

NEPAL LIVING STANDARDS SURVEY

(1995/96 and 2003/04)

ANALYSIS OF PANEL HOUSEHOLDS



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PREFACE

Central Bureau of Statistics (CBS) conducted Nepal Living Standards Survey 2003-04, a nation-wide multi-purpose household income and expenditure survey, as a follow up of the first survey launched in 1995-96. Two statistical reports containing the major findings of the survey and an analytical report on poverty trends were published by the Bureau in December 2004 and August 2005 respectively.

This volume presents the results of the panel part of the Nepal Living Standards Survey 2003/04 (NLSS II). NLSS II panel sample is representative of the population of the country; however, the results are not readily comparable in different disaggregated level as provided by its cross-section counterpart. This report provides similar insights into trends and levels of various aspects of socio-economic situation of Nepal of the last eight years in support of the results of the cross-section despite its small sample size.

There are sixteen chapters in the report. The report contains Methodology (Chapter 1), Demography (Chapter 2), Housing (Chapter 3), Access to Facilities (Chapter 4), Literacy and Education (Chapter 5), Health Services (Chapter 6), Maternity and Family Planning (Chapter 7), Economic Activity Status (Chapter 8), Wage Employment (Chapter 9), Non-farm Enterprises (Chapter 10), Agriculture (Chapter 11), Income (Chapter 12), Consumption (Chapter 13), Remittances and Transfer Income (Chapter 14), Subjective Information on Adequacy of Basic Needs (Chapter 15), and Poverty Estimates from a Panel Sample (Chapter 16).

I sincerely appreciate all the field staff who has worked hard to collect data. I appreciate the efforts the team has put into implementing the survey and producing the data analysis results. The members of the analysis team include Deputy Director General Mr. Uttam Narayan Malla, Deputy Director Mr. Rabi Prasad Kayastha and Statistical Officers Mr. Ram Hari Gaihre, Mr. Anil Sharma, Mr. Ishwori Prasad Bhandari, Mr. Guna Nidhi Sharma, Mr. Binod Manandhar, Mr. Kapil Prasad Timalsena and Computer Assistant Mr. Mohan Khajum Chongbang.

Also, I would like to extend my sincere thanks to Senior Economist Ms. Elena Glinskaya and Mr. Dilip Parajuli of the World Bank for their valuable suggestions for the improvement of this report.

The NLSS panel dataset contains the longitudinal information of socio-economic situation of the country during the period of 1995/96 to 2003/04 years. Researchers willing to pursue in-depth analysis of a certain theme or interested in carrying out their own analysis of the NLSS panel data are requested to contact CBS to acquire panel dataset. We would certainly appreciate comments of the readers on this report. This will guide us to improve our future surveys and their successive analysis.

March 2006
Kathmandu

Tunga Shiromani Bastola
Director General
Central Bureau of Statistics

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EXECUTIVE SUMMARY

SURVEY METHODOLOGY

Nepal Living Standards Survey 2003/04 (NLSS II) is the second multi-topic national household survey conducted by Central Bureau of Statistics (CBS) from April 2003 to April 2004. The survey follows the World Bank's Living Standards Measurement Survey (LSMS) methodology. The key feature of the NLSS II panel survey is to study the changes that have been experienced by those households interviewed in NLSS 1995/96. The NLSS II panel sample is composed of 100 of the 274 PSUs visited under NLSS I in 1995/96. The panel PSUs were selected with equal probability within each of the four strata defined by NLSS I. NLSS II interviewed 1160 households for the purpose of integrity with the cross-section but only 962 of them were found to be the panel and re-interviewed. Thus this report is based on the results of 962 panel households.

PANEL HOUSEHOLDS

Households interviewed in NLSS 1995/96 were re-interviewed in NLSS 2003/04 with a purpose to measure the changes undergone in their living standards during the period. Findings in brief as per the analysis of the panel household data are as follows.

POVERTY INCIDENCE

The CBN poverty rate for the panel sample in 1995-96 was estimated at 38.8 percent, while for 2003-04 it was estimated at 32.0 percent. These estimates are quite close to the estimates obtained from the main cross-sectional sample, confirming the trend of substantial poverty decline in Nepal. In urban areas, the poverty rate in 1995-96 was 32.2 percent. It dropped to 19.9 percent in 2003-04. In the rural

panel, the poverty rate in 1995-96 was 39.1 percent. It dropped to 32.5 percent in 2003-04.

HOUSEHOLD CONSUMPTION

In nominal terms, per capita consumption has been increased from NRs. 7,369 in 1995/96 to NRs. 13,199 in 2003/04 and average household consumption increased from NRs. 42,499 to NRs. 72,213 at the same time. The food occupies more than 60 percent share in consumption followed by non-food and housing in both the survey years. However, the share of household food consumption has a decreasing trend against the increasing trend of nonfood consumption.

HOUSEHOLD INCOME

In nominal terms, average per capita income is increased from Rs. 7,307 in 1995/96 to Rs. 13,946 in 2003/04. Major sources of household income have noticeably been changed during the period. The share of farm income in total income has been declined from 65 percent to 54 percent while that of remittance income increased from 7 to 13 percent and of other sources including housing increased marginally. The source of income in both of the surveys is predominantly the self-employment but the decrease in income share of wage and self-employment has been compensated by the increase in other sources of income in the past eight years.

REMITTANCES & TRANSFER INCOME

The proportion of households receiving remittances has increased from 23 percent in 1995/96 to 37 percent in 2003/04. Average amount of remittance/transfer earnings per recipient household has nearly been doubled in nominal terms (from Rs. 13,633 to Rs.24,432) in the same period. The share of the internal and external sources of these remittance amounts almost equal in both surveys while among the external sources, the share of other countries excluding India has been increased significantly. The per capita remittance for the entire

country has almost been tripled in nominal terms between two rounds of NLSS.

ADEQUACY OF CONSUMPTION

Self-reported welfare has been improved across all types of consumption over the last eight years. If we assign households reporting "less than adequate" consumption as self-reported "poor", such subjective poverty has been decreased substantively from 1995/96 to 2003/04. In this period, inadequacy in food consumption has declined by 20 percentage points (from 49 to 30 percent), housing by 22, clothing by 22, health care by 27, and schooling by 20 percentage points. Inadequacy in total income, however, shows a slight decline from an already very high rate in NLSS I.

DEMOGRAPHIC PICTURE

A slight change in the country's demographic picture has been observed between 1995/96 and 2003/04. A household has on an average 5.5 members in 2003/04 as compared to 5.8 in 1995/96. The proportion of children under 15 years of age has been decreased slightly from 43 to 39 percent, where as the proportion of the population of the age group in 15-59 years has been increased from 50 to 53 percent, and that in 60 years and over has remained about the same resulting a downward trend of dependency ratio during the period. Panel households have become smaller in terms of size, from 5.8 members to 5.5 on an average during the period while the proportion of female-headed households not to be surprised has remarkably increased from 13 percent to almost 19 percent.

HOUSING

Most of the households (92 percent) were reported to be residing in their own housing units in 2003/04 indicating a decline of 2 percentage points in eight years. The proportion of renters remains the same in the last eight years. The proportions of households occupying housing units with cement-bonded outer walls and concrete or

galvanized sheet roof have been increased. Similarly, household's access to electricity and piped water has also been increased. Almost 37 percent of households now have toilet facility in their own dwellings, compared to 20 percent in 1995/96. Also, there has been remarkable increase in the proportion of households having access to piped water (from 27 to 37 percent) as well.

ACCESS TO FACILITIES

Between 1995/96 and 2003/04, access has been improved almost universally across all types of public facilities. Household's access to primary schools within 30 minutes (of travel time) was 88 percent, and now stands at 91 percent. By this measure, proportion of households with access to health posts/hospitals has been increased by 17 percentage points, and agricultural centers and commercial banks by 7 percentage points each. Similarly, access to cooperatives by 8 percentage points, market center by 10, Haat bazaars by 20, paved roads by 13, vehicle passable dirt-roads by 10 and bus stops by 20 percentage points during the same period.

LITERACY AND EDUCATION

Almost all education indicators show a very noticeable improvement between 1995/96 and 2003/04. Overall adult literacy rate is up by 8 percentage points, with the increase being slightly higher for females. Proportion of population aged 6 years and above that ever attended school was 44 percent in 1995/96 and is reported to be 55 percent in 2003/04. Private school participation rate has gone up from 5 to 11 percent during the same period.

HEALTH SERVICES

In both rounds of NLSS, reported incidence of chronic illness is quite low. Incidence of acute illness is increased from 9 percent in 1995/96 to 14 percent in 2003/04. About two-fifth of acute illness cases were fever in both years. The proportion of acute diarrhoea cases is down by 5 percentage points during the same period. The

proportion of consultations with a doctor upon acute illness has been decreased whereas that with a paramedical has been increased. The proportion of fully immunized children went up remarkably from 30 to 58 percent.

MATERNITY AND FAMILY PLANNING

The proportion of women (15-49 years) who have knowledge of at least one family planning method has been increased by 14 percentage points to reach 76 percent in 2003/04. On the other hand, the proportion of married couples using some form of family planning methods has been increased from 15 to 37 percent. The share of permanent family planning method is down by 2 percentage points giving rise to the significant increase in the share of other temporary methods. NLSS II estimates the proportion of women receiving antenatal care at 56 percent and that receiving post-natal care at 12 percent. The corresponding figures as per NLSS I were 26 and 23 percent.

ECONOMIC ACTIVITY STATUS

Percent of people classified as currently employed has been increased from 67 in 1995/96 to 74 in 2003/04, while the share of unemployed has been decreased slightly and the group classified as inactive has also been decreased by 7 percentage points in the same period. Implied rate of labor force participation is increased and that of unemployment is decreased both for current and usual activities. Three quarters of the people were usually active in 2003/04 compared to 84 percent in 1995/96 remaining the unemployment rate very low.

WAGE EMPLOYMENT

A noticeable change in wage employment in the last 8 years is probably due to the shift in shares of agriculture and non-agriculture sectors. Percent share of agricultural wage earners has been declined from 56 in 1995/96 to 43 in 2003/04 while that for non-agriculture has been

increased by 13 percentage points. Accordingly, the average nominal daily wages have been increased by 88 percent in agriculture and by 81 percent in non-agriculture in the last eight years.

NON-FARM ENTERPRISES

Among the households operating non-farm enterprises in 1995/96, trade occupied the largest proportion (45 percent) followed by manufacturing (35 percent) and services (16 percent). The shares of these three industries have been reversed in order of 23, 34 and 36 percent respectively in 2003/04. Only 2 percent of the non-farm enterprises were operated in partnership and one-in-ten enterprises were found to hire labors in both surveys. Formally registered household enterprises were reported to be 19 percent, an increase from 12 percent from the last survey.

AGRICULTURE

The percentage of agricultural households has been decreased from 85 in 1995/96 to 83 in 2003/04. Both, the average size of holding and the average number of parcels have been decreased so far. The percentage of holdings operating less than 0.5 hectares of land is increased marginally during the same period. The percentage of households growing winter and summer vegetables has sharply been increased. Also, the percentage of households keeping goats has been increased from 56 to 65 percent in the past eight years.

1. METHODOLOGY

1.1 Background

In 1995/96, the Central Bureau of Statistics (CBS) conducted Nepal Living Standards Survey (NLSS I) for the first time. The second round of NLSS (NLSS II) was conducted in 2003/04. The survey collected information on the extent, nature and determinants of poverty covering different aspects of household welfare, including consumption, income, housing, access to facilities, education, health, employment, access to credit and remittances.

1.2 Objectives

The main objective of launching the NLSS II was to update comprehensive data on the living standards of the people and assess the impact of various government policies and programs on consumption poverty and social indicators over the last eight years. The survey used two-pronged approach: a nationally representative cross-section survey to estimate trends and levels of socio-economic indicators in the country and its different geographic regions; and a smaller panel survey to track exact changes experienced by those previously enumerated households during last eight years.

1.3 Survey Methodology

As in NLSS I, NLSS II followed the Living Standards Measurement Survey (LSMS) methodology, a household survey approach developed by the World Bank. The key feature of the NLSS II panel survey to study the changes that have been experienced by those households interviewed in Nepal Living Standards Survey 1995/96 concurrently with the cross-section survey.

1.3.1 Sample Design

The sampling design of the NLSS II included two components of samples; cross sections samples and panel samples. The first one was nationally representative random cross-section sample of 4008 households from six explicit strata of the country. The second one was panel sample of 1232 households drawn from 3373 households interviewed in NLSS I.

1.3.2 The NLLS II Panel Sample

The NLSS II panel sample consists of 100 of the 274 Primary Sampling units (PSUs) visited by the NLSS I in 1995/96. These 100 "so called panel" PSUs are part of cross-section PSUs in NLSS 1995/96 but they are perfectly "panel" in case of NLSS 2003/04. The panel PSUs were selected with equal probability within each of the four strata defined by the NLSS I, as follows: 12 (out of 33) in the

Mountains, 18 (out of 50) in the Urban Hills, 33 (out of 91) in the Rural Hills and 37 (out of 100) in the Tarai.

In NLSS I, the strata were composed of Mountains (424 households), Urban Hills (604 households), Rural Hills (1,136 households) and Tarai (1,224 households). The sampling frame was taken from the Population Census 1991.

Therefore, the raising factors for the panel component of the survey was obtained by simply multiplying the NLSS I weights by a constant factor in each stratum (33/12 in the Mountains, 50/18 in the Urban Hills, 91/33 in the Rural Hills and 100/37 in the Tarai) for both NLSS I and II. It is worth mentioning that these weights are intended to produce estimates from the panel sample alone.

Table 1.1 and 1.2 present the geographic distribution of the panel samples. Table 1.3 shows the geographic distribution of panel sample with respect to urban rural composition. Table 1.4 presents the tracking and enumeration status of the panel PSUs and households.

Table 1.1: Primary sampling units of the panel sample by region and zone

Ecological Zone	Development Region					Total
	East	Central	West	Mid West	Far West	
Mountains	3	4	0	2	3	12
Hills	7	23	12	6	3	51
Tarai	13	12	7	3	2	37
Nepal	23	39	19	11	8	100
<i>Cross-section</i>	<i>75</i>	<i>126</i>	<i>65</i>	<i>39</i>	<i>29</i>	<i>334</i>

Table 1.2: Number of households of the panel sample by region and zone

Ecological Zone	Development Region					Total
	East	Central	West	Mid West	Far West	
Mountains	36	48	0	24	48	156
Hills	84	276	144	72	48	624
Tarai	156	144	84	36	32	452
Nepal	276	468	228	132	128	1232
<i>Cross-section</i>	<i>900</i>	<i>1512</i>	<i>780</i>	<i>468</i>	<i>348</i>	<i>4008</i>

Table 1.3: Distribution of primary sampling units of the panel sample by zone and urban/rural residence

Urban/Rural	Ecological Zone			Total
	Mountains	Hills	Tarai	
Primary Sampling Units	12	51	37	100
Urban	0	18	3	21
Rural	12	33	34	79
Households	156	624	452	1232
Urban	0	216	36	252
Rural	156	408	416	980

Table 1.4: Enumeration status of households in the panel sample

	Sampled	Enumerated			Not Enumerated
		Tracked	Not Tracked	Total	
PSUs	100	95 (100%)	0 (0%)	95 (100%)	5
Households	1232	962 (83%)	198 (17%)	1160 (100%)	72

Out of 100 panel PSUs sampled, 5 PSUs could not be visited due to the prevailing insurgency in the country, leaving only 1160 (out of 1232) households for possible enumeration. Within the 95 visited PSUs, 962 households were tracked as "pure panel" households while 198 households were interviewed as replacement households.

1.3.3 Survey Questionnaire

Two types of questionnaires were administered in NLSS II: household questionnaire and community questionnaires (urban and rural). In order to generate comparable data with NLSS I, as many of the NLSS I questions as possible were retained in NLSS II. However, some important additions were made on the household questionnaire to address some contemporary issues such as population migration and child labor. Some questions were omitted based on whether such questions were poorly answered or collected in NLSS I.

Detailed discussions were made on the household questionnaire with members of NLSS II Technical Committee, representatives from different donor agencies and other stakeholders. The questionnaires

were revised intensively with the feedback from pre-test in the field. The pre-test was done in different ecological zones, development regions and urban/rural areas during July-August 2002. The pre-test was also designed to track panel households and the tracking was found to be around 80 percent.

The survey was mainly based on the household questionnaire in order to track the changes experienced by the same households between two survey periods. There was a 74-paged household questionnaire with 19 sections and 10 appendices.

There were separate sets of questionnaires for urban and rural communities, as in NLSS I. Community questionnaires were designed to measure community characteristics and market prices to supplement the information collected through household questionnaire.

Urban community questionnaire was developed to take interview with the leaders and knowledgeable persons representing the community of the enumeration area, usually the ward and occasionally the sub-ward of the municipality.

Rural community questionnaire was developed to interview leaders and knowledgeable persons representing the community of the enumeration area, in most cases the ward of the VDC.

1.4 Household Tracking

Household tracking is crucial in the panel survey. The identification of the previously visited households was challenging, especially in the urban areas. In the survey, each team was provided with the name list of 12 household heads per PSU (16 in case of Far Western Development Region) from the list drawn from the earlier survey of 1995/96. In addition, the name list of all the then household members and their demographic information was provided for tracking those households whose headship saw a change. For those households which could not be tracked, brief reasoning was asked. For the rest, demographic information of the existing household members was collected for 2003/04 and compared with already filled information for 1995/96.

In a number of cases where the original household was split, the following criteria were adopted to select the panel households.

1. In the split household, select that household in which the household head who was interviewed in 1995/96 is living.

2. If criterion (1) fails and if the household head who was interviewed in 1995/96 is absent in all of split households, select the household which now lives in the same dwelling as in 1995/96.
3. If criteria (1) and (2) both fail and if all the split households live elsewhere from the original dwelling from 1995/96, select the household headed by a member who existed in 1995/96.
4. If all of the above conditions do not hold, select the household of the eldest head.

1.5 Survey Limitations

Some conflict-affected areas especially in the rural areas posed a great challenge for the CBS to conduct such an integrated household survey. The interviewers were on high alert in these areas, kept themselves in a very low profile, and in many instances were assisted by the local people.

Table 1.5: Affected enumeration areas (PSUs) by sample, urban/rural, zone and region

District	Enumeration area	Urban/rural	Zone	Region
Makwanpur	Shreepur Chhatiwan-8	Rural	Hills	Central
Kalikot	Dhoulagohe-7	Rural	Mountains	Mid-western
Bajhang	Sainpasela-2	Rural	Mountains	Far-western
Achham	Bhatakatiya-1	Rural	Hills	Far-western
Kanchanpur	Pipaladi-2	Rural	Tarai	Far-western

During the implementation of NLSS II, altogether 13 rural enumeration areas (PSUs) could not be interviewed comprising 8 from the cross-section and 5 from the panel samples. The missing panel PSUs include 1 from Central Hills, 1 from Mid Western Mountains, 1 from Far Western Mountains, 1 from Far Western Hills and 1 from Far Western Tarai. One of these five PSUs, the one from the Far Western Tarai (Pipaladi-2 of Kanchanpur), vanished completely due to the merging of enumeration area to the Royal Shukla Phanta Wildlife Reserve. The other four PSUs could not be enumerated due to the ongoing conflict even after the repeated attempts.

Altogether 370 households could not be re-interviewed. The 72 households could not be interviewed by the inability to interview them due to the political insurgency whereas 198 of them could not be utilized as the panel households as 198 of the households visited in 1995/96 could not be captured by the movement or collapse of these households. The lost households that could not be tracked as panel were excluded for the purpose of analysis.

As already noted above, the survey was unable to reach/interview all the sampled PSUs and their households. With the consultation of the design experts it was decided not to replace the affected PSUs for enumeration and ultimately they were dropped. We also acknowledge the usual difficulties inherent

in a household survey covering all parts of the country (e.g. discrepancies in reported use of metric/non-metric units of measurements, a longer recall period resulting in under/over reporting of certain income source or consumption item).

1.6 Tabulation Format of the Results

As the sample size of the panel component of the survey is not enough to produce the results at the level of disaggregation as published in the cross-section analysis¹, most tabulations in the report present results by urban/rural areas and rural breakdown into Mountains/Hills and Tarai. Also for the purpose of comparison the estimates from the cross-section sample are included separately alongside with that from panel sample.

¹ See Nepal Living Standards Survey 2003/04, Statistical Report, Volume One and Volume Two, Central Bureau of Statistics, HMG, 2004.

Box 1: Allocation of Panel PSUs by team

Team 1 Panchthar		Team 2 Dhankuta		Team 3 Sunsari		Team 4 Dhanusa	
<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>
Taplejung	1	Morang	4	Sunsari	2	Solukhumbu	1
Panchthar	1	Dhankuta	1	Bhojpur	2	Okhaldhunga	0
Ilam	1	Tehrathum	1	Khotang	2	Siraha	2
Jhapa	3	Sankhuwasabha	1	Saptari	2	Dhanusa	2
Total	6	Total	7	Total	6	Total	5
Team 5 Sindhuli		Team 6 Makwanpur		Team 7 Kavrepalanchok		Team 8 Lalitpur	
<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>
Udayapur	1	Makwanpur	2	Ramechhap	1	Lalitpur	3
Mahottari	2	Rautahat	2	Dolakha	1	Bhaktapur	1
Sarlahi	2	Bara	2	Sindhupalchok	3	Kathmandu	2
Sindhuli	1	Parsa	1	Kavrepalanchok	1	Nuwakot	1
Total	6	Total	7	Total	6	Total	9
Team 9 Kathmandu		Team 10 Gorkha		Team 11 Kaski		Team 12 Palpa	
<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>
Kathmandu	9	Chitwan	1	Tanahun	1	Syangja	1
		Gorkha	1	Kaski	3	Gulmi	1
		Lamjung	1	Myagdi	1	Palpa	1
		Manang	0	Parbat	0	Rupandehi	2
		Nawalparasi	2	Baglung	1	Argkhanchi	1
Total	9	Total	5	Total	6	Total	6
Team 13 Dang		Team 14 Banke		Team 15 Bajura		Team 16 Kanchanpur	
<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>	<i>District</i>	<i>PSU</i>
Kapilbastu	3	Banke	1	Bardiya	1	Doti	1
Pyuthan	1	Surkhet	2	Kalikot	1	Kailali	1
Rolpa	1	Dailekh	1	Mugu	1	Kanchanpur	1
Rukum	0	Jajarkot	0	Bajura	1	Dandeldhura	0
Salyan	1	Dolpa	0	Bajhang	1	Baitadi	1
Dang	1	Jumla	0	Achham	1	Darchula	1
Total	7	Total	4	Total	6	Total	5

2. DEMOGRAPHY

2.1 Household Size

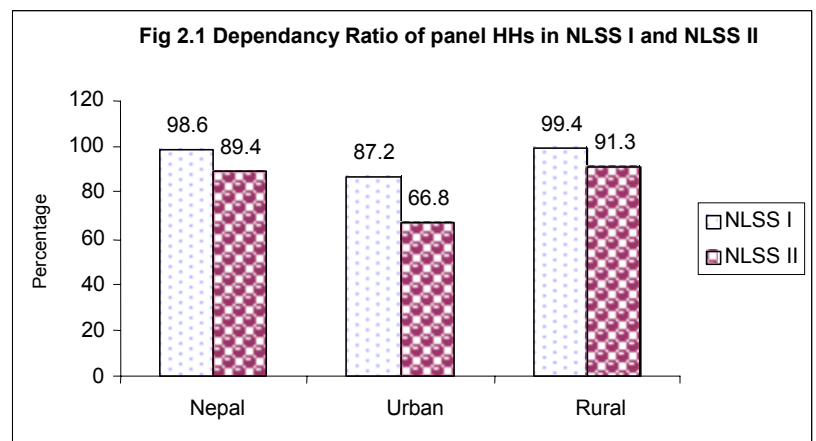
The panel result shows a slightly lower average household size in NLSS II compared to NLSS I. It was 5.8 in NLSS I and has been down to 5.5 in NLSS II. It is noticeable that average household size in urban areas has been increased between the surveys. However, the scenario is different in rural areas and it was higher in previous survey compared to NLSS II. The average household size is changed by 0.3 during these surveys in both rural Mountains/Hills and Tarai. A similar change was observed also in cross-section data.

2.2 Female Headed Household

The percentage of female household head is observed higher in NLSS II compared to NLSS I. It is increased by 5.8 percentage points during these two surveys. The change is observed more in urban areas (9.8 percentage points) compared to rural areas (5.5 percentage points) of the country. It is increased by 6.5 percentage points in rural Tarai while in rural Mountains/Hills it is increased only by 4.6 percentage points.

2.3 Age Structure and Dependency Ratio

The proportion of male and female population in age group 0-14 years has decreased by 5 and 4 percentage points respectively over the last 8 years. But the proportion of male and female population in age group 15-59 years has increased by 2 and 3 percentage points respectively. Similarly in age group 60 and above, it has increased by 3 and 1 percentage points respectively in the same period.



Analysis of panel data provided by

NLSS II has shown some changes in demographic factor as follows. Between two surveys, the overall dependency ratio² of the country has decreased to 89.4 in 2003/04 from 98.6 in 1995/96. In both NLSS I and NLSS II, there is remarkable gap between urban and rural total dependency ratio. NLSS I

² Dependency ratio is defined as the number of people in “dependent ages” (of young ages 0-14 and old ages 60 years and above) per hundred people in “economically active ages” of 15-59 years.

shows the ratio at 87.2 and 99.4 in urban and rural areas respectively. Similarly, the wide gap is observed in NLSS II. There is no remarkable change in dependency ratio in the rural mountains and rural hills during these two surveys. A reduction by 13.7 percentage points (99.6 to 85.9) in NLSS II has been observed compared to the previous survey.

Table 2.1: Average size of panel households and percentage of female household head

	Household size		Female Household head	
	NLSS 1995/96	NLSS 2003/04	NLSS 1995/96	NLSS 2003/04
Urban	5.8	6.0	7.9	17.8
Rural	5.8	5.4	13.6	19.2
Mts/Hills	5.4	5.1	17.7	22.4
Tarai	6.2	5.9	9.0	15.5
Nepal	5.8	5.5	13.3	19.1
<i>Cross-Section</i>	<i>5.7</i>	<i>5.3</i>	<i>13.6</i>	<i>19.6</i>

Table 2.2: Percentage distribution of sex by broad age group of panel households, Nepal

	Age Groups					
	0 - 14 years		15-59 years		60 + years	
	Male	Female	Male	Female	Male	Female
	NLSS 1995/96					
Urban	41.5	38.6	52.2	54.6	6.3	6.8
Rural	45.7	40.9	47.5	52.6	6.7	6.5
Mts/Hills	45.6	40.0	47.0	52.9	7.4	7.1
Tarai	45.9	41.8	48.0	52.3	6.1	5.9
Nepal	45.5	40.7	47.8	52.7	6.7	6.5
<i>Cross-Section</i>	<i>44.1</i>	<i>40.7</i>	<i>48.8</i>	<i>52.6</i>	<i>7.0</i>	<i>6.6</i>
	NLSS 2003/04					
Urban	34.0	31.7	58.5	61.3	7.5	7.0
Rural	41.7	37.6	49.1	55.1	9.2	7.4
Mts/Hills	43.2	36.9	46.3	54.5	10.6	8.6
Tarai	40.3	38.3	51.8	55.6	7.9	6.1
Nepal	41.2	37.2	49.8	55.5	9.1	7.4
<i>Cross-Section</i>	<i>42.0</i>	<i>37.3</i>	<i>49.8</i>	<i>55.6</i>	<i>8.1</i>	<i>7.1</i>

Table 2.3: Broad age group composition and dependency ratio (Panel), Nepal

	Age group			Total Dependency Ratio
	0 - 14 years	15-59 years	60 + years	
NLSS 1995/96				
Urban	40.0	53.4	6.5	87.2
Rural	43.2	50.2	6.6	99.4
Mts/Hills	42.6	50.2	7.2	99.1
Tarai	43.9	50.1	6.0	99.6
Nepal	43.0	50.4	6.6	98.6
<i>Cross-section</i>	42.4	50.8	6.8	97.0
NLSS 2003/04				
Urban	32.8	59.9	7.3	66.8
Rural	39.5	52.3	8.2	91.3
Mts/Hills	39.8	50.7	9.5	97.2
Tarai	39.2	53.8	6.9	85.9
Nepal	39.1	52.8	8.2	89.4
<i>Cross-section</i>	39.6	52.8	7.6	89.2

3. HOUSING

3.1 Ownership Status

Housing occupants are broadly categorized into owner, renter, rent-free and others. Panel data shows that 95 percent of the households resided in their own housing units, 1 percent are renters (pay rent) and 2 percent lived on rent-free housing units in 1995/96 whereas the corresponding percent in 2003/04 are 97, 1 and 2 respectively (Table 3.1).

3.2 Materials of Outer Walls

The households occupying housing units by construction material of the outer wall with “cement-bonded bricks/stones and concrete” have been increased from 10 percent (1995/96) to 14 percent (2003/04), “mud-bonded bricks/stones” have also been increased from 51 percent (1995/96) to 55 percent (2003/04), “wood and tree branches” have been decreased from 24 percent (1995/96) to 15 percent (2003/04) and “others” have not been changed significantly.

3.3 Materials of Roofing

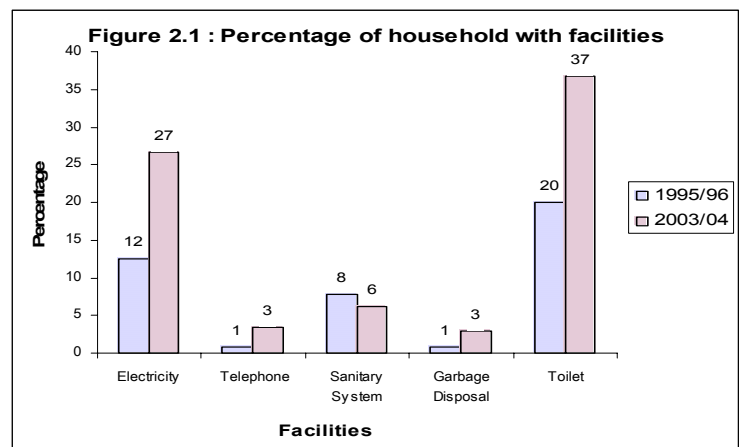
Households with more durable roofing materials like “galvanized sheet” and “concrete” have been increased significantly from 1995/96 to 2003/04, On the other hand, the proportion of households residing in housing units roofed with “straw/thatch” and “others” (earth, mud, wood, plank, etc.) has decreased.

3.4 Access to Drinking Water Supply

Household's access to piped water has been increased from 27 percent (1995/96) to 37 percent (2003/04). On the other hand, dependency of households on “covered well”, “open well” and “others” has been decreased.

3.5 Households having Electricity and Telephone

Household's access to electricity has been increased from 12 to 27 percent. Similarly the percent of households having telephone has been increased from 1 to 3. Almost 37 percent of households now have toilet facility in their own dwellings, compared to 20 percent in 1995/96.



3.6 Main Fuel Used for Cooking

Overall, 65 percent of the panel households are reported to have been using firewood, 31 percent using cow-dung, 1 percent LPG and 3 percent kerosene as their main source of cooking fuel in 1995/96. In 2003/04, 68 percent of households used firewood, 23 percent cow-dung, 4 percent LPG and 2 percent of households used kerosene as their main source of cooking fuel. Table 3.6 shows that the panel households using LPG have significantly been increased over the past eight years.

Table 3.1: Percentage distribution of households by ownership status of residential housing unit

	Owner	Renter	Rent-free	Other	Total
NLSS 1995/96					
Urban	85.1	8.7	4.4	1.9	100.0
Rural	95.9	0.7	1.8	1.6	100.0
Mountains/Hills	97.8	0.9	0.8	0.5	100.0
Tarai	93.9	0.5	2.8	2.8	100.0
Nepal	95.3	1.1	1.9	1.6	100.0
Cross section	93.8	2.2	2.7	1.3	100.0
NLSS 2003/04					
Urban	86.7	7.5	1.9	3.8	100.0
Rural	97.4	0.6	1.6	0.4	100.0
Mountains/Hills	96.7	0.6	2.2	0.5	100.0
Tarai	98.1	0.7	0.9	0.3	100.0
Nepal	96.7	1.1	1.6	0.6	100.0
<i>Cross-section</i>	<i>91.6</i>	<i>5.4</i>	<i>2.5</i>	<i>0.5</i>	<i>100.0</i>

Table 3.2: Percentage distribution of households by construction material used in walls of housing unit

	Cement Bonded Bricks/Stones and Concrete	Mud Bonded Bricks/Stones	Wood/ Branches	Others	Total
NLSS 1995/96					
Urban	39.9	34.2	8.3	17.6	100.0
Rural	7.8	51.8	25.3	15.1	100.0
Mountains/Hills	9.1	84.6	5.1	1.2	100.0
Tarai	6.4	16.3	47.2	30.2	100.0
Nepal	9.5	50.9	24.4	15.2	100.0
<i>Cross section</i>	<i>10.7</i>	<i>51.8</i>	<i>24.9</i>	<i>12.6</i>	<i>100.0</i>
NLSS 2003/04					
Urban	50.1	29.7	16.2	4.1	100.0
Rural	12.1	56.3	15.3	16.3	100.0
Mountains/Hills	6.4	89.8	1.4	2.4	100.0
Tarai	18.4	18.3	31.2	32.0	100.0
Nepal	14.4	54.7	15.4	15.5	100.0
<i>Cross section</i>	<i>18.3</i>	<i>47.5</i>	<i>18.5</i>	<i>15.7</i>	<i>100.0</i>

Table 3.3: Percentage distribution of households by construction material used in roof of housing unit

	Straw/Thatch	Galvanized Sheet	Concrete	Tile/Slate	Others	Total
NLSS 1995/96						
Urban	20.8	35.9	27.4	13.5	2.4	100.0
Rural	52.9	7.6	4.7	31.4	3.4	100.0
Mountains/Hills	54.0	8.8	1.8	29.9	5.5	100.0
Tarai	51.6	6.2	8.0	33.0	1.2	100.0
Nepal	51.2	9.1	5.9	30.5	3.4	100.0
<i>Cross section</i>	<i>50.7</i>	<i>11.2</i>	<i>5.7</i>	<i>28.1</i>	<i>4.3</i>	<i>100.0</i>
NLSS 2003/04						
Urban	17.4	25.8	40.0	15.9	0.9	100.0
Rural	36.1	18.6	8.1	34.7	2.6	100.0
Mountains/Hills	40.3	21.1	3.7	30.1	4.8	100.0
Tarai	31.2	15.9	13.0	39.9	0.0	100.0
Nepal	34.9	19.1	10.1	33.5	2.5	100.0
<i>Cross section</i>	<i>32.3</i>	<i>21.0</i>	<i>13.6</i>	<i>30.1</i>	<i>3.0</i>	<i>100.0</i>

Table 3.4: Percentage distribution of households by source of drinking water

	Piped to House	Pipe outside House	Covered Well	Open Well	Others	Totals
NLSS 1995/96						
Urban	43.1	17.5	37.8	0.0	1.6	100.0
Rural	4.7	19.9	43.7	8.7	23.1	100.0
Mountains/Hills	8.0	36.5	4.3	8.6	42.6	100.0
Tarai	1.0	1.9	86.5	8.7	1.9	100.0
Nepal	6.7	19.8	43.4	8.2	21.9	100.0
<i>Cross-section</i>	8.3	24.6	37.6	8.3	21.4	100.0
NLSS 2003/04						
Urban	43.9	10.2	39.2	5.8	1.0	100.0
Rural	7.3	28.7	44.0	6.6	13.4	100.0
Mountains/Hills	12.0	52.4	8.4	6.2	20.9	100.0
Tarai	1.9	1.8	84.4	7.0	4.9	100.0
Nepal	9.6	27.6	43.7	6.5	12.7	100.0
<i>Cross-section</i>	14.4	29.5	37.2	4.7	14.2	100.0

Table 3.5: Percentage distribution of households by types of facilities used

	Electricity	Telephone	Sanitary System	Garbage Disposal	Toilet
NLSS 1995/96					
Urban	78.4	11.4	51.1	14.4	61.0
Rural	8.6	0.2	5.4	0.1	17.7
Mountains/Hills	6.9	0.2	5.5	0.2	22.5
Tarai	10.4	0.2	5.3	0.0	12.6
Nepal	12.5	0.8	7.8	0.9	20.0
<i>Cross-section</i>	14.1	1.0	9.2	1.8	21.6
NLSS 2003/04					
Urban	73.9	28.0	43.2	41.6	62.1
Rural	23.4	1.7	3.8	0.4	35.1
Mountains/Hills	19.6	1.7	4.1	0.3	45.8
Tarai	27.7	1.7	3.4	0.5	23.0
Nepal	26.6	3.4	6.2	3.0	36.8
<i>Cross-section</i>	37.2	6.1	12.1	8.0	38.7

Table 3.6: Percentage distribution of households by main fuel used for cooking

	Wood	Cow dung/ Leaves/ Straw /Thatch	Gas Cylinder	Kerosene	Other Fuels	Total
NLSS 1995/96						
Urban	25.0	18.9	12.3	42.5	1.3	100.0
Rural	67.5	31.2	0.1	0.8	0.3	100.0
Mountains/Hills	96.5	2.4	0.0	1.1	0.0	100.0
Tarai	36.1	62.5	0.3	0.5	0.7	100.0
Nepal	65.3	30.6	0.8	3.0	0.4	100.0
<i>Cross-section</i>	<i>67.7</i>	<i>25.8</i>	<i>1.0</i>	<i>4.4</i>	<i>0.8</i>	<i>100.00</i>
NLSS 2003/04						
Urban	24.0	23.2	37.5	14.3	1.0	100.0
Rural	71.0	24.0	1.5	1.1	2.4	100.0
Mountains/Hills	93.0	2.4	1.2	1.9	1.6	100.0
Tarai	46.1	48.5	1.8	0.2	3.4	100.0
Nepal	68.1	23.9	3.8	1.9	2.3	100.0
<i>Cross-section</i>	<i>69.1</i>	<i>15.7</i>	<i>8.2</i>	<i>4.7</i>	<i>2.3</i>	<i>100.0</i>

4. ACCESS TO FACILITIES

4.1 Access to Facilities

Both surveys (NLSS I & II) did collect information on panel households' access to a certain facilities in terms of time for one-way travel to that facility, irrespective of the mode of transport (foot or vehicle). Facilities for which information was sought in both surveys are primary school, health post, bus stop, paved road, market center, haat bazaar, co-operatives, commercial bank, etc.

4.2 Primary School

Access to primary school has improved during two surveys. At national level, panel households having access to primary schools within 30 minutes are observed at 89 percent and 93 percent in NLSS I and NLSS II respectively. As per NLSS I, in the case of urban areas, 92 percent were with the reach of primary schools whereas NLSS II shows that almost panel households have access to this kind of facility. Rural panel households have relatively less access to primary school as compared to urban.

4.3 Health Facilities

Accessibility to the nearest health facility within 30 minutes has also been improved during the period. At national level, 68 percent of households have been reported to have such facilities in NLSS II whereas it was only 49 percent in NLSS I. Similar picture is observed in both urban and rural areas.

4.4 Bus Stop/Terminal

Transportation by bus is the most popular means of long-distance travel in the country. In NLSS II, 47 percent of households have access to the nearest bus stop within 30 minutes whereas it was only 31 percent in NLSS I. About 20 percent of the households took 3 hours and more to reach the nearest bus stop in 2003/04 compared to 26 percent in 1995/96.

4.5 Road Transport

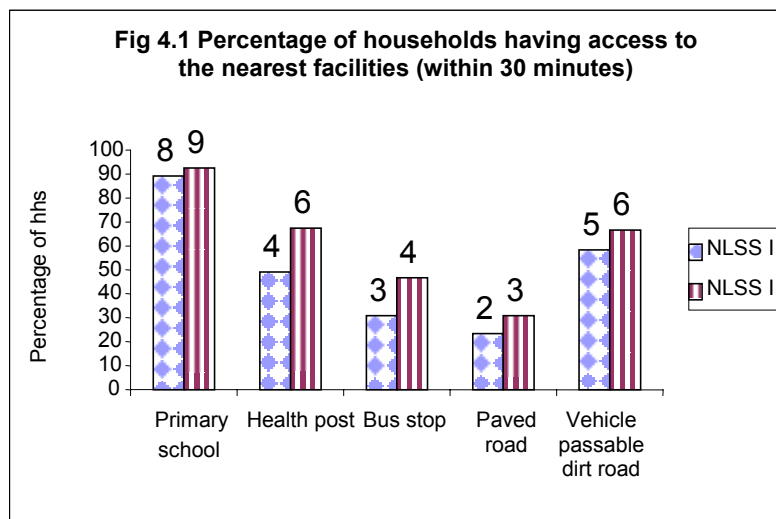
Access to road transport and bus stop facilities are closely related. Without road transport facility, there will not be access to bus stop facility. However, roads are mainly categorized into three types: paved road, vehicle passable dirt road and vehicle impassable dirt road. At national level, about 31 percent of panel households have access to paved road within 30 minutes in 2003/04 while it was only 23 percent in the first survey (1995/96). Access to both vehicle passable and impassable roads within 30 minutes of travel time has also been increased over the years. NLSS II shows that about 67 percent households have access to vehicle passable dirt road within 30 minutes and it was only about 59 percent in NLSS I. Access to vehicle impassable dirt road is over 90 percent in both surveys.

4.6 Market Center and Haat Bazaar

At national level, access to Haat Bazaar (local market that is operated during certain days of a week) is better than that of market center. 62 percent of panel households reported to have access to the nearest Haat Bazaar within 30 minutes' reach in 2003/04 which was only 47.5 percent in 1995/96.

There is a significant difference in access to market centers between urban and rural areas in both surveys. In the case of rural areas, the percentage of households having access to the nearest market center is observed almost same (22 against 23 percent) in both surveys.

But, in rural areas the access to nearest market center has been increased from 75.3 percent in 1995/96 to 81.9 percent in 2003/04.



4.7 Commercial Bank

Access to commercial bank is an essential aspect in community development. However, both surveys show almost similar situation of around 20 percent of households having access to this facility within 30 minutes at national level.

4.8 Cooperatives (Sajha)

Cooperatives as community institutions have been functioning throughout the country being engaged in various sectors of the economy from agriculture to finance and service sectors. Information on access to such cooperatives was collected under both surveys. Access to such institution has not been changed remarkably during two surveys. The percentage of households having access to this facility within 30 minutes is about 30 in the second survey and it was about 29 in NLSS I. Comparatively accessibility is higher in urban areas.

4.9 Mean time taken to reach the nearest facilities

In table 4.2 the mean time taken to reach the facilities by panel households are presented. The mean time taken by urban households to travel to all the facilities are seen to lie within less than an hour in both surveys. However mean time taken in case of rural areas is found to range from almost 5 hours for paved roads to less than a half an hour for primary school, dirt road vehicle impassable and local shop

in both surveys. On the other hand mean time taken to reach the nearest health facility has been improved (1 hour 16 minutes in 1995/96 and only 17 minutes in 2003/04). The result shows that the mean time taken to reach the nearest Krishi Kendra (agricultural centre) and Sajha (cooperatives) has not been changed significantly between these surveys.

Table 4.1A: Distribution of panel households by time taken to reach the nearest facilities for urban

Facilities	Up to 30 minutes	30 minute to 1 hour	1 – 2 hours	2 -3 hours	3 hours and more	Total
NLSS 1995/96						
Primary school	92.4	7.6	0.0	0.0	0.0	100.0
Health post	74.4	22.7	2.8	0.0	0.0	100.0
Bus stop	80.0	15.8	4.3	0.0	0.0	100.0
Paved road	84.3	15.2	0.5	0.0	0.0	100.0
Dirt road, vehicle passable	95.5	2.6	0.3	0.0	1.6	100.0
Dirt road, vehicle impassable	98.1	0.0	0.0	0.0	1.9	100.0
Local shop	88.4	10.9	0.3	0.0	0.5	100.0
Haat bazaar	64.2	31.9	3.9	0.0	0.0	100.0
Market center	75.3	21.9	2.8	0.0	0.0	100.0
Krishi Kendra	68.9	27.7	3.4	0.0	0.0	100.0
Sajha(cooperative)	74.4	21.0	4.6	0.0	0.0	100.0
Commercial bank	77.2	20.2	2.6	0.0	0.0	100.0
Source of drinking water	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Post office	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Telephone booth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NLSS 2003/04						
Primary school	100.0	0.0	0.0	0.0	0.0	100.0
Health post	77.8	16.2	6.0	0.0	0.0	100.0
Bus stop	79.7	12.9	7.4	0.0	0.0	100.0
Paved road	86.5	13.5	0.0	0.0	0.0	100.0
Dirt road, vehicle passable	100.0	0.0	0.0	0.0	0.0	100.0
Dirt road, vehicle impassable	100.0	0.0	0.0	0.0	0.0	100.0
Local shop	100.0	0.0	0.0	0.0	0.0	100.0
Haat bazaar	55.5	30.3	14.2	0.0	0.0	100.0
Market center	81.9	13.6	4.5	0.0	0.0	100.0
Krishi Kendra	60.9	28.5	9.4	1.3	0.0	100.0
Sajha(cooperative)	71.0	23.9	4.8	0.0	0.4	100.0
Commercial bank	79.6	14.9	5.5	0.0	0.0	100.0
Source of drinking water	100.0	0.0	0.0	0.0	0.0	100.0
Post office	76.0	18.1	6.0	0.0	0.0	100.0
Telephone booth	84.9	11.4	3.8	0.0	0.0	100.0

Table 4.1B: Distribution of panel households by time taken to reach the nearest facilities for rural

Facilities	Up to 30minutes	30 minute to 1 hour	1-2 hours	2-3 hours	3 hours & more	Total
NLSS 1995/96						
Primary school	89.0	8.7	1.8	0.2	0.4	100.0
Health post	47.1	21.8	20.0	7.3	3.9	100.0
Bus stop	27.6	14.9	19.7	10.6	27.2	100.0
Paved road	18.8	13.4	18.9	8.8	40.2	100.0
Dirt road, vehicle passable	56.2	4.1	8.7	5.9	25.1	100.0
Dirt road, vehicle impassable	91.5	1.9	3.6	1.8	1.2	100.0
Local shop	81.7	8.3	7.5	1.6	0.9	100.0
Haat bazaar	46.7	19.8	11.0	9.4	13.1	100.0
Market center	22.0	13.7	28.5	15.9	19.9	100.0
Krishi Kendra	22.3	20.4	27.9	15.5	14.0	100.0
Sajha(cooperative)	25.8	17.0	25.8	13.8	17.6	100.0
Commercial bank	16.5	14.1	30.6	18.5	20.3	100.0
Source of drinking water	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Post office	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Telephone booth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NLSS 2003/04						
Primary school	92.4	6.4	1.2	0.0	0.0	100.0
Health post	66.8	19.7	9.6	2.2	1.7	100.0
Bus stop	44.4	13.3	11.8	9.6	20.9	100.0
Paved road	27.2	13.4	14.0	10.4	35.0	100.0
Dirt road, vehicle passable	65.0	4.2	5.7	8.2	16.9	100.0
Dirt road, vehicle impassable	97.2	2.0	0.7	0.1	0.0	100.0
Local shop	83.3	7.8	5.2	2.7	1.1	100.0
Haat bazaar	62.8	13.3	11.8	6.9	5.2	100.0
Market center	22.8	21.1	21.7	11.9	22.5	100.0
Krishi Kendra	28.5	23.7	17.0	12.4	18.4	100.0
Sajha(cooperative)	27.1	19.2	16.2	13.6	23.9	100.0
Commercial bank	16.5	19.9	17.5	15.1	31.0	100.0
Source of drinking water	98.5	1.2	0.0	0.3	0.0	100.0
Post office	64.0	19.3	12.4	2.5	1.8	100.0
Telephone booth	46.5	14.2	12.0	7.3	20.1	100.0

Table 4.1C: Distribution of panel households by time taken to reach the nearest facilities for Nepal

Facilities	Up to 30 minutes		30 minute to 1 hour	1-2 hours	2-3 hours	3 hours & more	Total
	Cross section	panel					
NLSS 1995/96							
Primary school	88.4	89.2	8.7	1.7	0.1	0.3	100.0
Health post	44.8	48.8	21.8	18.9	6.8	3.7	100.0
Bus stop	33.1	30.9	15.0	18.7	9.9	25.5	100.0
Paved road	24.2	23.0	13.5	17.7	8.2	37.6	100.0
Dirt road, vehicle passable	58.0	58.5	4.0	8.2	5.5	23.7	100.0
Dirt road, vehicle impassable	90.0	91.9	1.8	3.4	1.7	1.2	100.0
Local shop	79.0	82.1	8.5	7.0	1.5	0.9	100.0
Haat bazaar	41.4	47.5	20.3	10.7	9.0	12.6	100.0
Market center	24.2	25.3	14.2	26.9	14.9	18.6	100.0
Krishi Kendra	24.5	25.3	20.9	26.3	14.5	13.1	100.0
Sajha(cooperative)	26.0	28.8	17.2	24.5	12.9	16.5	100.0
Commercial bank	21.0	20.4	14.5	28.8	17.3	19.0	100.0
Source of drinking water	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Post office	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Telephone booth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NLSS 2003/04							
Primary school	91.4	92.9	6.0	1.1	0.0	0.0	100.0
Health post	61.8	67.5	19.5	9.4	2.1	1.6	100.0
Bus stop	53.0	46.6	13.3	11.5	9.0	19.6	100.0
Paved road	37.2	30.9	13.4	13.2	9.8	32.8	100.0
Dirt road, vehicle passable	67.6	66.6	4.0	5.5	7.8	16.1	100.0
Dirt road, vehicle impassable	94.3	97.3	2.0	0.7	0.1	0.0	100.0
Local shop	86.2	84.3	7.3	4.9	2.5	1.0	100.0
Haat bazaar	60.7	62.4	14.2	12.0	6.5	4.9	100.0
Market center	34.4	26.5	20.7	20.6	11.1	21.1	100.0
Krishi Kendra	31.9	30.5	24.0	16.5	11.7	17.3	100.0
Sajha(cooperative)	33.7	29.9	19.5	15.5	12.8	22.4	100.0
Commercial bank	27.8	20.5	19.5	16.7	14.2	29.1	100.0
Source of drinking water	91.3	98.6	1.1	0.0	0.3	0.0	100.0
Post office	61.0	64.7	19.3	12.0	2.3	1.6	100.0
Telephone booth	53.6	48.9	14.0	11.5	6.8	18.8	100.0

Table 4.2: Mean time taken by urban/rural panel households to reach the nearest facilities

Facilities	Meantime to reach Facility			Meantime to reach Facility		
	Urban	Rural		Urban	Rural	
	Minutes	Hours	Minutes	Minutes	Hours	Minutes
	NLSS 1995/96 cross section			NLSS 1995/96 panel		
Primary school	12	-	25	14	0	16
Health post	21	1	17	26	1	16
Bus stop	19	4	4	23	4	12
Paved road	9	5	17	16	5	10
Dirt road, vehicle passable	5	3	39	11	3	7
Dirt road, vehicle impassable	5		32	12	0	8
Local shop	9	-	41	22	0	12
Haat bazaar	29	4	51	33	3	17
Market centre	19	3	8	25	3	13
Krishi Kendra	28	2	32	32	2	13
Sajha(Cooperative)	27	2	38	27	2	13
Commercial bank	19	2	58	24	3	13
Source of water	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Post office	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Telephone both	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	NLSS 2003/04 cross section			NLSS 2003/04 panel		
Primary school	9	0	14	9	0	13
Health post	22	1	16	25	0	17
Bus stop	16	3	12	21	3	14
Paved road	21	5	11	12	5	11
Dirt road, vehicle passable	4	3	7	2	2	6
Dirt road, vehicle impassable	3	0	4	1	0	4
Local shop	3	0	9	3	0	10
Haat bazaar	22	1	16	38	1	17
Market centre	20	2	14	23	2	13
Krishi Kendra	35	2	14	38	2	13
Sajha (Cooperative)	26	3	13	45	2	13
Commercial bank	21	3	12	23	3	13
Source of water	1	0	3	0	0	3
Post office	23	1	17	27	0	16
Telephone both	9	2	13	14	2	13

5. LITERACY AND EDUCATION

5.1 Literacy and Education

Almost all education indicators show a very remarkable improvement between 1995/96 and 2003/04. Overall literacy rate has increased by 9 percentage points (39 percent in 1995/96 and 48 percent in 2003/04). Similarly the adult literacy rate has increased by 8 percentage points (36 percent in 1995/96 and 44 percent in 2003/04). Female literacy seems to have increased faster than male literacy during the period (10 percentage point from against 8 percent point). Similarly a rural urban difference in literacy is noticeable. Proportion of population aged 6 years and above that never attended school has decreased by 9 percentage points (56 percent in 1995/96 and 47 percent in 2003/04). The percentage of currently attaining population of age 6 years and over has increased from 27 percent in 1995/96 to 30 percent in 2003/04. Student enrollment in private schools has significantly increased from 5 percent in 1995/96 to 11 percent in 2003/04.

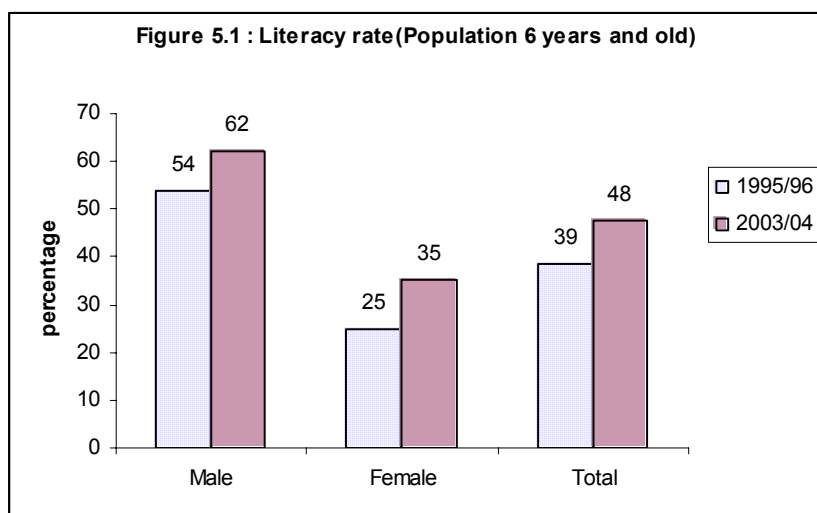


Table 5.1: Literacy rates (Population 6 years and older) by gender

	NLSS 1995/96			NLSS 2003/04		
	Male	Female	Total	Male	Female	Total
Urban	72.1	47.8	60.1	77.5	52.4	64.6
Rural	52.9	23.5	37.5	60.9	33.8	46.4
Mountains/Hills	61.2	28.8	43.5	66.3	38.8	51.2
Tarai	45.7	17.9	31.8	55.9	28.5	41.6
Nepal	54.0	24.7	38.7	62.1	35.1	47.7
<i>Cross section</i>	<i>52.2</i>	<i>24.4</i>	<i>37.8</i>	<i>63.5</i>	<i>38.9</i>	<i>50.6</i>

Table 5.2: Literacy rates (Population 15 years and older) by gender

	NLSS 1995/96			NLSS 2003/04		
	Male	Female	Total	Male	Female	Total
Urban	77.8	43.0	59.8	79.8	51.2	64.8
Rural	53.6	18.1	34.5	60.1	28.0	42.5
Mountains/Hills	61.6	21.3	38.9	64.2	30.9	45.3
Tarai	46.7	14.5	30.3	56.3	25.1	39.7
Nepal	55.1	19.4	36.0	61.6	29.7	44.1
<i>Cross section</i>	<i>53.5</i>	<i>19.4</i>	<i>35.6</i>	<i>64.5</i>	<i>33.8</i>	<i>48.0</i>

Table 5.3: Literacy rates for the population 6 years and older by age groups

Age group (years)	NLSS 1995/96			NLSS 2003/04		
	Male	Female	Total	Male	Female	Total
06-09	31.9	18.9	25.3	40.7	31.9	36.3
10-14	69.1	55.8	62.8	80.4	63.0	71.7
15-19	81.0	54.2	66.8	87.9	66.3	76.2
20-24	74.5	29.0	48.2	84.1	60.6	70.5
25-29	68.0	17.9	38.1	77.0	35.5	52.4
30-34	50.9	13.3	30.1	67.9	21.0	40.2
35-39	45.5	10.9	29.1	60.1	19.4	36.3
40-44	52.1	6.6	27.5	50.8	13.9	30.9
45-49	45.8	2.8	23.6	52.8	9.5	30.4
50-54	34.2	4.3	18.6	46.0	4.6	21.6
55-59	36.1	1.0	19.5	42.0	1.7	22.4
60 and +	25.9	1.2	13.3	28.8	2.4	16.1
Total	54.0	24.7	38.7	62.1	35.1	47.7
<i>Cross section</i>	<i>52.2</i>	<i>24.4</i>	<i>37.8</i>	<i>63.5</i>	<i>38.9</i>	<i>50.6</i>

Table 5.4: Percentage distribution of population 6 years and older by status of attendance of school and sex

	Never attended school			Attended School in the past			Currently in school		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
NLSS I (1995/96)									
Urban	23.5	46.7	35.0	36.3	22.6	29.6	40.1	30.7	35.5
Rural	41.1	71.1	56.8	26.0	8.5	16.9	32.9	20.4	26.3
Mts./Hills	36.4	65.4	52.3	27.0	10.2	17.8	36.6	24.4	29.9
Tarai	45.3	77.0	61.1	25.1	6.8	16.0	29.7	16.2	22.9
Nepal	40.1	69.9	55.6	26.6	9.3	17.5	33.3	20.9	26.8
<i>Cross-section</i>	<i>41.1</i>	<i>70.3</i>	<i>56.1</i>	<i>27.3</i>	<i>10.0</i>	<i>18.4</i>	<i>31.6</i>	<i>19.7</i>	<i>25.5</i>
NLSS II (2003/04)									
Urban	18.4	47.0	33.1	45.3	27.0	35.9	36.3	26.0	31.0
Rural	33.0	60.1	47.5	30.8	14.6	22.2	36.2	25.2	30.4
Mts./Hills	29.0	54.1	42.8	31.0	16.2	22.8	40.1	29.8	34.4
Tarai	36.7	66.6	52.2	30.7	13.0	21.5	32.6	20.4	26.3
Nepal	31.9	59.3	46.5	31.9	15.5	23.1	36.2	25.3	30.4
<i>Cross-section</i>	<i>30.7</i>	<i>56.1</i>	<i>44.0</i>	<i>34.1</i>	<i>19.1</i>	<i>26.2</i>	<i>35.3</i>	<i>24.9</i>	<i>29.8</i>

Table 5.5: Percentage distribution of currently school attending population by types of school

	Community/ Government	Institutional/ Private	Other	Total
NLSS 1995/96				
Urban	72.3	26.1	1.6	100.0
Rural	95.6	3.7	0.7	100.0
Mts./Hills	95.8	4.0	0.2	100.0
Tarai	95.4	3.4	1.2	100.0
Nepal	94.0	5.3	0.7	100.0
<i>Cross section</i>	<i>90.7</i>	<i>7.5</i>	<i>1.0</i>	<i>100</i>
NLSS 2003/04				
Urban	53.1	46.3	0.5	100.0
Rural	91.3	8.2	0.5	100.0
Mts./Hills	94.8	5.2	0.0	100.0
Tarai	86.7	12.1	1.2	100.0
Nepal	88.5	11.0	0.5	100.0
<i>Cross section</i>	<i>81.6</i>	<i>16.7</i>	<i>1.7</i>	<i>100</i>

6. HEALTH SERVICES

6.1 Chronic Illness

Of the total population, 5 percent is reported of chronic illness³ in 2003/04 where as it was 7 percent in 1995/96 (Table 6.1). The incidence of chronic illness is higher in urban than in rural areas in 2003/04 as opposed to the situation reported in 1995/96. The percentage of Respiratory/Asthma and Heart related diseases are significantly increased whereas the figure of Cirrhosis of Liver has decreased between surveys (Table 6.2).

6.2 Acute Illness

Overall incidence of acute illness⁴ is 14 percent in 2003/04 while this accounts for 9 percent in 1995/96 (Table 6.3). The percentage of acutely ill people has been increased and on the contrary the percentage of chronically ill people has been decreased during the survey interval. Among acutely ill people, 38 percent reported fever, 10 percent reported diarrhea, 7 percent reported respiratory problems in 2003/04 and similar patterns hold true in 1995/96 but other illnesses have been grown up by 7 percentage points from 1995/96. One of the major public health problems is diarrhea, which is found more common in rural areas for NLSS I and in urban areas for NLSS II (Table 6.4).

6.3 Health Consultations

Table 6.5 shows the distribution of health consultation for acute illness by status and practitioner type. Sixty six percent of acutely ill people reported to have consulted a medical practitioner in 2003/04 while it was 70 percent in 1995/96. Among the people who consulted, 38 percent consulted paramedics, 25 percent (mostly common in urban) consulted doctors and the rest, 3 percent traditional health workers in 2003/04. Consulting paramedics has been increased (27 percent to 38 percent) whereas the trend of consultation with traditional health worker has been decreased. Consultation with paramedics has become more popular as compared to medical doctors and traditional health workers.

³ Chronic illness is a long-term suffering and includes the following: cancer, asthma, heart disease, diabetes, kidney problem, epilepsy, respiratory problem, cirrhosis of liver, H/L blood pressure, drug abuse, occupational illness (disability to do any kind of work caused by spine or leg fracture that occurred while in work).

⁴ Acute illness and injuries are defined as sickness (other than chronic illness) and injuries within last 30 days at the time of enumeration. People were asked whether they were ill or not within 30 days, if "yes", illness type is recorded under the heading of "acute illness and injuries".

6.4 Immunization

Immunization has a significant role in reducing infant and child morbidity and mortality since it is one of the measures to protect the children under five from both fatal and non-fatal diseases. Table 6.6 summarizes the immunization status of children 0-4 years. About 30 percent of children of that age group are fully immunized⁵ in 1995/96, which is nearly doubled (58 percent) in 2003/04. There is not much difference in immunization between male and female children. Surprisingly, the immunization rate is high for rural areas in 1995/96. This figure has been shifted to urban areas in 2003/04.

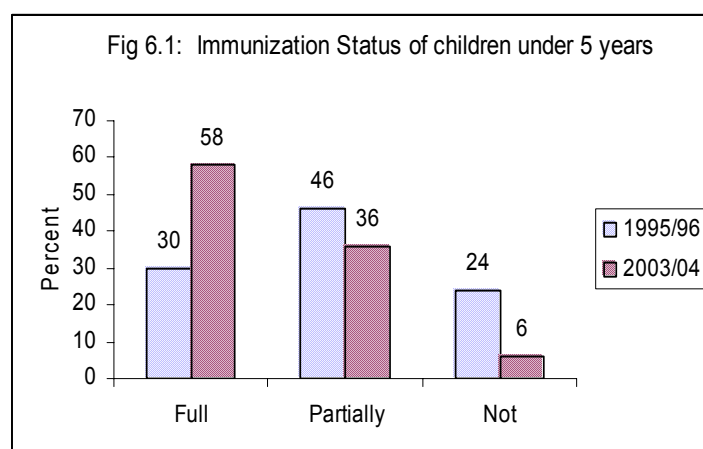


Table 6.1: Percentage of population reporting chronic illnesses by gender

	Male	Female	Total
NLSS 1995/96			
Urban	2.8	4.7	3.8
Rural	6.2	7.3	6.7
Mts./Hills	8.6	9.5	9.1
Tarai	3.9	4.8	4.4
Nepal	5.9	7.1	6.5
<i>Cross section</i>	5.9	7.0	6.5
NLSS 2003/04			
Urban	7.8	10.2	9.0
Rural	4.5	5.7	5.2
Mts./Hills	5.3	6.2	5.8
Tarai	3.8	5.2	4.6
Nepal	4.7	6.0	5.4
<i>Cross section</i>	5.4	5.4	5.4

⁵ Children who were given one dose each of BCG and measles, 3 doses each of DPT and polio (altogether 8 doses) vaccination are regarded as "fully immunized" whereas those of having given vaccination less than 8 doses is regarded as "partially immunized" while that of no dose as "not immunized".

Table 6.2: Percentage distribution of types of chronic illnesses by gender

	Male	Female	Nepal
NLSS 1995/96			
Total	100.0	100.0	100.0
Heart related	11.1	9.3	10.1
Respiratory/Asthma	25.5	26.0	25.8
Epilepsy	0.2	1.9	1.1
Cancer	0.0	0.7	0.4
Diabetes	1.9	0.9	1.3
Cirrhosis of Liver	8.6	9.2	8.9
Occupational Illness	4.9	4.4	4.6
Other	47.9	47.5	47.7
NLSS 2003/04			
Total	100.0	100.0	100.0
Heart related	15.3	13.8	14.4
Respiratory/Asthma	41.3	32.3	36.0
Epilepsy	3.3	1.4	2.2
Cancer	0.0	1.7	1.0
Diabetes	4.1	1.2	2.3
Cirrhosis of Liver	1.1	0.7	0.9
Occupational Illness	1.8	0.9	1.3
Other	33.3	48.0	42.0

Table 6.3 Percentage of population reporting acute illness by gender

	Male	Female	Total
NLSS 1995/96			
Urban	7.2	9.0	8.1
Rural	9.7	9.3	9.5
Mts./Hills	10.2	10.3	10.3
Tarai	9.2	8.3	8.8
Nepal	9.5	9.3	9.4
<i>Cross section</i>	10.3	10.5	10.4
NLSS 2003/04			
Urban	12.1	17.2	14.7
Rural	13.3	13.6	13.4
Mts./Hills	11.0	11.1	11.0
Tarai	15.5	16.1	15.8
Nepal	13.2	13.8	13.5
<i>Cross section</i>	12.8	13.2	13.0

Table 6.4: Percentage distribution of acute illnesses by types

	Diarrhea	Fever	Respiratory	Injury	Others	Total
NLSS 1995/96						
Sex						
Male	16.6	43.9	3.8	7.1	28.6	100.0
Female	13.4	40.1	4.2	3.7	38.7	100.0
Urban	7.9	57.1	2.3	3.1	29.6	100.0
Rural	15.4	41.1	4.1	5.5	34.0	100.0
Mts./Hills	19.9	36.9	3.3	7.1	32.7	100.0
Tarai	10.0	46.0	5.0	3.5	35.5	100.0
Nepal	15.0	42.0	4.0	5.3	33.8	100.0
<i>Cross section</i>	<i>17.0</i>	<i>43.7</i>	<i>5.2</i>	<i>4.4</i>	<i>29.7</i>	<i>100.0</i>
NLSS 2003/04						
Sex						
Male	12.0	38.7	7.9	4.9	36.6	100.0
Female	8.8	37.7	5.3	4.0	44.3	100.0
Urban	12.7	52.3	6.9	1.7	26.4	100.0
Rural	10.1	37.0	6.4	4.6	41.9	100.0
Mts./Hills	9.9	37.2	6.0	4.5	42.4	100.0
Tarai	10.2	36.8	6.7	4.7	41.6	100.0
Nepal	10.3	38.1	6.5	4.4	40.8	100.0
<i>Cross section</i>	<i>11.4</i>	<i>41.2</i>	<i>7.7</i>	<i>4.8</i>	<i>34.9</i>	<i>100.0</i>

NB: 1. Diarrhea includes diarrhea, dysentery and parasites

2. Fever includes malaria and other fever

3. Others include skin problem, tuberculosis, jaundice, measles and other

Table 6.5: Percentage distribution of health consultations for acute illness by status and practitioner type

	Consulted			Not consulted	Total
	Doctor	Paramedic	Traditional		
NLSS 1995/96					
Sex					
Male	37.4	30.1	5.6	26.9	100.0
Female	36.1	23.0	7.8	33.2	100.0
Urban	57.2	6.6	17.0	19.2	100.0
Rural	35.6	27.6	6.1	30.7	100.0
Mts./Hills	30.4	23.6	8.2	37.8	100.0
Tarai	41.6	32.4	3.6	22.4	100.0
Nepal	36.7	26.5	6.7	30.1	100.0
<i>Cross section</i>	<i>34.8</i>	<i>25.0</i>	<i>5.8</i>	<i>34.4</i>	<i>100.0</i>
NLSS 2003/04					
Sex					
Male	24.7	38.5	3.9	32.9	100.0
Female	25.5	36.8	3.0	34.8	100.0
Urban	48.3	12.6	0.0	39.2	100.0
Rural	23.3	39.6	3.7	33.5	100.0
Mts./Hills	20.0	39.9	1.7	38.4	100.0
Tarai	25.5	39.4	5.0	30.2	100.0
Nepal	25.1	37.6	3.4	33.9	100.0
<i>Cross section</i>	<i>26.0</i>	<i>37.0</i>	<i>3.1</i>	<i>33.9</i>	<i>100.0</i>

Table 6.6: Percentage of immunization status of children aged less than five years

	Fully immunized			Partially immunized			Not immunized		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
NLSS 1995/96									
Urban	20.6	19.4	20.0	52.8	44.1	48.3	26.6	36.5	31.7
Rural	33.8	27.7	30.9	45.7	45.9	45.8	20.5	26.5	23.4
Mts./Hills	43.3	35.4	39.3	37.2	41.1	39.2	19.5	23.5	21.5
Tarai	25.1	18.8	22.3	53.5	51.3	52.5	21.4	29.9	25.2
Nepal	33.1	27.2	30.3	46.1	45.8	45.9	20.8	27.1	23.8
<i>Cross section</i>	<i>37.6</i>	<i>34.4</i>	<i>36.0</i>	<i>43.05</i>	<i>42.6</i>	<i>42.8</i>	<i>19.33</i>	<i>23.0</i>	<i>21.14</i>
NLSS 2003/04									
Urban	57.0	76.6	67.3	35.5	23.4	29.1	7.5	0.0	3.6
Rural	59.6	55.7	57.6	33.8	39.1	36.5	6.6	5.2	5.9
Mts./Hills	68.6	58.4	63.7	26.8	38.3	32.4	4.6	3.2	3.9
Tarai	50.7	53.6	52.3	40.7	39.7	40.2	8.6	6.7	7.6
Nepal	59.5	57.0	58.2	33.9	38.1	36.1	6.7	4.9	5.7
<i>Cross section</i>	<i>61.5</i>	<i>57.2</i>	<i>59.4</i>	<i>31.7</i>	<i>34.8</i>	<i>33.2</i>	<i>6.8</i>	<i>8.1</i>	<i>7.4</i>

NB: Fully, Partially and Not immunized children add up to hundred per cent for each sex and their total.

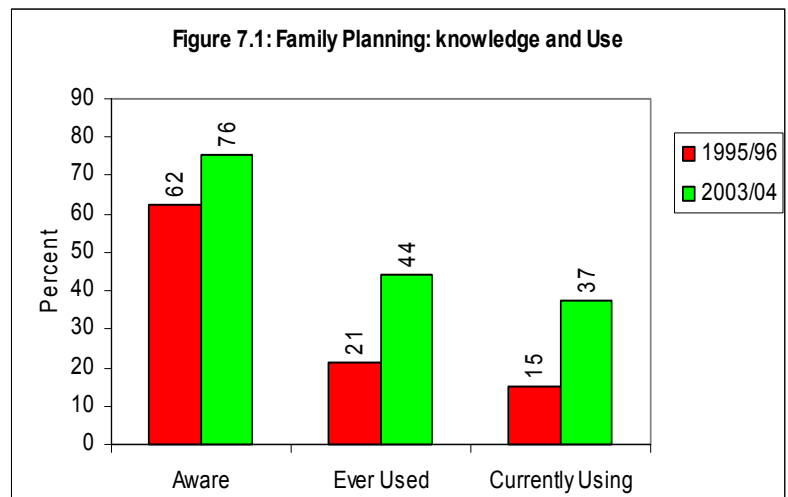
7. MATERNITY AND FAMILY PLANNING

7.1 Introduction

Family Planning services are designed to provide a constellation of contraceptive methods that reduce fertility, enhance maternal and neonatal health, child survival and contribute in bringing about a balance between population growth and socio-economic development which results ultimately improving the quality of life.

7.2 Knowledge and use of Family Planning

NLSS 2003/04 shows that 76 percent of currently married women (15-49 years) are clued-up about at least one of the family planning methods, 44 percent reported to have ever used it and 37 percent are currently using any kind of contraceptive methods (Table 7.1). Percentage of married women currently using any of the method and also the percent who ever used has been more than doubled during the period. All these figures have been increased from those reported in NLSS 1995/96. Urban women had a higher rate (absolutely 14.7 percent) of knowledge of at least one of the planning methods compared to rural area in 2003/04. There is not much difference in the use of planning method in both surveys by zones. Rural



Tarai women have been reported to have higher rate of currently using any kind of method over rural Mts./Hills in 2003/04 whereas the relation was the other way in 1995/96.

Among married couples, permanent method seems to be more popular as indicated by the surveys. Nonetheless the panel survey (2003/04) shows a substantial increase in the use of other temporary methods⁶ between two rounds of the survey 2003/04 and 1995/96 (37 percent vs. 24 percent) and surprisingly the use of condom is reported to have been decreased by six percentage points (from 11 percent to 5 percent).

⁶ Other temporary methods include pills, Depo-Provera, IUD, Norplant, diaphragm, foam/jelly/cream, etc.

As indicated by Table 7.3, the most common source of getting contraceptive methods is public health facility, which accounted for 64 percent in 2003/04 while it was 60 percent in 1995/96 followed by voluntarily sterilization camp about 20 percent. However, private health facilities too seem to be emerging as a source of contraceptives.

7.3 Place of Delivery and Birth Attendants

As the data describes in Table 7.4, 86 percent of the deliveries took place at home in 2003/04 and this figure was 93 percent in 1995/96 while a delivery in health institutions, government/private hospital has been reported to be more than doubled in 2003/04 as compared to 1995/96.

Seventy one percent of the births are assisted by family members/neighbors, followed by health practitioners (18 percent) and Traditional Birth Attendants, TBA (10 percent) in 2003/04. For 1995/96 survey, these figures were 80 percent, 5 percent and 14 percent respectively. The proportion of births attended by family members has decreased sharply in both urban and rural areas while by health practitioners has been increased sharply (more than double) in these areas in 2003/04 (Table 7.4).

7.4 Antenatal and Postnatal Care

One of the important indicators used to assess maternal mortality ratio is the use of antenatal and postnatal services. The maternal mortality will go down if quality of antenatal and postnatal services is provided to mothers. Table 7.5 presents that 56 percent of women giving live birth during the past 36 months had received some form of antenatal care as per NLSS II while NLSS I reported the figure at 26 percent. The proportion of women receiving antenatal care services in both urban and rural areas has been increased by about two folds from 1995/96. As one would not expect, only 12 percent of women who give live births receive postnatal care on the whole in 2003/04 while this figure was 23 percent in 1995/96. The proportion of postnatal care in all groups has substantially been decreased by about 50 percent from 1995/96.

Table 7.1: Percentage of married women aged 15-49 years having knowledge & using family planning methods

	Know any Method	Ever Used	Currently Using
NLSS 1995/96			
Urban	77.3	31.2	21.0
Rural	61.2	20.8	14.9
Mts./Hills	60.8	21.5	16.2
Tarai	61.6	20.2	13.9
Nepal	62.2	21.4	15.3
<i>Cross section</i>	<i>59.7</i>	<i>20.4</i>	<i>14.8</i>
NLSS 2003/04			
Urban	85.9	48.7	41.7
Rural	74.9	43.8	37.1
Mts./Hills	78.5	45.4	35.9
Tarai	71.7	42.5	38.1
Nepal	75.7	44.2	37.4
<i>Cross section</i>	<i>76.7</i>	<i>45.9</i>	<i>38.3</i>

Table 7.2: Percentage distribution of married couples using family planning methods by type

	Condom	Other temporary ¹	Permanent ²	Traditional	Total
NLSS 1995/96					
Urban	7.6	35.8	54.0	2.6	100.0
Rural	11.6	22.6	61.1	4.7	100.0
Mts./Hills	11.7	24.7	59.4	4.3	100.0
Tarai	11.4	20.6	62.8	5.2	100.0
Nepal	11.2	23.7	60.5	4.6	100.0
<i>Cross section</i>	<i>12.1</i>	<i>26.8</i>	<i>58.5</i>	<i>2.7</i>	<i>100.0</i>
NLSS 2003/04					
Urban	4.4	50.9	44.0	0.7	100.0
Rural	5.4	35.3	59.3	0.0	100.0
Mts./Hills	7.5	32.9	59.6	0.0	100.0
Tarai	3.7	37.3	59.1	0.0	100.0
Nepal	5.3	36.6	58.1	0.1	100.0
<i>Cross section</i>	<i>7.6</i>	<i>38.5</i>	<i>52.8</i>	<i>1.0</i>	<i>100.0</i>

1. Other temporary methods include pills, Depo-Provera, Intra-Uterine-Device (IUD), Norplant, Diaphragm, Foam/jelly/cream

2. Permanent methods include Vasectomy, Laproscopy, Minilap, etc.

Table 7.3: Percentage distribution of sources of getting family planning methods

	Public health facility	Private health facility	Pharmacy	Voluntary sterilization camp	Health worker	Other	Total
NLSS 1995/96							
Urban	61.9	3.9	23.1	2.1	7.5	1.4	100.0
Rural	59.5	0.4	8.2	19.2	8.9	3.8	100.0
Mts./Hills	49.8	0.9	7.3	28.6	8.9	4.6	100.0
Tarai	69.2	0.0	9.1	10.0	8.8	3.0	100.0
Nepal	59.7	0.7	9.4	17.8	8.7	3.6	100.0
<i>Cross section</i>	55.4	1.9	11.9	18.0	8.7	4.1	100.0
NLSS 2003/04							
Urban	60.5	6.4	18.9	5.6	3.8	4.7	100.0
Rural	63.8	2.9	6.0	25.1	1.9	0.3	100.0
Mts./Hills	68.2	2.9	3.6	23.8	0.8	0.8	100.0
Tarai	60.3	2.8	8.0	26.1	2.8	0.0	100.0
Nepal	63.5	3.1	7.1	23.5	2.1	0.7	100.0
<i>Cross section</i>	60.3	6.4	8.9	19.4	3.6	1.5	100.0

Table 7.4: Percentage distribution of birth deliveries by place and assistance of delivery

	Place of delivery				Assistance at delivery			
	Home	Primary health facility ¹	Hospital / Private hospital	Other	Family member/ Neighbors	Traditional birth attendant	Health practitioner ²	None and other
NLSS 1995/96								
Urban	68.0	1.3	29.8	1.0	68.3	3.1	27.9	0.8
Rural	94.6	0.7	2.7	2.0	81.0	14.4	4.1	0.5
Mts./Hills	94.9	1.3	3.2	0.7	91.4	3.6	5.0	0.0
Tarai	94.3	0.0	2.1	3.6	68.5	27.4	3.1	1.0
Nepal	93.2	0.7	4.1	2.0	80.4	13.8	5.4	0.5
<i>Cross section</i>	92.7	0.5	5.5	1.3	78.5	13.6	6.9	1.0
NLSS 2003/04								
Urban	41.4	0.7	57.9	0.0	41.4	0.0	58.7	0.0
Rural	88.9	2.2	7.3	1.6	73.1	10.1	15.6	1.3
Mts./Hills	90.0	4.0	6.0	0.0	81.7	3.9	13.8	0.6
Tarai	87.8	0.6	8.6	3.1	65.2	15.8	17.3	1.8
Nepal	86.3	2.1	10.1	1.5	71.4	9.5	17.9	1.2
<i>Cross section</i>	84.0	1.5	13.9	0.6	67.6	9.7	19.8	2.9

1. Primary health facility includes Sub Health Post (SHP), Health Post (HP), Primary Health Centre (PHC).

2. Health practitioner includes Maternal Child Health Worker (MCHW), Village Health Worker (VHW), Health Assistant (HA), Senior Auxiliary Health Worker (SAHW), Auxiliary Health Worker (AHW), nurse and doctor.

Table 7.5: Percent of women consulting health facilities for anti- & post- natal care and distribution by facility type

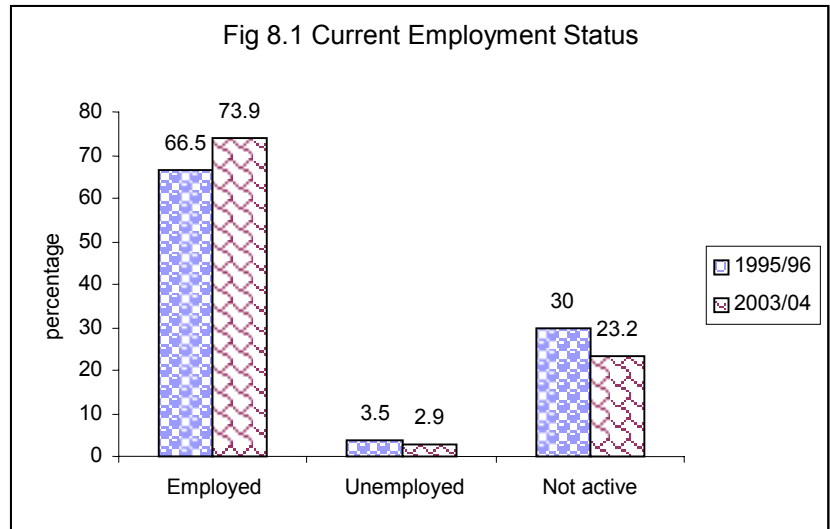
	Anti-Natal Care			Post-Natal Care		
	% consulting	Government health facility ¹	Private health facility ²	% consulting	Government health facility ¹	Private health facility ²
NLSS 1995/96						
Urban	46.4	93.7	6.3	48.2	95.7	4.3
Rural	25.3	84.5	15.5	21.3	85.2	14.8
Mts./Hills	25.9	91.9	8.1	22.4	89.3	10.7
Tarai	24.5	75.1	24.9	20.0	79.7	20.3
Nepal	26.4	85.4	14.7	22.7	86.4	13.6
<i>Cross section</i>	25.8	86.3	13.7	21.4	86.7	13.3
NLSS 2003/04						
Urban	87.9	79.0	21.0	22.0	83.1	16.9
Rural	54.6	90.1	10.0	10.9	77.5	22.5
Mts./Hills	49.9	91.4	8.6	8.4	91.3	8.7
Tarai	58.9	89.0	11.0	13.2	69.5	30.6
Nepal	56.4	89.1	10.9	11.5	78.1	22.0
<i>Cross section</i>	57.1	86.0	14.0	12.9	82.1	17.9

1. Government health facility includes Sub Health Post (SHP), Health Post (HP), Primary Health Centre (PHC), Hospital, Mobile clinic and Ayurvedic Centre
2. Private health facility includes Pharmacy/Clinic, Private hospital, Health workers, home and other

8. ECONOMIC ACTIVITY STATUS

8.1 Current Economic Activity Status and Unemployment Rates

Some positive changes have occurred in current economic activity status between 1995/96 and 2003/04. During the period, the proportion of employed population has been increased by about 7 percentage points at national level as accordingly the proportion of economically not active and unemployed population has been decreased. The increment of employed population is, specially, observed in rural areas of the country while it is almost constant in urban areas. Among rural areas, the increment is higher in Tarai than Mountains/Hills. On the other hand, the proportion of unemployed population of urban areas is observed more in 2003/04 compared to 1995/96. However, unemployed population has been decreased in rural areas between two surveys. During these two surveys, economic participation rate has been increased.



It is observed that the unemployment rate is in decreasing trend at national level, while it has been increased from 8.2 percent in 1995/96 to 13.2 percent in 2003/04 in the case of urban areas. Among rural areas, the higher percentage of unemployment rate is found in Tarai in both the surveys.

8.2 Usual Economic Activity Status and Unemployment Rates

In usual economic activity status, the participation rate is also increased at national level in 2003/04 as in current economic activity status. The proportion of unemployed population is observed low for usual economic activity status compared to current economic activity status. It follows the same pattern that the proportion does in 2003/04 compared to 1995/96. During the two survey periods, the proportion of employed population has been increased by about 9 percentage points at national level. The increment of employed proportion is observed more in rural areas compared to urban areas during these surveys.

Unemployment rate is decreased to 0.5 percent in 2003/04 from 1.2 percent in 1995/96 at national level. As in current economic status, it has been increased in urban areas in 2003/04. On the other hand, it has been decreased in rural areas of Mountains/Hills and Tarai.

Table 8.1: Current employment status

	Employed	Unemployed	Not active	Total	Participation rate	Unemployment rate
NLSS 1995/96						
Urban	51.7	4.6	43.7	100.0	56.3	8.2
Rural	67.5	3.5	29.1	100.0	71.0	4.9
Mt./Hill	72.5	2.4	25.1	100.0	74.9	3.2
Tarai	62.4	4.5	33.1	100.0	66.9	6.8
Nepal	66.5	3.5	30.0	100.0	70.0	5.0
<i>Cross section</i>	<i>67.2</i>	<i>3.4</i>	<i>29.4</i>	<i>100.0</i>	<i>70.6</i>	<i>4.9</i>
NLSS 2003/04						
Urban	51.8	7.9	40.3	100.0	59.7	13.2
Rural	75.6	2.5	21.9	100.0	78.1	3.2
Mt./Hill	80.2	1.2	18.7	100.0	81.3	1.4
Tarai	71.0	3.9	25.1	100.0	74.9	5.2
Nepal	73.9	2.9	23.2	100.0	76.8	3.8
<i>Cross section</i>	<i>74.3</i>	<i>2.9</i>	<i>22.8</i>	<i>100.0</i>	<i>77.2</i>	<i>3.8</i>

Table 8.2: Usual employment status

	Employed	Unemployed	Not active	Total	Participati on rate	Unemploy ment rate
NLSS 1995/96						
Urban	58.4	3.0	38.6	100.0	61.4	4.9
Rural	75.6	0.8	23.6	100.0	76.4	1.0
Mts./Hills	77.6	0.8	21.6	100.0	78.4	1.0
Tarai	73.5	0.8	25.7	100.0	74.3	1.0
NEPAL	74.5	0.9	24.6	100.0	75.4	1.2
<i>Cross section</i>	<i>74.7</i>	<i>0.9</i>	<i>24.4</i>	<i>100.0</i>	<i>75.6</i>	<i>1.2</i>
NLSS 2003/04						
Urban	65.3	3.6	31.1	100.0	68.9	5.3
Rural	85.0	0.2	14.8	100.0	85.2	0.2
Mts./Hills	87.5	0.1	12.4	100.0	87.6	0.1
Tarai	82.6	0.3	17.2	100.0	82.8	0.3
NEPAL	83.6	0.4	16.0	100.0	84.0	0.5
<i>Cross section</i>	<i>82.9</i>	<i>0.9</i>	<i>16.2</i>	<i>100.0</i>	<i>83.8</i>	<i>1.0</i>

9. WAGE EMPLOYMENT

9.1 Wages by Main Sector of Employment

A noticeable change in wage employment is observed in the last 8 years probably due to the changes in shares of agriculture and non-agriculture sectors. Percentage share of wage earners in agriculture has been decreased from 57 in 1995/96 to 43 in 2003/04 while that in non-agriculture it has been increased by 13 percentage points (44 percent in 1995/96 and 57 percent in 2003/04). Average nominal daily wages have been increased by 88 percent in agriculture (Rs. 41 in 1995/96 and Rs. 77 in 2003/04) and by 81 percent in non-agriculture (Rs. 73 in 1995/96 and Rs. 133 in 2003/04) in the last eight years. There are noticeable gender differences in daily wages in agriculture as well as non-agriculture sector in both surveys.

In agriculture sector, male wage earners were reported to receive 26 percent more than female wage earners whereas in non-agriculture sector the gender gap is more wider i.e., male wage earners got 69 percent more than female wage earners in 1995/96. The picture of the gender gap of wage earners has not been changed much in the last eight years.

Table 9.1: Percentage distribution of wage earners by main sector of activity

	1995/96			2003/04		
	Wage in agriculture	Wage in non-agriculture	Total	Wage in agriculture	Wage in non-agriculture	Total
Urban	25.2	74.8	100.0	11.1	88.9	100.0
Rural	59.4	40.6	100.0	47.3	52.7	100.0
Mts./Hills	44.8	55.3	100.0	34.1	65.9	100.0
Tarai	69.5	30.5	100.0	55.3	44.7	100.0
Nepal	56.5	43.5	100.0	42.7	57.3	100.0
<i>Cross section</i>	<i>52.7</i>	<i>47.2</i>	<i>100.0</i>	<i>36.8</i>	<i>63.2</i>	<i>100.0</i>

Table 9.2: Average daily wages in cash/kind received by wage earners

(in Rs.)

	Agriculture Sector			Non-agriculture Sector		
	Cash	Kind	Total	Cash	Kind	Total
NLSS 1995/96						
Sex						
Male	37.4	20.7	45.4	68.1	28.2	75.2
Female	25.9	16.4	36.0	39.8	23.9	44.4
Urban	45.5	12.9	48.1	89.9	25.8	93.7
Rural	31.4	18.7	40.9	65.0	28.3	72.0
Mts./Hills	31.5	16.0	45.0	70.0	28.4	78.1
Tarai	31.3	20.3	38.6	57.1	28.0	62.3
Nepal	31.8	18.7	41.1	66.4	28.1	73.3
<i>Cross section</i>	32.6	19.3	40.2	65.3	27.2	74.0
NLSS 2003/04						
Sex						
Male	67.2	32.1	85.4	125.8	36.9	138.2
Female	48.3	32.3	68.5	80.3	43.9	88.5
Urban	58.9	18.0	64.7	133.1	21.8	131.5
Rural	58.6	32.5	77.7	120.6	38.2	133.0
Mts./Hills	65.5	33.0	88.8	127.3	34.8	140.6
Tarai	54.9	32.3	72.4	114.0	41.0	125.8
Nepal	58.6	32.2	77.4	121.3	37.6	132.9
<i>Cross section</i>	58.0	30.0	75.0	118.0	42.0	133.0

Wage in cash and/or kinds are averaged only for those who reported to receive wages in one or the other form or both and hence, total average wages is not necessarily equal to the sum of average wages in cash and average wages in kinds.

10. NON-FARM ENTERPRISES

10.1 Non-farm Enterprises by Industry

Households operating non-farm enterprises in Manufacturing have been decreased by one percentage point between 1995/96 to 2003/04. But the trend is different in urban and rural areas. Table 10.1 shows that in urban areas it has been decreased by about 7 percentage points. In rural areas, particularly in rural Tarai it has increased by 14 percentage points where as in rural Mountain/hills it has been decreased by 13 percentage points. Similarly trading enterprises are also decreased by 6 percentage points in urban areas. Meanwhile services and other sectors have been increased by about 20 and about 4 percentage points respectively between a period of 8 years.

10.2 Ownership, Registration and Hired Labor

Majority of the enterprises as reported in both surveys are owned by individual households and the proportion of such enterprises remains constant during the period. Formally registered enterprises have been increased by about 7 percentage points at national level which has been increased by 14 percentage points in urban areas and by 6 percentage points in rural areas. Enterprises with hired labour seem to be marginally increased at national level though the percentage of such enterprises has been decreased by 5 percent in urban areas.

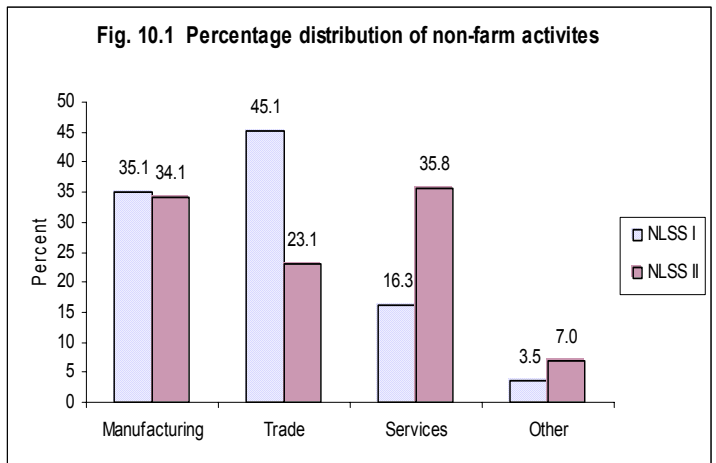


Table 10.1: Percentage Distribution of panel household by type of non-farm activities

	Non-farm activities				Total
	Manufacturing ¹	Trade	Services	Other	
<i>NLSS 1995/96</i>					
Urban	28.0	45.9	25.7	0.4	100.0
Rural	36.0	45.0	15.1	3.9	100.0
Mts/Hills	49.5	37.6	12.4	0.5	100.0
Tarai	21.7	52.9	17.9	7.5	100.0
Nepal	35.1	45.1	16.3	3.5	100.0
<i>Cross-section</i>	<i>29.9</i>	<i>52.1</i>	<i>14.3</i>	<i>3.7</i>	<i>100.0</i>
<i>NLSS 2003/04</i>					
Urban	20.8	39.9	35.0	4.4	100.0
Rural	35.9	20.8	35.9	7.4	100.0
Mts/Hills	35.7	20.3	39.0	5.0	100.0
Tarai	36.2	21.3	32.6	9.9	100.0
Nepal	34.1	23.1	35.8	7.0	100.0
<i>Cross-section</i>	<i>30.8</i>	<i>31.7</i>	<i>29.2</i>	<i>8.3</i>	<i>100.0</i>

Note: ¹ It includes mining and quarrying, manufacturing, construction and electricity.

Table 10.2: Percentage distribution of panel household non-farm activities by ownership

	NLSS 1995/96		NLSS 2003/04	
	Individual ownership	Partnership	Individual ownership	Partnership
Urban	94.4	5.6	97.3	2.7
Rural	98.5	1.6	98.3	1.7
Mts/Hills	97.8	2.2	97.7	2.3
Tarai	99.2	0.9	98.9	1.1
Nepal	98.0	2.0	98.2	1.8
<i>Cross-section</i>	<i>96.5</i>	<i>3.5</i>	<i>96.7</i>	<i>3.3</i>

Table 10.3: Percentage distribution of non-farm household by legal status & hired labour

	NLSS 1995/96		NLSS 2003/04	
	Registered enterprises	Enterprises with hired labour	Registered enterprises	Enterprises with hired labour
Urban	28.1	33.1	42.1	28.1
Rural	9.6	7.0	16.0	9.5
Mts/Hills	10.6	6.4	11.8	5.7
Tarai	8.7	7.5	20.5	13.4
Nepal	11.8	10.0	19.2	11.7
<i>Cross-section</i>	<i>11.7</i>	<i>9.2</i>	<i>19.6</i>	<i>14.0</i>

Table 10.4: Percentage distribution of panel household having non-farm activities by size of hired workers

	1 worker	2-9 workers	10+ workers	Total
NLSS 1995/96				
Urban	49.5	46.7	3.8	100.0
Rural	53.0	41.0	6.0	100.0
Mts/Hills	32.1	67.9	0.0	100.0
Tarai	71.9	16.8	11.3	100.0
Nepal	51.7	43.2	5.1	100.0
<i>Cross-section</i>	<i>47.3</i>	<i>44.2</i>	<i>8.4</i>	<i>100.0</i>
NLSS 2003/04				
Urban	46.8	46.2	7.1	100.0
Rural	45.3	49.2	5.5	100.0
Mts/Hills	45.7	54.3	0.0	100.0
Tarai	45.1	46.9	8.0	100.0
Nepal	45.7	48.3	6.0	100.0
<i>Cross-section</i>	<i>34.3</i>	<i>52.1</i>	<i>13.6</i>	<i>100.0</i>

11. AGRICULTURE

11.1 Introduction

The tables presented here, on crop and land area are based on agricultural household with cultivation land while tables on livestock include all agricultural households with or without land for cultivation. An agricultural holding⁷ is an economic unit of agricultural production under single management comprising livestock and poultry kept, land used wholly or partly for agricultural production purposes, without regard to title, legal form, or size. Agricultural holdings are grouped into two categories: holdings with land and holdings with no land. Holdings with land are those cultivating at least 0.013 hectares during an agricultural year. Holdings with no land, on the other hand, are those with two or more cattle (or the equivalent of other livestock and poultry birds) and operating less than 0.013 hectares of land for agricultural purposes.

11.2 Characteristics of Household Head

Agricultural holder is the household member of an agricultural household who manages and usually makes decision on the operation of agriculture activities. In Nepal, a holder⁸ is usually the same person as the household head (NLSS did not collect separate information on agricultural holders).

Table 11.1 presents selected characteristics of household heads having land cultivation. More than 80 percent of the households are agricultural household, about 85 percent in 1995/96 and 83 percent in 2003/04. Similarly more than ninety percent of the households in rural mountains/hills and one third of urban households are agricultural household.

The majority of agricultural household heads are male however the percent of female headed agricultural households have been increased from 13 percent in 1995/96 to 16 percent in 2003/04. Literacy rate of agricultural household head have also been found increased from 39 percent in 1995/96 to around 43 percent in 2003/04. About half of agricultural household head in urban areas are literate while less than half are literate in rural areas. Household size of agriculture households seems to have been smaller between the survey period from 6.0 and 5.7 (Table 11.1).

11.3 Area, Land Fragmentation and Farm Size Distribution

In terms of area, the average size of farm land is reduced from 1.1 hectare in 1995/96 to 1.0 hectare in 2003/04. But, the mean number of parcels⁹ per household remains the same; around 4 parcels per holding in both rounds (Table 11.2). There is an uneven distribution of the agricultural land within

⁷ The term "agricultural household" and "holding" have been used interchangeably.

⁸ The terms "holder" and "farmer" are used interchangeably.

⁹ Parcel (*kitta* in Nepali) is generally defined as a contiguous piece of land (physically separated from others' land) belonging to the area operated by a household. A parcel may consist of one or more adjacent plots or field.

households. There were about 37 percent small farmers in 1995/96 holding less than 0.50 hectare of agricultural land while 15.6 percent of large farmers held 2.0 hectare and more. Those small farmers in 1995/96 operated only around 8 percent agriculture land while large farmers operated around 53 percent of land. From 2003/04 panel data, it shows that there are about 36 percent small farmers operating less than 0.50 hectares of land and about 11 percent large farmers operating 2.0 hectares and more. Those small farmers in 2003/04 operate only around 9 percent agriculture land while around 35 percent of land is operated by large farmers (Tables 11.3 and 11.4). The declining percentage of large farmers shows further fragmentation of agriculture land during the periods of the two surveys.

11.4 Land Tenure

Land tenure refers to arrangements or rights under which the holder operates the land of a holding. A holding may be operated under one or more tenure forms such as land owned, land rented in or other tenure forms. Total land under holding is a sum of self operated, land rented-in from others and land operated on a squatter basis, etc. Land rented out does not constitute a part of holding.

Majority of panel agricultural households have own land, about 97 percent in 1995/96 and 95 percent in 2003/04. However there are some who operate only land rented-in and do not possess any own farm land. About 3 percent of agricultural households in 1995/96 operate only rented-in land on contractual basis, this percent rises up to 5 in 2003/04. Percent of holding renting-out land increased from around 6 percent in 1995/96 to around 11 percent in 2003/04 (Table 11.5). Of the total operated land,¹⁰ about 83 percent land in 1995/96 and 81 percent in 2003/03 are owned and self operated (Table 11.6).

11.5 Major Crops

Cereal crops dominate cropping pattern in Nepal. Paddy is most common and important crop followed by maize and wheat. Millet and barley are common in the mountain/hills. Mustard is prime among oilseed while Lentil (Masoor) and soybean are common legumes grown.

Table 11.7 presents the percentage of holdings cultivating some common crops. Paddy is cultivated by four fifth of agriculture households in both surveys. Rural Tarai has high percent of main paddy grower, about 86 percent holding in 1995/96 and 97 percent in 2003/04. About two third of holders cultivated wheat. Summer maize is reported to be cultivated by about 60 percent of agricultural households.

11.6 Chemical Fertilizers

Fertilizer in NLSS refers to chemical fertilizer like: urea, complex, DAP, etc. During the eight years period, the percentage of chemical fertilizer users has increased. In 1995/96 about 55 percent panel holdings used chemical fertilizer in main paddy, which increased to 70 percent in 2003/04. Similarly there were 54 percent of holdings who used chemical fertilizer in wheat and that increases to 63 percent in 2003/04 (Table 11.8).

¹⁰ Total operated land = area owned by a household - own area rented out to others + area rented in from others
= area own and operated + area rented in from others.

11.7 Agricultural Equipment

Two third of agricultural households still own a plough or improved type of plough, most common locally made agriculture equipment. Less than one percent of holding own Tractor and about 3 percent own water pump (Table 11.9).

11.8 Livestock Raising

Crop farming and livestock rising are inter-dependent in the agriculture system of Nepal. So, majority of agriculture households keep livestock or poultry apart from land cultivation. Cattle are most common livestock of agriculture households.

The mean number of cattle in agricultural holding was 3.2 in 1995/96 which has declined to 2.9 in 2003/04, where as, the mean number of buffalo has remained constant (2.2 in both surveys). The mean number of goats has slightly increased from 3.6 per agriculture holding in 1995/96 to 3.8 in 2003/04. The number of agriculture households keeping goat have also increased during the survey periods.

Table 11.1: Selected characteristic of agricultural households

	Percent of agriculture households with land	Percent of women headed agriculture households	Percent of women headed all households	Literacy of agriculture household heads	Literacy of all household heads	Median age(yr.) of agriculture household heads	Average household size of agriculture households	Average household size of all households
NLSS 1995/96								
Urban	37.8	7.1	7.9	51.6	60.5	42.0	7.2	5.8
Rural	88.4	12.7	13.7	38.9	38.2	42.0	5.9	5.8
Mts/Hills	96.2	17.4	17.7	40.2	41.3	43.0	5.5	5.4
Tarai	79.4	6.3	9.0	37.1	34.6	42.0	6.6	6.1
Nepal	85.2	12.6	13.3	39.3	39.6	42.0	6.0	5.8
<i>Cross-section</i>	<i>83.1</i>	<i>12.1</i>	-	<i>39.2</i>	<i>39.6</i>	<i>43.0</i>	---	---
NLSS 2003/04								
Urban	36.0	6.8	17.8	55.9	59.2	46.0	7.8	6.0
Rural	86.5	16.3	19.2	42.2	40.3	48.0	5.6	5.4
Mts/Hills	93.8	20.4	22.4	43.0	42.5	48.0	5.2	5.1
Tarai	78.3	10.7	15.5	41.3	37.7	48.0	6.2	5.9
Nepal	83.4	16.0	19.1	42.6	41.4	48.0	5.7	5.5
<i>Cross-section</i>	<i>77.5</i>	<i>18.7</i>	<i>19.6</i>	<i>45.0</i>	<i>47.7</i>	<i>45.0</i>	<i>5.5</i>	<i>5.3</i>

Table 11.2: Selected characteristic of agricultural land

	Average size of agricultural land (hectares)	Average number of parcels
NLSS 1995/96		
Panel	1.1	3.9
<i>Cross-section</i>	<i>1.1</i>	<i>3.8</i>
NLSS 2003/04		
Panel	1.0	3.8
<i>Cross-section</i>	<i>0.8</i>	<i>3.1</i>

Table 11.3: Percentage distribution of agricultural households with land by size

	Size (hectares)			Total
	Less than 0.50	0.50 - 2.0	2 and over	
NLSS 1995/96				
Panel	37.0	47.4	15.6	100.0
<i>Cross-section</i>	<i>40.1</i>	<i>47.0</i>	<i>12.8</i>	<i>100.0</i>
NLSS 2003/04				
Panel	35.8	53.5	10.6	100.0
<i>Cross-section</i>	<i>44.8</i>	<i>47.2</i>	<i>8.0</i>	<i>100.0</i>

Table 11.4: Percentage distribution of agricultural land area by size of operated land

	Size (hectares)			Total
	Less than 0.50	0.50 - 2.0	2 and over	
NLSS 1995/96				
Panel	7.7	39.8	52.6	100.0
<i>Cross-section</i>	<i>8.8</i>	<i>43.5</i>	<i>47.7</i>	<i>100.0</i>
NLSS 2003/04				
Panel	9.1	55.7	35.2	100.0
<i>Cross-section</i>	<i>13.2</i>	<i>55.5</i>	<i>31.3</i>	<i>100.0</i>

Table 11.5: Percentage distribution of households by type of land tenure

	Percent of households with Owned Agriculture land	Percent of households renting-out land	Percent of households renting-in land	Percent of households renting-in land only
NLSS 1995/96				
Panel	97.1	5.7	32.6	2.9
<i>Cross-section</i>	95.2	6.4	28.7	4.8
NLSS 2003/04				
Panel	94.7	10.5	31.9	5.3
<i>Cross-section</i>	92.7	7.4	31.4	7.3

Table 11.6: Percentage of agriculture land by type of tenure

	Percent of total operated land			Percent of total owned land		
	Own and operated land	Rented-in land	Total Percentage	Own and operated land	Rented-out land	Total Percentage
NLSS 1995/96						
Panel	82.8	17.2	100.0	93.4	6.6	100.0
<i>Cross-section</i>	84.7	15.3	100.0	93.2	6.8	100.0
NLSS 2003/04						
Panel	80.9	19.1	100.0	91.4	8.6	100.0
<i>Cross-section</i>	79.4	20.6	100.0	91.2	8.8	100.0

Table 11.7: Percentage of agricultural households by types of crops cultivated

	Main Paddy	Wheat	Summer Maize	Millet	Winter Potato	Mustard	Summer Vegetables	Winter Vegetables	Soyabean	Lentil (Masoor)
<i>NLSS 1995/96</i>										
Urban	86.3	69.3	29.6	14.9	54.2	39.3	29.3	24.0	11.5	43.9
Rural	80.0	67.8	61.2	42.7	33.9	38.6	34.2	37.0	23.0	29.9
Mts/Hills	75.4	60.5	89.6	68.9	23.5	33.0	40.3	39.3	39.1	7.2
Tarai	86.2	77.9	22.1	6.6	48.2	46.3	25.9	33.8	0.7	61.0
Nepal	80.1	67.9	60.3	41.9	34.5	38.6	34.1	36.6	22.7	30.2
<i>Cross-section</i>	<i>76.0</i>	<i>66.4</i>	<i>66.3</i>	<i>42.7</i>	<i>35.5</i>	<i>40.2</i>	<i>35.6</i>	-	-	-
<i>NLSS 2003/04</i>										
Urban	83.8	66.8	25.2	12.4	65.1	42.1	41.8	38.6	9.2	44.3
Rural	82.0	64.5	61.9	37.1	60.2	43.7	61.6	67.6	27.4	37.8
Mts/Hills	71.0	57.1	88.4	62.3	53.2	40.3	74.9	74.3	46.0	16.7
Tarai	97.1	74.5	25.7	2.8	69.7	48.3	43.6	58.5	2.1	66.5
Nepal	82.1	64.6	60.9	36.4	60.4	43.7	61.1	66.8	26.9	38.0
<i>Cross-section</i>	<i>76.1</i>	<i>62.6</i>	<i>63.4</i>	<i>38.8</i>	<i>50.0</i>	<i>37.6</i>	<i>60.8</i>	<i>62.7</i>	<i>24.3</i>	<i>32.1</i>

Table 11.8: Percentage of agricultural households using fertilizers in selected crops

	Main Paddy	Wheat	Summer Maize
<i>NLSS 1995/96</i>			
Panel	54.8	53.7	29.0
<i>Cross-section</i>	<i>54.6</i>	<i>48.6</i>	<i>26.8</i>
<i>NLSS 2003/04</i>			
Panel	69.9	62.6	33.9
<i>Cross-section</i>	<i>66.4</i>	<i>56.0</i>	<i>34.0</i>

Table 11.9: Percentage of agricultural households by major agriculture equipment owned

	Plough	Tractor/Power tiller	Thresher	Water Pump	Grain Storage Bin
<i>NLSS 1995/96</i>					
Panel	67.8	0.6	1.1	3.0	17.9
<i>Cross-section</i>	<i>63.9</i>	<i>0.7</i>	<i>0.8</i>	<i>2.6</i>	<i>15.8</i>
<i>NLSS 2003/04</i>					
Panel	65.7	0.4	0.6	3.2	34.5
<i>Cross-section</i>	<i>56.8</i>	<i>0.6</i>	<i>0.9</i>	<i>2.7</i>	<i>28.5</i>

Table 11.10: Percentage of agricultural households with livestock and poultry

	Agricultural Households with					
	Cattle	Buffalo	Goat	Goat-Sheep	Pig	Poultry
<i>NLSS 1995/96</i>						
Panel	75.5	56.5	56.1	57.8	9.3	50.2
<i>Cross-section</i>	73.5	52.4	-	53.1	11.7	49.9
<i>NLSS 2003/04</i>						
Panel	71.6	53.2	65.2	66.4	9.5	51.1
<i>Cross-section</i>	66.6	49.8	60.4	61.4	11.7	52.7

Table 11.11: Mean number of livestock/poultry per agriculture household

	Agricultural Households with					
	Cattle	Buffalo	Goat	Goat-Sheep	Pig	Poultry
<i>NLSS 1995/96</i>						
Panel	3.2	2.2	3.6	3.8	2.2	7.2
<i>Cross-section</i>	3.3	2.2	--	4.1	1.7	7.3
<i>NLSS 2003/04</i>						
Panel	2.9	2.2	3.8	3.9	2.3	8.6
<i>Cross-section</i>	3.1	2.1	4.2	4.5	1.7	7.9

12. INCOME

12.1 Introduction

Income, as defined in this report, measures the flow of resources in a household in 12 months prior to the interview. The procedure followed to aggregate household income is the same as it was in the cross-section data analysis¹¹ which is as follows:

12.2 Construction of Income Aggregate

12.2.1 Farm income

Crop income: The gross value of crops harvested are calculated from Production and Uses part of Farming and Livestock section, which provides information on quantity harvested, quantity given to landlord, quantity sold and unit selling price for each crop.

The value of harvested crop is derived as follows. Harvest quantity is multiplied simply by the selling price reported by the household. However in the cases where household did not report any selling price or did not sell the crop at all, progressively the higher level average, the ward average or district or stratum average was imputed. Conversion factors for different crops from volume to mass and mass to volume is used to value the harvested crops. Imputation of missing prices for fodder tree, bamboo and other trees turned out to be problematic. With no plausible options available, such cases were dropped.¹²

For those households who are renting-in land, the in-kind payment to their land-lord is deducted from the total harvested quantity. The harvested values (net of in-kind rent payment to landlord) are aggregated across all crops for each household to obtain gross agricultural output per farming household.

The gross agricultural output value is added with rental income (renting out of draft animal, tractor, thresher, other) and value of sales of by-products while cultivation cost and rental expenditures (renting in of draft animal, tractor, thresher, other) were deducted to obtain total income from crops.

Income from livestock: Purchase and sale of livestock (cows, buffaloes, goats, yaks, and poultry) is combined with earnings from selling of milk, ghee, eggs, curd, meat and expenditures on animal feed, transportation of feed, veterinary services. Income from livestock is then calculated as total value of sold livestock minus total value of purchased livestock plus net income from livestock by product.

¹¹ See Nepal Living Standards Survey Report 1996 and 2003/04, Volume - II

¹² About 77 percent of fodder tree, 13 percent of bamboo and 20 percent of other tree have been valued in panel households 1995/96. And about 2 percent of fodder tree, 13 percent of bamboo and 4 percent of other tree have been valued in panel households 2003/04.

Consumption of home produced non-crop goods: The home produced non-crop goods - eggs, milk, ghee, fish, mutton, buffalo meat, chicken and other meat - have been aggregated to obtain a value of home produced non-crop consumption.

Land rent income: Net income received (cash and in-kind) from renting-out cultivated land and rent paid in cash to a landlord for renting-in land.

12.2.2 Wage income

Wage income includes value of cash and in-kind earnings per year in agriculture (includes daily, piece-rate and permanent labor) and also value of cash and in-kind earning per year out-side agriculture (includes daily, piece-rate and permanent labor).

12.2.3 Non-farm enterprises income

Information on household enterprises, either solely owned or in partnership, comes from Non-farm enterprises section. Net revenues from each household enterprise (or the share owned by the household) are aggregated to get annual non-farm enterprises income for each household.

12.2.4 Non-agricultural rental income

Rental income is the aggregate of incomes received by renting-out residential property, land property and other real assets.

12.2.5 Transfer income

Remittances received by household members (as cash or in-kind) are reported in Remittances and Transfers section. These remittance amounts received by household during the past 12 months are aggregated for each recipient household.

12.2.6 Value of owner-occupied housing

The consumption value of own housing unit or rent-free is the reported rental value that would have to be paid if some one wanted to rent it. When such reported values are missing, they are imputed with regression-based estimated rental values.

Box 12.1

Main Component	Items to add	Items to deduct
Farm Income	Value of total crop production (net of share paid to landlord) Value of by-product production Net income from renting farm assets (draft animal, tractor, thresher etc.) Value of sales from non-crop farm production (milk, ghee, eggs etc.) Earning from the sale of livestock Value of home -produced non-crop consumption Total cash and in-kind received from tenants on land leased-out	Cultivation costs (seeds, fertilizers, hired labour, irrigation etc.) Fodder and other livestock expenditure (veterinary services) Expenditure for the purchase of livestock Cash rent paid to landlord on land leased-in
Wage Income	Value of cash and in-kind earning per year in agriculture (includes daily, piece-rate and permanent labour) Value of cash and in-kind earning per year outside agriculture (includes daily, piece-rate and permanent labour)	
Non-farm Enterprises Income	Gross revenues from non-agriculture enterprises/activities during past 12 months	Wage paid both cash and in-kind Energy expenditure Expenditure on raw material Other operating expenditure Share of net revenues paid to partners
Non-agriculture Rental Income	income from renting out non agriculture property income from renting out non agriculture assets	
Transfers	Income from remittances and transfers received (cash and in-kind)	
Owner-occupied housing	imputed rental value of housing which would had to be paid to purchase housing services	
Other Income	interest, dividends, profit earning from shares and savings/deposit accounts Pension income (Domestic and Foreign) Commission fees and royalties, other incomes	

12.2.7 Other income

Other income includes earnings from savings or fixed account deposits, shares/stocks, treasury bills, employee provident fund/citizen investment fund, internal/external pension, commission fee, royalties etc. All these income amounts are aggregated at the household level.

12.2.8 Total income

The total household income is obtained by summing all the income components discussed above. Per capita income is calculated by dividing household income by household size.

12.2.9 Items omitted from income aggregate

Net interest income from Credit and Saving section is omitted because of difficulties in calculation from survey data. Income from sales of farm machinery is not included in total income because they represent investment or disinvestment of assets rather than current income (household whose income source is trading of agriculture machinery would be included in enterprise section). Net proceeds from sale and purchase of housing or land-property are considered as changes in assets and not included in total income. Similarly, expenditure on improvement of land or building and repair and maintenance of agricultural equipment are also excluded.

12.3 Levels and Sources of Income¹³

Table 12.1 shows the nominal *mean* and *median* per capita income for panel households. Mean per capita income for panel households was Rs. 7,307 in 1995/96 and in Rs. 13,946 in 2003/04 whereas median per capita income has increased from Rs. 5,344 to Rs. 9558 within the survey interval. Both the mean and median incomes in urban area are greater than those in rural areas. Rural Tarai panel households have low income than Rural Mountain/Hills for both rounds (1995/96 and 2003/04).

Table 12.2 describes the sectoral shares of household income¹⁴ such as the percentage share of total household income from farm income, non-farm income, remittances, consumption of own-dwelling (or rent free dwelling) and other income. Other income sources include income from renting out non-agricultural property like building or assets and earnings savings/deposit accounts, shares, pensions, etc.

The share of farm income for panel households decreased from 65 percent to 54 percent in past eight years whereas the income from remittance increased from 7 percent to 13 percent.

Table 12.3 disaggregates income by employment sources: wage employment, self employment and other income sources. Other sources here include renting-out of non-agricultural property, remittance,

¹³ 0.5 percent observations of each end in distribution of per capita income (9 households out of 962 panel household) is defined as outliers and excluded from analysis from both rounds of panel data 1995/96 and 2003/04. All tables are based on data with out outliers.

¹⁴ Average share of each income source is calculated as the weighted mean of household shares to preserve comparability with cross-section analysis NLSS I and NLSS II.

consumption of owner-occupied dwelling, renting out agricultural land and other income sources. This table shows that share of wage and self employment income has been decreased from 1995/96 to 2003/04 whereas the share of "other" income has been increased from 16 percent to 28 percent.

Table 12.1: Nominal per capita income

	Per capita Income (NRs.)		Average Household size
	Mean	Median	
<i>NLSS I 1995/96</i>			
Urban	14,256	8,789	5.9
Rural	6,839	5,256	5.8
Mts/Hills	7,108	5,156	5.4
Tarai	6,566	5,273	6.1
Nepal	7,307	5,344	5.8
Nepal Cross-section	7,690	-	-
<i>NLSS II 2003/04</i>			
Urban	27,811	16,057	6.0
Rural	12,931	9,249	5.4
Mts/Hills	13,312	9,788	5.1
Tarai	12,557	8,989	5.9
Nepal	13,946	9,558	5.5
Nepal Cross-section	15,162	9,606	5.3

0.5 percent observations of each end in distribution of per capita income are defined as outliers from both rounds of panel data 1995/96 and 2003/04.

Table 12.2: Share of household income by sectoral source

	Farm Income	Non- Farm Income	Remittanc e	Own housing /rent-free consumption	Others	Total
<i>NLSS 1995/96</i>						
Panel	65	19	7	8	1	100.0
<i>Cross-section</i>	<i>61</i>	<i>22</i>	<i>-</i>	<i>-</i>	<i>16</i>	<i>-</i>
<i>NLSS 2003/04</i>						
Panel	54	20	13	9	4	100.0
<i>Cross-section</i>	<i>48</i>	<i>28</i>	<i>11</i>	<i>10</i>	<i>4</i>	<i>-</i>

Table 12.3: Share of household income by employment source

	Wage	Self employment	Others	Total
<i>NLSS 1995/96</i>				
Panel	27	57	16	100
<i>Cross-section</i>	<i>28</i>	<i>54</i>	<i>18</i>	<i>-</i>
<i>NLSS 2003/04</i>				
Panel	23	49	28	100
<i>Cross-section</i>	<i>28</i>	<i>47</i>	<i>26</i>	<i>-</i>

13. CONSUMPTION

13.1 Introduction

Household consumption is estimated by aggregating various goods and services consumed in the past 12 months. Questions were asked on consumption of own account production, commodities purchased and commodities received in-kind in order to arrive at total consumption expenditure of households. The methodology followed to aggregate household consumption is same as the cross-section data analysis of NLSS 2003/04¹⁵. Per capita consumption is derived by dividing total household consumption by household size.

13.2 Construction of Consumption Aggregate

The various component of "consumption of goods and services" reported in different part of NLSS questionnaire can be grouped into 3 major groups. Three sub-aggregated major groups are:

- Consumption of food items
- Consumption of non-food items
- Consumption of housing

Consumption of non-food items consists of the following sub-aggregates

Tobacco Consumption

plus Selected Frequent and Infrequent Non-Food Expenditures

plus Expenditures on Education

plus Consumption of Durable Goods

plus Consumption of Utilities

13.2.1 Consumption of food items

Food consumption component is constructed from the data collected in Section 5 of the NLSS questionnaire: "Food Expenses and Home Production". For each of the food items cereals, pulses, eggs and milk, oils, vegetable, fruits, fish and meat, spices, sweets, non-alcoholic and alcoholic drinks except tobacco and tobacco products consumed in a household, reported monthly values of purchased food and home-produced food are annualized. These annual values are added to annual value of food received in-kind to obtain a value of consumption of that food item in the past 12 months. This measure is aggregated for all food items reported to have been consumed by each household to obtain an estimate of total annual food consumption.

13.2.2 Consumption of non-food items

Tobacco Consumption: Consumption of tobacco is constructed from food items Cigarettes, Bidis, tobacco and other item produced at home or purchased or received in-kinds.

¹⁵ For more detail, see Nepal Living Standards Survey Report, Volume- 2.

Selected Frequent and Infrequent Non-Food Expenditures: This component is constructed as the aggregate of the amount purchased or received in-kind for the following selected items such as fuels, apparel and personal care items, entertainment, etc. among frequent non-food items and legal expenses postal expenses repairs etc among infrequent non-food expenditure.

For frequent non-food items, data were collected on the estimated value of both monthly as well as annual consumption. The monthly reported figure is used to construct the measure of annual consumption, however if no consumption of the item is reported in the past month, the reported annual amount is used instead.

The consumption of the following items is not included in the aggregate:

- Expenditure on firewood.
- Expenditure on education¹⁶
- Expenditure on repair and maintenance and home construction and improvements, on the grounds that these items are actually investment outlays.
- Expenditure on taxes and fines.
- Expenditure on marriages, dowries, funerals, and other social and religious functions.
- Expenditure on durable goods reported in Section 6 (items 414-428).

Consumption of Durable Goods: The estimate of consumption of durable goods is based on data collected in the section "Non food and expenditure and inventory of durable goods, part C". The purchase price of durable good is expressed in current prices based on number of years ago this item was acquired and the rate of inflation. As consumption of durable goods is depreciation to the original value of the item, the median rate of the depreciation is calculated for each type of durable good to obtain item specific depreciation rate. Applying the rate of depreciation to the current value and aggregating this flow of services for all durable goods owned by household yields consumption of durable goods.

Expenditure on education: This component is calculated using the information from Section 7 of the questionnaire. For each person of the household, we generate total annual amount spent on education including the value of received scholarship (if any). This is then aggregated at the household level.

Consumption of utilities: *This component includes expenditure on garbage collection, electricity, and telephone charges reported in Section 2 of the questionnaire.*

13.2.3 Consumption of housing

The estimate of the annual value of consumption of housing services is based on data on the rental values of dwellings reported in Section 2B: "Housing Expenses". For households renting their dwelling, the value of consumption of housing services is taken to be the annual rent paid by them. For

¹⁶ Expenditure on education is taken for Section 7, which include comprehensive data on education.

households that own their dwelling units, consumption of housing is taken to be the annual rent that they report they would have had to pay for their dwelling. However, some households owning their dwelling are unable to provide a credible estimate of a rental value for their home. In such cases rental value for the housing is imputed by multiple regression. Since for NLSS I (1995/96) the imputation of missing or zero rental values were already done as a part of consumption data analysis for cross-section, those housing consumption values are used for panel households of 1995/96¹⁷. However for NLSS II panel households, the imputation of rental values for missing and zero are done with following regression model¹⁸. The dependent variable in the regression is the rental value reported by the households and the set of explanatory variables include housing characteristics, group dummy variables, room dummy variables, distance to facility and other factors which could affect on rental values of households. This model is then used to predict the rental value for panel household reported zero rents or missing¹⁹. The parameters estimated for the model are presented below.

¹⁷ For detail see Nepal Living Standards Survey Report, Volume – 2, 2003/04.

¹⁸ The regression model includes all panel and cross-section households.

¹⁹ Missing values in the explanatory variables are substituted by mean values.

Source	SS	df	MS				
Model	5247.05356	22	238.502434	Number of obs = 4082			
Residual	2216.16726	4059	0.54598849	F(22, 4059) = 436.83			
Total	7463.22081	4081	1.82877256	Prob > F = 0.000			
				R-squared = 0.7031			
				Adj R-squared = 0.7014			
				Root MSE = 0.73891			

Label of explanatory variable	Variable	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Kath. Valley Urban	dum1	1.17260	0.0685047	17.12	0.000	1.038289	1.306902
Other Urban	dum2	0.62679	0.0450628	13.91	0.000	0.5384383	0.7151337
Rural Western Mountain/Hills	dum3	0.51813	0.0425326	12.18	0.000	0.4347477	0.601522
Rural Eastern Mountain/Hills	dum4	0.45128	0.0410019	11.01	0.000	0.370889	0.5316614
Rural Western Tarai	dum5	0.56825	0.043692	13.01	0.000	0.4825865	0.6539073
No. of room=1	roomdum2	-0.12335	0.037231	-3.31	0.001	-0.1963471	-0.0503606
No. of room=3	roomdum4	0.22449	0.032473	6.91	0.000	0.1608285	0.2881583
No. of room=4	roomdum5	0.33844	0.0384997	8.79	0.000	0.2629589	0.4139201
No. of room=5	roomdum6	0.38356	0.0461175	8.32	0.000	0.2931484	0.4739796
No. of room>=6	roomdum7	(dropped)					
log value of durable assets Sec.6C	lnasset	0.12911	0.011975	10.78	0.000	0.1056336	0.1525886
log value of sq. ft. of inside dwelling	lnwsize	0.25069	0.0233054	10.76	0.000	0.2049958	0.2963786
having kitchen	kitchen	0.16584	0.0260183	6.37	0.000	0.1148327	0.2168528
Cement bonded brick, stone or concrete	walls	0.28084	0.0456507	6.15	0.000	0.1913426	0.3703434
Stone/Brick, Cement, tiles	floor	0.32743	0.0514899	6.36	0.000	0.2264769	0.4283738
galvanized iron, concrete	roof	0.24969	0.03334	7.49	0.000	0.1843282	0.3150576
shutter, glass	window	0.24051	0.0296374	8.12	0.000	0.1824069	0.2986179
drinking - piped water supply inside home	water	0.06103	0.0397939	1.53	0.125	-0.016987	0.1390487
collected by garb. Truck, private collector	garbage	0.31361	0.0559156	5.61	0.000	0.2039871	0.4232374
lighting source- electricity	light	0.16892	0.0338552	4.99	0.000	0.1025439	0.2352933
household with telephone	telephon	0.38147	0.0573364	6.65	0.000	0.2690603	0.4938819
log value of distance to Bus stop in Km.	lnkm103	-0.10087	0.0102343	-9.86	0.000	-0.120937	-0.0808073
log value of distance to Main market in Km.	lnkm109	-0.06165	0.0111685	-5.52	0.000	-0.0835438	-0.039751
	cons	2.17924	0.1531885	14.23	0.000	1.878901	2.479568

13.3 Distribution of Nominal Consumption

Table 13.1 presents nominal household, per capita consumption and share of household consumption by consumption categories. In nominal term household consumption for panel household increased from NRs. 42,499 in 1995/96 to NRs. 72,213 in 2003/03. Similarly per capita consumption increased from NRs. 7,369 in 1995/96 to NRs. 13,199 in 2003/04. Share of food consumption decreased by 2.4 percent points while share of non-food increased by 2.7 percent point between eight years. For panel households the share of housing consumption is about 9 percent however this share is high for urban household with around one fifth of total consumption in both rounds of survey.

Table 13.1: Nominal household and per capita consumption (Panel households)

	Nominal Per-capita consumption	Nominal Household consumption	Share of household consumption			Total
			Share of food	Share of housing	Share of non-food	
<i>NLSS I (1995/96)</i>						
Urban	16,167	94,302	46.6	19.0	34.4	100
Rural	6,774	39,040	64.0	8.9	27.1	100
Mts/Hills	7,597	41,210	63.3	9.0	27.7	100
Tarai	5,949	36,575	64.7	8.8	26.5	100
Nepal	7,369	42,499	62.9	9.5	27.6	100
<i>Nepal Cross-section</i>	<i>6,802</i>	-	-	-	-	-
<i>NLSS II (2003/04)</i>						
Urban	31,137	186,241	40.5	20.7	38.8	100
Rural	11,881	64,599	61.9	8.4	29.8	100
Mts/Hills	12,504	63,395	63.2	9.2	27.5	100
Tarai	11,269	65,968	60.3	7.4	32.3	100
Nepal	13,199	72,213	60.5	9.1	30.3	100
<i>Nepal Cross-section</i>	<i>15,848</i>	<i>83,593</i>	<i>59.0</i>	<i>9.5</i>	<i>31.5</i>	100

14. REMITTANCES AND TRANSFER INCOME

14.1 Introduction

Remittance is defined as transfer incomes received by a household from any sources within the country or abroad in the last 12 months before the survey. All incomes transferred from a single source (individual/household) are counted as one remittance.

14.2 Remittances Received by Households

Table 14.1 presents the number and size of remittances received. The proportion of households that receive remittances is 37 percent in Nepal, an increase from 23 percent in 1995/96. Rural areas have higher proportion of recipients relative to their urban counterparts in both surveys. In particular, 39 percent of households in rural Mountains/Hills receive transfer income.

The average income transfer in the form of remittance is Rs. 24,432 (in current prices) per recipient household in 2003/04 whereas it was Rs. 13,633 in 1995/96. The amount of remittance per recipient household in urban areas is unaltered during the last eight years compared to more than twofold increase in rural Tarai.

Per capita remittance stands at NRs. 1640 in 2003/04, a whopping increase from Rs. 553 in 1995/96. The gap between urban and rural areas has been narrowed during the past eight years.

14.3 Donor and Source of Remittances

Remittances flow from internal and external sources. As seen in Table 14.2, majority of remittances come from within the country, followed by India and other countries both in 1995/96 and 2003/04. The remittance share of India has exceeded other countries between two surveys.

Table 14.1: Number and size of remittances received

	No. of HHs receiving remittances	Percent of HHs receiving remittances	No. of remittances received by HHs	Average no. of remittance among recipient HHs	Average amount of remittance among recipient HHs (Rs.)	Average per capita remittance received (Rs.)
NLSS 1995/96						
Urban	22	12.9	27	1.28	55,845	1,239
Rural	185	24.1	230	1.25	12,119	507
Mts./Hills	105	24.1	126	1.20	14,394	639
Tarai	80	24.1	104	1.31	9,540	374
Nepal	207	23.4	257	1.25	13,633	553
<i>Cross-section</i>	<i>760</i>	<i>23.4</i>	<i>948</i>	<i>1.24</i>	<i>15,160</i>	<i>625</i>
NLSS 2003/04						
Urban	35	28.3	40	1.06	56,236	2,663
Rural	287	37.5	375	1.32	22,828	1,574
Mts./Hills	161	38.7	200	1.26	21,190	1,619
Tarai	126	36.1	175	1.39	24,828	1,529
Nepal	322	36.9	415	1.30	24,432	1,649
<i>Cross-section</i>	<i>1207</i>	<i>31.9</i>	<i>1497</i>	<i>1.24</i>	<i>34,698</i>	<i>2,100</i>

Table 14.2: Percentage distribution of number of remittances received by source

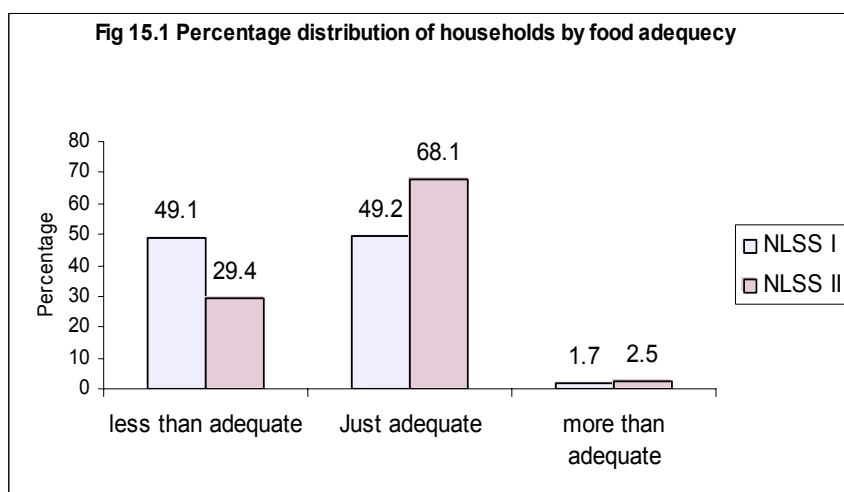
	Internal Source		External Source		Total
	Urban Nepal	Rural Nepal	India	Other Country	
NLSS 1995/96					
Urban	26.4	32.2	33.4	7.9	100.0
Rural	25.6	25.3	45.3	3.8	100.0
Mts./Hills	27.2	21.5	47.6	3.7	100.0
Tarai	23.9	29.3	43.0	3.8	100.0
Nepal	25.6	25.6	44.9	3.9	100.0
<i>Cross-section</i>	<i>25.8</i>	<i>32.7</i>	<i>38.1</i>	<i>3.4</i>	<i>100.0</i>
NLSS 2003-04					
Urban	18.0	13.7	29.3	39.1	100.0
Rural	31.6	23.6	34.3	10.6	100.0
Mts./Hills	29.3	23.1	35.6	12.0	100.0
Tarai	34.0	24.0	32.9	9.1	100.0
Nepal	31.0	23.2	34.1	11.7	100.0

15. SUBJECTIVE INFORMATION ON ADEQUACY OF BASIC NEEDS

Questions on adequacy of basic needs such as food, housing, health care, schooling, etc. and also on adequacy of income to meet those needs were asked in both surveys. Household are grouped into three categories based on the responses such as "just adequate", "less than adequate" and "more than adequate". This information though subjectively collected has been useful to check consistency with the quantitative information. In a nutshell, the results of the subjective information of the respondents almost seem consistent to the quantitative results.

15.1 Food

About 68 percent households fall under the category of "just adequate" where as 29 percent under "less than adequate". Those figures were 49.2 percent and 49.1 percent in 1995/96 respectively. This improvement is observed more in rural areas of mountains/hills. It is noted here that the proportion of households having food more than adequate is decreased from 6.8 percent in 1995/96 to 0.5 percent in 2003/04.



15.2 Housing

Data from two surveys show an improving scenario of housing consumption during the period. In the first survey (NLSS I), about 64 percent households were reported in "less than adequate" category. The proportion of households under this category has decreased to about 42 percent. Improvement in housing consumption during the period is observed mainly in rural areas where percentage of households reporting "less than adequate" is from 66 to 43 percent. In urban area, housing consumption scenario is slightly different. In the case of urban area, the percentage of households under the categories has slightly increased in NLSS II as compared to the previous survey. On the other hand, the percentage of households that lies in "just adequate" category has slightly come down to 67.6 percent in 2003/04, from 69.5 percent in 1995/96.

15.3 Health care

Health care consumption is also reported to be improving. The proportion of households has been increased in "just adequate" category in NLSS II (2003/04) and accordingly decreased in the category "less than adequate". Such improvements in health consumption are observed more in rural areas. Among rural areas, noticeable change is observed in mountain and hills. The proportion of households reported in "less than adequate" category is reduced by half in 2003/04 as compared to the previous survey.

15.4 Clothing

The proportion of household that they have "just adequate" clothing consumption is observed higher in 2003/04 than 1995/96 in both urban and rural areas. The percentage of households under the category has doubled in rural mountain/hills areas during the period 31.8 percent in 1995/96 and 65.2 percent in 2003/04. It is obvious that the percentage of household that lies in "less than adequate" category is reduced in 2003/04 in all areas.

15.5 Schooling

In contest of schooling the percentage of households that reported "just adequate" is increased to 60 percent in 2003/04 from 39.2 percent in 1995/96. Accordingly it is observed that the percentage of household that lies in "less than adequate" category is decreased in 2003/04 as compared to 1995/96 in both urban and rural areas. It is remarkably decreased in rural area of mountain and hills. The percentage of households that falls in "just adequate" category for schooling consumption is increased in all areas.

15.6 Income

A subjective question in adequacy in income has also been asked to the households based on the response the percentage of households that reported as "just adequate" is raised from 27.2 percent in 1995/96 to 31.5 percent in 2003/04. This improvement is mainly contributed by changes that occurred in rural areas mainly mountains and hills. However, the scenario is just opposite in the case of urban areas. It is decreased from 52.1 percent to 46.2 percent during these surveys. In urban areas, the percentage of household that fall under "less than adequate" category has been increased during the period of the two NLSS surveys.

Table 15.1: Percentage distribution of households' by adequacy of food consumption

	Less than adequate	Just adequate	More than adequate	Total
NLSS 1995/96				
Urban	28.1	65.1	6.8	100.0
Rural	49.1	49.2	1.7	100.0
Mts/Hills	56.7	40.4	2.9	100.0
Tarai	40.5	59.3	0.3	100.0
Nepal	49.1	49.2	1.7	100.0
<i>Cross section</i>	<i>50.7</i>	<i>47.3</i>	<i>1.8</i>	<i>100.0</i>
NLSS 2003/04				
Urban	23.5	76.1	0.5	100.0
Rural	29.8	67.5	2.7	100.0
Mts/Hills	28.8	69.7	1.5	100.0
Tarai	30.9	65.1	4.0	100.0
Nepal	29.4	68.1	2.5	100.0
<i>Cross section</i>	<i>31.2</i>	<i>66.7</i>	<i>2.1</i>	<i>100.0</i>

Table 15.2: Percentage distribution of households by adequacy of housing consumption

	Less than adequate	Just adequate	More than adequate	Total
NLSS1995/96				
Urban	30.5	69.5	0.0	100.0
Rural	65.9	34.0	0.2	100.0
Mts/Hills	70.9	28.8	0.3	100.0
Tarai	60.0	40.0	0.0	100.0
Nepal	63.8	36.1	0.2	100.0
<i>Cross section</i>	<i>64.1</i>	<i>35.6</i>	<i>0.2</i>	<i>100.0</i>
NLSS 2003/04				
Urban	31.9	67.6	0.5	100.0
Rural	42.6	56.3	1.2	100.0
Mts/Hills	45.8	53.3	1.0	100.0
Tarai	38.9	59.7	1.4	100.0
Nepal	41.9	57.0	1.1	100.0
<i>Cross section</i>	<i>40.6</i>	<i>58.6</i>	<i>0.7</i>	<i>100.0</i>

Table 15.3: Percentage distribution of households' by adequacy of healthcare consumption

	Less than adequate	Just adequate	More than adequate	Not applicable	Total
<i>NLSS 1995/96</i>					
Urban	26.8	72.7	0.5	0.0	100.0
Rural	57.0	42.2	0.0	0.7	100.0
Mts/Hills	67.5	31.8	0.7	0.0	100.0
Tarai	47.2	52.5	0.0	0.3	100.0
Nepal	56.1	43.4	0.4	0.1	100.0
<i>Cross section</i>	<i>58.7</i>	<i>40.6</i>	<i>0.1</i>	<i>0.6</i>	<i>100.0</i>
<i>NLSS 2003/04</i>					
Urban	18.7	80.9	0.4	0.0	100.0
Rural	29.6	69.7	0.8	0.0	100.0
Mts/Hills	30.5	68.3	1.2	0.0	100.0
Tarai	28.5	71.2	0.3	0.0	100.0
Nepal	28.9	70.4	0.8	0.0	100.0
<i>Cross section</i>	<i>28.3</i>	<i>70.8</i>	<i>0.9</i>	<i>0.0</i>	<i>100.0</i>

Table 15.4: Percentage distribution of households' by adequacy of clothing consumption

	Less than adequate	Just adequate	More than adequate	Not applicable	Total
<i>NLSS 1995/96</i>					
Urban	26.8	72.7	0.5	0.0	100.0
Rural	57.8	41.7	0.4	0.1	100.0
Mts/Hills	67.5	31.8	0.7	0.0	100.0
Tarai	47.2	52.5	0.0	0.3	100.0
Nepal	56.1	43.4	0.4	0.1	100.0
<i>Cross section</i>	<i>57.6</i>	<i>41.2</i>	<i>0.5</i>	<i>0.1</i>	<i>100.0</i>
<i>NLSS 2003/04</i>					
Urban	21.5	78.5	0.0	0.0	100.0
Rural	34.7	64.5	0.8	0.0	100.0
Mts/Hills	33.9	65.2	0.9	0.0	100.0
Tarai	35.7	63.8	0.6	0.0	100.0
Nepal	33.9	65.4	0.7	0.0	100.0
<i>Cross section</i>	<i>35.6</i>	<i>63.7</i>	<i>0.8</i>	<i>-</i>	<i>100.0</i>

Table 15.5: Percentage distribution of households, by adequacy of schooling consumption

	Less than adequate	Just adequate	More than adequate	Not applicable	Total
<i>NLSS 1995/96</i>					
Urban	16.7	55.7	0.0	27.7	100.0
Rural	42.3	38.1	0.0	19.5	100.0
Mts/Hills	54.5	37.1	0.0	8.4	100.0
Tarai	28.5	39.3	0.0	32.2	100.0
Nepal	40.7	39.2	0.0	20.0	100.0
<i>Cross section</i>	<i>45.4</i>	<i>33.7</i>	<i>0.3</i>	<i>20.6</i>	<i>100.0</i>
<i>NLSS 2003/04</i>					
Urban	24.5	61.6	0.3	13.6	100.0
Rural	20.3	59.6	1.8	18.3	100.0
Mts/Hills	22.7	60.0	1.7	15.6	100.0
Tarai	17.5	59.1	2.0	21.5	100.0
Nepal	20.5	59.7	1.7	18.0	100.0
<i>Cross section</i>	<i>21.4</i>	<i>56.3</i>	<i>0.9</i>	<i>21.3</i>	<i>100.0</i>

Table 15.6: Percentage distribution of households' by adequacy of total income consumption

	Less than adequate	Just adequate	More than adequate	Not applicable	Total
<i>NLSS 1995/96</i>					
Urban	47.9	52.1	0.0	0.0	100.0
Rural	73.4	25.6	0.8	0.2	100.0
Mts/Hills	77.2	21.6	1.3	0.0	100.0
Tarai	69.2	30.1	0.3	0.5	100.0
Nepal	71.8	27.2	0.8	0.2	100.0
<i>Cross section</i>	<i>72.5</i>	<i>26.4</i>	<i>0.8</i>	<i>0.3</i>	<i>100.0</i>
<i>NLSS 2003/04</i>					
Urban	53.2	46.2	0.7	0.0	100.0
Rural	68.1	30.5	1.1	0.3	100.0
Mts/Hills	67.7	30.7	1.4	0.3	100.0
Tarai	68.5	30.4	0.8	0.3	100.0
Nepal	67.1	31.5	1.1	0.3	100.0
<i>Cross section</i>	<i>67.0</i>	<i>32.0</i>	<i>1.0</i>	<i>0.1</i>	<i>100.0</i>

16. POVERTY ESTIMATES FROM A PANEL SAMPLE

NLSS II attempted to collect data from about 1,200 NLSS I-surveyed households. Nine hundred and sixty-two of them were located, comprising a panel component of NLSS I and NLSS II.

This panel component is examined to gain further insight into the dynamics of poverty between 1995-96 and 2003-04. Table 16.1 presents a transition matrix with respect to poverty status for the households in the panel sample.

Table 16.1 Transition Matrix in and out of poverty (Panel sample)

		NLSS 2003/04								
		Non-poor	Poor	All	Non-poor	Poor	All	Non-poor	Poor	All
NLSS 1995/96	Non-poor	47.6	13.6	61.2	60.4	7.4	67.9	46.8	14.1	60.9
	Poor	20.4	18.5	38.8	19.7	12.4	32.2	20.7	18.5	39.1
	Total	68.0	32.0	100.0	80.1	19.9	100	67.5	32.5	100

Source: Poverty Trends in Nepal (1995/96 and 2003/04), CBS, 2005

The CBN poverty rate for the panel sample in 1995-96 was estimated at 38.8 percent, while for 2003-04 it was estimated at 32.0 percent. These estimates are quite close to the estimates obtained from the main cross-sectional samples, confirming the trend of substantial poverty decline in Nepal. In urban areas, the poverty rate in 1995-96 was 32.2 percent. It dropped to 19.9 percent in 2003-04. These estimates are considerably higher than the 21.55 and 9.55 percent poverty rates estimated from the cross-sectional NLSS I and II. This most likely indicates that the panel failed to follow the most-wealthy households in urban areas. This is a standard problem in panels, especially when the time between the surveys is as long as 8 years, as was the case here.

In the rural panel, the poverty rate in 1995-96 was 39.1 percent. It dropped to 32.5 percent in 2003-04. These estimates are close to the estimates obtained from the cross-section sample.

Estimates from the panel in both urban and rural areas confirm the trends of a substantial drop in poverty. While these trends show that many households moved out of poverty, they also attest to the downward variability in expenditures and a household's non-negligible chances of falling into poverty.