

A Preliminary Interpretation of Two Major Household Surveys Conducted in 1996/97

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Abstract

A synopsis is presented based on the preliminary results of two households economic activity/consumption surveys – the Nepal Living Standard Measurement Survey and Livelihood Trajectory Survey – undertaken in 1996/97. The LSMS covered 3,345 households randomly chosen in two tier sampling frame leaving no room for sampling bias. Information is furnished in the tabular form leaving scope for interpretation to the users. The LTS on the other hand derived inputs from 150 households in the selected five districts of Western Nepal where sample was designed to test the dramatic changes brought about in 20 years period to draw comparison as to the findings of similar surveys held in the past. Measures to gauge changes in overall economic conditions, in general and employment, land use and technology change in agriculture, loans and collateral, and irrigation and remittances, in particular are used.

Introduction

This paper summarises the preliminary results of two household economic activity/consumption surveys – the Nepal Living Standard Survey and Livelihood Trajectory Survey – undertaken in 1996/97. Both used extensive formal questionnaires and have some claim on unbiasedness in terms of randomised sampling.

The Nepal Living Standards Report (Central Bureau of Statistics, 1997) was based upon an intensive Living Standards Measurement Survey (LSMS) of 3,345 households randomly chosen in a two tier sampling frame in which there is no reason to suspect

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sampling bias – problems of substitution were minimised by the interviewers staying at the cluster location for one week. Discussions with people involved suggested that the interviewing teams were highly qualified, small and well trained and supervised. The data collection method used was an extensive questionnaire conducted over several visits and involving all relevant household members. Data entry was actually done in the field onto Personal Computers by the interviewers themselves. The 'Report' itself makes little effort at interpretation, but simply reproduces tables accompanied by a minimal descriptive commentary.

The interpretation here concentrates on the rural population. This has the advantage of being able to avoid the large influence of imputed accommodation rents on incomes in the urban livelihood data, especially the Kathmandu data. Property prices in Kathmandu are very high and yet they can be associated with a low quality of life in terms of access to basic services. Interpretation of the value of such property in livelihood terms is likely to be controversial, but can be legitimately avoided here.

In the interpretations presented here, in the absence of reported standard deviations, a difference in percentage of less than a couple of points between the reported hills/terai and east/west regional groupings is treated as probably insignificant. It is also worth noting at the outset that a survey such as the Living Standards survey gives insights into the average experience not the whole range. Interpreting the survey reporting must assume that most of the variables are relatively normally distributed. In the case of Nepalese rural life with its considerable "middle peasantry" this assumption is more acceptable than it would be in many societies.

This World Bank funded survey was state-of-the-art in terms of technique, including multiperson interviewing and computerised data inputting in the field. It is the most significant national data collection exercise on conditions of life in Nepal since the 1991 Population Census – and arguably the most comprehensive and accurate survey ever undertaken in the country. Unfortunately this means there is no possibility of using the information to make comparisons of livelihoods across time.

The 1996/97 Livelihood Trajectory Survey (LTS) interviewed just over one hundred and fifty households in West Nepal (in the districts of Kaski, Nawalparasi, Parbat, Rupandehi, and Syangja). The LTS sample was designed to test for dramatic changes over a period of more than twenty years through comparisons with a similar previous survey.

The previous 1974/75 survey underpinned the book *Nepal in Crisis* (Blaikie et al, 1980). That survey involved extensive fieldwork with long-term commitment by British

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and Nepalese workers. Though the research was UK government funded and Nepalese government approved, there was surprisingly little interference by UK and Nepalese government agencies.

The main conclusion of the original survey was that many Nepalese people were being blocked from obtaining a better economic standard of living and Nepal generally had a crisis of not investing for the future (i.e. an accumulation failure). The crisis was considered not to be due to transport modes and costs, environmental factors, or cultural factors. The leading candidates as obstacles were the historic economic dependency relationships with the outside world, especially India (relationships established under the British Raj), residual feudal forces at local level (a historical legacy from Rana rule), and the politico-bureaucratic interests controlling the Nepalese State.

The way forward was seen as building a coalition of more "progressive" forces seeking both greater democracy and better conditions for economic growth through accumulation for productive investment in public and private sector activities. There is an implicit view that development rests upon releasing the potential of the Nepalese peasantry for gradual self-improvement. The comparisons of the 1996/97 LTS with 1974/75 survey need to bear in mind this conceptual framework with its tendency to concentrate on the conditions of the middle peasantry.

The preliminary results of the 1996/97 LSMS and LTS are brought together and summarised as key issues related to socio-economic change. The LTS results also make comparisons with the 1974/75 survey.

Overall Economic Conditions

In the LSMS, the average rural household has 5.7 members and an estimated per capita annual income of NRs 7,075 (under GB £ 100 at the official exchange rate at the time of survey). The variation from hills to terai suggested generally smaller households in the hills, but when the east-west dimension is added the hills incomes rise from west to east while the terai incomes fall. Highest and lowest average per capita incomes are in the terai.

Percentage of women headed households varied widely by region. The figures for eastern terai were about six per cent with the western terai a little higher. The eastern hills had just over ten percent households women-headed, while the western hills topped twenty percent.

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These figures are consistent with greater migration from all the hills tending to produce smaller household sizes and more women headed households than in the terai. The hill-terai per capita incomes overlap throws doubt on simple hill-terai dichotomies – east-west is a better predictor. The differences between east and west terai in per capita incomes and household sizes are consistent with findings elsewhere in South Asia that better access to agricultural technological change and resulting higher incomes tend to reduce household size. This observation is associated with the conclusion that family-level social security provision may weaken with agricultural technological change with livelihood implications in terms of the distribution of vulnerability in areas of apparent increasing affluence.

Under half of all household heads were literate ranging from 30 percent in the western terai to just over 40 percent in the eastern hills. The median age of household heads as uniformly in the mid-forties.

Taking LSMS household size, per capita income, and economic activity statistics together, the following tentative interpretations can be made:

- (a) Households are generally of sufficient size and resources to provide an element of social security and significant amounts of employment for many of the people residing in rural Nepal.
- (b) However, the levels of per capita income generated by these activities is very low by global standards. High rates of economic activity, agricultural self-employment, and relatively long hours for more than half those employed suggest the primary issue is low income productivity per hour worked on family-controlled land.
- (c) Age and literacy of household heads do not suggest these factors work for or against growth in per capita incomes when considered on a regional basis. The richest region has neither a particularly high rate of literacy nor younger household heads.
- (d) If the eastern terai is regarded as the most developed part of rural Nepal in per capita income terms and indicative of possible future patterns for people residing throughout rural Nepal if incomes rise, then these patterns could include smaller household size, higher open unemployment and wage employment in agriculture, lower self-employment in agriculture, and little wage employment outside agriculture. These changes suggest changing patterns of livelihood vulnerability consistent with greater overall inequality and insecurity even with very limited

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per capita income gains. A significant minority could find themselves facing increasing insecurity under such change processes.

The 1996/97 LTS suggests levels of average weekly household expenditure on frequently used items of between NRs 300 and NRs 350 – the hills figure being slightly the higher.

Food sufficiency can be taken as an indicator of vulnerability to desperation in the context of rural Nepal. In 1996/97 in the hills, half the households had food sufficiency from their own production only sufficient for 6 months or less a year. A quarter had at least a full 12-month food sufficiency. In the terai, 13 out of 87 households had 6 months or less food sufficiency and 50 claimed to have at least a full 12-month self-provisioning capability in a year.

Overall, by rural Nepalese standards of a self-provisioning priority, most households are at risk and have no reserves upon which to fall back. Vulnerability to collapse of basic entitlements to bare subsistence consumption is widespread.

Employment

The LSMS used a very broad definition of being economically active/employed. Only one hour in the week preceding the interview in any of a wide range of family worker or paid activities was sufficient to qualify – though there was an unnecessary gender-biasing exclusion of firewood collection and artisan work on goods for home use.

Not surprisingly, the LSMS found 68.8 percent of all those over ten years of age employed by these definitions. The range in the economically active in rural areas was relatively small comparing hills/terai and east/west, from 68.3 percent in the eastern terai to 75.5 percent in the eastern hills. Open unemployment was higher in the terai, with a rate of 5.1 percent of all the population over ten in the eastern terai. Looking over economic activity a whole year – and thus totally correcting for seasonality among other factors – increased the proportion employed to around three quarters and reduced the unemployment to under one percent.

Hours of work in the preceding week indicated that around one fifth of the employed worked under twenty hours, a quarter worked twenty to forty hours, and just over a half worked forty hours or more. The eastern hills offered considerably more hours of work on average, the western terai was close to the average, while the eastern terai and western hills appeared very similar in offering the least "full-time" work.

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Patterns of employment by sector suggested almost three quarters of those employed were self-employed in agriculture. The eastern terai was notably lower with lower than 60 percent in this category. Wage employment in agriculture and self-employed outside agriculture in the eastern terai were also significantly higher than other region, but waged outside agriculture was not.

Just over 20 percent of the total people employed in rural Nepal were wage employed. Of these, 12.6 percent were employed in agriculture and 8.0 percent outside agriculture. There were wide variations between regions in agricultural wage employment ranging from 5.1 percent of all employed in the eastern hills to 23.1 percent in the eastern terai. Self-employed outside agriculture were more tightly grouped around 6.4 percent though the eastern terai was as high as 9.2 percent.

The LSMS suggests rural areas in all regions have a significant number of households engaged in non-farm activities – they range from 14.9 percent in the eastern hills to 27.4 percent in the eastern terai. Manufacturing averages 30.7 percent and is stronger in the western hills (50.2 percent), while trade (51.5 percent) is stronger in the eastern hills and the terai. Around 10 percent of enterprises are registered, but three quarters are well enough established to have been operating for three or more years. Considerably less than 10 percent of enterprises employ any wage labour with less than employing ten or more workers and only about half of the enterprises operate over the whole year. The relatively small contribution of non-farm activities is indicated by the average annual net revenue per activity of NRs 20,502 (pulled up by the eastern hills average of NRs 43,570) and wage bills averaging NRs 2,249. This compares to average household incomes of around NRs 40,000.

The contribution of local activities off own farm are significant in terms of proportions of households involved. But they are still marginal on average in terms of contribution to overall livelihoods. Diversification into local non-agricultural incomes is at an early stage and experience as non-agricultural employers and full wage employees is very limited.

Wage employment in agriculture was 58.0 percent of those wage employed with the terai proportion figures of around two thirds being considerably higher than the hills. Construction was the largest non-agricultural wage employing sector with one third of the workers, but manufacturing and personal services were almost equal second with about a fifth each.

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In terms of payment systems, only 2.3 percent of agricultural wage workers stated they were not daily paid, suggesting bonded labour is a very small phenomenon outside the western terai, where the figure was 7.5 percent. But those receiving kind payments were almost 20.0 percent of the total. In the non-agricultural sector, almost 30.0 percent were not daily paid and kind payments were received by 27.5 percent of these wage workers. Issues of the nature of relationships between employers and workers and the implications for livelihood security/insecurity and freedom/bonding are left open by the LTS data.

These patterns of employment suggest a largely economically active population with widespread access to some employment at most times of the year. Underemployment in terms of time may be a widespread phenomenon, but a country-wide significant participation rate (38.6 percent) for people aged 10 to 15 and a country-wide high female participation rate (72.3 percent) suggests that many people could have other calls on their time for school and household "reproductive" activities in addition to the LSMS own definition of "economic activity".

In the 1996/97 LTS, 40 of the 87 terai households were involved in agricultural wage labouring. In total 36 men and 23 women – almost all adult and on daily hire basis. In the hills, only 15 out of 70 households reported being involved in agricultural wage labouring, 9 men and 10 women.

In 1974/75 about 260 households out of 667 were involved in wage labour selling. About half of these were deriving virtually no income from the use of their own land.

It seems possible that agricultural wage labouring may actually be decreasing as a livelihoods option in the hills, while remaining roughly constant in the terai. Changes in agriculture, despite little mechanisation, do not appear to have increased the demand for local wage labour.

In 1996/97, only one household in the terai reported borrowing for a business purpose and two in the terai and one in the hills reported borrowing in order to run a shop. About 50 people were involved in running non-farm business.

In 1974/75, about 80 people from the 667 households appeared to have a stake in running a non-farm business.

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These results suggest entrepreneurship in non-agricultural activities is increasing but appears not to have developed as a wide-spread option for rural households, compared to growth in public service and professional occupations.

Land Farmed

The LSMS Report cites the 1991/92 National Sample Census of Agriculture to establish a background to its own data. The Census of Agriculture data indicates there are 2.7 million farm divided into four parcels on average with per capita land cultivated of 0.24 hectares. The challenges for technological development in such a fragmented farming system is clear.

The Living Standard Survey suggested that about 95.0 percent of hill households possessed land. The terai had a lower proportion of households possessing land ranging from under 75.0 percent in the east to almost 90.0 percent in the west. In terms of access to land, the farmers of the western terai have both the largest areas of land per farm at 1.5 hectares and the highest proportion of irrigated land at 51.0 percent. The western hills farmers have least availability with 1.0 hectare per farm of which only 26.6 percent is irrigated. The west generally has more parcels of land per farm with more than four per farm in hills and terai.

Cultivable land is relatively unequally distributed with a Gini coefficient of 0.54, for all land-holding households (even higher for irrigated land) – though it is worth noting that a large farm was considered to be of two hectares or more. The hills have less than 10 percent of farms with more than two hectares, the terai has around 20 percent. All areas have a large middle sized holding group of farms with between half a hectare and two hectares accounting for between 40 and just over 50 percent of households.

The survey data on farm sizes confirms the tight margins for agricultural development in Nepal. On the positive side, the eastern terai does not look particularly privileged in farm size or proportion irrigated suggesting that there could be a basic capacity for the western terai to achieve the higher per capita incomes observed in the eastern terai region. But this is only a limited "catching-up" margin is limited due to the generally unpromisingly small amount of land per farm and the larger household sizes. The survey confirms that the hills have very little agricultural room for manoeuvre at the extensive margin with little land per farm given the generally difficult topographical conditions, though the significant proportion of irrigated land suggests some potential.

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The evidence suggests a society in which control of land is widely dispersed in relatively small amounts per farm. In that limited sense, Nepalese rural society can be characterised as "peasant". The process of differentiation in terms of some people losing and others accumulating control over land may be occurring. But such processes are developing at such a slow rate that it is an individual rather than social phenomenon. Livelihoods associated with control over land appear to be under pressure, but renting may be a way of relieving pressure as well as expressing that pressure.

The 1996/97 LTS figures for land holding and crop production suggest access to land for basic food production is still widespread in both the hills and the terai. In the terai, 68 out of 87 households produced paddy and 61 produce wheat. The other basic food crops of mustard, pulses and potato were also widely produced. In the hills, 63 out of 70 households were able to produce maize, 53 produced paddy, 53 produced millet, and significant numbers produced wheat, mustard and potato.

The LSMS data suggests a majority of all households grow more than one of the staple crops and keep more than one form of livestock, though in small numbers. It would therefore appear that an element of self-provisioning is widespread. Patterns of cropping and livestock holding differ considerably but this probably owes more to ecological (more maize and millet in the hills, more paddy and wheat in the terai) and cultural (more pigs in the eastern hills and western terai) factors than commercial calculation.

Use of improved seed for staple crops is low. For seven staple crops across farms by the regions, the only recorded use of greater than 10 percent on farms are wheat in the eastern terai, winter potato in the eastern terai, and winter vegetables in the eastern and western terai. Ownership of machinery is also very limited tractors are owned on less than one percent of all farms and pump-sets on less than three percent – though almost 10 percent of farms in the western terai own pump-sets. Hiring of machinery may mean more farms actually use machinery but no data is given in the survey report.

Share-cropping

In the LSMS, 15 percent of land was "rented" (the survey term for any relationship outside outright ownership) in by about one third of farmers from about 6 percent of all farmers. Land renting was most frequent in the eastern terai with almost 40 percent involved and just over 10 percent of farms having only rented in land. The western hills have the lowest incidence of renting in land with under 20 percent of farms involved and less than 2 percent having only rented land.

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There is little evidence of sharecropping reported by households in the 1996/97 LTS. Only six households in the terai and three households in the hills reported being involved in sharecropping arrangements.

In 1974/75 in the terai, around 35 households reported being involved in sharecropping, overwhelmingly sharecropping land in. In 1974/75 in the hills, again about 35 households were involved in sharecropping with about two-thirds sharecropping land in.

Sharecropping as a phenomenon appears to have declined in the past 20 years, though there is no evidence this is associated with the emergence of a class of fully commercial agricultural entrepreneurs.

The control of land is complex to interpret. The vast majority of households own some land and a substantial group own sufficient land to grow sufficient crops to feed an average household for much of the year with an average monsoon. But "renting" is widespread, though unevenly across regions. The issue of how far such relationships are exploitative in terms of high rates of return to land-owners and/or linkages to tied labour relationship cannot be discerned without further evidence.

Fertiliser Use as an Indicator of Technological Change in Agriculture

The LSMS indicates fertiliser use on staple crops is common. Two thirds of terai growers were using fertiliser on paddy and wheat. More than 40 percent of eastern hill growers were using fertiliser on paddy, wheat and maize. The western hills had least use with about one third of paddy growers putting fertiliser on their crop and a quarter of wheat growers.

It is likely that the ceiling to livestock numbers is being set by access in the local environment to fodder and to yields of staples by limits to local transhumance processes. Fertiliser is being used to overcome the latter limitation on a considerable number of farms, but there is still an intensive margin potential which could be in terms of improved seeds and animal feed, and even possibly some mechanisation... at a price. Many farm decision-makers must be aware of these possibilities from neighbours' activities and, as yet, are still unwilling to adopt. The reported Living Standards Survey data gives no insights into why take-up of existing technological opportunities has been relatively limited. Livelihood improvement through development at the agricultural intensive margin has potential, but must also have powerful constraints.

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Of the 87 cases in the terai in the 1996/97 LTS, 57 households were using chemical fertiliser. Of the 70 households in the hills, 39 were using chemical fertiliser. But whereas in the terai the average quantity used per household was 155 kg, in the hills it was only 22 kg.

In 1974/75 in the terai only 57 households out of 330 used chemical fertiliser. In the hills 30 households out of 337 used chemical fertiliser.

Chemical fertiliser appears to have become much more widely used in the terai and the hills, but not in such quantities as to be achieving either maximum yields or risking ecological damage.

Loans

Credit and remittances are two sources of income that a household can receive from sources relatively independent of its immediate local resources. The LSMS provides insights into both.

The pattern of loans is very even across regions at around 60 percent of households having an average of one and half loans outstanding. About 15 percent of loans are with banks and around 40 percent were contracted in the preceding year – over 90 percent in the preceding two years. The overall rural and urban data suggests about three quarters of the loans involved no collateral. About 30 percent of loans were for investment varying substantially between regions with the terai around 35 percent and the hills under 25 percent.

The 1996/97 LTS in the terai shows 37 out of 87 households reported taking credit at one time or another. More than half of these households said they had taken credit for the first time in the last seven years. In the hills, 35 out of 70 households claimed to have taken credit of whom half had also taken credit or reported taking credit for the first time in the last seven years.

In terms of the sums involved the 1996/97 LTS suggests that on average, households in the terai owed NRs 5,000. The figure for the hills was just over NRs 10,000. But both these average figures are strongly influenced by a few figures of NRs 100,000 or more.

In terms of repayment of loans, 19.5 percent terai households and 34.3 percent hill households reported loan repayments in the year preceding the survey. The average

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repayment in the terai was under NRs 1,000. The average repayment in the hills was over NRs 7,000, but again this average was raised by one or two very high figures.

The 1996/97 LTS suggests an active credit market growing in the numbers of households involved. But there is no sign that the credit market is a force for radical change in terms of investment on radical asset redistribution.

Investment in the terai may be increasing – possibly doubling in terms of the proportion of households involved. Investment in the hills is probably static in terms of proportion of households. The vast majority of households do not appear to be investing in terms of purchased assets, despite most owning some land. But they may be investing own-labour in improvements which were not recorded in the survey.

Collateral

The LSMS data suggests widespread exposure to debt. But the debt is generally recent, informal, and not secured against collateral. The proportion used for investment is lower than might be hoped in terms of future growth. This pattern of debt might produce vulnerability in the event of widespread income failure due to a poor monsoon. But further information is needed to understand how far the current pattern of debt is a result of processes which are leading to structural change, rather than reproducing long established ways of coping with seasonal cash flow fluctuations.

An indication of possible pressure on land is through land in mortgage for credit purposes. In the 1996/97 LTS in the terai, eight loans had been secured against land or land registration documents. In the hills, five loans were stated to be secured against land or land registration documents.

In 1974/75 in the terai, 40 households claimed to have sold land within the previous five years. The average amounts involved were considerably higher than in 1996/97 in excess half of a hectare. In 1974/75 in the hills, about 50 households claimed to have been involved in the selling of land in the previous five years. The average amounts involved were around 0.3 of a hectare.

Bringing together the land purchasing and land selling in the survey does not suggest other than mild tendencies towards land accumulation through land loss by the most vulnerable.

Migration and Remittances

In the national Nepal LSMS, remittances were reportedly received by 23.7 percent of rural households ranging from 13.6 percent in the eastern hills to 30.8 percent in the western hills, with both terai regions around 25.0 percent. The LTS suggests a slightly higher proportion for the western hills and a slightly lower proportion in the western terai.

Multiple sources of remittances were common giving an average of 1.24 sources per remittance receiving household. This compares well with the Livelihood Trajectory survey data.

In terms of amounts received, households receiving remittances in the LSMS benefitted very significantly with an overall average of 26.8 percent in terms of proportion of income. The proportions of income received from remittances were 19.1 percent in the western terai to 31.2 percent in the western hills.

Remittances are a considerable material feature of livelihoods everywhere in rural Nepal – not just in the hills. But the incidence of remittances is uneven in terms of sources with a successful migrant capable of transforming a household livelihood profile. The psychological effect of a culture of migration with a low probability of such livelihood transforming potential merits further investigation alongwith much wider issues on how risk and uncertainty are distributed, perceived and handled in rural Nepal.

Remittances were reportedly received by 23.7 percent of rural households ranging from 13.6 percent in the eastern hills to 30.8 percent in the western hills, with both terai regions around 25 percent. Multiple sources of remittances were common giving an average of 1.24 sources per remittance receiving household. IN terms of amounts received, households receiving remittances benefitted very significantly with an overall average of 26.8 percent in terms of proportion of income. The proportions of income received from remittances ranged from 19.1 percent in the western terai to 31.2 percent in the western hills.

Sources of remittances were unevenly distributed between regions with the eastern hills receiving more than half the number of remittances from urban Nepal, the western terai more than half from rural Nepal, the western hills more than half from India. Average amounts also varied greatly between sources. The average remittance from rural Nepal was NRs 4,586 (insufficient to support a single adult in the source household), India

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was NRs 10,532, urban Nepal NRs 15,294, but remittances from "other countries" (2.8 percent of all remittances) contributed a massive average of NRs 79,183 – almost twice the rural average household annual income.

In the 1995/96 LTS, households in the terai reported 34 household members elsewhere. Of these people, 26 were males and 19 were in India. In the hills, households reported 52 members elsewhere. Of these, 46 were males and 28 were in India.

In 1974/75, 59 individual were involved in sending non-military remittances to households in the sample. Of these people, half were outside Nepal.

Overall, partial migration retaining strong attachments to a rural household in Nepal may well be a strongly increasing phenomenon – perhaps tripling over the past 20 years. As to be expected, it is also a much stronger feature of household livelihoods in the hills than in the terai. Significant numbers of people seek employment outside Nepal.

The data on current migrants recorded in the LTS suggests that both hills and terai have significant numbers of households involved. But the hills have a considerably higher proportion of households with migrants.

The LTS statistics suggests that degree of food self-sufficiency is not strongly complementary to migration as a livelihood pattern. The data does not reveal causality, or course, but two hypotheses can be derived from the observations for households with both high food self-sufficiency and migrants:

- (a) migration allows some households to achieve greater self-sufficiency in food production as a livelihood goal;
- (b) greater food self-sufficiency allows households to invest the necessary resources to successfully release migrants and diversify livelihoods.

Livelihood Satisfaction and the Need for Further Work on the LSMS and LTS Data

The LSMS report has a section devoted to perceptions of the adequacy of goods and services. The responses discourage any vision of a rural idyll with a contented peasantry. Not surprisingly, three quarters of households declared their income inadequate – the lowest proportion being in the eastern terai with 67.9 percent. But even food availability was described as inadequate by around 60.0 percent of hill households and close to 45.0 percent of terai households. Clothing and housing received more uniform and even higher proportions of households declaring inadequacy in all regions Adequate access to health

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care received similar uniform poor ratings with an inadequacy overall proportion of 61.4 percent. By comparison, schooling was not only judged to be more adequate generally but varied greatly between regions with 60.0 percent of households in the hills judging schooling inadequate compared to around 35.0 percent of terai households.

But such observations stretch the LSMS data interpretation into areas better understood using qualitative methods. There is still much to be done in analysing and interpreting the LSMS quantitative data. The interpretations made here barely scratch the surface of this important data set.

The 1996/97 LTS quantitative results also have great potential for further interpretation. In addition, the LTS involved an explicit effort to collect qualitative data using Rapid "Participatory" Rural Appraisal techniques. These are also in the process of analysis.

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