.63	24.68	100.00

**FIFTH QUINTILE**

Primary School	92.35	5.61	1.50	0.33	0.21	100.00
Health Post	56.99	20.90	10.89	7.05	4.17	100.00
Sajha (Cooperative)	40.03	20.30	17.99	8.91	12.76	100.00
Krishi Kendra	38.77	20.95	18.30	9.63	12.35	100.00
Commercial Bank/Branch Office	37.72	17.20	17.87	10.01	17.19	100.00
Market Centre	38.27	15.85	20.30	10.02	15.56	100.00
Local Shop	85.34	7.12	4.97	1.00	1.57	100.00
Haath Bazaar	43.83	16.65	16.37	8.10	15.05	100.00
Paved Road	39.13	10.57	12.94	8.17	29.17	100.00
Dirt Road, Vehicle Passable	63.02	5.45	7.65	5.11	18.76	100.00
Dirt Road, Vehicle Impassable	91.47	2.07	3.60	1.53	1.33	100.00
Bus Stop	46.93	11.96	12.02	7.91	21.18	100.00

Table 4.3: Mean Time taken by Urban / Rural Households to reach Facilities

Facilities	Meantime To Reach Facility		
	Urban	Rural	
	Minutes	Hours	Minutes
Primary School	12	-	25
Health Post	21	1	17
Sajha (Cooperative)	27	2	38
Krishi Kendra	28	2	32
Commercial Bank/Branch Office	19	2	58
Market Centre	19	3	8
Local shop	9		41
Haath Bazaar	29	4	51
Paved Road	9	5	17
Dirt Road, Vehicle Passable	5	3	39
Dirt Road, Vehicle Impassable	5		32
Bus Stop	19	4	4

Table 4.4: Mean Time taken by Households to reach Facilities by Quintiles

FACILITY	Quintiles									
	First		Second		Third		Fourth		Fifth	
	Hour	Minute	Hour	Minute	Hour	Minute	Hour	Minute	Hour	Minute
Primary School	-	34	-	24	-	22	-	24	-	19
Health Post	1	32	1	22	1	14	1	7	-	56
Sajha (Cooperative)	3	44	2	27	2	27	2	17	1	49
Krishi Kendra	3	13	2	30	2	34	2	17	1	40
Commercial Bank/Branch Office	3	45	2	50	2	55	2	37	2	5
Market Centre	4	35	2	58	2	43	2	44	2	6
Local Shop		57		39		43		34		27
Haath Bazaar	6	57	5	12	3	48	3	16	3	1
Paved Road	6	22	5	10	4	55	4	39	3	57
Dirt Road, Vehicle Passable	5	9	3	28	2	57	2	56	2	54
Dirt Road, Vehicle Impassable		42		37		25		26		24
Bus Stop	4	50	3	56	4		3	36	2	58

## ANNEX 1

### DISSEMINATION OF NLSS DATA TO USERS

All potential users of the NLSS data set will be required to adhere to the following conditions:

1. NLSS data is given to all users subject to the provision that (i) they duly acknowledge that the data used has been provided to them by CBS, and that (ii) CBS be provided with one copy of all publications in which NLSS data is used.
2. They provide an undertaking that they will not pass copies of the data received to other individuals or organizations without first obtaining written permission from CBS allowing them to do so.
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#### Materials:

1. NLSS Basic Information Document	Approx. 25 pages
2. NLSS Questionnaires	Approx. 150 pages
3. NLSS Data Codebook	Approx. 65 pages
4. Data Diskettes	Approx. 3 diskettes

#### Fee:

Category	Rate
1. Academics or Students in Nepal	Nrs. 1,000
2. HMG departments, agencies, NGOs, etc.	Nrs. 3,000
3. Other users (INGOs, international agencies, etc.)	Nrs.6,000 (or US \$ 100)