

# POVERTY AND EXCLUSION IN NEPAL

Further Analysis of Recent Surveys and Census



CENTRAL DEPARTMENT OF SOCIOLOGY/ANTHROPOLOGY

Tribhuvan University

Kathmandu, Nepal

## **Poverty and Exclusion in Nepal**

Further Analysis of Recent Surveys and Census

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Central Department of Sociology/Anthropology

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# **SOCIAL INCLUSION ATLAS AND ETHNOGRAPHIC PROFILE RESEARCH TEAM**

## **Team of Authors**

**Arun Kumar Lal Das and Tika Ram Gautam**

## **Editors**

**Om Gurung and Mukta S. Tamang**

## **Nepal Social Inclusion Survey (NSIS)**

Dr. Yogendra B Gurung (Team Leader), Dr. Bhim R. Suwal, Dr. Meeta S. Pradhan,  
Dr. Krishna Bhattachan, Dr. Sangarma Singh Lama, Ms. Neeti Aryal Khanal,  
Mr. Bal Krishna Mabuhang, Prof. Krishna Hachhethu,  
Prof. Pushpa Lal Joshi, Mr. Mohan Khajum

## **Further Analysis of National Surveys and Nepal Social Inclusion Index (NSII)**

Prof. Arun Kumar Lal Das (Team Leader), Dr. Chaitanya Subba, Dr. Rudra Suwal,  
Dr. Tika Ram Gautam, Dr. Narendra Mangal Joshi, Dr. Tulsi Ram Pandey,  
Dr. Yubaraj Luitel, Dr. Kushum Shakya, Mr. Basanta Thapa

## **Ethnographic Profiles (EP)**

Mr. Dambar Chemjong (Team Leader), Prof. Om Gurung, Dr. Mukta S. Tamang,  
Prof. Dilli Ram Dahal, Dr. Binod Pokhrel, Dr. Suresh Dhakal, Mr. Yam Bahadur Kisan,  
Mr. Madhusudan Subedi, Mr. Navin Rawal, Dr. Janak Rai

## **Social Inclusion Atlas**

Dr. Prem Sagar Chapagain (Team Leader), Mr. Pawan Ghimire, Mr. Sher Bahadur  
Gurung, Mr. Binod Adhikari, Ms. Manisha Rai, Mr. Shyam Krishna Subedi, Mr. Subash  
Rai,

## **SIA-EP Research Advisors and Resource Persons**

Dr. Mangal Siddhi Manandhar, Prof. Yogendra P. Yadava, Prof. Ram Bahadur Chhetri,  
Mr. Hira Bishwokarma, Prof. Pushkar Pradhan, Dr. Asha Lal Tamang,  
Prof. Padma Chandra Paudel

## **Reviewers**

### **NSIS and NSII**

Dr. Magnus Hatlebakk and Prof. Astri Suhrke, Chr. Michelsen Institute (CMI), Norway

## **Ethnographic Profiles (EP)**

Prof. David Holmberg, Prof. Gérard Toffin, Prof. Kathryn S. March,  
Prof. Mark Turin, Dr. Sara Shneiderman

# FOREWORD

The Social Inclusion Research Fund (SIRF) was started in 2005 on the initiative of civil society of Nepal and the Royal Norwegian Embassy in Kathmandu. Government of Nepal welcomed this initiative as highly relevant and endorsed the formation of SIRF Screening Committee represented by civil society, international scholars and government agencies. SNV Nepal was entrusted with the task of managing the fund, which has now a track record of having completed 303 individual researches and two major institutional research collaborations. The Social Inclusion Atlas Ethnographic Profile (SIA EP) is a truly joint collaboration involving all key stakeholders. SIRF Secretariat and SIA EP management team have worked closely with staff in SNV, the Norwegian Embassy, Norad Oslo and Tribhuvan University departments taking full advantage of the resources that each partner have been able to bring into the project. SIRF Secretariat facilitated processes of research design, making a public call for proposal, and an independent review and award of this research. SIRF Screening Committee provided guidance in defining the strategic focus and priorities of SIA EP research.

The SIA EP is a pioneer undertaking by the Central Department of Sociology Anthropology of Tribhuvan University, of institutional research involving a large number of multi-disciplinary team of academic researchers, policy makers, government agencies and civil society stakeholders. SIA EP management team earned this experience through hard work, determination and patience. We are glad to have been collaborators in bringing forth the results of a very important undertaking. That the SIA EP has arrived at this stage of publication fills us with great happiness. We believe that the publications and reports produced will serve many useful purposes in future.

**Kjell Tormod Pettersen**  
Ambassador  
Royal Norwegian Embassy

**Rem Neefjes**  
Country Director  
SNV Nepal

**Manju Thapa Tuladhar, PhD**  
Lead Adviser  
SIRF Secretariat/ SNV Nepal

# **PREFACE AND ACKNOWLEDGEMENTS**

This report presents the further analysis of recent surveys and census data on selected social and economic indicators by broad social groups in Nepal. The report highlights levels of poverty and exclusion in Nepal based on statistical evidences on health and sanitation, education and economic situation. The study is based on the data presented in Nepal Living Standards Survey 2010 (NLSS), Nepal Demographic and Health Survey 2011 (NDHS), Nepal Labour Force Survey 2008 (NLFS) and 2011 Census.

The study together with Nepal Multidimensional Social Inclusion Index is one of the four components of a larger research project on Social Inclusion Atlas and Ethnographic Profile (SIA-EP) undertaken by the Central Department of Sociology/Anthropology at Tribhuvan University. The other three interrelated components include Nepal Social Inclusion Survey (NSIS), Social Inclusion Atlas that plot the caste/ethnicity data of selected indicators on spatial maps and finally Ethnographic Profiles of the 42 highly excluded communities to provide qualitative information. The overall objectives of the SIA-EP research were to promote a more informed understanding of Nepal's social diversity by producing research based, up to date information, on the country's cultural and linguistic diversity and the status of social inclusion of different social groups. The quantitative and qualitative information produced through research is expected to contribute to policy design, research as well as education.

The study brings together data on 21 indicators from recent national surveys and 2011 census for further analysis by social groups. Although, primary aim of the overall research project is to present the analysis by specific caste and ethnic groups in the country, due to the limitation on the secondary data available, analysis could only be done by broad categories in this study. The category of social groups employed by this study is consistent with the Nepal Living Standard Survey approach. All caste and ethnic groups enumerated in 2001 census and further in 2011 were classified in 11 broad social groups primarily based on their socio-cultural and linguistic commonalities. We hope that the analysis presented in the report help us not only to understand status of different social groups, but also to compare with the previous studies for tracking progress on various indicators.

Successful completion of SIA-EP research and NSIS was possible with generous support of various institutions and the effort of about 200 individuals who were involved in various capacities. We would like to express our gratitude to the Royal Norwegian Embassy (RNE) in Nepal for providing the research fund through SIRF/SNV. We express our gratitude to Kristine H. Storholt and Lena Hasle from RNE for their valuable support and insightful feedback in accomplishing the task. We thank SIRF and SNV for managing the fund and Prof. Ganesh Man Gurung Chair of the Screening Committee for supporting the research. Thanks also go to Prof. Shiva Kumar Rai, then member of National Planning Commission,

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We express our gratitude and acknowledgment to the National Planning Commission and the Central Bureau of Statistics for making available National Survey and 2011 Census data, without which completion of this study would not have been possible. Our sincere thanks also go to representatives of Dalit Organizations, Nepal Federation of Indigenous Nationalities (NEFIN), National Foundation for Development of Indigenous Nationalities (NFDIN), Madhesi organizations, women's organizations and others, and the intellectuals and professionals who participated in a series of consultation workshops as well as preliminary findings sharing meetings and provided valuable comments and suggestions to enhance the quality of the data as well as the reports. Heartfelt thanks go to the field enumerators and supervisors who were the part of the survey team in collecting information to make this study possible. Finally, we would like to acknowledge the help of Andrew Steele for meticulously editing the document even within the short span of time.

**Om Gurung, PhD**

Professor and Head, CDSA, TU  
Coordinator, SIA-EP Research

**Mukta S. Tamang, PhD**

Research Director,  
SIA-EP Research CDSA, TU

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# ABBREVIATIONS

BMI	=	Body Mass Index
HDR	=	Human Development Report
ILO	=	International Labour Organization
NDHS	=	Nepal Demographic and Health Survey
NLFS	=	Nepal Labour Force Survey
NLSS	=	Nepal Living Standard Survey
NPHC	=	National Population and Housing Census
PRSP	=	Poverty Reduction Strategic Plan
TT	=	Tetanus Toxoid
UNDP	=	United Nation's Development Programme
WHO	=	World Health Organization

# OVERVIEW

This study of recent national survey and census data focuses on updating and reanalyzing 34 key socio-economic indicators of social exclusion in Nepal. The study highlights levels of exclusion in health and sanitation, education, and economic activity among broadly defined caste and ethnic groups.

The reanalysis of the indicators selected for this study is based on the data presented in the NLSS (Nepal Living Standards Survey 2010), the NDHS (Nepal Demographic and Health Survey 2011), the NLFS (Nepal Labour Force Survey 2008), and the 2011 Census. Frequency and percentage distribution (including mean) were the major techniques used in the reanalysis.

Levels of access to health and sanitation facilities differ among Nepal's ethnic groups with some groups more excluded than others. Dalits in the hill and Tarai regions of the country for example, lag far behind other groups in terms of access to health care. The hill Brahman/Chhetris and Tarai janajatis, on the other hand, have the best access to health care facilities of all the caste/ethnic groups. Similarly, caste/ethnic groups in the Tarai have the best access to safe drinking water. Despite the fact that no one ethnic group scores highly in all of the selected indicators, the Brahman/Chhetri communities in the hills and in the Tarai are relatively less excluded. Dalit communities from both regions are generally more excluded than other caste/ethnic groups.

An individual's level of education directly impacts on his or her livelihood opportunities. Levels of exclusion relating to literacy also vary between caste/ethnic groups. Levels of exclusion among hill Brahman/Chhetris and hill janajatis are lower than the national average, whereas levels are higher among the ethnic groups of the Tarai and among hill dalits. In addition, there is a gender discrepancy with men from all caste/ethnic groups more likely to be literate than women. Levels of exclusion, however, vary from indicator to indicator – gross school enrolment rates, for example, are poorest among Muslims, Tarai dalits, and other Tarai caste/ethnic groups. Despite this variation in levels of exclusion, in general, Brahman/Chhetris from the hills and from the Tarai experience lower levels of education/literacy related exclusion than other groups

The economic position of individuals and households across the major caste/ethnic groups of Nepal is the best indicator of actual levels of exclusion. Again, there is much variation across indicators in this area. Agricultural land ownership is more prevalent among hill dalits, hill Brahman/Chhetris and Tarai janajatis, while it is least prevalent among Tarai dalits. Other indicators including access to agricultural / non-agricultural employment, wage rates, remittances, poverty levels, and the poverty gap also differ widely between groups. The poverty head count is the lowest among hill and Tarai Brahman/Chhetri groups and highest among hill and Tarai dalits. It should be added, however, that over time, poverty is gradually declining. As with the education and health indicators, levels of economic exclusion vary widely. That stated, hill Brahman/Chhetris tend to be the least economically excluded group and Tarai dalits the most excluded.

# INTRODUCTION

This research explores levels of social and economic exclusion among the major ethnic/caste groups of Nepal based on a set of measurable indicators. The indicators were selected following a study of the available literature on social inclusion/exclusion in Nepal. Selection was also based on the availability of reliable data which in turn, forms a basis for a set of statistically reliable estimates. The research attempts to lay the foundation for the planning and implementation of social inclusion programmes. It also provides a basis for evaluation of the socio-economic changes that have taken place in Nepal over a period of time. The study team used a common statistical methodology in order to make valid comparisons between groups and over time, using representative national level census and survey data.

## 1.1 Objectives

The overall objective of this research is to further analyze and update selected indicators of social and economic exclusion among the major ethnic groups of Nepal. Specific objectives are:

- To analyze selected socio-economic indicators from recent national surveys and census data.
- To assess changes over time in selected economic indicators, with a particular focus on the broad social categories used in the Nepal Living Standards Survey.

## 1.2 Methods

All of the social and economic indicators identified by using the methodology developed for this research have been broken down into seven broad categories based on Nepal's major ethnic groups. Some of these categories have been further disaggregated. The hill Brahman/Chhetri group, for example was broken down into hill Brahman and hill Chhetri. In the Tarai, Brahman/Chhetri groups were disaggregated from other ethnic groups. Newar and other hill *janajati* groups were also separated out during analysis.

This reanalysis also provides updates for some key socio-economic indicators, particularly those of Das and Hatlebakk (2010). These include indicators covering malnutrition in children under five, access to safe drinking water, size, number and value of agricultural land holdings, agriculture sector and non-agricultural sector wage rates, per-capita consumption, and poverty. The remaining indicators reanalyzed for this study are new. The reanalysis of these indicators will provide a useful contribution to the body of research in this area.

The updates and reanalysis presented here, focus on indicators used in the Nepal Living Standards Survey (NLSS 2010), the Nepal Demographic and Health Survey (NDHS

**Table 1.1: Data source by indicator**

<b>Indicator</b>		<b>Source</b>
<b>A. Maternal and child Health and sanitation</b>		
1.	Antenatal care visits	NDHS 2011
2.	Iron tablet use	NDHS 2011
3.	Tetanus vaccination during pregnancy	NDHS 2011
4.	Child delivery practices	NDHS 2011
5.	Post-natal care	NDHS 2011
6.	Vaccination coverage	NDHS 2011
7.	Women's access to basic health services	NDHS 2011
8.	Malnourished children under the age of 5	NDHS 2011
9.	Body Mass Index (BMI) of women of reproductive age	NDHS 2011
10.	Access to safe drinking water	2011 Census
11.	Access to modern toilet facilities	2011 Census
<b>B. Education</b>		
1.	Adult literacy	2011 Census
2.	Gross enrolment rate at primary, secondary and tertiary levels (4 indicators)	2011 Census
<b>C. Economic activity and income/consumption</b>		
1.	Agricultural land holding	NLSS 2010
2.	Value of agricultural land	NLSS 2010
3.	Area of agricultural holding	2011 Census
4.	Agricultural land holding (women)	2011 Census
5.	Area of agricultural holding (women)	2011 Census
6.	House ownership (women)	2011 Census
7.	Non-agricultural employment	2011 Census
8.	Extent of regular employment	2011 Census
9.	Basic occupations	2011 Census
10.	Women in professional/technical jobs	2011 Census
11.	Current employment status	NLFS 2008

12.	Current labour under-utilization rate	NLFS 2008
13.	Child labour rate	NLFS 2008
14.	Wage rate in agriculture jobs	NLSS 2010
15.	Wage rate in non-agriculture jobs	NLSS 2010
16.	Remittances	NLSS 2010
17.	Per-capita consumption	NLSS 2010
18.	Sources of household lighting	2011 Census
19.	Sources of cooking fuel	2011 Census
20.	Housing status	2011 Census
21.	Poverty indicators	NLSS 2010*

\*The poverty indicators are presented in the Technical Notes section and include data from NLSS 2003 and NLSS 1995 (see Annex A).

2011), the Nepal Labour Force Survey (NLFS 2008), and the 2011 Census. Details about the sources of selected indicators are given in Table 1.1.

### 1.3 Rationale for the Focus on Caste/Ethnic Differentials and Classification

#### A New Global Focus on Caste and Ethnicity

The Human Development Report 2004 highlighted the cultural diversity agenda as key to sustainable development. Globally, there are around 5,000 different ethnic groups in living in some 200 countries (UNDP, 2004). Moreover, diversity increases as people migrate. With the spread of democracy and human rights movements, the demand for cultural, religious and linguistic recognition has also increased. The UNDP report argues that there is no trade-off between ethnic identity and feelings of nationalism. It also states that clashes relating to the superiority of one set of values over another have the potential to endanger world peace. Caste and ethnicity, therefore, have become important dimensions of global focus, as explained by Das and Hatlebakk (2010).

#### The Nepalese Context

The 1990 Constitution of Nepal adopted the principle of eliminating social and economic inequalities and of maintaining and promoting pluralism and diversity of culture. A diversity of caste/ethnicity is one of the bases of pluralism recognized by the Nepal census. Population counts by caste and ethnicity were introduced for the first time in the 1991 National Census which revealed that Nepal was home to huge range of caste/ethnic groups, languages and religions. The process of political transformation that gained momentum in April 2006 placed renewed importance on maintaining cultural pluralism. This is reflected in a range of inclusive policy provisos which seek to bring *janajatis*, *dalits*, *Madheshis*,

women and other previously marginalized groups into the mainstream development process. The 2011 Census list 125 different caste/ethnic groups in Nepal indicating even higher levels of cultural diversity and plurality than were noted in the past.

Social inclusion was one of the four pillars of the PRSP/Tenth Plan (2002-2007), but inclusive intervention programs have not been effective. It is commonly believed that many excluded groups such as *dalits*, *janajatis*, and *Madheshis*, are not fairly or proportionally represented in the political, social, and economic arenas. Nevertheless, this common belief needs to be empirically examined in order to shed light on the extent of the exclusion. This analysis of data disaggregated by ethnicity aims to provide a basis on which to formulate and implement concrete policy interventions for a more inclusive society.

### **Caste/Ethnic Classification Used in this Analysis**

The caste/ethnic groups mentioned in this analysis were categorized according to their original caste/ethnic background, rather than according to the place where they currently live. The estimate for a particular group was, therefore, based on the total number of sample households, irrespective of their current place of residence. For example, estimates for hill Brahmins were based on data collected from hill Brahmin householders living in the hills, the mountains and in the Tarai. Caste/ethnic groups sharing similar cultural practices were grouped together where relevant. The “other” category was used to categorize those who did not report their caste/ethnicity and for those cases where it was not possible to determine which of the broad ethnic groups respondents belonged to. The “other” category was not included in the framework of this reanalysis.



# HEALTH

This chapter gives a detailed account of basic health indicators with a focus on maternal and child health. Indicators cover the period from pregnancy to infant vaccination. Indicators covering the nutritional status of children under five and of women of reproductive age are also examined. In addition, other health related indicators such as access to safe drinking water and sanitation levels are covered in this chapter. The analysis not only reflects the achievement of Millennium Development Goals related to health but also highlights levels of access to basic health care services and how this relates to levels of social inclusion.

## 2.1 Antenatal Care Visits

Antenatal care delivered by a skilled service provider significantly reduces the risk of morbidity for both mother and baby during pregnancy and delivery. Regular antenatal care visits are also helpful in identifying and preventing pregnancy related health problems. The World Health Organization recommends at least four antenatal care visits during pregnancy and more in the event of complications. For severe complications, admission to a health facility may be necessary.

Table 2.1 presents the mean number of antenatal visits by pregnant mothers for their most recent birth in the five years preceding the 2011 NDH survey. Findings show that women in Nepal make an average of 3.6 antenatal visits during pregnancy – 0.7 below the World Health Organization figure mentioned above. Hill Brahman/Chhetri women, however, make an average of 4.3 antenatal visits while the figure for all other caste/ethnic groups is below the national average. The most vulnerable groups are Tarai dalit women and Muslim women who made only 2.6 and 3 antenatal visits respectively during their last pregnancies.

Disaggregating the data for the Hill Brahman/Chhetri group reveals that the mean number of antenatal visits made by Chhetri women is lower than that of Brahman women. Newar women make as many antenatal visits as hill Brahman women – significantly higher than other hill *janajatis*. A similar gap is not seen between Tarai Brahman/Chhetri women and women from other Tarai caste groups.

**Table 2.1: Average number of antenatal visits made by pregnant women during their last pregnancy categorized by ethnic group**

Ethnic Group	Mean number of visits	Four or more visits (%)	Zero visits (%)
Hill Brahman/Chhetri	4.3	64.0	3.0
-Hill Brahman	5.2	80.6	0.8
-Hill Chhetri	3.7	54.5	4.6
Tarai Caste Groups	3.3	36.4	5.3
-Tarai Brahman/Chhetri	3.4	42.7	1.4
-Other Tarai Castes	3.3	35.9	5.9
Hill <i>Dalit</i>	3.3	48.6	6.4
Tarai <i>Dalit</i>	2.6	23.2	6.9
Hill <i>Janajati</i>	3.4	48.8	6.9
-Newar	5.7	82.8	1.4
-Other Hill <i>Janajati</i>	3.1	44.5	7.9
Tarai <i>Janajati</i>	3.5	51.2	3.5
Muslim	3.0	34.8	4.7
Others	4.8	72.5	0.0
<b>Total</b>	<b>3.6</b>	<b>50.1</b>	<b>5.0</b>

Source: NDHS, 2011

## 2.2 Types of antenatal care

Information about the quality of antenatal care was obtained from women who had given birth in the five years preceding the NDHS. One of the quality indicators for antenatal care is the use of iron tablets; the distribution of iron tablets by ethnic group is shown in table 2.2 below. The table also lists the mean number of days on which tablets were consumed (these figures include respondents who did not use iron tablets). Around 80% of Nepalese women take iron tablets during their pregnancies for an average of 125 days. This latter figure is significantly below the 180 days recommended by the World Health Organization. 85.9% of hill Brahman/Chhetri, women used iron tablets during their last pregnancy with 141.2 mean consumption days. These were the best combined figures. The number of Tarai *janajati* women who took tablets stands at 85%. Although hill *janajati* women have consumption rates above the national average, the number of women that took tablets is relatively low (73.1%). The remaining ethnic groups scored below the national average, both in terms of the percentage of women that used tablets and the mean number of consumption days. Tarai *dalit* women appear most vulnerable with the lowest overall score.

More hill Brahman women took iron tablets for more days than hill Chhetri women. This is also true for Newar women when compared to other hill *janajati* women. Similar results are seen when Tarai Brahman/Chhetri women are compared to other Tarai caste groups.

**Table 2.2: Use of iron tablets during pregnancy categorized by ethnic group**

<b>Ethnic Group</b>	<b>Mean Iron Tablet Use Days</b>	<b>Iron tablet Use%</b>
Hill Brahman/Chhetri	141.2	85.9
-Hill Brahman	151	93.6
-Hill Chhetri	134	81.6
Tarai Caste Groups	100.4	78.4
-Tarai Brahman/Chhetri	161	84.5
-Other Tarai Castes	95	77.9
Hill <i>Dalit</i>	120	76.2
Tarai <i>Dalit</i>	76	75.5
Hill <i>Janajati</i>	129.8	73.1
-Newar	138	92.2
-Other Hill <i>Janajati</i>	128	70.7
Tarai <i>Janajati</i>	126	85.0
Muslim	113	79.1
Others	152	89.0
<b>Total</b>	<b>125</b>	<b>79.5</b>

Source: NDHS 2011

### 2.3 Tetanus Toxoid vaccination

The Tetanus Toxoid (TT) vaccine is given to women during pregnancy to prevent infant deaths caused by neonatal tetanus, which can occur due to the lack of sterile procedures when cutting the umbilical cord after delivery. Levels of tetanus vaccination vary among caste/ethnic groups. Table 2.3 presents the percentage of women who gave birth to a live baby in the five years preceding the NDHS, who received two or more tetanus shots. More than two-thirds (70%) of pregnant women receive two or more tetanus injections during their last pregnancy. The percentage of hill Brahman/Chhetri women that were vaccinated during their last pregnancy is similar to the national average. Hill Chhetris and hill *janajatis*, however, are lagging behind. More women from Tarai caste groups were vaccinated than Tarai *janajati* women. There is more or less equal access to the TT vaccine for all caste/ethnic groups.

**Table 2.3: Percentage of women who received Tetanus Toxoid vaccinations during their last pregnancy categorized by ethnic group**

<b>Ethnic Group</b>	<b>TT Receiving Percentage</b>
Hill Brahman/Chhetri	76.7
-Hill Brahman	85.0
-Hill Chhetri	72.0
Tarai Caste Groups	78.5
-Tarai Brahman/Chhetri	79.3
-Other Tarai Castes	78.4
Hill <i>Dalit</i>	62.8
Tarai <i>Dalit</i>	69.9
Hill <i>Janajati</i>	59.2
-Newar	78.2
-Other Hill <i>Janajati</i>	56.8
Tarai <i>Janajati</i>	72.1
Muslim	73.6
Others	100.0
<b>Total</b>	<b>69.7</b>

*Source: NDHS 2011*

The fact that 78.8% of Newar women receive tetanus shots during pregnancy is encouraging. Only 56.8% of other hill *janajati* women were vaccinated; a figure well below that of both Newar women and hill Chhetri women.

## **2.4 Child Delivery Practices**

Child delivery practices in Nepal are still fairly traditional with around 2 in 3 women delivering their babies at home (see Table 2.4). This is directly related to the high number of maternal deaths caused by unsafe delivery methods. The majority of deliveries in Nepal are handled by untrained, traditional birth attendants. This clearly indicates poor access to basic maternity and child health care facilities in the country.

Modern child delivery practices not only assure the health of the mother, but also keep babies safe from common health problems immediately following birth. Medically safe delivery services are provided by the Government, by non-governmental organizations, and by the private sector. Although the vast majority of medically safe deliveries take place in government institutions, the private sector share has risen to around 20% in recent years.

Although access to a safe place to deliver a baby is one of the most basic of social service indicators, a wide variety of access levels were reported by different caste/ethnic groups. The access rate for Tarai *dalit* women is particularly low – less than half of the rate of hill Brahman/Chhetri women. The figures for hill *dalit* women are also poor, although significant better than their Tarai counterparts. Access rates for both hill and Tarai *janajatis* are almost the same – and both are below the national average. Tarai caste groups appear have reasonable access (38.9%); the figure is higher among Tarai Brahman/Chhetri women. Rates of access for Muslim women are lower than the national average. Indeed only hill Brahman/Chhetri women and women from Tarai Caste Groups score higher than the national average.

Disaggregated results show that 62.3% of hill Brahman/Chhetri women have access to modern child delivery facilities; the figure is 51.6% for their Tarai counterparts. There is significant disparity between Newars and other hill *janajati* women. It is also interesting to note that only Newar, Hill Brahman, and Tarai Brahman/Chhetri women have used private sector facilities in significant numbers. Private health care is generally urban based and relatively costly, so these figures also indicate the women’s capacity to pay for such services.

**Table 2.4: Location of last child delivery categorized by ethnic group**

<b>Ethnic Group</b>	<b>Home</b>	<b>Government Facility</b>	<b>NGO run facility</b>	<b>Private sector run facility</b>	<b>Other</b>	<b>Delivery at facility</b>
Hill Brahman/Chhetri	54.7	31.0	3.8	9.4	1.1	44.2
-Hill Brahman	36.3	42.7	4.8	14.7	1.4	62.3
-Hill Chhetri	64.0	24.9	3.0	6.5	1.6	34.4
Tarai Caste Groups	60.3	28.7	1.8	8.4	0.8	38.9
-Tarai Brahman/Chhetri	48.4	29.3	5.0	17.3	0.0	51.6
-Other Tarai Castes	61.3	28.4	1.0	8.4	0.9	37.9
Hill <i>Dalit</i>	68.3	24.1	0.7	4.4	2.5	29.2
Tarai <i>Dalit</i>	78.2	18.0	0.0	3.8	0.0	21.8
Hill <i>Janajati</i>	65.3	24.0	2.8	6.2	1.8	32.9
-Newar	30.5	53.0	1.8	13.2	1.4	68.0
-Other Hill <i>Janajati</i>	69.2	20.7	2.9	5.1	2.1	28.7
Tarai <i>Janajati</i>	67.7	21.6	1.4	6.7	2.6	29.7
Muslim	67.7	23.5	0.0	8.9	0.0	32.3
Others	22.6	36.4	0.0	41.0	0.0	77.4
<b>Total</b>	<b>63.1</b>	<b>25.9</b>	<b>2.1</b>	<b>7.3</b>	<b>1.6</b>	<b>35.3</b>

Source: NDHS 2011

## 2.5 Postnatal Care

Postnatal care for new-born babies plays a major role in reducing health problems and neonatal mortality. The Government recommends a minimum of three checkups for new-born babies within seven days of birth. Access to postnatal care, however, is not equal for all caste/ethnic groups. Table 2.5 shows the percentages of babies born in the two years preceding the NDHS who were taken for postnatal checkups in the first two days following delivery. Overall, 30% of newborns received their first postnatal checkup within two days of birth. Postnatal checkup percentages are highest among hill Brahman/Chhetri groups followed by Tarai *janajatis*. The remaining caste/ethnic groups score lower than the national average. Among *dalits* in the Tarai, five out of every six newborn babies are not taken for postnatal checkups.

Disaggregated postnatal checkup figures clearly reflect intra-group variation. Whereas approximately one half of hill Brahman babies received a postnatal checkup, this was true of only one third of hill Chhetri babies. The score for Newar babies is on par with hill Brahmans, but nearly double that of other hill *janajatis*. Tarai Brahman/Chhetris scored marginally higher than other Tarai castes.

**Table 2.5: Percentage of recent births followed by postnatal checkup in the first two days after birth by Ethnic Group**

<b>Ethnic Group</b>	<b>Post-natal checkups %</b>
<b>Hill Brahman/Chhetri</b>	<b>38.1</b>
-Hill Brahman	49.6
-Hill Chhetri	31.5
<b>Tarai Caste Groups</b>	<b>29.8</b>
-Tarai Brahman/Chhetri	34.3
-Other Tarai Castes	29.4
<b>Hill Dalit</b>	<b>27.9</b>
<b>Tarai Dalit</b>	<b>17.6</b>
<b>Hill Janajati</b>	<b>26.2</b>
-Newar	49.5
-Other Hill <i>Janajati</i>	23.2
<b>Tarai Janajati</b>	<b>32.4</b>
<b>Muslim</b>	<b>30.7</b>
<b>Others</b>	<b>74.5</b>
<b>Total</b>	<b>30.8</b>

Source: NDHS 2011

## 2.6 Health Care Access Problems

A range of factors prevent women from seeking medical advice or treatment when they are sick. An understanding of these factors is important if the obstacles faced by women seeking health care during pregnancy and at the time of delivery are to be removed. In the 2011 NDHS, women were asked if any of the following factors were a significant problem for them when seeking health care: a) getting permission to go for treatment; b) getting money to pay for treatment; c) the distance from home to the health care facility; and d) not wanting to go to the health care facility alone.

Around three out of four women experienced one or more of the problems listed above. Although health care facilities are widely available in the Tarai, women from the region, with the exception of Tarai Caste Groups, face problems in accessing health care. Access problems faced by Muslim women and Tarai *dalit* women are the most severe.

**Table 2.6: Percentage of women who face problems accessing health care services categorized by ethnic group**

<b>Ethnic Group</b>	<b>Percentage of women</b>
<b>Hill Brahman/Chhetri</b>	<b>64.2</b>
-Hill Brahman	54.8
-Hill Chhetri	71.2
<b>Tarai Caste Groups</b>	<b>69.6</b>
-Tarai Brahman/Chhetri	55.9
-Other Tarai Castes	71.7
<b>Hill Dalit</b>	<b>79.2</b>
<b>Tarai Dalit</b>	<b>85.3</b>
<b>Hill Janajati</b>	<b>72.9</b>
-Newar	53.0
-Other Hill <i>Janajati</i>	76.3
<b>Tarai Janajati</b>	<b>80.0</b>
<b>Muslim</b>	<b>86.3</b>
<b>Others</b>	<b>32.3</b>
<b>Total</b>	<b>72.0</b>

Source: NDHS 2011

Disaggregated figures show that Tarai Brahman/Chhetri, hill Brahman and Newar women face fewer access problems than other caste/ethnic groups. Although the figure for the broad category of hill Brahman/Chhetri women is relatively low, there is a difference of nearly 20% in the disaggregated figures, with hill Brahman women having much better access than hill Chhetri women. The percentage of hill *janajati* women (excluding Newar women) facing access problems is close to the national average.

## 2.7 Vaccination Coverage

Essential vaccination coverage for children aged 12-23 months is shown in Table 2.7. 97% of hill Brahman/Chhetri children received BCG injections, while around 88% were immunized against measles. Figures for the first dose of DPT and Polio vaccinations stood at 96% and 97% respectively. This dropped to 92% and 93% for the third dose. Percentage differences between DPT and polio vaccination coverage are minimal as these vaccines are administered at the same time.

As the table shows, although vaccination coverage is fairly good overall, hill *dalit* and Tarai Muslim children are less well covered. Tarai *dalit* children score higher than their hill counterparts except in the case of the measles vaccination.

**Table 2.7: Percentage of children below two years who have received preventative vaccinations categorized by ethnic group**

Ethnic Group	BCG	DPT	DPT	DPT	POLIO1 (P1)	P2	P3	MEA- SLES
		1	2	3				
<b>Hill Brahman/ Chhetri</b>	<b>97.1</b>	<b>97.4</b>	<b>96.5</b>	<b>94.6</b>	<b>97.1</b>	<b>96.9</b>	<b>94.9</b>	<b>93.1</b>
-Hill Brahman	97.8	97.8	97.8	97.2	97.8	97.8	97.8	94.5
-Hill Chhetri	96.8	97.2	95.8	93.2	96.8	96.5	93.4	92.3
<b>Tarai Caste Groups</b>	<b>99.0</b>	<b>98.8</b>	<b>94.2</b>	<b>90.7</b>	<b>100.0</b>	<b>95.2</b>	<b>91.6</b>	<b>81.6</b>
-Tarai Brahman/ Chhetri	100.0	100.0	100.0	100.0	100.0	100.0	100.0	77.0
-Other Tarai Castes	98.9	98.7	93.7	89.8	100.0	94.8	90.9	82.0
<b>Hill Dalit</b>	<b>95.1</b>	<b>94.0</b>	<b>91.3</b>	<b>91.7</b>	<b>94.5</b>	<b>91.8</b>	<b>92.2</b>	<b>90.5</b>
<b>Tarai Dalit</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>84.8</b>	<b>100.0</b>	<b>99.5</b>	<b>92.2</b>	<b>87.5</b>
<b>Hill Janajati</b>	<b>97.8</b>	<b>97.8</b>	<b>97.2</b>	<b>95.8</b>	<b>97.8</b>	<b>97.2</b>	<b>95.8</b>	<b>93.0</b>
-Newar	100.0	100.0	99.0	100.0	100.0	100.0	100.0	93.0
-Other Hill <i>Janajati</i>	97.5	97.5	96.9	95.4	97.5	97.0	95.4	93.0
<b>Tarai Janajati</b>	<b>99.0</b>	<b>99.0</b>	<b>100.0</b>	<b>99.0</b>	<b>99.0</b>	<b>99.0</b>	<b>99.0</b>	<b>94.8</b>
<b>Muslim</b>	<b>83.9</b>	<b>83.2</b>	<b>74.4</b>	<b>71.5</b>	<b>83.5</b>	<b>76.0</b>	<b>71.5</b>	<b>57.4</b>
<b>Others</b>	<b>100.0</b>	<b>100.0</b>	<b>82.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total</b>	<b>96.5</b>	<b>96.4</b>	<b>94.6</b>	<b>91.8</b>	<b>96.6</b>	<b>94.8</b>	<b>92.6</b>	<b>88.0</b>

Source: NDHS 2011



## 2.8 Weight-for-Age

Table 2.8 shows that around 29 percent of children under 5 have a low weight-for-age ratio. The proportion of underweight children is highest among Tarai Caste Groups (41.1%) followed by Tarai *dalits* (36.3%) and hill *dalits* (33.9%). Children from hill Brahman/Chhetri and hill *janajati* groups are least likely to be underweight. Among the remaining ethnic groups, the proportion of underweight children under five is higher than the national average. This indicates there are problems with access to nutritious food for some of the caste/ethnic groups.

Disaggregated results across ethnic groups further indicate that there is wide intra-group variation in the distribution of underweight children. Hill and Tarai Brahmans and Newar children appear to have better access to nutritious food than their counterparts in other groups.

**Table 2.8: Percentage of underweight Children categorized by ethnic group**

<b>Ethnic Group</b>	<b>Percentage of underweight children</b>
Hill Brahman/Chhetri	23.8
Hill Brahman	15.0
Hill Chhetri	28.3
Tarai Caste Groups	41.2
Tarai Brahman/Chhetri	29.0
Other Tarai Castes	42.6
Hill <i>Dalit</i>	33.9
Tarai <i>Dalit</i>	36.3
Hill <i>Janajati</i>	23.9
Newar	13.6
Other Hill <i>Janajati</i>	25.1
Tarai <i>Janajati</i>	31.6
Muslim	31.7
Others	61.4
<b>Total</b>	<b>29.1</b>

Source: NDHS 2011

## 2.9 Nutrition Status of Women

The nutrition status of women is assessed with the help of an anthropometric index. The body mass index (BMI) is calculated using the following formula:  $BMI = (\text{weight in kilograms})/(\text{height in meters})^2$ . NDHS (2011) gathered height and weight data for women

aged between 15 and 49 (excluding pregnant women and women who had given birth in the two months preceding the survey).

Table 2.9 shows the distribution women with a BMI within the normal range of 18 to 25 kg/m<sup>2</sup>. It also shows the distribution of women with a below normal BMI of less than 18kg/m<sup>2</sup>. Overall, hill *janajati* women have the highest BMI, closely followed by hill Brahman/Chhetri women. The BMI of hill *dalit* women is higher than the national average. All caste/ethnic groups in the Tarai, with the exception of Tarai *janajati* women have a BMI of below the national average. Caste/ethnic groups with higher proportions of women with a normal BMI, have lower proportions of women with a low BMI and vice-versa. Tarai *dalit* women appear to be the most vulnerable and least well-nourished.

The data reveal intra-group variations in every category. More Chhetri women have a normal BMI than Brahman women. Similarly, more other hill *janajati* women have a normal BMI than Newar women. In the Tarai, more women from other Tarai caste groups have a normal BMI than Brahman/Chhetri women.

**Table 2.9: Body Mass Index of women of reproductive age categorized by ethnic group**

<b>Ethnic Group</b>	<b>Normal BMI</b>	<b>Low BMI (thin)</b>	<b>High BMI (overweight)</b>
<b>Hill Brahman/Chhetri</b>	<b>70.1</b>	<b>15.8</b>	<b>14.1</b>
-Hill Brahman	66.0	16.9	17.1
-Hill Chhetri	73.3	14.9	11.8
<b>Tarai Caste Groups</b>	<b>58.2</b>	<b>31.0</b>	<b>10.9</b>
-Tarai Brahman/Chhetri	53.9	24.7	21.4
-Other Tarai Castes	59.0	32.3	8.7
<b>Hill Dalit</b>	<b>69.5</b>	<b>17.3</b>	<b>13.2</b>
<b>Tarai Dalit</b>	<b>51.1</b>	<b>45.7</b>	<b>3.2</b>
<b>Hill Janajati</b>	<b>73.9</b>	<b>8.8</b>	<b>17.3</b>
-Newar	63.2	10.0	26.9
-Other Hill Janajati	75.7	8.6	15.7
<b>Tarai Janajati</b>	<b>68.0</b>	<b>26.3</b>	<b>5.7</b>
<b>Muslim</b>	<b>52.3</b>	<b>35.9</b>	<b>11.8</b>
<b>Others</b>	<b>42.3</b>	<b>42.3</b>	<b>15.5</b>
<b>Total</b>	<b>68.5</b>	<b>18.4</b>	<b>13.2</b>

Source: NDHS 2011

## 2.10 Access to Safe Drinking Water

Access to safe drinking water is critically important for good health. In the Nepal context, household taps, tube wells, and hand pumps are classified as safe water sources, regardless as to the actual quality of the water. Based on this definition, 83% of Nepali households have access to safe drinking water. Table 2.10 shows that households in the Tarai region have better access to safe drinking water than households in the hills. Hill Chhetri and Newar households have comparatively poor access. The fact that hill communities often use springs, ponds or streams as water sources accounts for the comparatively low access rates reported in the hill region.

**Table 2.10: Access to safe drinking water (in percent)**

<b>Ethnic Group</b>	<b>access to safe drinking water</b>	<b>Total number of households</b>
Hill Brahman/Chhetri	78.9	1,735,579
Hill Brahman	82.2	749,340
Hill Chhetri	76.5	986,239
Tarai Caste Groups	92.0	750,630
Tarai Brahman/Chhetri	92.2	39839
Other Tarai Castes	91.9	710791
Hill <i>Dalit</i>	78.9	464,813
Tarai <i>Dalit</i>	93.3	224,563
Hill <i>Janajati</i>	79.2	1,473,957
Newar	77.2	282,595
Other Hill <i>Janajati</i>	79.7	1,191,362
Tarai <i>Janajati</i>	89.3	523,669
Muslim	91.9	190,856
Others	83.4	59,230
<b>Total</b>	<b>82.9</b>	<b>5,423,297</b>

*Source: National Population and Housing Census 2011*

## 2.11 Use of Modern Toilets

The use of modern toilets is an important indicator of a healthy lifestyle. In the Nepal context, modern toilets are defined as a toilet pan with a flush system, linked to a sewer or septic tank. Only around 42% of Nepali households have access to modern toilets, indicating a very poor level of sanitation in the country. Access levels vary among caste/ethnic groups. Hill Brahman/Chhetri and hill *janajati* households have access rates above

the national average while all other ethnic/caste groups have access rates below the national average. The access rate for ethnic groups of the Tarai is less than half of the national average, while only one in five Muslim households has access to modern toilet facilities. Three in every four Newar households has access to a modern toilet, comparatively better than other hill *janajati* groups. Tarai Brahman/Chhetri households and hill Brahman households have better access than both disaggregated hill Chhetris and other Tarai castes.

**Table 2.11: Access to modern toilets categorized by ethnic group**

<b>Ethnic Group</b>	<b>% of households with access to a modern toilet</b>	<b>Total number of households</b>
<b>Hill Brahman/Chhetri</b>	<b>57.6</b>	<b>1,735,579</b>
<b>-Hill Brahman</b>	<b>68.3</b>	<b>749,340</b>
-Hill Chhetri	49.1	986,239
<b>Tarai Caste Groups</b>	<b>22.4</b>	<b>750,630</b>
-Tarai Brahman/Chhetri	49.0	39839
-Other Tarai Castes	20.7	710791
<b>Hill Dalit</b>	<b>30.6</b>	<b>464,813</b>
<b>Tarai Dalit</b>	<b>5.5</b>	<b>224,563</b>
<b>Hill Janajati</b>	<b>48.1</b>	<b>1,473,957</b>
-Newar	75.3	28,2595
-Other Hill <i>Janajati</i>	41.5	1,191,362
<b>Tarai Janajati</b>	<b>24.2</b>	<b>523,669</b>
<b>Muslim</b>	<b>20.7</b>	<b>190,856</b>
<b>Others</b>	<b>28.0</b>	<b>59,230</b>
<b>Total</b>	<b>41.7</b>	<b>5,423,297</b>

*Source: National Population and Housing Census 2011*

# EDUCATION

In the Nepal context, access to education is the key determinant of inclusion. This chapter explores a number of basic indicators for access to education. These indicators range from literacy rates of adults of 15 years and above, to the gross enrolment rate at primary, secondary and tertiary level schools and colleges. Levels of education assessed on the basis of these indicators reflect the level of educational inclusion in the country.

## 3.1 Adult Literacy

Literacy is defined as the ability to read and write. In Nepal, the population above 15 years of age is included in adult literacy figures. Around 60% of Nepali adults are literate with the literacy rate highest in hill Brahman/Chhetri community. The Brahman literacy rate is 11% higher than the Chhetri literacy rate. Two in three hill *janajatis* are literate but the rate for Newar people is considerably higher. About half of the adults from other Tarai castes are literate while for Tarai Brahman/Chhetris, the rate is almost double. Tarai *dalits* are the least literate group with only one in five adults able to read and write. The literacy rate for Tarai *janajatis* is also below the national average. Only 35% of adult Muslims are literate. The largest gap in literacy rates can be seen between Tarai Brahman/Chhetris and other Tarai caste groups.

There is an immense gender gap in the adult literacy rate. Men are 1.5 times more likely to be literate than women. This gender disparity persists across ethnic groups with an average of 20% more literate men than women. The gap is widest among Tarai *dalits*, followed by Muslims and other Tarai castes. The gap is narrower among hill Brahmans than it is among hill Chhetris. There is also a narrower gap between men and women from the Tarai Brahman/Chhetri group. The gender gap is quite wide in the Newar community.

**Table 3.1: Adult (15+) literacy by ethnic groups**

Ethnic Group	Male	Female	Total	Total Population
Hill Brahman/Chhetri	84.3	60.3	71.4	5,582,152
Hill Brahman	88.9	67.8	77.6	2,456,978
Hill Chhetri	80.7	54.4	66.5	3,125,174
Tarai Caste Groups	62.9	33.2	48.0	2,472,486
Tarai Brahman/Chhetri	89.0	70.3	80.0	155710
Other Tarai Castes	61.2	29.6	45.9	2,316,776
Hill <i>Dalit</i>	60.3	42.9	51.8	1,275,733

Tarai <i>Dalit</i>	33.4	12.3	22.8	69,3128
Hill <i>Janajati</i>	76.0	56.1	65.2	4,657,615
Newar	86.3	67.9	76.6	998,114
Other Hill <i>Janajati</i>	73.0	53.1	62.1	3,659,501
Tarai <i>Janajati</i>	66.1	41.8	53.7	1,732,417
Muslim	47.9	23.2	35.4	661,339
Others	63.0	32.8	47.5	171,388
<b>Total</b>	<b>71.7</b>	<b>48.8</b>	<b>59.6</b>	<b>17,246,258</b>

Source: National Population and Housing Census 2011

### 3.2 Gross School Enrolment Rates at Basic Level

In Nepal, basic education describes the education of children from the age of five until the age of twelve. The gross national enrolment rate for basic level education stands at 102% (a score of more than 100% is possible as the number of students enrolled in a particular grade may be under or over the specified age for that grade).

The rate of enrolment for Muslims, Tarai *dalits*, and other Tarai caste groups at the basic education level, is significantly lower than the national average. Among the remaining groups, gross enrolment rates are largely satisfactory. There are small differences in enrolment rates between hill Brahmins and hill Chhetris, and between Newars and other hill *janajatis*. The enrolment rate for Tarai Brahmin/Chhetris is much higher than that of other Tarai castes.

Looking at the national average, the difference between girls' enrolment rates and boys' enrolment rates is very small. Indeed, among the caste/ethnic groups in the hills, more girls are enrolled in basic education than boys. Girls from Tarai ethnic groups, (with the exception of Tarai *janajatis*) in contrast, have significantly lower enrolment rates than their male counterparts. Muslim girls and Tarai dalit girls have the lowest rates of enrolment.

**Table 3.2: Gross enrolment rate at basic level (Grades 1-8) categorized by ethnic group**

<b>Ethnic Group</b>	<b>Boys (%)</b>	<b>Girls (%)</b>	<b>Total (%)</b>
Hill Brahman/Chhetri	107.1	110.0	108.5
-Hill Brahman	105.7	108.7	107.1
-Hill Chhetri	107.9	110.8	109.3
Tarai Caste Groups	90.7	83.0	87.0
-Tarai Brahman/Chhetri	97.5	97.5	97.5
-Other Tarai Castes	90.4	82.2	86.4
Hill <i>Dalit</i>	108.2	112.2	110.2
Tarai <i>Dalit</i>	75.6	64.3	70.1
Hill <i>Janajati</i>	111.5	113.4	112.5
-Newar	109.6	111.5	110.5
-Other Hill <i>Janajati</i>	111.9	113.8	112.8
Tarai <i>Janajati</i>	110.8	114.3	112.5
Muslim	73.0	62.4	67.9
Others	99.3	95.6	97.5
<b>Total</b>	<b>102.2</b>	<b>101.8</b>	<b>102.0</b>

Source: National Population and Housing Census 2011

### 3.3 Gross school enrolment rates at secondary level

Table 3.3 shows gross enrolment at secondary level (grades 9-12). The overall gross enrolment rate for secondary education is 94%. Enrolment rates for hill Brahman/Chhetris followed by hill *janajatis* are well above the national average. The enrolment rates for Tarai caste groups and Tarai *janajatis* are similar to the national average. The gross enrolment rate of hill *dalit* children stands at around 50%, almost 20% higher than Tarai *dalit* children. Muslim children have only a slightly higher enrolment rate than Tarai *dalits*.

Hill Brahmans have a much higher secondary enrolment rate than hill Chhetris. Tarai Brahman/Chhetris have a higher enrolment rate than other Tarai caste groups. The gross enrolment rate for Newar children far exceeds the national average.

There is a gender disparity rate of around 10% with more boys than girls enrolled in secondary education overall. It is noteworthy that the enrolment rate at secondary level for hill *janajati* girls is marginally higher than that of boys. Newar girls also have a high secondary level enrolment rate. The enrolment rates of girls from other castes/groups are lower than that of their male counterparts. The gender gap is alarmingly wide for Muslim girls and Tarai *dalit* girls with only half the gross enrolment rate of boys from the same group. The situation for girls from other Tarai castes is similar. The gender gap between girls and boys from the Tarai Brahman/Chhetri group is significantly narrower.

**Table 3.3: Gross Enrolment rate at secondary level (grades 9-12) categorized by ethnic group**

<b>Ethnic Group</b>	<b>Male (%)</b>	<b>Female (%)</b>	<b>Total (%)</b>
Hill Brahman/Chhetri	136.9	127.6	132.2
-Hill Brahman	163.4	161.1	162.2
-Hill Chhetri	119.2	105.5	112.2
Tarai Caste Groups	94.8	63.5	80.1
-Tarai Brahman/Chhetri	161.3	145.1	153.5
-Other Tarai Castes	90.5	57.9	75.2
Hill <i>Dalit</i>	57.8	47.6	52.5
Tarai <i>Dalit</i>	40.8	19.6	30.8
Hill <i>Janajati</i>	95.5	97.4	96.5
-Newar	149.4	153.3	151.4
-Other Hill <i>Janajati</i>	84.8	86.6	85.7
Tarai <i>Janajati</i>	85.0	74.2	79.5
Muslim	42.8	21.8	32.6
Others	75.3	46.7	61.2
<b>Total</b>	<b>99.1</b>	<b>88.9</b>	<b>94.0</b>

Source: National Population and Housing Census 2011

### 3.4 Gross Enrolment at Tertiary level

There is relatively good access to schooling at both basic and secondary levels in Nepal with no significant reduction in overall gross enrolment rate between the two levels. The overall enrolment rate for tertiary level education, however, plummets to 7.7% (from 94% at secondary level). There is also remarkable variation between the gross enrolment rates of the different ethnic groups at tertiary level. Brahman/Chhetris and Newars have the best enrolment rates at this level.

Overall, girls are less likely to continue into tertiary education than boys – the female enrolment rate is about one half of the male rate. Gender disparity rates are much lower for hill *janajatis* and Newars. Although hill Brahman/Chhetris have the highest enrolment rates on aggregate, the enrolment rate for girls is half of that of boys. The gender gap between hill *dalit* girls and hill *dalit* boys at tertiary level is similar to the national average. Tertiary enrolment rates among other groups are generally disappointing, and the gender gap between male and female enrolment is significantly higher. Wide gender gaps also exist in enrolment rates for Muslims and Tarai *dalits*. Enrolment rates for Tarai *janajatis* and other Tarai caste groups are also disappointing.



**Table 3.4: Gross Enrolment rate at tertiary level (under graduate and above) categorized by ethnic group**

<b>Ethnic Group</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Hill Brahman/Chhetri	18.1	9.7	13.6
-Hill Brahman	28.2	15.7	21.6
-Hill Chhetri	10.6	5.6	7.9
Tarai Caste Groups	11.5	4.4	8.2
-Tarai Brahman/Chhetri	33.2	20.7	27.3
-Other Tarai Castes	9.8	3.0	6.7
Hill <i>Dalit</i>	1.8	0.7	1.2
Tarai <i>Dalit</i>	2.1	0.3	1.2
Hill <i>Janajati</i>	6.8	5.2	6.0
-Newar	18.9	16.3	17.5
-Other Hill <i>Janajati</i>	4.0	2.9	3.4
Tarai <i>Janajati</i>	4.7	1.7	3.1
Muslim	3.0	1.0	2.0
Others	6.6	2.5	4.5
<b>Total</b>	<b>10.1</b>	<b>5.5</b>	<b>7.7</b>

*Source: National Population and Housing Census 2011*



## ECONOMIC INDICATORS

This chapter describes the caste/ethnic groups of Nepal in terms of economic indicators. The majority of the population depends on access to agricultural land for its livelihood and these indicators are presented first. Details of the employment situation in the country follow. In addition to income generated by employment in the domestic labour market, remittances from overseas employment represent a major source of income for the Nepali economy. This is also reflected in this chapter. Indicators used to assess the quality of life include household consumption, housing status, and the use of commercially available fuel and electricity. Poverty indicators including a poverty head-count, and a measurement of the poverty gap appear towards the end of this chapter.

### 4.1 Agricultural Land

The majority of households of Nepal continue to depend on agriculture for their livelihoods. Land is used both for cultivation, and for other purposes. Table 4.1 shows that more than three quarters of Nepali households have a plot of land that is used for agriculture. Hill *dalit*, hill Brahman/Chhetri, and Tarai *janajati* people are the largest users of agricultural land. The proportion of households from other caste/ethnic groups with access to agricultural land is relatively lower. Tarai *dalits* are the worst off of all the caste/ethnic groups in this regard as more than half of them are landless. Similarly, one in three Muslim households do not own agricultural land.

More hill Chhetri households own agricultural land than their Brahman counterparts. In the Tarai, fewer Brahman/Chhetri households own agricultural land than households from other caste groups. Newars have the lowest scores for this indicator.

**Table 4.1: Percentage of households that own agricultural land categorized by ethnic group**

Ethnic Group	Ownership of agricultural land (%)	N
Hill Brahman/Chhetri	82.1	2,089
-Hill Brahman	78.4	973
-Hill Chhetri	85.3	1,116
Tarai Caste Groups	74.7	697
-Tarai Brahman/Chhetri	59.7	36
-Other Tarai Castes	75.3	661

Hill <i>Dalit</i>	83.9	504
Tarai <i>Dalit</i>	48.2	192
Hill <i>Janajati</i>	75.9	1,866
-Newar	57.8	569
-Other Hill <i>Janajati</i>	81.4	1,297
Tarai <i>Janajati</i>	79.4	413
Muslim	62.5	191
Others	65.1	36
<b>Total</b>	<b>77.1</b>	<b>5,988</b>

Source: Nepal Living Standards Survey 2010

## 4.2 Average Area of Agricultural Land Holding

The average size of agricultural land holdings in Nepal is 0.4ha. This figure includes agricultural land holdings in urban areas and households with no land. Agricultural land owned by Tarai caste groups is twice the size of the national average. Hill Brahman/Chhetris own, on average, smaller pieces of agricultural land than their Tarai counterparts. Tarai *janajatis* and Muslims own larger pieces of agricultural land than many of the other caste/ethnic groups. The size of the agricultural land held by hill Brahman/Chhetris and by hill *janajatis* is similar to the national average. Newar people on the other hand, tend to hold much smaller agricultural plots. Both hill and Tarai *dalits* own smaller plots of land than any of the other groups. The size of many dalit landholdings may be inadequate to sustain a household.

**Table 4.2: Average size of agricultural land holding in hectares categorized by ethnic group**

Ethnic Group	Agriculture Land ownership in hectares	Total number of households
Hill Brahman/Chhetri	0.34	1,735,579
-Hill Brahman	0.33	749,340
-Hill Chhetri	0.35	986,239
Tarai Caste Groups	0.62	750,630
-Tarai Brahman/Chhetri	0.58	39839
-Other Tarai Castes	0.62	710791
Hill <i>Dalit</i>	0.22	464,813
Tarai <i>Dalit</i>	0.18	224,563

Hill <i>Janajati</i>	0.32	1,473,957
-Newar	0.18	282,595
-Other Hill <i>Janajati</i>	0.36	1,191,362
Tarai <i>Janajati</i>	0.55	523,669
Muslim	0.41	190,856
Others	0.33	59,230
<b>Total</b>	<b>0.38</b>	<b>5,423,297</b>

Source: National Population and Housing Census 2011

### 4.3 Value of Agricultural Land

The value of agricultural land owned by a family is an indicator of household wealth. Land ownership extends the options available to householders for improving their standard of living. In addition to its productive use, land can be used as collateral for a loan and for other purposes, making it a valuable asset. The average value of a plot of agricultural land in Nepal is Rs. 1,313,088 (this figure takes into account landless households). People from the Muslim, Tarai *janajati*, and hill Brahman/Chhetri communities own agricultural land that has a relatively high value in the current market. The land belonging to other ethnic groups is of lower value than the national average. Land owned by Tarai *dalits* has the least overall value.

There is significant difference in value between agricultural land owned by hill Brahmins and hill Chhetris. The land belonging to other Tarai caste groups is much more valuable than the land belonging to Tarai Brahman/Chhetris. Newars, perhaps, due to the concentration of the population in urban areas, own the most valuable land of all. Land owned by other hill *janajatis* is worth just over half the national average.

**Table 4.3: Value of agricultural land holding categorized by ethnic group**

Ethnic Group	Mean(NRs)	N
Hill Brahman/Chhetri	1,715,204	2,089
-Hill Brahman	1,921,995	973
-Hill Chhetri	1,539,954	1,116
Tarai Caste Groups	1,432,521	697
-Tarai Brahman/Chhetri	689,021	36
-Other Tarai Castes	1,463,630	661
Hill <i>Dalit</i>	280,594	504
Tarai <i>Dalit</i>	240,758	192

Hill <i>Janajati</i>	1,030,065	1,866
-Newar	2,278,333	569
-Other Hill <i>Janajati</i>	644,822	1,297
Tarai <i>Janajati</i>	1,829,229	413
Muslim	2,183,612	191
Others	566,853	36
<b>Total</b>	<b>1,313,088</b>	<b>5,988</b>

Source: Nepal Living Standards Survey 2010

#### 4.4 Female Land Ownership

Access to productive resources creates opportunities for self employment and better incomes. Female land ownership therefore, can be framed as women with access to productive resources. Female land ownership can also be used to gauge levels of women's empowerment. The percentage of households in which women own land is similar across caste/ethnic groups with the exception of hill *dalits* and hill Brahman/Chhetris. The proportion of hill Brahman households in which women own land is higher than that of the broad Brahman/Chhetri group. Table 4.4a shows the percentage of households in which women own land by caste/ethnic group. Overall very few women in Nepal own agricultural land.

**Table 4.4a: Percentage of households in which women own land categorized by ethnic group**

<b>Ethnic Group</b>	<b>Households in which women own land (%)</b>	<b>Total number of households</b>
Hill Brahman/Chhetri	17.8	1,735,579
-Hill Brahman	20.3	749,340
-Hill Chhetri	15.9	986,239
Tarai Caste Groups	21.4	750,630
-Tarai Brahman/Chhetri	21.7	39839
-Other Tarai Castes	21.4	710791
Hill <i>Dalit</i>	16.9	464,813
Tarai <i>Dalit</i>	21.8	224,563
Hill <i>Janajati</i>	20.5	1,473,957
-Newar	21.4	282,595
-Other Hill <i>Janajati</i>	20.3	1,191,362

Tarai <i>Janajati</i>	22.5	523,669
Muslim	22.2	190,856
Others	16.1	59,230
<b>Total</b>	<b>19.7</b>	<b>5,423,297</b>

Source: National Population and Housing Census 2011

The average size of agricultural land holdings owned by women are about six times smaller (0.06 ha) than the national average (see Table 4.4b). Roughly 20% of households have female landowners, although these women own smaller pieces of land than their male counterparts. Women from the Tarai caste groups, hill Brahman/Chhetri group, and Tarai *janajati* groups own larger pieces of land than women from other groups. Hill and Tarai Brahman/Chhetri women also score relatively well on this indicator.

**Table 4.4b: Average size of land (in hectares) held of women from different ethnic groups**

Ethnic Group	Land owned by women (in hectares)	Total number of households
Hill Brahman/Chhetri	0.07	1,735,579
-Hill Brahman	0.08	749,340
-Hill Chhetri	0.06	986,239
Tarai Caste Groups	0.09	750,630
-Tarai Brahman/Chhetri	0.13	39839
-Other Tarai Castes	0.09	710791
Hill <i>Dalit</i>	0.02	464,813
Tarai <i>Dalit</i>	0.02	224,563
Hill <i>Janajati</i>	0.05	1,473,957
-Newar	0.05	282,595
-Other Hill <i>Janajati</i>	0.05	1,191,362
Tarai <i>Janajati</i>	0.07	523,669
Muslim	0.06	190,856
Others	0.03	59,230
<b>Total</b>	<b>0.06</b>	<b>5,423,297</b>

Source: National Population and Housing Census 2011.

## 4.5 Female House Ownership

Owning a house is another indicator of economic empowerment; it also provides economic security. In the Nepal context, women who own property are likely to receive greater levels of respect from members of their family. House ownership also indirectly promotes the inclusion of women in other spheres of life. As table 4.5 shows, there are no significant differences between caste/ethnic groups when it comes to female house ownership.

**Table 4.5: Percentage of households in which women own houses categorized by ethnic group**

<b>Ethnic Group</b>	<b>% of households in which women own houses</b>	<b>Total households</b>
Hill Brahman/Chhetri	10.0	1,735,579
-Hill Brahman	11.6	749,340
-Hill Chhetri	8.8	986,239
Tarai Caste Groups	10.9	750,630
-Tarai Brahman/Chhetri	11.0	39839
-Other Tarai Castes	10.8	710791
Hill <i>Dalit</i>	9.3	464,813
Tarai <i>Dalit</i>	10.9	224,563
Hill <i>Janajati</i>	11.2	1,473,957
-Newar	12.2	282,595
-Other Hill <i>Janajati</i>	11.0	1,191,362
Tarai <i>Janajati</i>	12.4	523,669
Muslim	11.4	190,856
Others	8.8	59,230
<b>Total</b>	<b>10.7</b>	<b>5,423,297</b>

Source: National Population and Housing Census 2011

## 4.6 Employment

The Nepal Labour Force Survey (2008) measures rates of current as opposed to usual employment. Whereas usual employment is defined as work that continues throughout the year, a person is deemed currently employed if he or she did at least one hour of paid work within the last seven days. People with job attachments (as defined in the NLSS) are also considered to be currently employed. Underemployment refers to situations where individuals work for less than 40 hours per week and are actively seeking additional work. People who choose to work for less than 40 hours per week, however, are not considered



to be underemployed. In addition to employment and underemployment rates, the NLFS measures labour utilization rates in Nepal's labour market. The measurement of current rather than usual employment can skew unemployment figures, making them artificially low, therefore the labour under-utilization rate is a more comprehensive measure of the current employment scenario than the unemployment rate. Individuals may be categorized as under-utilized if they possess any of the following characteristics:

- a) Unemployed
- b) Underemployed (working less than 40 hours per week)
- c) Earnings are perceived as inadequate
- d) Skills are mismatched

Although many individuals are likely to possess several of these characteristics, this is not reflected in the classification of survey data.

### Employment rate

The current unemployment rate in Nepal stands at around 2 percent. Unemployment is the highest among the hill Brahman/Chhetri population, followed by hill *janajatis* and Tarai *dalits*. Unemployment does not appear to be a problem for the remaining caste/ethnic groups. Very few members of the hill *dalit* or Muslim labour forces are currently unemployed. In addition, the overall underemployment figure (for the economically active population) is only 6.7%. *Dalits* from both the hills and the Tarai, and Tarai *janajatis* have slightly higher rates of underemployment than other caste/ethnic groups; employment figures for these groups are also slightly lower. Hill *janajatis* have a lower underemployment rate than their Tarai counterparts. Differences among the remaining caste/ethnic groups are not significant.

There are more unemployed hill Brahmans than there are hill Chhetris. In the Tarai, the unemployment rate is for Brahman/Chhetris is much higher than that of other Tarai castes. The underemployment rate for Tarai Brahman/Chhetris, however, is relatively low. The majority of hill *janajatis* are employed with the exception of the Newar community where the unemployment rate stands at 4%.

**Table 4.6: Current economic status categorized by ethnic group**

Ethnic Group	% Employed	% Underemployed	% Unemployed
Hill Brahman/Chhetri	90.8	6.5	2.7
-Hill Brahman	89.5	7.3	3.2
-Hill Chhetri	91.7	5.9	2.4
Tarai Caste Groups	92.5	5.6	1.9
-Tarai Brahman/Chhetri	87.1	3.6	9.3

-Other Tarai Castes	92.7	5.7	1.7
Hill <i>Dalit</i>	90.5	8.2	1.3
Tarai Dalit	87.4	10.6	2.0
Hill <i>Janajati</i>	92.7	5.3	2.0
-Newar	90.9	5.1	4.0
-Other Hill <i>Janajati</i>	93.1	5.4	1.5
Tarai <i>Janajati</i>	88.7	9.6	1.7
Muslim	91.7	7.1	1.2
Others	92.4	5.6	2.1
<b>Total</b>	<b>91.2</b>	<b>6.7</b>	<b>2.1</b>

Sources: Nepal Labour Force Survey 2008

#### 4.7 Labour Utilization Rate

Nepal's employment scenario as depicted by the labour utilization rate is analyzed here (see table 4.7). Approximately one in three economically active individuals has faced some form of under-utilization. Hill communities, (with the exception of Brahmans), are generally less under-utilized than communities in the Tarai (with the exception of Muslims). Skill mismatch appears to be the major cause of under-utilization, accounting for around half of the total figure. A mismatch between employment opportunities and skill-supply is a common feature of less developed labour markets. This mismatch creates a scenario where individuals are forced to work in an occupation that does not fully utilize their skill-set. Hill Brahmans appear to be the most dissatisfied with this scenario with 25.8% claiming skill mismatch. This is followed by Newars (23.3%) and hill Chhetris (15.7%). In contrast, very few hill/Tarai *dalits* or Muslims reported a skill mismatch.

**Table 4.7: Reasons cited for under-utilization categorized by ethnic group**

<b>Ethnic Group</b>	<b>Unemployment</b>	<b>Under-employment</b>	<b>Inadequate earnings</b>	<b>Skill mismatch</b>	<b>Total under-utilized</b>	<b>Not underutilized</b>
Hill Brahman/Chhetri	2.7	6.5	4.2	19.9	33.3	66.7
-Hill Brahman	3.2	7.3	4.6	25.8	41.0	59.0
-Hill Chhetri	2.4	5.9	3.9	15.7	27.8	72.2
Tarai Caste Groups	1.9	5.6	11.1	11.8	30.5	69.5
-Tarai Brahman/Chhetri	9.3	3.6	15.1	27.1	55.1	44.9

-Other Tarai Castes	1.7	5.7	11.0	11.3	29.6	70.4
Hill <i>Dalit</i>	1.3	8.2	7.1	5.9	22.5	77.5
Tarai <i>Dalit</i>	2.0	10.6	31.3	3.1	47.0	53.0
Hill <i>Janajati</i>	2.0	5.3	5.8	12.5	25.6	74.4
-Newar	4.0	5.1	7.3	23.3	39.7	60.3
-Other Hill <i>Janajati</i>	1.5	5.4	5.4	9.9	22.1	77.9
Tarai <i>Janajati</i>	1.7	9.6	12.2	9.1	32.6	67.4
Muslim	1.2	7.1	13.8	5.5	27.5	72.5
Others	2.1	5.6	9.7	13.7	31.1	68.9
<b>Total</b>	<b>2.1</b>	<b>6.7</b>	<b>8.1</b>	<b>13.2</b>	<b>30.0</b>	<b>70.0</b>

Source: Nepal Labour Force Survey 2008

#### 4.8 Economic Activity of Children

Despite efforts to eliminate child labour in Nepal, one in three children aged between 5 and 14 is still economically active. Hill *dalit* children are the most vulnerable, with around half of them working. The percentages of hill and Tarai *janajati* child labourers are also relatively high. The rates are lower for Muslim children and children from other Tarai castes, while the remaining caste/ethnic groups have rates similar to the national average.

Very few Tarai Brahman/Chhetri children are economically active, with a rate of less than half of that of other Tarai caste groups. There is also a considerable gap between hill Brahmins and hill Chhetris, between Tarai Brahman/Chhetris and other Tarai castes, and between Newars (22.5%) and other hill *janajatis* (40.9%).

**Table 4.8: Economically active children categorized by ethnic group**

Ethnic Group	Mean percentage of economically active children aged 5 - 14
Hill Brahman/Chhetri	34.2
-Hill Brahman	26.3
-Hill Chhetri	39.3
Tarai Caste Groups	23.0
-Tarai Brahman/Chhetri	9.0
-Other Tarai Castes	23.5
Hill <i>Dalit</i>	45.0
Tarai <i>Dalit</i>	31.1

Hill <i>Janajati</i>	37.9
-Newar	22.5
-Other Hill <i>Janajati</i>	40.9
Tarai <i>Janajati</i>	37.6
Muslim	23.2
Others	25.7
<b>Total</b>	<b>33.9</b>

Source: Nepal Labour Force Survey 2008

## 4.9 Non-Agricultural Employment

The scope of the agricultural sector in Nepal is largely limited to crop cultivation, much of this at a subsistence level. The animal husbandry, fishery and forestry sectors do not employ significant numbers of people. Wages and salaries tend to be higher in the non-agricultural sector. Table 4.9 shows the percentages of men and women from different caste/ethnic groups that are employed in the agricultural and non-agricultural sectors. The number of people involved in non-agricultural work (around 1 in 3) is similar across most caste/ethnic groups. 42.2% of Muslims work in the non-agricultural sector, while the rate for Tarai Brahman/Chhetris is nearly double that of other Tarai caste groups. More hill Brahmins work in the sector than hill Chhetris, while three times as many Newars are non-agricultural workers as other hill *janajatis*.

Men are twice as likely to work in the non-agricultural sector as women. This gender gap is similar for all caste/ethnic groups with the exception of hill *dalits* where the gap is wider. Gender gaps for non-agricultural workers from Newar and Tarai Brahman/Chhetri groups are similar and less wide than many others.

**Table 4.9: Percentage of men and women in agricultural and non-agricultural employment categorized by ethnic group**

Ethnic Group	Agricultural employment			Non-agricultural employment		
	Male	Female	Total	Male	Female	Total
Hill Brahman/Chhetri	54.6	78.2	66.4	45.4	21.8	33.6
-Hill Brahman	46.6	72.9	59.2	53.4	27.1	40.8
-Hill Chhetri	60.7	81.6	71.5	39.3	18.4	28.5
Tarai Caste Groups	59.7	76.8	64.6	40.3	23.2	35.4
-Tarai Brahman/Chhetri	37.6	46.8	39.6	62.4	53.2	60.4
-Other Tarai Castes	61.0	78.0	65.9	39.0	22.0	34.1
Hill <i>Dalit</i>	54.7	82.1	69.3	45.3	17.9	30.7

Tarai <i>Dalit</i>	64.1	78.9	69.4	35.9	21.1	30.6
Hill <i>Janajati</i>	57.3	75.7	66.5	42.7	24.3	33.5
-Newar	29.5	50.9	38.7	70.5	49.1	61.3
-Other Hill <i>Janajati</i>	64.9	80.5	72.9	35.1	19.5	27.1
Tarai <i>Janajati</i>	61.3	80.8	69.8	38.7	19.2	30.2
Muslim	51	73.8	57.8	49	26.2	42.2
Others	54.9	80.8	66.3	45.1	19.2	33.7
<b>Total</b>	<b>57.1</b>	<b>77.9</b>	<b>66.6</b>	<b>42.9</b>	<b>22.1</b>	<b>33.4</b>

Source: National Population and Housing Census 2011

#### 4.10 Extent of Employment

As stated above, the economically active population categorized as currently employed, do not feature in national unemployment figures. This often makes the unemployment rate artificially low. Many of those categorized as currently employed are, in reality, underemployed as they do not generate adequate income, experience poor working conditions, or are massively dissatisfied with their role. Levels of underemployment are difficult to estimate and measure. However, efforts were made to determine the mean number of months per year that people work, irrespective of their output. The 2011 Census does not contain data regarding hours of work per day or days of work per month. Ideally, those who work for more days per year would earn more than those who work less. It is interesting to note that there is little difference in the number of months per year worked by each of the caste/ethnic groups. Gender gaps prevail, however, with women working fewer months than men. This is perhaps surprising, as it is generally perceived that women do more work than men.

**Table 4.10: Extent of usual employment (in months) categorized by ethnic group**

<b>Ethnic group</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Hill Brahman/Chhetri	10.6	8.6	9.6
-Hill Brahman	10.8	8.7	9.8
-Hill Chhetri	10.4	8.6	9.5
Tarai Caste Groups	11.2	8.3	10.3
-Tarai Brahman/Chhetri	11.4	9.2	10.9
-Other Tarai Castes	11.0	8.1	10.2
Hill <i>Dalit</i>	10.4	8.4	9.3
Tarai <i>Dalit</i>	11.0	8.5	10.1
Hill <i>Janajati</i>	10.8	9.0	9.9

-Newar	11.3	9.6	10.6
-Other Hill <i>Janajati</i>	10.7	8.9	9.8
Tarai <i>Janajati</i>	10.9	8.4	9.8
Muslim	11.1	8.4	10.3
Others	10.6	8.3	9.6
<b>Total</b>	<b>10.8</b>	<b>8.7</b>	<b>9.8</b>

Source: National Population and Housing Census 2011

#### 4.11 Elementary Occupations

In an undeveloped labour market, many people tend to work in unskilled jobs. These are referred to as elementary occupations ‘and include messengers, package deliverers, luggage porters, odd-job persons, meter readers, vending machine stockers, water and firewood collectors, and other unskilled occupations not elsewhere classified.’ (For full details see the ISCO code published by the ILO in 2008). Most elementary occupations are poorly paid positions in unpleasant working environments. This can be viewed as exclusion from better employment opportunities and better levels of economic participation. Approximately one in ten employed Nepalis is compelled to work in an elementary occupation. The majority of these are from the Tarai. There are more Tarai *dalits* (42.9%) working in elementary occupations than any of the other caste/ethnic groups. Fewer individuals from hill ethnic groups work in elementary occupations, even for hill *janajatis*, the rate is less than half of the national average.

Slightly more men are engaged in elementary occupations than women. Gender gaps prevail across all groups. Significantly more Muslim women are engaged in unskilled work than men, as are Tarai *dalit* women, and women from Tarai Caste Groups. There tends to be less of a gender gap between men and women from caste/ethnic groups that do less unskilled work.

**Table 4.11: Percentage of men and women engaged in elementary occupations categorized by ethnic group**

Ethnic Group	Male	Female	Total
Hill Brahman/Chhetri	5.6	5.5	5.5
-Hill Brahman	4.8	5.4	5.1
-Hill Chhetri	6.3	5.5	5.9
Tarai Caste Groups	13.5	16.4	14.3
-Tarai Brahman/Chhetri	8.9	14.9	10.2
-Other Tarai Castes	13.8	16.4	14.6

Hill <i>Dalit</i>	12.2	11.6	11.9
Tarai <i>Dalit</i>	41.0	46.3	42.9
Hill <i>Janajati</i>	7.0	6.4	6.7
-Newar	5.4	7.3	6.2
-Other Hill <i>Janajati</i>	7.4	6.3	6.8
Tarai <i>Janajati</i>	16.2	16.0	16.2
Muslim	16.6	22.7	18.4
Others	15.5	12.7	14.3
<b>Total</b>	<b>11.1</b>	<b>9.9</b>	<b>10.5</b>

Source: National Population and Housing Census 2011

#### 4.12 Women in Professional/Technical Jobs

Only around one in every sixteen employed individuals in Nepal has a professional/technical job (see Table 4.12). The proportions of men and women in professional/technical roles vary considerably across the caste/ethnic groups. One in twelve men has a professional/technical job while for women the figure is around one in twenty-five.

Overall, only 4% of employed women in Nepal are carrying out a professional/technical role. For hill Brahman/Chhetri women, the figure is one and a half times higher, while for hill *janajati* women it is closer to the national average. The percentage of women in professional/technical jobs from other ethnic groups is below the national average. Hardly any *dalit* or Muslim women work in professional/technical roles. Figures vary according to gender in all of the caste/ethnic groups. More Tarai Brahman/Chhetri women hold professional/technical positions than any of the other groups. Indeed, the number is ten times higher than other Tarai castes. Five times as many Newar women have professional/technical jobs as other hill *janajati* women. The gender gap between hill Brahman men and hill Brahman women is quite high for this indicator. Twice as many hill Brahmans work in a professional/technical role as hill Chhetris. It is interesting to note that gender gap for both Tarai Brahman/Chhetris and for Newars is very narrow.

**Table 4.12: percentage of men and women employed in professional/technical positions categorized by ethnic group**

<b>Ethnic Group</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Hill Brahman/Chhetri	14.3	6.2	10.3
-Hill Brahman	20.5	9.1	15.0
-Hill Chhetri	9.6	4.4	6.9
Tarai Caste Groups	6.4	3.0	5.4

-Tarai Brahman/Chhetri	25.8	22.2	25.0
-Other Tarai Castes	5.2	2.2	4.4
Hill <i>Dalit</i>	2.2	1.0	1.5
Tarai <i>Dalit</i>	1.5	0.8	1.2
Hill <i>Janajati</i>	6.5	4.1	5.3
-Newar	12.9	10.9	12.0
-Other Hill <i>Janajati</i>	4.7	2.8	3.7
Tarai <i>Janajati</i>	4.0	1.8	3.0
Muslim	3.1	1.1	2.5
Others	4.4	1.6	3.1
<b>Total</b>	<b>7.8</b>	<b>4.0</b>	<b>6.1</b>

Source: National Population and Housing Census 2011

### 4.13 Wage Rates in the Agriculture Sector

The agricultural wage rate plays an important role in the rural economy of Nepal; it currently stands at a meagre 169 Nepali Rupees per day. In addition the low rate, there is wage discrimination between the various caste/ethnic groups in the sector. Such discrimination does not necessarily follow patterns of caste hierarchy, however, as hill *dalits* receive a higher daily wage than hill Chhetris. Hill Brahman/ Chhetris get the next highest daily wage. Both hill and Tarai *janajatis* make more than the national average; in contrast, Tarai Caste Groups make only around three quarters of the daily wage of a hill *dalit*. Tarai *dalits* and Muslims both earn less than the average daily wage. Although their daily wages are higher than many other groups, there is a significant gap between daily wages paid to hill Brahmans and hill Chhetris. Tarai Brahman/Chhetris earn about 20% more per day than other Tarai castes, who earn the lowest daily wage.

**Table 4.13a: Daily wage rate in agriculture sector categorized by ethnic group**

<b>Ethnic Group</b>	<b>Mean daily wage in Nepali Rupees</b>	<b>N</b>
Hill Brahman/Chhetri	185	290
-Hill Brahman	193	98
-Hill Chhetri	181	192
Tarai Caste Groups	144	278
-Tarai Brahman/Chhetri	177	2
-Other Tarai Castes	144	276
Hill <i>Dalit</i>	189	295



Tarai <i>Dalit</i>	156	229
Hill <i>Janajati</i>	170	479
-Newar	167	52
-Other Hill <i>Janajati</i>	171	427
Tarai <i>Janajati</i>	179	251
Muslim	159	85
Others	149	16
<b>Total</b>	<b>169</b>	<b>1923</b>

Source: *Nepal Living Standards Survey 2010*

In real terms, the daily wage rate in the agriculture sector increased by 29.4% between 2003 and 2010. This increase is well above the 12% rise reported in the period between the first two NLS surveys (1995 – 2003). It should be noted that the daily wage paid to Tarai *dalits* went up by 53.7% between 2003 and 2010. The rate for Muslims also increased considerably during this period. The wages of Tarai *janajatis* rose more than those of hill *dalits*, although both are still below the national average. There were only marginal increases in daily wage rates for Tarai Caste Groups during the same period.

**Table 4.13b: Comparison of the agricultural daily wage rates (at 2003 prices) between 1995 and 2010 categorized by ethnic group**

Ethnic Group	1995 rate	2003 rate	2010 rate	% change between 1995 & 2003	% change between 2003 & 2010
Hill Brahman/Chhetri	86	94	108	8.7	14.4
Hill <i>Janajati</i>	72	82	99	13.9	20.6
Hill <i>Dalit</i>	80	89	110	11.5	23.1
Tarai Middle Caste	65	75	84	15.5	11.8
Tarai <i>Janajati</i>	68	82	104	20.3	27.0
Tarai <i>Dalit</i>		59	91		53.7
Muslim	57	68	92	19.2	35.3
Other	61	64	86	3.6	34.9
All Nepal	68	76	98	12	29.4

Source: *Nepal Living Standard Survey 1995, 2003 & 2010*

#### 4.14 Wage rates in the non-agricultural sector

Overall, wage rates in the non-agricultural sector are higher than those in the agriculture sector with the average daily wage standing at 262 Nepali Rupees. This rate is around one and a half times higher than the average daily wage in the agriculture sector. Table 4.14a shows that the daily wage rate for hill Brahman/Chhetris, hill *janajatis* Tarai Caste Groups is higher than the rate for other groups. Indeed, the daily rate for other groups is below the national average. Of all of the broader groups, Muslims get the lowest daily rate followed by Tarai *dalits* whose rate is less than half of that of their hill counterparts. *Dalits* from both the hill and Tarai regions get extremely low daily rates for non-agricultural work; this may be because *dalits* are often confined to traditional dalit occupations. There is also intra-group variation among broader caste/ethnic groups with hill Brahmans receiving substantially higher daily wages than hill Chhetris. Similarly, Newars get a higher rate than other hill *janajatis*. It is surprising to note that Tarai Brahman/Chhetris get a lower rate than the other Tarai caste groups.

**Table 4.14a: Daily wage rate in the non-agricultural sector categorized by ethnic group**

Ethnic Group	Mean daily wage in Nepali Rupees	N
Hill Brahman/Chhetri	287	1465
-Hill Brahman	358	720
-Hill Chhetri	258	745
Tarai Caste Groups	276	440
-Tarai Brahman/Chhetri	187	18
-Other Tarai Castes	277	422
Hill <i>Dalit</i>	241	458
Tarai <i>Dalit</i>	217	193
Hill <i>Janajati</i>	284	1535
-Newar	338	604
-Other Hill <i>Janajati</i>	273	931
Tarai <i>Janajati</i>	223	398
Muslim	210	118
Others	222	22
<b>Total</b>	<b>263</b>	<b>4629</b>

Source: Nepal Living Standards Survey 2010

It is important to note that the non-agricultural daily wage rate for hill and Tarai *dalits* improved significantly between 2003 and 2010. This is particularly true for the growth

in wage rates for hill *dalits* which was nearly double that of the Tarai counterparts. Hill Brahman/Chhetri wage rates also increased sharply during the same period. The rate of increase for other groups was not so remarkable. Tarai Caste Groups, for example saw an increase in wage rates of only 1.9% between 2003 and 2010. Wage rates for Muslims and for hill and Tarai *janajatis* actually dropped during the period.

**Table 4.14b: Comparison of daily wage rates between 1995 and 2010 (in 2003 prices) in the non-agricultural sector categorized by ethnic group**

<b>Ethnic Group</b>	<b>1995 Rate</b>	<b>2003 Rate</b>	<b>2010 Rate</b>	<b>% change between 1995 and 2003</b>	<b>% change between 2003 and 2010</b>
Hill Brahman/Chhetri	137	156	166	13.3	6.7
Hill <i>Janajati</i>	148	170	165	14.8	-3.0
Hill <i>Dalit</i>	99	113	140	14.8	23.7
Tarai H/Middle Caste	127	157	160	23.5	1.9
Tarai <i>Janajati</i>	122	132	130	8.6	-1.9
Tarai <i>Dalit</i>	0	114	126	0	10.7
Muslim	125	126	122	0.8	-3.4
Other	130	148	129	13.9	-13.0
All Nepal	133	152	152	14.3	0.3

Source: Nepal Living Standards Survey 1995, 2003 & 2010

## 4.15 Remittances

Remittances have become an important source of income for many in Nepal with almost every second household receiving some form of remittance. The majority of remittances are sent from overseas. Although some argue that that overseas employment is not sustainable in the long term for the majority of workers, Nepali youths are flocking abroad for employment due to the underdeveloped labour market at home, and the lack of opportunities outside the agriculture sector. The percentage of households receiving remittances is similar across caste/ethnic groups. Around two in every three Tarai *dalit* households depend on remittances, with a similar scenario in the Muslim community. Intra-group analysis reveals that a higher number of hill Brahman households receive remittance income than hill Chhetri households. There is a similar gap between other hill *janajatis* and Newars.

**Table 4.15a: Percentage of households receiving income from remittances sent by family members categorized by ethnic group**

<b>Ethnic Group</b>	<b>% of households receiving remittance income</b>	<b>N</b>
Hill Brahman/Chhetri	57.9	2089
-Hill Brahman	61.0	973
-Hill Chhetri	55.2	1116
Tarai Caste Groups	58.6	697
-Tarai Brahman/Chhetri	48.5	36
-Other Tarai Castes	59.0	661
Hill <i>Dalit</i>	57.5	504
Tarai <i>Dalit</i>	64.1	192
Hill <i>Janajati</i>	48.9	1866
-Newar	38.4	569
-Other Hill <i>Janajati</i>	52.2	1297
Tarai <i>Janajati</i>	58.0	413
Muslim	60.3	191
Others	60.8	36
<b>Total</b>	<b>55.8</b>	<b>5988</b>

Source: Nepal Living Standards Survey 2010

For households that receive income from remittances, the average sum received is 80,420 Nepali Rupees per year. Hill *janajati* households receive the highest amount, followed by hill Brahman/Chhetris. The remaining groups receive less than the national average. Of these groups, Muslims, Tarai Caste Groups, and hill *dalits* receive the most remittance income, while Tarai *dalits* receive the least. Intra-group analysis reveals that hill Brahmans, Tarai Brahman/Chhetris, and Newars receive the most remittance income within in their broader groups. The median amount of remittance income received by the households may vary, as the mean figure is directly influenced by values at the very top and very bottom of the spectrum.

**Table 4.15b: Mean amount of remittance income received per “remittance household” categorized by ethnic group**

<b>Main Ethnic Group</b>	<b>Mean remittance amount in Nepali Rupees</b>	<b>N</b>
Hill Brahman/Chhetri	83221	1157
-Hill Brahman	93544	558
-Hill Chhetri	73547	599

Tarai Caste Groups	61083	396
-Tarai Brahman/Chhetri	84578	19
-Other Tarai Castes	60275	377
Hill <i>Dalit</i>	59414	287
Tarai <i>Dalit</i>	31660	116
Hill <i>Janajati</i>	115258	861
-Newar	142074	183
-Other Hill <i>Janajati</i>	109170	678
Tarai <i>Janajati</i>	57307	236
Muslim	65363	106
Others	53104	19
<b>Total</b>	<b>80420</b>	<b>3178</b>

Source: Nepal Living Standards Survey 2010

**Table 4.15c: Nepali remittance income per capita categorized by ethnic group**

<b>Ethnic Group</b>	<b>Amount in Nepali Rupees</b>	<b>N</b>
Hill Brahman/Chhetri	10,666	2,089
-Hill Brahman	13,366	973
-Hill Chhetri	8,597	1116
Tarai Caste Groups	6,356	697
-Tarai Brahman/Chhetri	8,711	36
-Other Tarai Castes	6,274	661
Hill <i>Dalit</i>	7,148	504
Tarai <i>Dalit</i>	3,554	192
Hill <i>Janajati</i>	12,391	1,866
-Newar	12,243	569
-Other Hill <i>Janajati</i>	12,436	1,297
Tarai <i>Janajati</i>	6,660	413
Muslim	6,476	191
Others	5,889	36
<b>Total</b>	<b>9,243</b>	<b>5,988</b>

Source: Nepal Living Standards Survey 2010

Remittance per capita rates also differ among caste/ethnic groups. Figures are highest for hill *janajatis* and hill Brahman/Chhetris and lowest for Tarai Caste Groups and Muslims. There is some variation within the broader categories too, with per capita rates highest for hill Brahmans, other hill *janajatis*, and Newars; and lowest for hill Chhetris and other Tarai castes.

#### 4.16 Per Capita Consumption

A high per capita consumption rate implies higher standards of living. In Nepal, rates vary widely across ethnic groups. Looking at the broad categories, hill Brahman/Chhetris have the highest per capita consumption rate and therefore the highest standard of living. However, within the hill Brahman/Chhetri group, Chhetris have a significantly lower per capita consumption rate than Brahmans. Although the per capita consumption rates for Tarai Caste Groups overall are lower than the national average, this is not true for Tarai Brahman/Chhetris. The remaining caste/ethnic groups, with the exception of hill *janajatis*, also have per capita consumption rates of below the national average. Within the hill *janajati* group, Newars have much higher standards of living than other hill *janajatis*.

**Table 4.16a: Per capita consumption categorized by ethnic group**

<b>Ethnic Group</b>	<b>Consumption per capita</b>	<b>N</b>
Hill Brahman/Chhetri	40,114	2,089
-Hill Brahman	45,924	973
-Hill Chhetri	35,584	1116
Tarai Caste Groups	30,528	697
-Tarai Brahman/Chhetri	35,347	36
-Other Tarai Castes	30,363	661
Hill <i>Dalit</i>	25,298	504
Tarai <i>Dalit</i>	23,106	192
Hill <i>Janajati</i>	36,116	1,866
-Newar	46,780	569
-Other Hill <i>Janajati</i>	32,943	1,297
Tarai <i>Janajati</i>	31,143	413
Muslim	30,677	191
Others	28,847	36
<b>Total</b>	<b>34,187</b>	<b>5,988</b>

Source: Nepal Living Standards Survey 2010

A comparison of the mean level of consumption in real terms over the period covered by three NLS surveys is presented in Table 4.16b. In general, the pace of change appears to have slowed between 2003 and 2010 when compared to the period between 1995 and 2003. The biggest growth in consumption between 2003 and 2010 was seen in the Muslim community; the rate for Tarai *dalits* also increased sharply (46%). Tarai *janajatis* and hill *dalits* also appear to be enjoying better standards of living although their mean consumption rates remain below the national average. Many of the groups whose consumption rates increased dramatically between 1995 and 2003, showed lower growth rates during the period between 2003 and 2010.

**Table 4.16b: A comparison of consumption rates between 1995 and 2010 (in 2003 prices) categorized by ethnic group**

Ethnic Group	Consumption			% change between 1995 & 2003	% change between 2003 & 2010
	1995	2003	2010		
Hill Brahman/Chhetri	12030	19210	23282	59.8	21.2
Hill <i>Janajati</i>	11900	17850	20961	50	17.4
Hill <i>Dalit</i>	7560	10520	14682	39.1	39.6
Tarai H/Middle Caste	10070	14310	17718	42.1	23.8
Tarai <i>Janajati</i>	8540	11740	18075	37.4	54.0
Tarai <i>Dalit</i>	0	9220	13411	0	45.5
Muslim	8090	10860	17805	34.2	63.9
Other	10650	12160	16743	14.1	37.7
All Nepal	10790	15710	19841	45.5	26.3

Source: Nepal Living Standard Survey 1995, 2003 & 2010

## 4.17 Housing

Improved housing conditions signal improved economic status and healthier living. Housing structures are generally defined in terms of type of foundation, type of walls, and type of roof. Concrete housing structures (referred to as “pakky” structures in Nepal) are generally considered superior to other types of housing structure. The NLSS defines a “good house” as one with a brick or concrete foundation, a concrete or tile roof, and brick or stone walls with cement binding. Houses with thatched roofs, mud and stone walls and earth floors etc. are referred to as “kachchi” houses.

As Table 4.17 shows, around a quarter of the population lives in a “good house.” Of the ethnic groups of hill origin, only the Brahman/Chhetris score above the national average in this regard. Many more Brahmans live in “good houses” than Chhetris. Every two in three households from the Tarai Caste Groups own “good houses”. Within this category, the rate for other Tarai caste groups is above the national average, as is the rate for Muslim households. The overall score for hill *janajatis* is slightly below the national average, but within this group, the rate for Newar households is much higher – one in every two Newar households lives in a “good house.” The rate for other hill *janajatis* is quite low, standing at 22.3%. Relatively few households from the remaining ethnic groups live in “good houses”, with the worst rates found among *dalits* in both the hills and the Tarai.

**Table 4.17: Housing status categorized by ethnic groups**

<b>Ethnic Group</b>	<b>% of households living in a “good house”</b>	<b>Total number of households</b>
Hill Brahman/Chhetri	34.2	1,735,579
-Hill Brahman	43.6	749,340
-Hill Chhetri	26.8	986,239
Tarai Caste Groups	35.0	750,630
-Tarai Brahman/Chhetri	57.8	39839
-Other Tarai Castes	33.6	710791
Hill <i>Dalit</i>	11.6	464,813
Tarai <i>Dalit</i>	11.1	224,563
Hill <i>Janajati</i>	27.6	1,473,957
-Newar	49.4	282,595
-Other Hill <i>Janajati</i>	22.3	1,191,362
Tarai <i>Janajati</i>	18.3	523,669
Muslim	31.6	190,856
Others	21.2	59,230
<b>Total</b>	<b>28.0</b>	<b>5,423,297</b>

Source: National Population and Housing Census 2011

## 4.18 Sources of Household Lighting

Clean sources of household lighting are defined as grid-electricity or electricity generated by solar panels in the home. Four in five households in the hill *janajati* category use clean lighting in their homes. This goes up to 87% for Newars which is significantly better than other hill *janajatis*. Three quarters of hill Brahman/Chhetri households use clean lighting sources. Figures for Brahman households are higher than for Chhetri households. Fewer



Tarai *janajati* households use clean lighting sources than their hill counterparts, despite having the highest use rates of all Tarai groups. The rate for hill *dalits* is similar to that of Tarai *janajatis*. Tarai Caste Groups, Tarai *dalits*, and Muslims have rates that are close to the national average. This is also true of Tarai Brahman/Chhetris.

**Table 4.18: Lighting sources categorized by ethnic group**

Ethnic Group	Electricity %	Kerosene %	Bio-gas %	Solar Energy %	Other %	Not reported %	Total number of households
Hill Brahman/Chhetri	65.2	13.4	0.3	10.5	10.1	0.6	1,735,579
-Hill Brahman	74.2	13.2	0.3	6.5	5.3	0.6	749,340
-Hill Chhetri	58.3	13.6	0.3	13.6	13.7	0.6	986,239
Tarai Caste Groups	65.3	31.1	0.2	1.6	0.7	1.0	750,630
-Tarai Brahman/Chhetri	64.1	32.2	0.3	1.5	0.8	1.1	39839
-Other Tarai Castes	65.3	31.1	0.2	1.6	0.7	1.0	710791
Hill <i>Dalit</i>	60.3	13.9	0.3	12.8	12.2	0.5	464,813
Tarai <i>Dalit</i>	64.0	33.1	0.3	1.2	0.5	1.0	224,563
Hill <i>Janajati</i>	72.7	13.9	0.3	8.3	4.3	0.5	1,473,957
-Newar	83.3	9.6	0.3	4.3	1.9	0.6	282,595
-Other Hill <i>Janajati</i>	70.2	14.9	0.3	9.2	4.8	0.5	1,191,362
Tarai <i>Janajati</i>	70.7	21.9	0.3	2.9	3.7	0.6	523,669
Muslim	66.5	29.6	0.2	1.8	1.0	0.8	190,856
Others	56.7	18.7	0.5	10.4	13.1	0.7	59,230
<b>Total</b>	<b>67.3</b>	<b>18.3</b>	<b>0.3</b>	<b>7.4</b>	<b>6.1</b>	<b>0.6</b>	<b>5,423,297</b>

Source: National Population and Housing Census 2011

#### 4.19 Sources of Cooking Fuel

This analysis compares commercial and traditional sources of cooking fuel. Commercial sources of fuel are defined as LP gas, kerosene, biogas, and electricity. Hill *janajatis* are the biggest users of commercial cooking fuel which is used in one in every three households.

Within this group, more Newars use commercial cooking fuel than other hill *janajatis*, with a use rate of around 50%. This may be due to the high concentration of Newar households in urban and semi-urban areas. The hill Brahman/Chhetri use rate is also high, although one and a half times more Brahmans than Chhetris use commercial cooking fuel. The rate for Tarai *janajatis* is slightly lower than the national average, although better than other Tarai Caste Groups. Use rates for Muslims and hill *dalits* are fairly poor. Tarai Caste Groups and Tarai *dalits* use the least commercial cooking fuel. Tarai Brahman/Chhetris score higher than other Tarai castes.

**Table 4.19: Percentage of households using different sources of cooking fuel categorized by ethnic group**

Ethnic Group	Firewood	Kerosene	LP gas	Cow dung	Bio-gas	Electricity	Other	Not reported	Total number of households
Hill Brahman/Chhetri	68.4	1.0	23.9	3.2	2.5	0.1	0.3	0.6	1,735,579
-Hill Brahman	61.3	1.1	29.3	4.3	3.0	0.1	0.3	0.5	749,340
-Hill Chhetri	73.9	0.9	19.8	2.4	2.1	0.1	0.3	0.6	986,239
Tarai Caste Groups	52.9	1.2	11.7	30.6	1.7	0.0	0.9	1.0	750,630
-Tarai Brahman/Chhetri	52.0	1.3	13.0	29.5	1.7	0.1	1.4	1.0	39839
-Other Tarai Castes	53.1	1.2	11.4	30.7	1.7	0.0	0.9	1.0	710791
Hill <i>Dalit</i>	78.3	0.6	15.4	2.2	2.8	0.1	0.2	0.5	464,813
Tarai <i>Dalit</i>	47.2	1.3	11.8	36.5	1.5	0.0	0.7	1.0	224,563
Hill <i>Janajati</i>	65.0	1.1	27.9	2.8	2.3	0.1	0.3	0.5	1,473,957
-Newar	49.7	1.7	43.4	2.2	2.0	0.1	0.4	0.6	282,595
-Other Hill <i>Janajati</i>	68.6	1.0	24.3	2.9	2.4	0.1	0.2	0.5	1,191,362
Tarai <i>Janajati</i>	60.8	0.9	17.9	15.3	3.8	0.1	0.5	0.6	523,669
Muslim	51.0	1.3	13.7	30.2	2.1	0.0	0.8	0.8	1,90,856
Others	69.5	0.9	14.3	11.9	2.4	0.0	0.3	0.7	59,230
<b>Total</b>	<b>64.0</b>	<b>1.0</b>	<b>21.0</b>	<b>10.4</b>	<b>2.4</b>	<b>0.1</b>	<b>0.4</b>	<b>0.6</b>	<b>5,423,297</b>

Source: National Population and Housing Census 2011

## 4.20 Poverty

In broad terms, economic participation implies access to opportunities for production and employment which lead to improved incomes. Improved incomes are reflected in higher

rates of consumption and improved living conditions. The section analyzes poverty – perhaps the most important indicator of economic exclusion. Changes over the period covered by the last three NLS surveys are also examined here. The poverty indicators used in this section are the poverty head count and the poverty gap.

### Poverty Head Count

The poverty head count is defined as the proportion of the population that live in households with an average per capita expenditure below the national poverty line. Poverty reduction is one of the Millennium Development Goals and has long been at the core of development planning in Nepal.

The lowest levels of poverty are found among hill Brahmins and Newars where only around one in ten people are living below the poverty line. For both hill and Tarai *dalits*, two people in five are living in poverty. The majority of the remaining caste/ethnic groups, with the exception of Tarai Caste Groups, have poverty head counts similar to the national average. Tarai Caste Groups have relatively higher levels of poverty.

**Table 4.20a: Poverty head count categorized by ethnic group**

<b>Ethnic Group</b>	<b>% of households living below the poverty line</b>	<b>N</b>
Hill Brahman/Chhetri	17.7	2,089
-Hill Brahman	10.2	973
-Hill Chhetri	24.0	1116
Tarai Caste Groups	29.2	697
-Tarai Brahman/Chhetri	18.9	36
-Other Tarai Castes	29.5	661
Hill <i>Dalit</i>	42.4	504
Tarai <i>Dalit</i>	40.2	192
Hill <i>Janajati</i>	23.7	1,866
-Newar	10.4	569
-Other Hill <i>Janajati</i>	27.6	1,297
Tarai <i>Janajati</i>	26.6	413
Muslim	22.1	191
Others	11.1	36
<b>Total</b>	<b>25.2</b>	<b>5,988</b>

Source: Nepal Living Standard Survey 2010

Poverty levels for both hill and Tarai *janajatis* have declined during the period 1995 – 2010. Today, the poverty head count is almost half of what it was at the time of the first NLS survey. Poverty levels among hill *janajatis* declined more rapidly in the period between the second and third NLS surveys than in the period between the first and the second; for Tarai *janajatis* it is just the opposite. The hill Brahman/Chhetri community saw a massive drop in the poverty head count between the first and second surveys. In contrast, the drop between the second and third surveys was minimal (-5.9%). It is important to note that levels of poverty among Tarai caste groups appear to be increasing with a 19.2% rise in the poverty head count between 2003 and 2010. Poverty remains relatively high among *dalit* communities. Although there were minimal reductions in the poverty level for Muslims between the first and second surveys, there was a remarkable drop in the poverty head count between 2003 and 2010 of 47%.

**Table 4.20b: Comparison of poverty levels during the period 1995 - 2010 categorized by ethnic group**

Ethnic Group	Poverty (1995)	Poverty (2003)	Poverty (2010)	% change between 1995 and 2003	% change between 2003 and 2010
Hill Brahman/Chhetri	35	18.8	17.7	-46.3	-5.9
Hill <i>janajati</i>	42.2	35	23.7	-17.1	-32.3
Hill <i>dalit</i>	58.2	44.9	42.4	-22.8	-5.6
Tarai H/Middle Caste	28.3	24.5	29.2	-13.4	19.2
Tarai <i>janajati</i>	53.4	35.2	26.6	-34.1	-24.4
Tarai <i>dalit</i>	-	49.2	40.2	-	-18.3
Muslim	44.3	41.3	22.1	-6.7	-46.5
Other	43.2	49.8	11.1	15.5	-77.7
All Nepal	41.8	30.8	25.2	-26.1	-18.2

Source: Nepal Living Standard Survey 1995, 2003 & 2010

## 4.21 The poverty gap index

The poverty head count index does not provide details about the various levels of consumption of those living below the poverty line. For the head count, the poverty line is set at 19,200 Nepali Rupees per annum. Therefore, an individual with an annual consumption rate of say, 15,000 Nepali rupees will be categorized alongside an individual with an annual consumption rate of 5,000 Rupees. The poverty gap index calculates

average relative distances from the poverty line for all of those who are living in poverty. It is important to note that the index categorizes all non-poor people as zero distance from the poverty line. The index is compiled using data about the total population, thus it can be viewed as a poverty index in itself. One of the advantages of this index is that it provides an estimate of the resources required to pull the entire poor population out of the poverty trap. Such resource estimates play a significant role in poverty eradication planning. Readers may refer to the technical notes in the appendix for further details.

Poverty gap statistics are given in Table 4.21a. The poverty gap is lower for the hill Brahman/Chhetri and Muslim communities. Among other ethnic/caste groups, the poverty gap is more pronounced. For hill and Tarai *janajatis* and Tarai Caste Groups, the poverty gap is similar to the national average. For hill and Tarai *dalits*, the poverty gap is huge – around two times higher than the national average. Tarai *janajatis* score marginally better.

Hill Brahmins score around 2% in the poverty gap index. For hill Chhetris on the other hand, the gap stands at nearly 6% - above the national average. The same degree of disparity is seen between Newars and other hill *janajatis*, and between Tarai Brahman/Chhetris and other Tarai castes. The poverty gap is the narrowest for hill Brahmins, Tarai Brahman/Chhetris, and Newars.

**Table 4.21a: Poverty gap (in %) categorized by ethnic group**

Main Ethnic Group	Poverty gap	N
Hill Brahman/Chhetri	3.9	2,089
-Hill Brahman	1.8	973
-Hill Chhetri	5.7	1116
Tarai Caste Groups	5.3	697
-Tarai Brahman/Chhetri	1.8	36
-Other Tarai Castes	5.4	661
Hill <i>Dalit</i>	10.5	504
Tarai <i>Dalit</i>	9.0	192
Hill <i>Janajati</i>	5.6	1,866
-Newar	2.1	569
-Other Hill <i>Janajati</i>	6.7	1297
Tarai <i>Janajati</i>	4.8	413
Muslim	3.7	191
Others	3.4	36
<b>Total</b>	<b>5.5</b>	<b>5,988</b>

Source: Nepal Living Standards Survey 2010

Table 4.21b shows how the poverty gap has narrowed over time. Muslims and hill/Tarai *janajatis* show a noteworthy improvement between 1995 and 2010. While the poverty gap widened for Tarai *janajatis* between 1995 and 2003, it narrowed significantly during the period 2003 – 2010. Although the rate at which the hill Brahman/Chhetri poverty gap is narrowing has slowed down considerably in recent years, there was a remarkable reduction of nearly 62% during the period 1995 – 2003. The poverty gap for hill *dalits* narrowed quite significantly between the first and second NLS surveys, but only marginally between the second and the third. Tarai Caste Groups saw a massive drop of 62% between the first and second surveys, but an increase of 10.4% between the second and the third. There was a small reduction in the poverty gap for Tarai *dalits* in the 2003 – 2010 period, giving them a similar score to their hill counterparts.

**Table 4.21b: Comparison of the poverty gap between 1995 and 2010 categorized by ethnic group**

<b>Ethnic Group</b>	<b>Poverty Gap (1995)</b>	<b>Poverty Gap (2003)</b>	<b>Poverty Gap (2010)</b>	<b>% change between 1995 &amp; 2003</b>	<b>% change between 2003 &amp; 2010</b>
Hill Brahman/Chhetri	11	4.2	3.9	-61.4	-7.1
Hill <i>Janajati</i>	12.8	10	5.6	-21.8	-44.0
Hill <i>Dalit</i>	18	11.1	10.5	-38.5	-5.4
Tarai H/Middle Caste	12.7	4.8	5.3	-62.6	10.4
Tarai <i>Janajati</i>	4.3	8.1	4.8	87.4	-40.7
Tarai <i>Dalit</i>	0	11	9	0	-18.2
Muslim	11.3	9.3	3.7	-18	-60.2
Other	10.3	12.1	3.4	17.2	-71.9
All Nepal	11.7	7.5	5.5	-35.7	-26.7

Source: Nepal Living Standards Survey 1995, 2003 & 2010

## SUMMARY AND CONCLUSION

The main objective of this study was to explore the socio-economic situation in the country by reanalyzing the raw data sets generated by the NLSS, the NLFS, and the NDHS. These data sets were available at the Central Bureau of Statistics and at New ERA Consulting. The analysis focused on health, education, and economic participation and associated objectively defined indicators. It is clear that there is variation between many of the major caste/ethnic groups, in addition to intra-group differences and inequalities. In general, *dalits* from both the hill and Tarai regions face the highest levels of socio-economic exclusion.

### 5.1 Health and Sanitation

Health status is a basic indicator for standards of living; and good health, from conception to the end of life, is intrinsically important for human development. This analysis begins by looking at antenatal care, and then moves on to look at vaccination coverage, post-natal care, nutrition, and sanitation.

Figures for access to antenatal care facilities, and average number of antenatal care visits vary widely across caste and ethnic groups. The average number of antenatal visits made by hill Brahman/Chhetri women is higher than the average number of visits made by other groups. The lowest number of visits is made by *dalit* women from the Tarai. Hill Brahman and Newar women make the highest number of antenatal care visits while hill Brahman/Chhetri women are the biggest users of iron tablets. Iron tablet consumption is also high among hill *janajati* and Newar women. Women from Tarai castes and Tarai *dalit* women use iron tablets during pregnancy for the least number of days.

Tetanus Toxoid vaccinations are important for the health of both the mother and the infant. Women from other Tarai castes receive the most vaccinations followed closely by hill Brahman/Chhetri women. It should also be noted that more Tarai *dalit* women receive vaccinations than hill *dalit* women. The majority of Nepali women still deliver their babies at home. Tarai and hill *dalit* women deliver the highest percentage of home births. Only a quarter of women deliver their babies in government health facilities. Access rates are highest for hill Brahman/Chhetris and Tarai Caste Groups, while access rates are low for Tarai *dalits* and Tarai *janajatis*. About one third of women their deliver babies at non-government health facilities.

Although postnatal care is equally as important as antenatal care, only about one third of Nepali women attend postnatal checkups. The majority of these are from the hill Brahman/Chhetri group. Even today, very few hill *dalit* women attend postnatal checkups. Access to health care facilities is also an issue with four fifths of hill *dalit* women facing access problems.

Vaccination coverage and malnutrition rates are other important indicators associated with the good health of children. Although overall vaccination coverage for children under two years of age is generally high, it remains low for hill Brahman/Chhetri and hill *janajati* children. About one third of the children under five in Nepal are malnourished (underweight). The children most likely to be underweight are hill/Tarai *dalits* and those from other Tarai caste groups. This indicates poor availability of nutritious food. The Body Mass Index (BMI) is used to measure the nutrition status of women of reproductive age. The highest proportion of women with a normal BMI are hill *janajatis*, while BMI is lowest among Tarai *dalits* and Muslims. The number of hill dalit and hill Brahman/Chhetri women with a normal BMI is almost equal.

A healthy life is associated with the availability of safe drinking water and modern toilet facilities. In Nepal, safe drinking water is available in four fifths of households. Access to safe drinking water is best in Tarai *janajati* households and in the households of other Tarai castes. Access rates are also fairly high for Tarai *dalits*. Access to a modern toilet facility is an important sanitation indicator. Only two fifths of the households in Nepal have access to a modern toilet, with access rates highest for hill Brahman/Chhetris. Within this group, Brahmans have better access than Chhetris. The Newar community also scores highly on this indicator.

## 5.2 Education

Education is an important indicator of human capability which is both an end and means. Education enhances human capability and also serves as a tool for supporting human life by providing access to opportunities. Therefore, access to educational opportunity is critically important.

Literacy is defined as the ability to read and write. Literacy rates differ both between and within caste/ethnic groups. Among the broad categories, the literacy rate of hill Brahman/Chhetris is the highest. This is followed by hill *janajatis*. Within the hill Brahman/Chhetri group, Brahmans have a higher literacy rate than Chhetris. In the Tarai, Brahman/Chhetris also have the highest literacy rate, indicating better access to education. Access to education is, in turn, reflected in school enrolment rates. Hill Brahman/Chhetris have the best access to basic level education (grades 1 – 8). In contrast, the enrolment rate for Tarai *dalit* children is extremely low. Within the hill Brahman/Chhetri group, the enrolment rate of Brahmans is higher than that of Chhetris. Within the Tarai Caste Groups category, the basic education enrolment rate of children from other Tarai castes is the lowest. Muslims have the lowest overall basic education enrolment rate. Gender disparity in school enrolment figures can be seen across the caste/ethnic groups. The gross enrolment rate at secondary level also differs among and within caste/ethnic groups. Hill Brahman/Chhetri children have the highest secondary enrolment rates while Tarai *dalits* have the lowest. Within the broader groups, the hill Brahman enrolment rate is higher than that



of the hill Chhetris. Within the Tarai Caste Groups category, the enrolment rate for other Tarai castes is the lowest. Hill Brahmins also have the highest enrolment rate for tertiary education. Variations in the enrolment rate at all levels of education ultimately indicate that there is unequal distribution of access to educational opportunity within the country. This inequality will ultimately create a society with vastly differing levels of educational ability.

### 5.3 Economic Indicators

Economic activity plays a pivotal role in shaping standards of living. Economic activity is fundamental to the survival of the individual, as it supports livelihoods and increases access to products and services. Access to productive resources and possession of assets such as property are examples of economic activities. Access to land is the major determinant of living standards in primarily agricultural countries such as Nepal. Although the proportion of households with access to agricultural land ownership is high among the hill *dalit* community, it is surprisingly low among the Tarai *dalit* community. Looking within the broader groups, access to agricultural land is highest among hill Chhetri and Tarai *janajati* communities. The size of agricultural land holdings is also relevant. Among the broader categories, the agricultural plots owned by Tarai Caste Groups are of the largest average size. However, looking with the broader group, Tarai Brahman/Chhetris and other Tarai caste groups have the largest plots of land overall. Interestingly, the land with the highest average value is owned by Muslims, indicating that there is no direct relationship between land size and its market value. Land access figures are very different if looked at from a gender perspective. Women in Nepal still have much less access to assets and to productive resources than their male counterparts. In addition, the level of women's land ownership of is very different for different ethnic/caste groups. Looking at the broader groups, Tarai *janajati* and Muslim women have slightly better access to land ownership than other groups. Disaggregated data shows that Tarai Brahman/Chhetri women have the highest level of access overall.

House ownership is another important standard of living indicator. Houses not only provide shelter, but can also be a source of income. Opening up women's access to home ownership is therefore extremely important. The number of households in which women own property is generally very low – about one in ten. Tarai *janajati* women have the best access to home ownership of all caste/ethnic groups. Rates are much lower for other Tarai caste groups. Looking within broader groups, hill Brahman women have better access to property ownership than hill Chhetri women, and Tarai Brahman/Chhetri women have better access than other Tarai castes. Newar women and other hill *janajati* women also have relatively high levels of access.

Employment generally increases an individual's access to opportunities for economic activity. The number of employed individuals is highest among Tarai Caste Groups and lowest among hill Brahman/Chhetris. There is some intra-group variation with more hill

Chhetris employed than hill Brahmans, and more people from other Tarai castes employed than Tarai Brahman/Chhetris. Levels of employment are also reflected in labour utilization figures. Underutilization is high among Tarai *dalits* and hill Brahman/Chhetris. In contrast, underutilization rates are low among hill *dalits* and hill *janajatis*. There is some intra-group variation.

Working children is another problem frequently encountered in less developed societies. In Nepal, about one third of children aged between 5 and 14 are engaged in some sort of economic activity. Rates vary from group to group, the highest being that for hill *dalit* children and the lowest for children from Tarai Caste Groups.

The agriculture sector and the non-agricultural sector are the two major employment sectors in the country. People prefer to be engaged in non-agricultural work as it generally pays a better income. Although the non-agricultural sector employs about one third of the working population, levels of access to the sector are different for the different caste/ethnic groups. A larger proportion of Muslims are engaged in the non-agricultural sector than other groups. Tarai Caste Groups also have higher access levels than others. Within the broader groups, Tarai Brahman/Chhetris have the highest levels of access to the sector, and hill *janajatis* have the lowest. In terms of adequate income generation, the extent or duration of employment is also an important factor. On average, Nepali workers are engaged in usual employment for around 10 months per year, although this varies according to caste/ethnic group and gender, with men working approximately two months more in a year than women. This figure is similar for all of the caste/ethnic groups. The extent or duration of employment is not the only factor that affects the income status of individuals and households. In addition, individuals who do not have access to better opportunities tend to engage in elementary employment. This is the case for about one in ten economically active Nepalis. There are more Tarai *dalits* doing elementary occupations than people from other caste/ethnic groups. Very few hill Brahman/Chhetris are engaged in such work. Professional and technical jobs generate better incomes, but only one in sixteen people hold a job of this kind. Access to jobs in the technical/professional sector varies among caste/ethnic groups with more hill Brahman/Chhetri men and women engaged in the sector than other groups. The number of women working in the sector is around half the number of men.

The income status of economically active individuals can also be determined by wage rate. As the majority of the population is still engaged the agriculture sector, the sector's daily wage rate can have a profound influence on the income of millions of people. The mean wage rate is very low – currently just 169 Rupees per day; the rate varies across ethnic/caste groups with hill *dalits* receiving the highest daily wage and Tarai Caste Groups the lowest. The daily wage rate in the agriculture sector has increased over time. In the non-agricultural sector, the wage rate is approximately one and a half times higher. Overall, hill Brahman/Chhetri people receive the highest wages and those from Tarai Caste Groups the

lowest. Within the groups there is significant variation. Hill Brahmans earn about 40% more than hill Chhetris, while Tarai Brahman/Chhetris earn less than other Tarai caste groups. Wages have increased over time across caste/ethnic groups.

Although the practice of receiving remittances from overseas is not a new one, it was not nearly as widespread in the past as it is today. It should not be assumed, however, that 100% of the people who are absent from their homes are engaged in domestic or foreign employment and are sending remittances. It may be surprising to note that the highest proportion of remittance receiving households is Tarai dalit. A percentage of households across caste/ethnic groups have access to income from remittances although the average remittance amount varies. Hill *janajati* households receive, on average, relatively high sums, as do hill Brahman/Chhetris. There is some intra-group variation with Newar and other hill *janajati* households receiving larger sums than other sub-groups. Among the broader caste/ethnic groups, hill *janajatis* receive the largest per capita amount. The per capita distribution varies widely across groups. Remittance per capita along with other sources of income directly affects the consumption status of households and individuals.

When compared to other caste/ethnic groups, the per capita consumption rate for hill Brahman/Chhetris is relatively high. The per capita consumption rate for Tarai Caste Groups, Tarai *janajatis* and Muslims is almost equal. There is also intra-group variation which shows that Newars have the highest per capita consumption rate. Hill Brahman and Tarai Brahman/Chhetri rates are also high. Rates for Muslims, Tarai *janajatis*, and Tarai *dalits* have increased remarkably over time, changing more rapidly than the rates for other caste/ethnic groups. Per capita consumption has a direct bearing on standards of living.

The prevalence of ‘good housing’ is a basic indicator of improved standards of living. In Nepal, less than one third of households live in a ‘good house’. More households from Tarai Caste Groups live in ‘good houses’ than households from other caste/ethnic groups, followed closely by hill Brahman/Chhetris. Standards of living can also be measured by clean energy use. Hill *janajati* households have the best overall access to clean lighting sources; the access rate is similar for hill Brahman/Chhetris. Similarly, hill *janajatis* have the best access to commercial cooking fuel with one in three households using clean energy for cooking. In contrast, Muslim and *dalit* communities use very little commercial cooking fuel, indicating lower standards of living.

Households that are unable to afford basic facilities or locally available services are classified as poor. Poor households lack the sources of income required to fulfil the basic needs of the household. Poverty status is usually measured in terms of the poverty head count, and the poverty gap. Overall, one quarter of the Nepali population is poor. The poverty head count identifies hill and Tarai *dalits* as the communities with the highest levels of poverty. According to the head count, only a small number of hill Brahman/Chhetris, hill *janajatis* and Muslims are living in poverty. In addition, hill Chhetris are

more likely to be poor than hill Brahmins, and there are fewer poor people in the Tarai Brahman/Chhetri community than there are in other Tarai caste groups. Overall, the level of poverty is decreasing over time for all caste/ethnic groups with the exception of the Tarai H/middle caste group. For this group, levels of poverty increased between the second and third NLS surveys. Looking at the poverty gap, it is narrowest among hill Brahman/Chhetris and Muslims, and widest among hill and Tarai *dalits*. Disaggregated figures show that the poverty gap is wider among hill Chhetris than it is among hill Brahmins and wider among other hill *janajatis* than it is among Newars.

Levels of socio-economic exclusion in Nepal vary across indicators and across and within caste/ethnic groups. None of the groups has a significantly lower level of socio-economic exclusion across the boarder social groups. Caste/ethnic groups that face low levels of exclusion in one indicator may face higher levels of inclusion in another indicator. However, Hill Brahman/Chhetris and hill *janajatis* have low rates of exclusion across a fairly high number of indicators. Within the broader groups, hill Brahmins, Newars, and Tarai Brahman/Chhetris have similar scores. In contrast, hill and Tarai *dalits* scored poorly across a number of indicators and often face higher levels of exclusion than other caste/ethnic groups.

## TECHNICAL NOTES

This section includes a detailed account of the methods used to obtain the estimates described in the study. It contains definitions of the indicators, and describes how it was possible to use these indicators to compare different caste/ethnic groups. The methods used to enable comparisons to be made between the periods covered in the three NLS surveys are also listed here. Not all of the surveys featured in this study used equal probability design methods. All of the indicators obtained from those surveys are, therefore, weighted using probability weights provided by data generating agencies. This serves to make the estimates more reliable.

### Definition of Indicators

#### Adult Literacy Rate

Literacy is defined as the self-reported ability to both read and write. All people of fifteen years of age and above are included in the adult literacy rate

#### Gross Enrolment Rate

The Gross Enrolment Rate at a particular level of schooling is defined as the ratio of total enrolment at a particular level (irrespective of the age of the students), to the total population in the official age group specified for the particular level, multiplied by 100. It is possible for Gross Enrolment Rates to be calculated at more than 100%. The official ages for different education levels are given below.

#### Official age group by level

Level of education	Age group (years)
Basic Level ( Grades 1-8)	5 to 12
Secondary Level ( Grades 9-12)	13 to 16
Tertiary Level (University Education )	17 to 21

#### Access to Safe Drinking Water

Access to safe drinking water is operationally defined as access to either piped water (tap connected to the house or public tap), or to a deep tube well. Access rate indicators do not investigate the adequacy of supply or the quality of the water.

#### Nutrition Level

The nutrition level is measured as the proportion of underweight children of five years of age and under. The threshold values of weight-for-age used in this report are based upon

those in normal use i.e. plus /minus 2 SD<sup>2</sup>

The Body Mass Index is denoted by  $BMI = (\text{weight in kilogram})/(\text{height in meter})^2$

### **Agricultural Landholding**

This is determined by measuring the ratio of households that own agricultural land to the total number of households multiplied by 100.

### **Area of Land**

This is the average area of agricultural land per household. Households with no agricultural land are measured as zero area.

### **Area of Land Owned by women**

This denotes the average area of land owned by women per household, including households where women own zero area of land.

### **Average Land Value**

This denotes the average value of land, if sold, as reported by the household. Landless households are measured as having zero value land.

### **Per Capita Consumption**

This is the average rate of consumption (in Nepali Rupees) per person per year. Due to price variations in the market during the period studied, prices listed in this report have been adjusted to 2003 levels in order to enable comparison. In order to measure the changes in per capita consumption in real terms, the 1995-96 estimate and 2003-04 estimate were retrieved from an earlier analysis (Das and Hatlebakk 2009) which used 2003 prices. For the last two NLSS periods, the consumer price index published by Nepal Rastra Bank was used. The divider used to convert the 2010 value into the 2003 value is 1.71.

### **Wage rates in Agriculture/Non agriculture**

“Wage rates” describes the money paid to those working on a daily-wage basis in the agriculture and non-agricultural sectors. Market inflation was taken into consideration when comparing wage rates over time.

### **Poverty indicators**

Two poverty indicators were calculated: incidences of poverty (the poverty head count), and the poverty gap.

The poverty head count for a given caste/ethnic group is defined as the proportion of the population who live in households with an average per capita expenditure rate that falls below the poverty line.

The term poverty gap describes the average distance below the poverty line of an individual or group. Those living above the poverty line are listed as zero value.

The formula used to calculate poverty indicators is taken from Das and Hatlebakk (2010)

$$P_j = \frac{1}{N} \sum_{i=1}^N ((z - E_i)/z)^j \cdot I(E_i)$$

Where, N= population size

$E_i$  = Expenditure of the  $i$ th person

$z$  = poverty line

$I(E_i) = 1$ , when the expenditure is below the poverty line

$= 0$ , otherwise

$j=0$  for poverty incidence

$j=1$  for poverty gap

$j=2$  for poverty severity.





# ANNEX B

## CATEGORIZATION OF CASTE/ ETHNIC GROUPS

Broad Caste/ Ethnicity	Caste/Ethnic Groups				
<b>Hill Brahmin</b>	HILL BRAHMIN	SANYASHI			
<b>Hill Chhetri</b>	THAKURI	CHETRI			
<b>Terai Brahmin/ Chhetri</b>	BRAHMIN – TERAJ	KAYASTHA	RAJPUT		
<b>Other Terai Castes</b>	BADHAE	BANIYA	BARAE	BHEDI- YAR/GA- DERI	BING/ BINDA
	DHUNIA	HAJAM/ THAKUR	HALUWAI	KAHAR	KALWAR
	KAMAR	KANU	KEWAT	KOIRI	KUMHAR
	KURMI	LODHA	LOHAR	MALI	MALLAH
	NUNIYA	NURANG	RAJBHAR	SONAR	SUDHI
	TELI	YADAV	BANGALI	MARWA- DI	PUNJABI/ SIKH
<b>Hill Dalit</b>	BADI	DAMAI/ DHOLI	GAINI	KAMI	SARKI
<b>Terai Dalit</b>	BANTAR	CHAMAR, HARIJAN, RAM	CHIDIMAR	DHOBI	DOM
	DUSADH/ PASWAN/ PASI	HALKHOR	KHATWE	MUSA- HAR	TATMA
<b>Newar</b>	NEWAR				
<b>Mountain/Hill Janajati</b>	BHOTE	BRAHMU/ BARAMU	BYANGSI	CHEPANG (PRAJA)	CHHAN- TYAL
	DURA	GHARTI/ BHUJEL	GURUNG	HAYU	JIREL
	LIMBU	MAGAR	PAHARI	RAI	LEPCHA

	RAUTE	SHERPA	SUNUWAR	TAMANG	HYOLMO
	THAKALI	THAMI	WALUNG	YAKKHA	
<b>Terai Janajati</b>	DHAGAR/ JHAGAR	DHANUK	DHIMAL	GANGAI	KISAN
	KOCHE	MECHE	MUNDA	PATHAR- KATA/	
<b>KUSWADIYA</b>	RAJBANSI				
	SANTHAL/ SATAR	TAJPURIYA	THARU	DANU- WAR	DARAI
	MAJHI	BOTE	RAJI	KUMAL	
<b>Muslim</b>	MUSALMAN				
<b>Others</b>	UNIDENTIFIED/UNCLASSIFIED OTHERS				

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