

Chapter 2

Peasantry in Farwest Montane Chhetri Land with Close Affinity to Northern India

2.1 Introduction

Baitadi, a montane district in the far western development region of Nepal, has all the montane agricultural characteristics of the country. Being far away from the capital and other major cities of the country it has not received its due share of attention in the development process and governance until very recently. The national road connecting it to the rest of the country was not built so long ago. Any of the vital lifelines have never gone beyond the district headquarter. On the other hand, being a border district, it has fair access to North Indian towns, such as, Almora, Deharadun, Simla, etc. through the Indian border town of Pithoragadh. People living there can easily go to New Delhi, the capital of India, overnight, whereas it takes at least two days for them to go to Kathmandu, the capital of Nepal. Until 20 years before, people had to go through India in their journey to Kathmandu. People in this district have close relations with the people across the border in their daily economic and social activities. They not only procure and sell goods across the border but also get education, job and life partners from there. Thus, they have a closer affinity to India than Nepal. Considering this background, this chapter will show the basic characteristics of the district as a whole and two study villages in particular, in accordance to the main theme of the research, after analyzing in detail the basic socio-economic issues of population, ethnicity, Nepali and mother tongue abilities, education, land and live-stock holdings, dwelling houses, farming and other occupation, cash income and financial transaction, group formation and the community participation in the development process and food security.

2.2 Major Characteristics of Baitadi and Study Villages

2.2.1 Physical Features

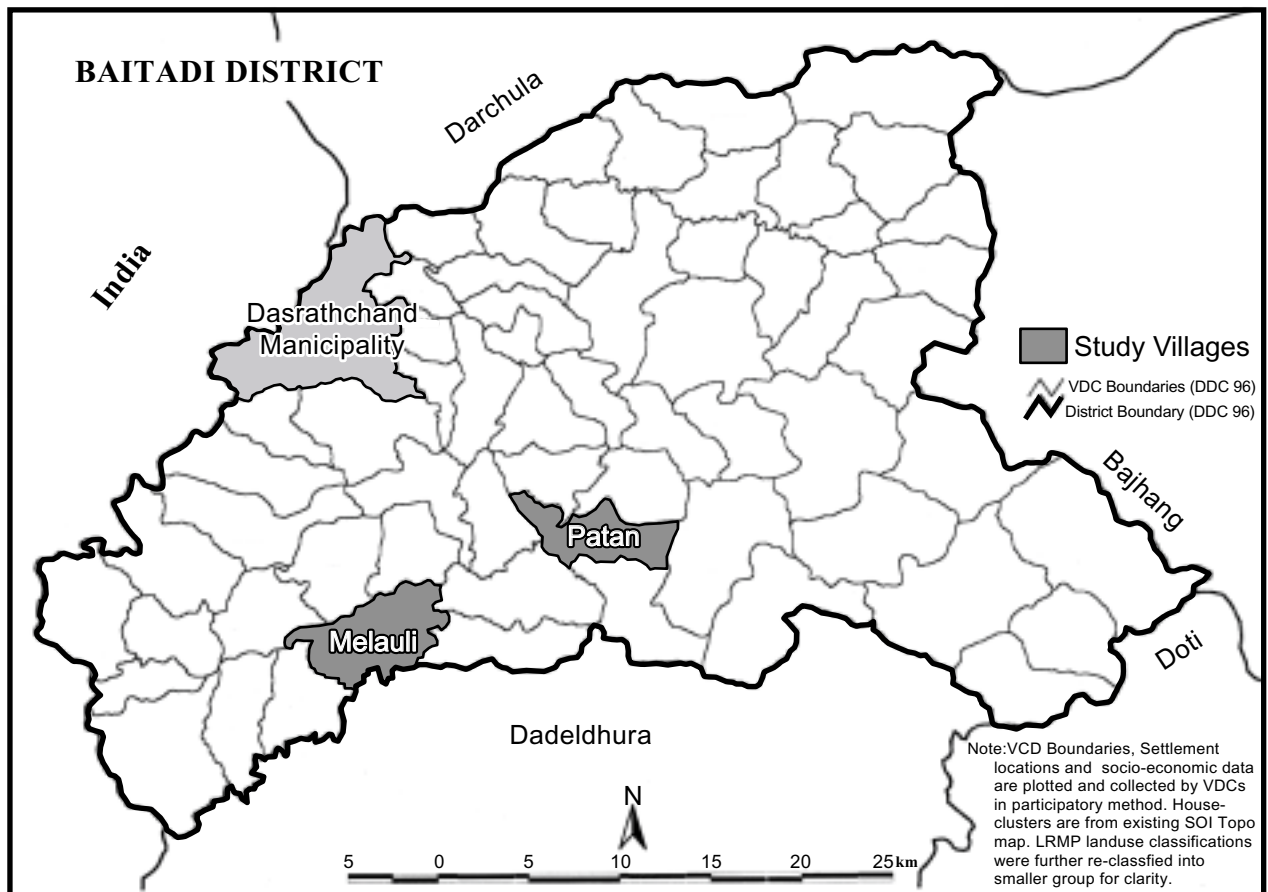
Baitadi is a montane rural district of the Mahakali zone in the far western development region of Nepal. It is a rugged and remote district, with few modern amenities, far away from the capital and other major cities of the country. It borders with India in the west. In Nepal it is surrounded by more rugged and remote districts, Darchula, Dadeldhura, and Bajhang and Doti in the north, south and east, respectively. Nepal and India are divided here by the Mahakali River. The district headquarter is Dasrathchand municipality, a border town at the bank of the Mahakali River. Permanent bridges over the river at Tripura Sundari make the flow of the people and goods between the two countries smooth. This town is connected to East-West Highway at Attaria in Dhanagadhi by a national highway through Patan, the former district headquarters and Amargadhi, the district headquarter of Dadeldhura district. The road is gravelled up to Amargadhi and pitched from there to Attaria. The journey takes 6 hours up to Amargadhi by bus which is served by regular long distance bus from Kathmandu taking 24 hours. With good connection one can go to Kathmandu in two days by road.

One can also fly to Kathmandu from Nepalganj which is about 15 to 18 hours journey from Dasrathchand. Access to India is easier with a regular bus service available from the border town of Pithoragadh in India to other Northern Indian cities such as Almora, Deharadun, Nainital and Simla which can be reached within ten hours journey. One can also reach New Delhi and Lucknow overnight by bus or by train.

Baitadi district consists of 13 Ilakas, one municipality and 62 village development committees (VDC: administrative village) and some 1,500 small and big settlements (natural villages forming the grassroots bases for the communities). Each VDC constitutes of nine wards each of which is again made up of a few settlements. The most common housing type in the region is the two storied house with brick or wooden walls, wooden doors and windows, and roofs with tiles or slate. This is the typical traditional house in the region and constitutes 96% (32,538) of the houses in the district. The modern houses with concrete cement constitute 3.4% (1,149) and Kacchi houses (with thatches and straw), 0.6% (186), in the district (PDDP, 1999).

Only the municipality and 7 VDCs are touched by the motorable roads, such as the Baitadi-Satbanjh Road, the Khodpe-Sayali Road, the Patan-Pancheshwor Road and the Shreekot-Purchhaudihat Road. An old earthen trade trail passes through 15 VDCs with religious and trade centers. There are established mule trails between the famous religious centers, such as, Dehimandu and Melauli. Fourteen VDCs which are more remote and rugged do not have any trails, except for the village roads. The rest of the VDCs only have foot trails leading to these trade and or religious trails.

The area of the district is 1,484 sq. km., with farmland covering about 20% of the area. The forest covers about 45% and the grazing land and non-cultivated land covers about 22% of the area. Rivers and mines cover about 10% of the area and the rest, 3%, is covered by settlements and roads. It is a mountainous



Source: GIS Unit, PDDP NEP/95/008, 1999

Figure 2.1: District Map Showing Study Villages

district with steep mountains of Mahabharat Range and mid mountains between Mahabharata and Himalayan Ranges. The altitude of the mountains in the district varies from 2,400m to 6,930m of Bankia Lekh, the highest peak and the valleys, from 1,000m to 2,700m. Mahakali, Chaulane and Surnaya are the major rivers in the district. The forests are very steep basically temperate in nature with pines, rhododendrons, oaks, larches as the main species. Some of these forests are virgin but the crown coverage is not very high (**Figure 2.1**).

2.2.2 Farming

Farming is the mainstay of the people with more than 80% of the people depending on it. As of 1996/97, 1,822ha of land is irrigated mostly by surface water using gravitational flow. However, there are 7,450ha of irrigable land in the district. Paddy, wheat, maize, millet and barley are the main crops grown in the respective areas of 5,500ha, 9,000ha, 7,500ha and 1,350ha, producing 10,000 tons each of paddy and wheat, 13,000 tons of maize, and 1,500 tons of millet (NRA, 1999). Cash crops such as sugarcane, oilseed and potatoes are grown on about 1,000ha of land, producing about 4,000 tons of potatoes, 2,000 tons of sugarcane and 150 tons of oilseeds, annually. Apples and citrus fruits are the main fruits grown. Some of the VDCs, such as, Basuling and Bhubaneshwor are famous for citrus fruits and Gurukhola VDC for apples. Cows and buffaloes are kept for draft power, dung and milk. Goats are kept for meat and chicken for meat and eggs. There are about 175,000 cattle and buffaloes, 70,000 goats and 27,000 chickens in the whole district. The annual production of milk is about 21,000 tons, meat, 2,000 tons and 800,000 eggs. There are about 200 forest users groups made up of about 17,000 households managing about 13,000ha of community forest in the district.

The mountains have comparatively less capacity to produce foods. The river valleys and low-lying areas, such as, Patan, Amchaur, Pancheshwor, Kulau, Mahakali and Sharmali are fertile and have trade centers, as well. They are the granaries of the district producing paddy, wheat, maize and other minor crops. The district as a whole has a food balance deficit of these major crops by about 22,000 tons per year.

2.2.3 Facilities

Places like Dehimandu, Melauli, Tripura Sundari, Durgesthan have famous temples of the Hindu goddess Durga Bhagbati where the pilgrims even from Kathmandu and Northern India come to worship. Dasrathchand municipality lying at the bank of Mahakali River bordering India was formed recently by merging Khalanga, Tripura Sundari, Dasrathchand, Barakot, Thaligada and Gognath VDCs. It is a trade and religious centre and is connected to the border town of India by a bridge over the Mahakali River. Train and bus services join this town to many parts of India.

As of 1998, about 7% of the settlements, and about 8% of the total households have electricity, while about 78% have a water supply. About 40% of the farmland (about 10,000 ha), mainly in the valleys and low lying area, is irrigated in summer by gravitational flow of surface water. There are 151 small scale industries and 210 cottage industries mainly agro based in nature. There are no any large or medium scale industries in the district. There are little more than 1,000 shops in the district of which about 400 are associated with eateries and lodgings, about 300 are cloth and tailoring shops, and about 200 are groceries. There are between 20 to 30 important shops such as pharmacies, household utensils, and agricultural tools. There are only two newspaper stands, four furniture shops, seven electric shops, 13 repair shops, 15 watch shops and 17 shoe shops (PDDP, 1999). There are no petrol pumps and the petrol needed for motor bikes and other vehicles are sold in drums. But there are close to 30 gold and silversmith shops. There is one district hospital,

one health center, 11 health posts, 55 sub-health posts, four private clinics and three Ayurvedic (traditional herbal) clinics. There is only one postbox and one express delivery service agent. Under the district postal system, there is one district post office in Dasrathchand, 12 area post offices, 54 additional posts and two local posts serving the district. There are 132 telephone lines and 20 of them have international connections and eight have fax services. There are no telex or wireless facilities in the district.

There are five Agriculture Development Banks, three separate small farmer development projects under its national rural banking system and two national-level commercial banks. There are eight cooperatives, mostly agricultural cooperatives, 14 agricultural service centers which disburse agricultural inputs, i.e., chemical fertilizers, seeds and pesticides (PDDP, 1999). The human development index of the district as of 1996 is 0.26, income index, 0.13, educational attainment index, 0.3 and life expectancy index, 0.35. The per capita income of the people is NRs. 5,600, mean schooling year, 2.1 and life expectancy, 46 years. The district as a whole is less developed due to its remoteness and distance from the capital, and comparatively fewer number of development programs being undertaken here. According to relative indicators of development it fares worst in poverty and deprivation, natural resource endowment, socioeconomic infrastructure development, per capita food production, percentage of landless and marginal farm households, infant mortality, drinking water coverage, health development, gender discrimination and bank coverage indices (NRA, 1999).

2.2.4 Study Villages

The VDCs undertaken for study in this district are Patan, an ordinary subsistence VDC in the national context and Melauli, a remote VDC with religious and historical significance. In Patan, 40 small and big settlements are identified scattered in 9 wards of the VDC. There are more than 10 settlements each in ward 5 and ward 9, while the rest of the wards each have less than four settlements. Similarly, 44 established settlements are identified in Melauli, more than 15 each in wards 4 and 5, 10 each in wards 6 and 7. The rest of the wards have fewer than 5 settlements each. Both the VDCs are dominated by traditional type of houses; two storied, brick-walled often painted with red mud, tiled roof, almost always accompanied by an animal shed, farm store shed and a small yard for performing household work. There are also about 83 (10%) houses in Patan with brick walls and roof with galvanized zinc iron sheet built within the last two decades, and nine modern houses, mostly in the bazaar area, built very recently with concrete cement. There are very few such houses in Melauli. In both the VDCs there are some thatched houses belonging to relatively poor people.

The motorable road from Amargadhi to Dashrathchand passes through Patan. It is rather fertile and has ample area of plains suitable for double-crop farming, with paddy in summer and wheat in winter. Some part of this plain area is covered by gravitational flow irrigation with a good canal network system. In the surrounding montane parts of the VDC, maize and millet are more commonly grown. Patan was formerly the district headquarter and still has some of the district level government offices here, including the district education office and the district police headquarter. An army barrack is also there. But the district offices are slowly moving to Dasrathchand municipality. The once thriving local airport is now eroded, being out of use ever since its control tower was destroyed by the mass during the political unrest in 1989 which led to democracy in 1990. But there is a good market forming the center of the township serving the hinterland VDCs, as well. This market runs from the highway bus stop to the local temple and about 50 businesses including permanent eateries, lodges, groceries, cloth and tailoring shops, utensil shops, drug store, fancy store, shoemaker, silversmith, electric goods vender and repairer, bicycle repairer and a laundry. The VDC

office, agriculture service center, Agriculture Development Bank is within the peripheral area of the bazaar. There is also a rice mill an edible oil presser, primary cum lower secondary school, recently incorporated as higher secondary school, and some NGO offices within the bazaar area. There is a public telephone service and courier express service for the delivery of (business) mail. Besides, there are seven primary schools scattered in seven different wards.

Melauli, with its famous Bhagbati goddess temple is widely known and is even patronized by the Nepalese Royal Family. This goddess along with other Hindu gods and goddesses in the temple complex is regarded as being very powerful and its shaman priest is said to be able to perform many miracles, including healing of the various diseases not curable by other kinds of treatments. People from far and near come to worship at this temple since ancient times. In the process of devotion, people offered virgin girls (daughters), Deuki, to this temple to wish, contain or appreciate the fulfilled miracles in their life. Since these Deukis were endowed and tied spiritually to the gods they could not get their bridal knots tied to other human beings. They remained in the temple for the rest of their lives as the “temple girls”. They were looked after by their guardians/patrons. But as the time went by, the worshipers patronized the virgin girls from the rather deprived families to offer to the gods and stopped taking care of them after finishing the religious ceremony. In the temple these Deukis were concubined by priests, pilgrims, travelers, local residents and virtually anybody who wished to do so by paying or by force. Deukis were helpless. It is believed that the Deukis have very strong famine powers and could cure many sexual disorders, including impotence. Thus, this religiously meritorious practice started by some noble men during the 17th century became socially distorted and Deukis became virtually “religious prostitutes” and the whole system became a social rudiment causing discrimination against those deprived families. Hence this system was abolished in 1961 and to offer human beings to any gods or goddesses became illegal. It is said that out of 250 identified Deukis in this district, about 150 are from the temple in this village. But many of them do not live in the village although many of their children do (Bhatta, 1999). Thus no human beings are offered at this temple and endowed to gods here anymore. But, every year around September-October there is a very big festival in the village lasting for several days and many buffaloes are sacrificed to the temple. This is the time when many people from the Hindu world come to worship this temple.

However, this place is reachable only on foot or by mule. The religious trail from Dehimandu takes one full day to walk. From Patan it takes longer as the trail is not so good. From Amargadhi it is not possible to go there without mule as the slopes are very steep. But with all its remoteness Melauli serves as center for its hinterlands, such as Bilashpur, Udaydeb and Shibanth VDCs. It consists of 30 natural villages. There is a small market alongside the main road of the village. One can find groceries, tea-stalls, cloth and utensils shop, rest places, a kerosene vender and a tailor. The VDC office, health post, sub-branch of the Agricultural Development Bank, Agriculture and Livestock Service center, public phone service depot and a police station, mobile treatment center lies in the northern part of the market. The primary cum high school, a rather old one, lies in the small plateau in the southern part of the village. There are also four other primary schools and one secondary school in five different wards of the village. There are some NGO offices, such as the Participatory District Development Program (PDDP) village office, micro-enterprise development program office and a child care center (specially taking care of former Deukis’ children) sponsored by UNICEF near the Bhagbati temple.

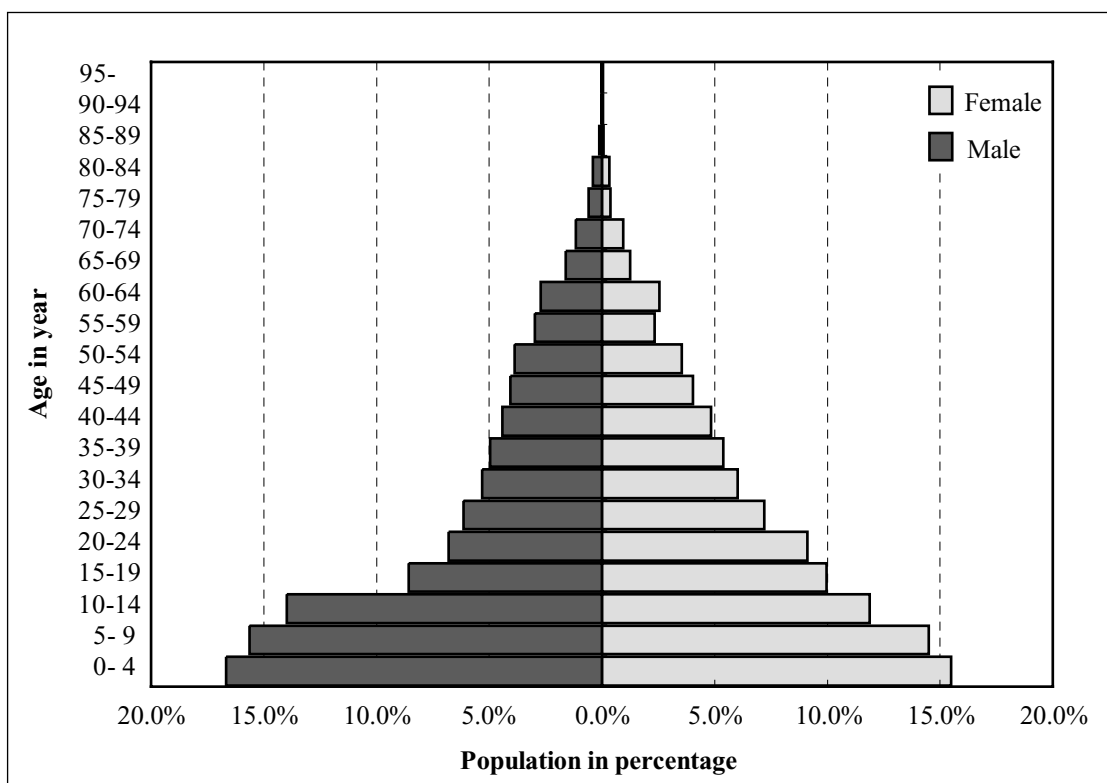
2.3 Population, Ethnicity and Education

2.3.1 Population and Ethnicity

The population of the district as of 1991 is 216,812, with males, 108,814 (50.5%) and females, 107,998 (49.5%). The population age-group structure is a perfect pyramid, with the young population under 15 forming about 44% (**Figure 2.2**). Of all the households, Chhetris form 48%, Bahuns, 18% and others, including occupational caste, 34%. By religion 74% are Hindus and Buddhists constitute less than one percent. The rest are others including the believers of local religion and Shamanism, Muslims, Jains and Christians. Thus, this district is dominated by Chhetris who are basically Hindus, Shivaists in specific. The local language spoken is Baitadeli, a dialect of Nepali, also known to the outer world as Dotyal, collectively with other dialects of the region. In addition, some 10% of the people speak various other languages found in Nepal (PDDP, 1999 & NRA, 1999).

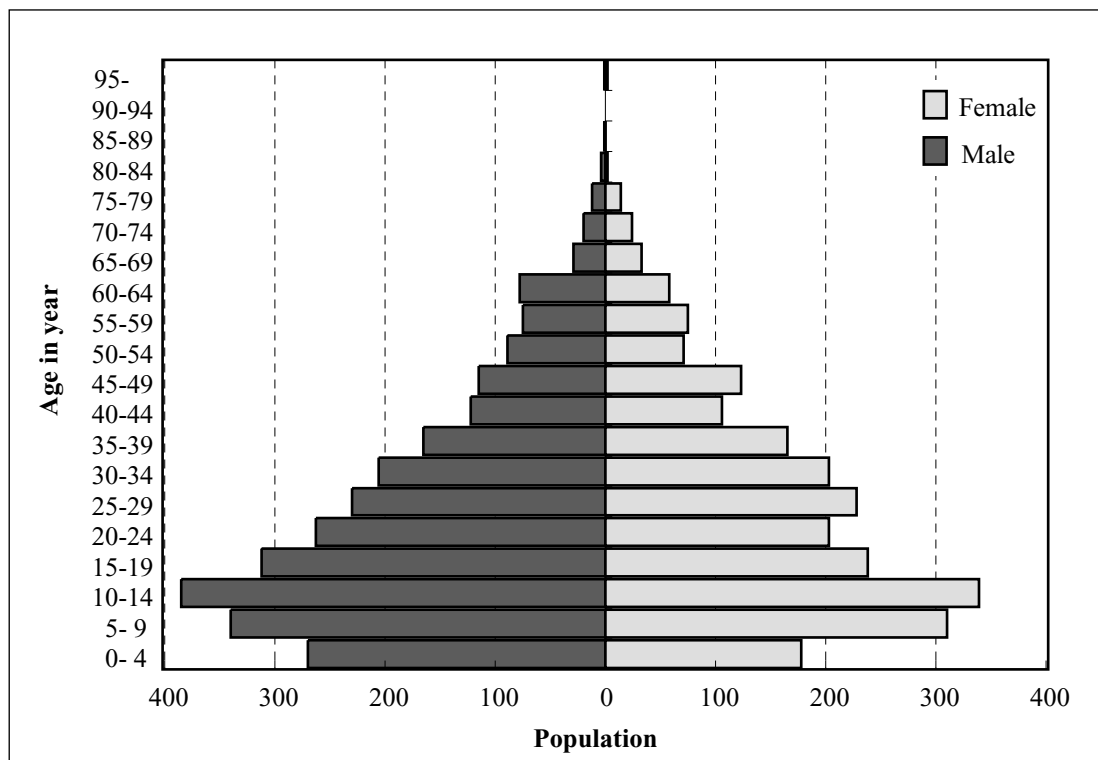
The economically active population (11-59 age cohort) is 131,387 with 49.2% males and 50.8% females. Of them 102,648 are engaged in farming, 4,721 in salaried work, 1,761 in labouring, 742 in service work including, business, hotels and lodges, and health services. Technical workers, such as tailors and mechanics are 751 and 46, respectively. There are 7,390 people, 5,948 males and 1,442 females working in the foreign countries, mainly India. People also try to migrate according to various available opportunities. According to the census 876 people out-migrated and just 50 people in-migrated.

The school going population is 46,638 of which 66% is male and 34%, female. The literacy rate is 36% (78,240) of which males constitutes 29.6% and females 6.4%. Of them 38,013 have education up to primary (class 5) level and 10,135 have secondary (up to School Leaving Certificate: SLC) level and 67 have higher education. There are 266 primary schools, 47 lower secondary schools, 41 secondary schools, 1 higher secondary school, 2 colleges, and 2 other institutions in the district. Recently, more and more secondary schools are being converted into higher secondary school with 12 (10+2) years of education, equivalent



Source: CBS, 1993.

Figure 2.2: Population Pyramid of Baitadi District, 1991



Source: Field survey, 2001.

Figure 2.3: Population Pyramid of Patan, 2001

Table 2.1 : Population According to Caste/Ethnicity in Study Villages

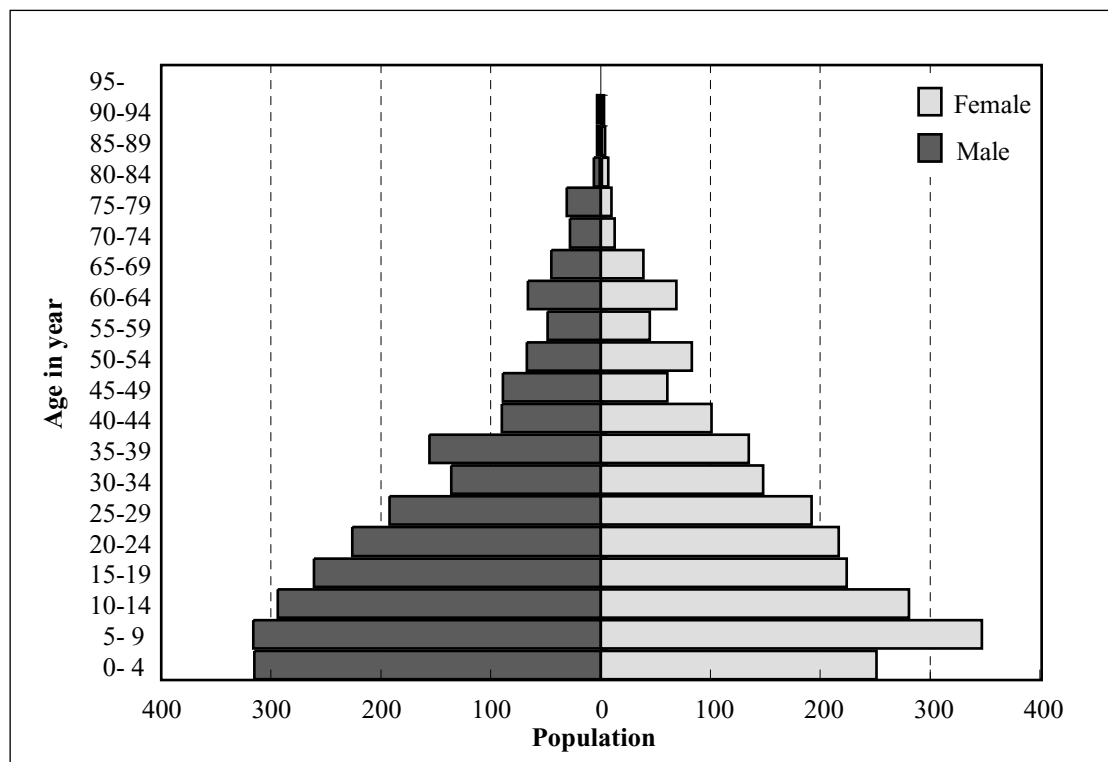
Caste/Ethnicity		Male	Female	Total	(%)	Household	(Avg. size)
Patan	Bahun	872	769	1,641	32.2	276	5.9
	Chhetri	1,322	1,159	2,481	48.8	413	6
	Occupational caste	523	444	967	19	162	6
	Total	2,717	2,372	5,089	100	851	6
Melauli	Bahun	648	605	1,253	27.3	197	6.3
	Chhetri	1,204	1,164	2,368	51.5	355	6.7
	Magar	28	23	51	1.1	8	6.4
	Occupational caste	489	435	924	20.1	141	6.6
	Total	2,369	2,227	4,596	100	701	6.6

Source: Field survey, 2001.

to the intermediate level. There are 1,285 school teachers in the district as of 1996 of whom 483 have undertaken teachers training (PDDP, 1999).

There are 851 households in Patan of which 276 are Bahuns, 413 Chhetris and 162 occupational caste people, each with a population of 1,641(32%), 2,481 (49%) and 967 (19%), respectively. Males form 53.7% and females 46.3% of the total population (**Table 2.1**).

The share of females in the population of occupational caste is less. The average size of the family in the village is 6, without much difference among the different castes. The shape of the population pyramid is like a *stupa* with maximum number of the people in the 10-14 age cohort and the number declines on either side of the age cohorts. The decline in the lower age cohorts could be sign of decline in the population growth rate. The decline of the males in the upper age cohorts is steady whereas for females it is rather irregular but does



Source: Field survey, 2001.

Figure 2.4: Population Pyramid of Melauli, 2001

Table 2.2: Language Ability According to Caste/Ethnicity in Study Villages

Caste/Ethnicity	Nepali language ability						Mother tongue ability						
	Fluent	Read & write	Read	Speak	Don't understand	Total	Fluent	Read & write	Read	Speak	Don't understand	Total	
Patan	Bahun	315	583	60	399	86	1,443	537	330	85	481	10	1,443
	Chhetri	318	1,005	45	662	193	2,223	644	725	41	809	4	2,223
	Occupational caste	49	298	35	408	37	827	99	218	70	437	3	827
	Male	525	1,188	66	522	62	2,363	811	808	87	650	7	2,363
	Female	157	698	74	947	254	2,130	469	465	109	1,077	10	2,130
	Total	682	1,886	140	1,469	316	4,493	1,280	1,273	196	1,727	17	4,493
	(%)	15.2	42	3.1	32.7	7	100	28.5	28.3	4.4	38	0.4	100
Melauli	Bahun	178	199	30	221	457	1,085	224	172	66	608	15	1,085
	Chhetri	309	260	151	531	748	1,999	479	199	180	1,110	31	1,999
	Magar	2	13	1	14	48	48	1	14	7	26	-	48
	Occupational caste	66	162	23	157	395	803	99	115	20	550	19	803
	Male	456	472	139	462	474	2,003	569	374	159	867	34	2,003
	Female	99	162	66	461	1,144	1,932	234	126	114	1,427	31	1,932
	Total	555	634	205	923	1,618	3,935	803	500	273	2,294	65	3,935
(%)	14.1	16.1	5.2	23.5	41.1	100	20.4	12.7	6.9	58	1.7	100	

Source: Field survey, 2001. Note: Includes only those above 5 years of age.

not have much social significance (**Figure 2.3**).

Melauli has 701 households and 4,596 total population, 2,369 (51.6%) males and 2,227 (48.4%) females (**Table 2.1**). The population pyramid is basically an orthodox triangle shape (**Figure 2.4**). There are 197 Bahun, 355 Chhetri, 8 Magar and 141 occupational caste households and their respective population is 1,235 (27%), 2,368 (52%), 51 (1%) and 924 (20%). The average size of the family is 6.6, which is slightly smaller for Bahuns and Magars. But this figure is higher than the average family size in Patan.

2.3.2 Language Ability and Education

The study villages are also dominated by Chhetris and Baitadeli is their mother tongue. But only 57% of the people in Patan and 33% in Melauli can freely read and write it. About 38% in Patan and 58% in Melauli can speak it whereas 4.4% in Patan and 7% in Melauli can just manage to read it. In the case of Nepali language ability, 57% in Patan and 30% in Melauli can freely read and write, and 32% in Patan and 24% in Melauli can only speak it whereas 3% in Patan and 5% in Melauli also manage to read it. Some people (7%) in Patan and many (41%) in Melauli do not understand it (**Table 2.2**). Females are always considerably lacking behind the males in both Nepali language and mother tongue abilities. Looking at the ethnic breakdown of the mother tongue and Nepali ability in Patan, the share of people who do not under-

Table 2.3 : Literacy and Education Level According to Caste/Ethnicity in Study Villages

Caste/Ethnicity	Sex	No Schooling		Schooling					Total	(%)	
		IL	L	PS	SS	SLC	HS	GR			
Patan	Bahun	Male	77	63	195	237	64	62	58	756	16.8
		Female	187	197	170	94	19	19	1	687	15.3
		All	264	260	365	331	83	81	59	1,443	32.1
	Chhetri	Male	188	148	222	397	60	97	56	1,168	26.0
		Female	404	242	202	170	19	16	2	1,055	23.5
		All	592	390	424	567	79	113	58	2,223	49.5
	Occupational caste	Male	133	79	128	82	11	4	2	439	9.8
		Female	194	115	66	10	3	-	-	388	8.6
		All	327	194	194	92	14	4	2	827	18.4
	Total	Male	398	290	545	716	135	163	116	2,363	52.6
		Female	785	554	438	274	41	35	3	2,130	47.4
		All	1,183	844	983	990	176	198	119	4,493	100
(%)		26	18.8	21.9	22	3.9	4.4	2.6	100		
Melauli	Bahun	Male	178	46	122	137	27	28	20	558	14.2
		Female	337	57	85	34	5	4	5	527	13.4
		All	515	103	207	171	32	32	25	1,085	27.6
	Chhetri	Male	241	87	283	280	57	31	20	999	25.4
		Female	612	137	180	51	13	5	2	1,000	25.4
		All	853	224	463	331	70	36	22	1,999	50.8
	Magar	Male	5	2	13	6	-	-	-	26	0.7
		Female	15	3	3	1	-	-	-	22	0.6
		All	20	5	16	7	-	-	-	48	1.2
	Occupational caste	Male	148	29	146	76	8	3	10	420	10.7
		Female	267	26	68	17	2	-	3	383	9.7
		All	415	55	214	93	10	3	13	803	20.4
Total	Male	572	164	564	499	92	62	50	2,003	50.9	
	Female	1,231	223	336	103	20	9	10	1,932	49.1	
	All	1,803	387	900	602	112	71	60	3,935	100	
	(%)	46	9.8	22.9	15.3	2.8	1.8	1.5	100		

Source: Field survey, 2001.

Note: Includes only those above 5 years of age. IL: Illiterate, L: Literates have no formal schooling, but can read, write and understand written forms of day to day matter, ability gained through self learning/informal education, i.e., adult education and various other informal education programs. PS: Primary School (class 1-5), SS: Secondary School (class 6-10), SLC: School Leaving Certificate, HS: Higher Secondary School (class 11-12 or intermediate level), GR: Graduate (above bachelor's level).

Table 2.4 : Landholding According to Caste/Ethnicity and Land Type in Study Villages

Caste/ethnicity and land type	(Unit of area: ha)												
	Khet (paddy land)			Pakha (upland)			Homestead (Bari)	Agro Forest	Pasture	Farm use	Nonfarm use	Total land	Total land/household
	Irrigated	Nonirrigated	Sub total	Irrigated	Nonirrigated	Sub total							
Bahun	56.58	13.85	70.43	18.88	42.81	61.69	12.87	10.02	10.05	165.05	3.60	168.65	0.61
Chhetri	87.30	15.99	103.29	19.60	91.74	111.34	17.15	19.11	13.15	264.03	6.43	270.46	0.65
Occupational caste	15.88	4.68	20.55	6.00	17.38	23.38	4.08	3.58	2.25	53.83	0.30	54.13	0.33
Area according to land type (%)	159.75	34.51	194.26	44.48	151.92	196.40	34.10	32.70	25.45	482.91	10.33	493.23	0.58
No. of household	82.23	17.77	39.39	22.65	77.35	39.82	6.91	6.63	5.16	97.91	2.09	100	
Area per household	726	253	-	331	594	-	607	190	152	831	92	851	0.58
	0.22	0.14	-	0.13	0.26	-	0.06	0.17	0.17	0.58	0.11	0.58	
Bahun	29.07	10.05	39.12	5.35	54.22	59.57	3.82	5.25	0.40	108.16	4.20	112.36	0.57
Chhetri	76.13	15.66	91.79	4.13	81.88	86.00	8.03	35.48	8.10	229.40	14.20	243.60	0.69
Magar	2.40	1.53	3.93	0.18	1.40	1.58	0.05	0.15	-	5.70	0.00	5.70	0.71
Occupational caste	16.12	10.11	26.23	2.95	13.29	16.24	2.54	4.21	0.50	49.73	1.25	50.98	0.36
Area according to land type (%)	123.72	37.35	161.07	12.60	150.79	163.39	14.45	45.09	9.00	392.99	19.65	412.64	0.59
No. of household	76.81	23.19	39.03	7.71	92.29	39.59	3.50	10.93	2.18	95.24	4.76	100	
Area per household	503	254	-	93	623	-	302	275	57	695	91	701	0.59
	0.25	0.15	-	0.14	0.24	-	0.05	0.16	0.16	0.57	0.22	0.59	

Source: Field survey, 2001.

stand or can only speak is about one-third in Bahun, two-fifths in Chhetri, but more than one-half in the occupational caste. In Melauli the shares are about three-fifth in Bahun, more than one-half in Chhetri, and about three-fourths in the occupational caste. As for Magars all of them can understand their mother tongue but most can just speak while about a third of them can't understand Nepali and only a third can simply speak it (**Table 2.2**). Females are behind the males in understanding Nepali and mother tongue in all the ethnic groups, but more so in the occupational caste.

The ability to read, write and understand Nepali as well as mother tongues are dependent upon education level. Lack of education is directly related to not understanding Nepali, although the ability of Bahuns to manipulate Nepali is often higher irrespective of their formal schooling. This could be due to their informal religious education in Sanskrit, the mother language of many Indo-Aryan languages of South Asia including Nepali.

Regarding the education of the people above five years of age in the study villages, 55% in Patan and 44% in Melauli have some sort of schooling, including 7% of higher education in Patan and 3% in Melauli. The ones with no formal schooling but literate with informal and non-formal education, such as adult education, women education, literacy campaigns, on-the-job learning and self-learning, are 19% in Patan and 10% in Melauli (**Table 2.3**). The ones who are totally illiterate are 26% in Patan and 46% in Melauli. The difference of literates is not much among different caste and ethnic groups in Melauli, but in Patan Bahuns are better educated and more literate followed by Chhetris. The occupational caste people have not been able to catch them and are in similar situation as their fellows in Melauli. In both the villages females are more illiterate than the males, in a ratio of 2 to 1, among all the caste and ethnic groups. Moreover, there are very few females who have education higher than SLC, just 79 out of 538 in Patan and 39 out of 243 in Melauli.

2.4 Land and Livestock Holding

2.4.1 Landholding

Of the total landholding in the district, 336,385 ha (98.7%) are self-cultivated own-land. The rest is leased land (PDDP, 1999). This ratio of landholding pattern is also true for the study villages. The total landholding of the villagers is 493 ha in Patan and 413 ha in Melauli, with average holding of 0.58 ha and 0.59 ha in each village, respectively. Of the total landholdings of the villagers in both the villages about 80% of the lands are croplands, half *khet* (plain and lowlands where paddy is the main crop cultivated) and half *pakha* (terraced and sloppy uplands where crops other than paddy is cultivated mainly). Relatively more of the croplands, both *khet* and *pakha*, are irrigated during summer for cultivation of paddy in Patan than Melauli. The remaining 20% constitute *bari* (homestead area mainly used as kitchen garden), agro forest with fruit and fodder trees, pasture and grasslands and lands not for direct farm use, including ponds and fallow lands in both the villages (**Table 2.4**). In both the villages Chhetris are in general better landed and have a better share of irrigated land, just the opposite in the case of occupational caste people.

According to farm size, in Patan there are 20 (2.4%) landless households, including "landless with livestock" having less than 0.0127 ha (4 *ana*) of cropland but raising at least two big productive animals; either a combination of cows, buffaloes, oxen, horses, mules or donkeys, or its equivalent; either a combination of five goats, sheep or pigs, or a combination of twenty chicken, ducks or turkeys. In Melauli, however, there are only 6 (0.8%) landless households. This would indicate that it is virtually impossible to live in Melauli without land. The share of small (with lands under 0.5 ha), medium (with lands 0.5 ha and above and under

Table 2.5 : Number of Households According to Farm Category and Caste/Ethnicity in Study Villages

Caste/ethnicity and farm category		Landless without livestock	Landless with livestock	Small	Medium	Large	Total
Patan	Bahun	1	5	124	145	1	276
	Chhetri	4	3	197	200	9	413
	Occupational caste	6	1	112	43	-	162
	Total	11	9	433	388	10	851
Melauli	Bahun	-	-	118	76	3	197
	Chhetri	4	1	159	180	11	355
	Magar	0	-	4	3	1	8
	Occupational caste	1	-	113	26	1	141
	Total	5	1	394	285	16	701

Source: Field survey, 2001.

Note : "Landless with livestock" is household with farmland less than 0.01272 ha, but raising at least two big productive animals (i.e. cow, buffalo, ox, horse, mule, donkey, yak) or five small productive animals (i.e. goat, pig, sheep) or twenty fowls (i.e. chicken, duck, turkey). Small: 0.01272ha and under 0.5ha, Medium: 0.5ha and under 2ha, Large: 2ha and over.

2 ha) and large (with lands 2 ha and above) farms in Patan is 50.9%, 45.6% and 1.1%, respectively. These figures for respective farms in Melauli are, 56.3%, 40.6% and 2.3% (**Table 2.5**). In both the villages, nearly half of the farms among Bahuns and Chhetris are medium and large size while among occupational caste it is just one-fourth in Patan and less than 15% in Melauli. Magars in Melauli, related with Shaman priests of the Bhagbati temple in the village, though few in number, show the trend of Bahuns in farm size.

2.4.2 Livestock Holding

Cows, oxen, buffaloes and goats are domestic animals commonly kept for dung, draft, milk and meat in the study area. They are generally grazed in the open spaces, farm roads and nearby forests whenever feasible and are given cut fodder plants, straw and at times grains and oilcakes. Horses and mules are kept by rich farmers and or by the people engaged in trade and transport business. Chickens are kept by many people and are fed with daily leftover food and kitchen garbage. They are often found scavenging the backyards. Sheep, pigs and ducks are raised rather rarely. In Patan, 88% of the households have cows and most of them (66%) also have oxen (**Table 2.6**). They are highly valued for their dung, draft power and milk. Buffaloes are also reared by 71% of the households for dung, milk and meat. The average numbers of these animals held per holding household are 1.8, 1.4, and 1.4, respectively. Only 11 households engaged in transport business keep 16 horses and mules. There is no significant difference in the keeping of these animals among the different caste people. More than half (60%) of the households also keep goats, basically as insurance for sudden economic needs as they can be easily sold locally for meat. The average number of goats kept per holding household is three and a relatively fewer number of occupational caste households keeps them in comparison to the Chhetris and the Bahuns. Some 32% of the household also keep chicken for eggs and meat, which also serve as insurance for sudden economic needs like goats but of lesser amounts. Their average number per household is five and relatively more of the occupational caste households keep them than the Chhetris and the Bahuns.

In Melauli a greater proportion (79%) of the people keep buffaloes and their average number per

Table 2. 6: Livestock Holding According to Caste/Ethnicity in Study Villages

Caste/ethnicity and livestock			Cow	Ox	Buffalo	Horse/ Mule	Goat	Fowl
Patan	Brahman	No. of livestock	452	265	325	2	476	382
		No. of holding households	248	181	218	2	159	60
		No. per holding household	1.8	1.5	1.5	1	3.0	6.4
		Share of holding households	89.86%	65.58%	78.99%	0.72%	57.61%	21.74%
	Chettri	No. of livestock	635	405	432	13	857	772
		No. of holding households	354	286	296	8	278	140
		No. per holding household	1.8	1.4	1.5	1.6	3.1	5.5
		Share of holding households	85.71%	69.25%	71.67%	1.94%	67.31%	33.90%
	Occupational caste	No. of livestock	238	140	106	1	187	249
		No. of holding households	146	96	87	1	72	72
		No. per holding household	1.6	1.5	1.2	1	2.6	3.5
		Share of holding households	90.12%	59.26%	53.70%	0.62%	44.44%	44.44%
	Total no. of livestock			1,325	810	863	16	1,520
Total no. of holding households			748	563	601	11	509	272
Average no. per holding household			1.8	1.4	1.4	1.5	3.0	5.2
Share of total holding households			87.90%	66.16%	70.62%	1.29%	59.81%	31.96%
Melauli	Brahman	No. of livestock	161	248	331	12	500	100
		No. of holding households	107	137	161	4	130	26
		No. per holding household	1.5	1.8	2.1	3.0	3.8	3.8
		Share of holding households	54.31%	69.54%	81.73%	2.03%	65.99%	13.20%
	Chettri	No. of livestock	287	453	590	6	1,101	110
		No. of holding households	202	243	293	6	236	34
		No. per holding household	1.4	1.9	2.0	1.0	4.7	3.2
		Share of holding households	56.90%	68.45%	82.54%	1.69%	66.48%	9.58%
	Magar	No. of livestock	9	12	16	-	30	9
		No. of holding households	6	6	8	-	7	4
		No. per holding household	1.5	2.0	2.0	-	4.3	2.3
		Share of holding households	75.00%	75.00%	100.00%	-	87.50%	50.00%
	Occupational caste	No. of livestock	122	151	158	5	183	120
		No. of holding households	83	83	95	4	65	34
		No. per holding household	1.5	1.8	1.7	1.3	2.8	3.5
		Share of holding households	58.87%	58.87%	67.38%	2.84%	46.10%	24.11%
	Total no. of livestock			579	864	1,095	23	1,814
Total no. of holding households			398	469	557	14	438	98
Average no. per holding household			1.5	1.8	2.0	1.6	4.1	3.5
Share of total holding households			56.78%	66.90%	79.46%	2.00%	62.48%	13.98%

Source: Field survey, 2001. Note: Fowls in the study villages are almost all chickens.

holding household is two. All the Magars, who produce the shaman priest of the Bhagbati temple and lead the sacrificial ceremonies, and almost all the landed Chhetris and Bahuns keep them. Buffaloes are kept more in this village possibly for their yearly demand during the religious ceremony. Cows are kept by more than half (57%) of the households with an average number of 1.5 per holding household and oxen by 67% with an average number of 1.8 per holding household. In this village there are only 14 households keeping 23 horses and mules, although the village is rather remote and the significance of these animals in transporting daily goods is high. On average four goats are kept by 62% of the households and 3.5 chicken by just 14% of the households, which is much less than in Patan. But the significance of goats and chicken as a moratorium for sudden needs is similar in this village. Overall Magars tend to keep a greater number and varieties of livestock compared to other castes (Table 2.6).

2.5 Farming and Crop Production

As mentioned above, farming is not only the main industry but also the mainstay of life in the region and most of the people are engaged in it as their main occupation. Paddy, wheat and maize are the main crops produced in the region. Multiple cropping is very common. Paddy and wheat are grown in summer and winter, respectively, on the same land with surface water irrigation wherever possible. Such land is locally known as *khet* and is generally subdivided into four categories; *awal*, *doem*, *sim* and *chahar*. Maize, barley, millet, black grams and soybeans are grown on the terrace and mountain slopes, locally known as *pakha*. Potatoes are grown after paddy in the plains with irrigation facilities. Black gram and some other beans are also grown on the ridges of the *khet* land.

Paddy and wheat are grown in summer and winter, respectively, in the *khet* lands of the study villages, too. Seedbed for paddy is made in Baishak, the first month of Nepalese calendar, around mid-April in the Western calendar, and land preparation and transplantation of the seedlings in May-June according to the availability of water (**Figure 2.5**). Farm operations start early on the *awal khet* lands with irrigation facilities and late on terrace *khet* land generally classified as *doem* and *sim*. Fertilizers are applied either just before the transplantation or soon after the plants take firm root. During the months of July-August two to three weeding are done and is finally harvested in September. The paddy is threshed in the farmyard about 7-10 days after the harvest. Paddy is dried thereafter and stored, used or sold as per need. The straw is piled up in the household compound near the animal shed and fed to the domestic animals.

After the harvest of paddy, wheat is cultivated on the same land. Manures are piled up on the land from October and land preparation, ploughing and mulching to loosen the soil for wheat sowing, is done by November generally using bullocks. Irrigation is done with surface water if there is no Westerly rain in December followed by one weeding. Wheat is harvested in the spring, Chaitra, the last month of Nepalese calendar, falling in early April. Then it is threshed, dried and stored by early June. The average yield of paddy is 4.7 tons per ha in Patan and 3.6 tons per ha in Melauli. The yield of wheat per ha is 2.4 tons in Patan and 1.6 tons in Melauli. The difference in the yield of these crops in the two villages can be attributed mainly to irrigation. In Patan there is a good gravitational flow irrigation system using surface water that supplies water sufficient enough to irrigate the plain areas of the valley in both the seasons.

Maize is the most common crop grown on *pakha* lands during the summer in the study villages. Land preparation for the maize crop starts in April and the seeds are sown by May with manure being applied almost simultaneously. Thereafter weeding and raking, mulching, ridging and furrowing and irrigation/water supplementation is done in accordance to the growth of the plant. When the plant grows big, pruning of the leaves at the lower part of the plant is also done, especially when it is intercropped with soybeans or other vegetables. It is harvested in August-September. A portion is consumed immediately and the rest is dried and stored with bark in and around the house and used as per need. When stored with bark the grains do not get spoiled for a pretty long time. Its average yield is 2.2 tons per ha in both the villages. Soybeans intercropped or planted alone is sown at the time of maize sowing and other works to take care of it is done in the same way and almost at the same time as maize. The average yield of soybean per ha is 1.3 tons in Patan and 1.5 tons in Melauli. The grain stock from the earlier harvests is adjusted during the month of Magh (January-February) after assessing the paddy harvest of the year. Then any grains deemed to be surplus is sold locally. This is an agriculturally off-season but the peak season for festivals and social events.

Barley is sown in these fields after the harvest of maize and soybeans. Land preparation, sowing and applying of manure is done during October-November. It is also cultivated on lands where wheat is cultivated after the paddy, according to the decision of the farmers in choosing the crops. Water supplementation is

Nepalese Calendar	Sharawan	Bradra	Ashwin	Kartik	Mangshir	Paush	Magh	Fagun	Chaitra	Baishakh	Jestha	Ashadh	Average yield (kg/ha)
	7	8	9	10	11	12	1	2	3	4	5	6	
Patani	Paddy	W	H Th D St M							Sb Sw		L Tp F	4,708
	Wheat			F	L Sw I		W		P	H Th D St			2,351
	Maize	Mu R P	H Th D St								L Sw F	W I	2,254
	Barley			L Sw F		I F		W	H Th D St				999
	Potato							L Tp F	I W R H St		M		6,858
	Soybeans		H Th D St								L Sw F I	W	1,319
Metalli	Paddy	W	H Th D St							Sb	L Sw F Tp	I W	3,553
									F T ₁ I	R H Th D St			1,623
	Maize	W R P	H Th D St					W			L Sw F	W Mu I	2,220
	Barley			L Sw F		I		W	H Th D St				1,283
	Millet		L Sw F						H Th D St				1,525
	Potato								H St Mu				5,569
Soybeans			D St							L Sw F	W Tp		1,514

Note: Sb: Seed bed preparation, L: Land preparation, Sw: Sowing, Tp: Transplanting, F: Fertilizing/manuring, I: Irrigation & Water supplementation, W: Weeding & Raking, Mu: Mulching, R: Ridging & Furrowing, P: Pruning, H: Harvesting, Th: Threshing & Winnowing, D: Drying, St: Storing,

Figure 2.5 : Cropping Calendar in Study Villages

done once during January if feasible on such lands. Often there is a shower of rain brought by the Westerlies during this time in the region. Weeding is done once during February and is harvested in early April. It is threshed and dried soon after the harvest. Its average yield per ha is one ton in Patan and 1.3 tons in Melauli. Cropping season and farming operations of millet are identical to barley. It is mostly cultivated in the marginal terraced land after the cultivation of paddy or maize. It yields around one ton per ha.

Potatoes are grown in both the villages where irrigation is possible. Land preparation for potato cultivation is done in January in Patan. The seed is planted in February and irrigated twice thereafter. Fertilizer is applied during the plantation. Weeding and ridging and furrowing are done in March and any inter-cropped vegetables are harvested by this time. Finally it is harvested in early April. In Melauli the land preparation is done in October much earlier than Patan but the plantation is done only in November and fertilizing and manuring thereafter. It is irrigated in January, mulched and weeded as per need until it is harvested in April. The harvest is stored for self-use but a good share is also sold locally in both the villages. The average yield of potato is 6.9 tons per ha in Patan and 5.6 tons per ha in Melauli.

Besides, black gram is grown on the marginal and higher lands during the summer where paddy can't be grown. It is also grown on the ridges of the paddy field and the average yield is around one ton per ha. Different green vegetables, such as radish, spinach, onion, garlic, cabbage, cauliflower are grown in the kitchen gardens and self-consumed.

2.6 Occupation Structure and Cash Income

2.6.1 Occupation Structure

As farming is the mainstay of life, about 85% of the working people are engaged in farming as their main job within the rural area (in the village and in the vicinity commutable on foot from the village) in both the villages (**Table 2.7**). About 6-7% of the working people, almost all males, are engaged in various nonfarm jobs, such as trading, shop and tea stall keeping, teaching in the local schools, priests and shamans, police, army, employees of the post office, health office and telephone office, tailoring, cobbling, pottering, blacksmithing, carpentry, masonry, transporting, portering, weaving, day labouring, animal herding and other menial work as their main jobs in the rural area in both the villages. About 8-9% of them are working as migrant labourers in nearby urban centres, such as Mahendranagar, Attaria, Dhanagadhi, Nepalganj and Pokhara, Kathmandu the capital city and various places in India, including, New Delhi, Bangalore, Lucknow, Ahmedabad, Hariyana, Jaipur, Deharadun, Nainital and Simla. In fact 60% of these migrant labourers in Patan and 70% in Melauli are working in India mainly in various salaried menial jobs, such as guardsmen in factories, offices and bazaars, bearers, cooks and helpers in restaurants, and house servants. The few of those with high education are engaged in clerical work and some are accountants, lawyers and engineers, as well. Some are even engaged in farming. Mentally and physically it is easier for them to work in India than in Kathmandu as the latter is too far away, living costs too expensive and has fewer opportunities. They not only work in India but also attend cultural and religious ceremonies and often exchange brides and bridegrooms. The people in this region have such a strong cultural and economic affinity with India that they practically do not consider India as a foreign country. All the Nepalese and the Indians can move almost freely in both the countries and these villagers make good use of it.

Most of these nonfarm jobholders undertake farming as their side job whereas some 10% of the people with farming as their main job are engaged in these nonfarm jobs in the rural area as their side jobs in both the villages. In the rural area, some females are occasionally engaged in these nonfarm jobs. There are

Table 2.7 : Job Kind, Working Place and Gender of Main Jobs in Study Villages

Job kind, working place and gender	Rural area			Urban area			Kathmandu			India			Total	Total (%)
	Male	Female	Sub total	Male	Female	Sub total	Male	Female	Sub total	Male	Female	Sub total		
Patan	1,137	1,484	2,621	3	5	8	-	1	1	-	3	3	2,633	85.68
Farming	20	-	20	1	-	1	1	-	1	-	-	1	23	0.75
Business	40	7	47	7	1	8	1	-	1	-	-	-	56	1.82
Professional	100	11	111	48	-	48	19	2	21	3	3	137	317	10.32
Skilled labour	11	5	16	3	-	3	2	-	2	-	-	-	21	0.68
Manual labour	15	3	18	3	-	3	-	-	-	-	-	2	23	0.75
Total	1,323	1,510	2,833	65	6	71	23	3	26	6	6	143	3,073	100
Melauli	848	1,184	2,032	3	3	6	-	-	-	-	4	6	2,044	84.39
Farming	25	3	28	1	-	1	-	-	-	-	-	-	29	1.20
Business	15	4	19	1	1	2	1	1	2	1	1	1	23	0.95
Professional	43	4	47	42	6	48	12	1	13	16	16	162	271	11.19
Skilled Labour	20	15	35	-	3	3	-	-	-	-	-	1	39	1.61
Manual Labour	4	3	7	1	-	1	-	-	-	2	2	4	12	0.50
Others	2	2	4	-	-	-	-	-	-	-	-	-	4	0.17
Total	957	1,214	2,172	48	13	61	13	2	15	23	23	174	2,422	100

Source: Field survey, 2001. Note: In Patan there are two males working in USA; business and salaried work, not included here.

Table 2.8 : Job Kind, Working Place and Gender of Side Jobs in Study Villages

Job kind, working place and gender	Rural area			Urban area			Kathmandu			India			Total	Total (%)
	Male	Female	Sub total	Male	Female	Sub total	Male	Female	Sub total	Male	Female	Sub total		
Patan	189	76	265	4	-	4	-	-	-	-	-	-	269	40.57
Farming	26	-	26	3	-	3	-	-	-	-	-	-	29	4.37
Business	15	1	16	-	-	-	-	-	-	-	-	-	16	2.41
Professional	45	4	49	15	-	15	3	1	4	89	4	93	161	24.28
Salaried	59	7	66	4	-	4	1	-	1	-	-	-	71	10.71
Skilled labour	81	8	89	2	1	3	-	-	-	22	-	22	114	17.19
Manual labour	2	1	3	-	-	-	-	-	-	-	-	-	3	0.45
Others	417	97	514	28	1	29	4	1	5	111	4	115	663	100
Total	151	104	255	1	-	1	-	-	-	1	1	2	258	45.66
Melauli	21	4	25	1	-	1	-	-	-	1	-	1	27	4.78
Farming	1	-	1	-	-	-	-	-	-	-	-	-	1	0.18
Business	7	2	9	-	-	-	1	1	1	11	-	11	21	3.72
Professional	55	3	58	1	-	1	-	-	-	-	-	-	59	10.44
Skilled Labour	95	6	101	39	-	39	-	-	-	32	-	32	172	30.44
Manual Labour	21	5	26	1	-	1	-	-	-	-	-	-	27	4.78
Others	351	124	475	43	-	43	1	-	1	45	1	46	565	100
Total	351	124	475	43	-	43	1	-	1	45	1	46	565	100

Source: Field survey, 2001.

also about 145 people in Patan and 87 in Melauli engaged in various nonfarm work as side jobs beyond the rural area with seasonal migration (Table 2.8). About 80% of these seasonal migrant labourers from Patan and 50% from Melauli end up in India.

Among all these migrants, Chhetris are no doubt the most in numbers but a greater percentage of the occupational caste people tend to leave village for seeking a job and most of them end up in India (Table 2.9). In addition to economic reasons, such as fewer job opportunities in Nepal, there could be social and psychological reasons behind for the preference of the occupational caste people to go to India as they are easily identifiable in Nepal and could be more vulnerable to discrimination in Nepal than in India. Thus, it can be said that on the one hand, there are handful of well-off people, mostly Bahuns and Chhetris, often with high education, who move out of the village seeking ever better opportunities and on the other hand those who move out for survival, more of them being occupational caste people, undertaking any available

Table 2.9: Main Job Holding According to Caste/Ethnicity in Study Villages

Job kind, working place and caste/ethnicity		Patan				Melauli				
		Bahun	Chhetri	Occupational caste	Total	Bahun	Chhetri	Magar	Occupational caste	Total
Rural area	Farming	743	1,321	557	2,621	539	1,091	31	371	2,032
	Business	7	13	-	20	14	13	-	1	28
	Professional	19	28	-	47	7	10	-	1	18
	Salaried	56	48	7	111	17	31	-	-	48
	Skilled labour	-	4	12	16	2	1	-	32	35
	Manual labour	8	-	10	18	-	-	-	7	7
	Others	0	0	0	0	1	2	-	1	4
	Total	833	1,414	586	2,833	580	1,148	31	413	2,172
Urban area	Farming	2	6	-	8	-	3	3	-	6
	Business	-	1	-	1	1	-	-	-	1
	Professional	6	2	-	8	1	1	-	-	2
	Salaried	13	33	2	48	16	31	-	1	48
	Skilled labour	1	2	-	3	-	-	-	3	3
	Manual labour	1	-	2	3	-	-	-	1	1
	Others	0	0	0	0	-	-	-	-	-
	Total	23	44	4	71	18	35	3	5	61
Kathmandu	Farming	1	-	-	1	-	-	-	-	-
	Business	1	-	-	1	-	-	-	-	-
	Professional	-	1	-	1	-	-	-	2	2
	Salaried	8	11	2	21	2	4	-	7	13
	Skilled labour	1	1	-	2	-	-	-	-	-
	Manual labour	0	0	0	0	-	-	-	-	-
	Others	0	0	0	0	-	-	-	-	-
	Total	11	13	2	26	2	4	-	9	15
India	Farming	-	2	1	3	2	1	-	3	6
	Business	-	1	-	1	-	-	-	-	-
	Professional	0	0	0	0	-	-	-	1	1
	Salaried	41	61	35	137	23	91	2	46	162
	Skilled labour	0	0	0	0	-	1	-	-	1
	Manual labour	-	1	1	2	-	4	-	-	4
	Others	0	0	0	0	-	-	-	-	-
	Total	41	65	37	143	25	97	2	50	174
Total		908	1,536	629	3,073	625	1,284	36	477	2,422

Source: Field survey, 2001.

job and more often landing up in India (Table 2.10).

These migrants are basically from the age cohorts of 15-19 to 35-39, the most active and productive population in Patan. When these people are subtracted from the respective age cohorts, the population pyramid becomes skewed (Figure 2.6). In Melauli such migrants are slightly younger and are basically from the age cohorts of 15-19 to 30-34, also the most active and productive population and as such, the adjusted population pyramid is skewed, as well (Figure 2.7). In addition there are also some young people, 13 in Patan and 74 in Melauli who leave their villages temporarily for studies.

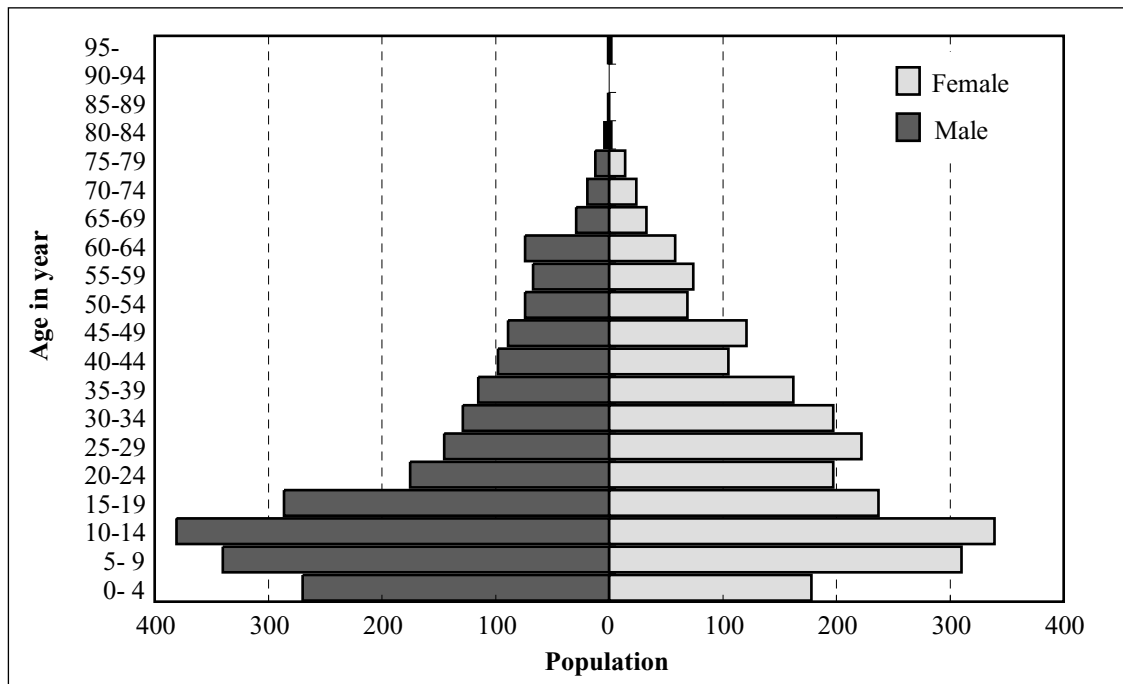
In Patan there are 34 households in the bazaar who come from neighbouring villages and run their businesses, such as, tea stall, cloth shop, lodge, stationary, repair shop and utensil shop. They are mostly single males, 20 to 44 years of age, and only six of them have spouses working together with them. Since they

Table 2.10: Main Job Holding According to Education in Study Villages

Job kind, working place and education	Patan								Melauli								
	No schooling		Schooling					Total	No schooling		Schooling					Total	
	IL	L	PS	SS	SLC	HS	GR		IL	L	PS	SS	SLC	HS	GR		
Rural area																	
Farming	1,030	714	263	459	63	71	21	2,621	1,233	322	235	206	27	7	2		2,032
Business	-	4	2	7	6	1	-	20	3	4	4	7	4	3	3		28
Professional	-	2	-	8	7	14	16	47	-	-	-	-	3	10	5		18
Salaried	4	9	11	40	17	16	14	111	3	3	3	12	8	11	8		48
Skilled labour	5	3	5	1	2	-	-	16	17	8	3	6	1	-	-		35
Manual labour	5	5	3	5	-	-	-	18	6	-	1	-	-	-	-		7
Others	-	-	-	-	-	-	-	-	2	-	1	-	-	1	-		4
Total	1,044	737	284	520	95	102	51	2,833	1,264	337	247	231	43	32	18		2,172
Urban area																	
Farming	1	1	2	1	3	-	-	8	2	1	-	3	-	-	-		6
Business	-	-	-	-	-	1	-	1	-	-	-	-	-	-	1		1
Professional	-	3	-	-	1	-	4	8	-	-	-	-	-	1	1		2
Salaried	-	1	1	16	10	9	11	48	2	1	2	20	12	5	6		48
Skilled labour	-	1	1	1	-	-	-	3	-	-	2	1	-	-	-		3
Manual labour	1	1	-	-	1	-	-	3	-	-	-	1	-	-	-		1
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Total	2	7	4	18	15	10	15	71	4	2	4	25	12	6	8		61
Kathmandu																	
Farming	-	-	-	1	-	-	-	1	-	-	-	-	-	-	-		-
Business	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-		-
Professional	-	-	-	1	-	-	-	1	-	-	-	-	-	-	2		2
Salaried	-	-	-	5	2	2	12	21	1	-	4	4	2	-	2		13
Skilled labour	-	-	-	2	-	-	-	2	-	-	-	-	-	-	-		-
Manual labour	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Total	-	-	-	9	2	2	13	26	1	-	4	4	2	-	4		15
India																	
Farming	2	1	-	-	-	-	-	3	4	-	1	1	-	-	-		6
Business	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-		-
Professional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1		1
Salaried	8	27	15	70	7	2	8	137	23	14	44	66	8	4	3		162
Skilled labour	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-		1
Manual labour	-	-	-	1	1	-	-	2	3	-	-	1	-	-	-		4
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Total	10	28	15	71	8	2	9	143	30	14	45	69	8	4	4		174
Total	1,056	772	303	618	120	116	88	3,073	1,299	353	300	329	65	42	34		2,422

Source: Field survey, 2001.

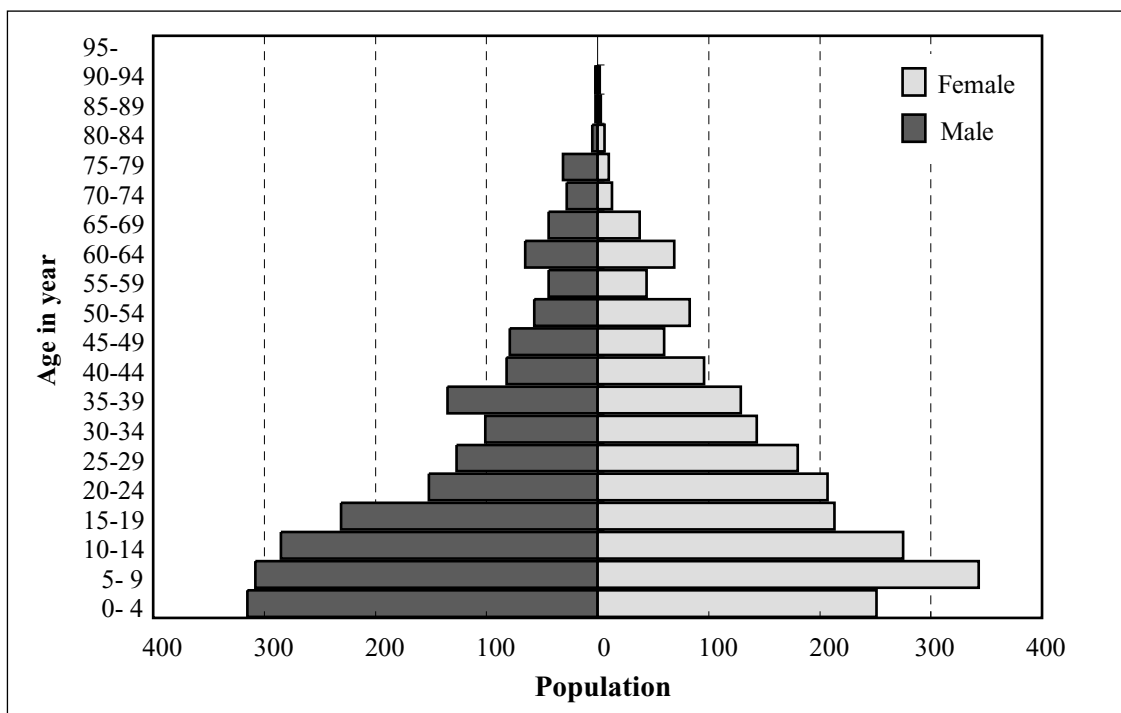
Note: Includes only those above 5 years of age. IL: Illiterate, L: Literates have no formal schooling, but can read, write and understand written forms of day to day matter, ability gained through self learning/informal education, i.e. of adult education and various after informal education programs. PS: Primary School (class 1-5), SS: Secondary School (class 6-10), SLC: School Leaving Certificate, HS: Higher Secondary School (class 11-12 or intermediate level), GR: Graduate (above bachelor's level).



Source: Field survey, 2001.

Note: People living outside of the village more than seven months for work and study are excluded here.

Figure 2.6: Adjusted Population Pyramid of Patan, 2001



Source: Field survey, 2001.

Note: People living outside of the village more than seven months for work and study are excluded here.

Figure 2.7: Adjusted Population Pyramid of Melauli, 2001

have no any other assets and family in the village they are not enumerated in the different village statistics.

2.6.2 Cash Income

The average annual income in both the villages is about NRs.27,000 in the main jobs (**Table 2.11**). The average annual income from the main job of farming is earned from selling grains, vegetables, livestock products, etc. in Patan is about NRs. 14,000 double the amount of Melauli. Similarly, the average annual

income from main job of business is much more in Patan than in Melauli. But for professional, salaried and manual labour jobs the income is slightly better in Melauli than in Patan. As for the average annual income from side jobs, it is about NRs.24,000 in Patan, much better than in Melauli where the amount is around NRs.7,000. People in Patan earn much more than those in Melauli in all kinds of jobs. Males always earn more than females in places beyond the rural area (**Table 2.12**).

The income of people working in Kathmandu from both the villages, in any kind of job, either main or side job, is better than the people working in all other places including India. But the number of people working in Kathmandu is very few. Thus, it could be understood that those few people with higher education land up in Kathmandu in stable jobs, such as business, professional and skilled labouring, whereas a large number of job seekers land up in India or other urban centers where they do any kind of job available. Such people do not earn as much as the people working in Kathmandu but can get engaged in variety of work without much qualification.

The average cash income per household in Patan is about NRs. 53,000 with 85% coming from non-farm jobs (**Table 2.18**). This amount is just about NRs. 28,000 with 77% coming from nonfarm jobs in Melauli (**Table 2.19**). The share of nonfarm income in the total average cash income is naturally highest among landless farms in both the villages and above 80% in all other farm categories in Patan. But in Melauli only the medium category has a share above 80%, the rest, small and large categories, have a share just above 70%. Further, Chhetris in Patan have the highest amount of average cash income per household (NRs. 63,000) and highest share coming from nonfarm jobs (94%). Chhetris from large farms earn a very handsome amount of cash income per year. In Melauli the people from occupational caste earn the highest amount of average cash income (NRs. 32,000), though not significantly different from the amount earned by other caste and ethnic groups, and the share of nonfarm income is also the highest (80%) among the people of occupational caste and Chhetri.

For Magars it is only 50%, which is not much less than that of the occupational caste, but is more than those of Bahuns and Chhetris. This indicates that the cash income from farming is also high among the Magars.

2.7 Financial Transaction

2.7.1 Procurements of Loans

Farmers procure loans mainly in three different ways, formal, informal and semiformal, to meet their various needs in both the villages. The formal way is the procurement of loans through banks, commercial or government, mostly through written pledges with the guarantee of fixed and or social assets. Loan amounts and the interest rates are generally standardized; differ according to purpose and duration of the loan. People opt for this loan when they are in need of a decided loan amount for a fairly long period provided they have the assets. The taking of this loan involves lots of paperwork, consumes time, and needs to have an understanding of the complicated official banking system and unofficial rent seeking practices. Thus, one needs to be fairly educated and socialized to use this channel of taking loans. The informal way to procure loans is through any nears and dears, including relatives, neighbours and friends, local leaders, landlords, local shopkeepers and businessmen, and moneylenders, including pawnshops. Loan amounts and interest rates greatly vary in these informal loans and are procured more with mutual understanding. The loans used for daily or sudden abrupt needs, i.e., paying for food and clothes, school fees, medical costs, ceremonial costs, travel costs, repair costs and farm inputs costs, when small in amount are borrowed from socio-economically equal nears

Table 2. 11 : Average Income of Main Job According to Job Kind, Working Place and Gender in Study Villages

Job kind, working place and gender	Rural area			Urban area			Kathmandu			India			Average	
	Male	Female	Sub total	Male	Female	Sub total	Male	Female	Sub total	Male	Female	Sub total		
Patn	Farming	16,849	11,152	13,759	14,400	10,000	11,100	-	-	-	24,000	24,000	13,757	
	Business	49,321	-	49,321	24,000	-	24,000	240,000	-	240,000	60,000	60,000	59,676	
	Professional	34,601	34,000	34,511	37,314	30,000	36,400	36,000	-	36,000	-	-	34,808	
	Salariated	30,977	30,250	30,921	46,041	-	46,041	62,632	36,000	61,300	26,633	26,495	33,463	
	Skilled labour	37,875	8,375	28,042	20,000	-	20,000	30,500	-	30,500	-	-	26,912	
	Manual labour	25,357	28,000	25,824	31,500	-	31,500	-	-	-	33,000	-	33,000	27,048
Average	27,289	13,722	22,711	42,341	15,000	40,633	66,391	36,000	65,125	26,999	20,000	26,836	27,040	
Melauti	Farming	6,993	7,295	7,071	3,000	-	3,000	-	-	-	48,000	48,000	7,346	
	Business	17,238	12,500	17,048	48,000	-	48,000	-	-	-	-	-	18,238	
	Professional	39,225	44,743	40,904	60,000	32,400	46,200	120,000	120,000	120,000	-	38,400	41,782	
	Salariated	37,598	40,645	37,827	34,693	34,320	34,652	52,367	36,000	51,108	38,238	42,924	37,763	
	Skilled Labour	14,829	-	14,829	-	36,000	36,000	-	-	-	36,000	-	36,000	22,527
	Manual Labour	-	-	-	40,000	-	40,000	-	-	-	52,500	34,560	43,530	42,824
Average	8,000	6,000	7,000	-	-	-	-	-	-	-	-	-	7,000	
Average	16,498	11,463	15,567	34,964	34,667	34,915	57,569	78,000	60,293	38,489	41,406	38,747	27,413	

Source: Field survey, 2001. Note: US \$ 1= NRs. 75. In Patan there are two males working in USA; business and salaried work, not included here.

Table 2.12 : Average Income of Side Job According to Job Kind, Working Place and Gender in Study Villages

Job kind, working place and gender	Rural area						Urban area			Kathmandu			India			Average			
	Male		Female		Sub total		Male		Female		Sub total		Male		Female		Sub total		
Patari	Farming	13,912	7,740	-	-	10,565	-	-	-	-	-	-	-	-	-	-	-	-	10,565
	Business	35,582	-	19,954	-	35,582	19,954	-	-	-	-	-	-	-	-	-	-	-	33,707
	Professional	36,524	36,000	-	-	36,480	-	-	-	-	-	-	-	-	-	-	-	-	36,480
	Salaried	26,345	26,694	38,398	-	26,369	38,398	48,000	30,000	42,000	25,905	20,627	25,663	27,490					
	Skilled labour	33,916	10,457	44,292	-	32,279	44,292	65,753	-	65,753	-	-	-	33,758					
	Manual labour	11,918	13,311	24,000	-	12,036	24,000	-	-	-	28,887	-	-	15,829					
Average	23,148	10,556	36,032	-	20,881	36,032	53,918	30,000	47,938	26,484	20,627	26,265	23,538						
Melauli	Farming	3,448	3,510	-	-	3,484	-	-	-	-	-	-	-	3,600	2,400	-	-	3,000	
	Business	11,395	5,625	108,000	-	10,433	108,000	-	-	-	30,000	-	-	30,000	-	-	-	14,938	
	Professional	3,000	-	-	-	3,000	-	-	-	-	-	-	-	-	-	-	-	-	3,000
	Salaried	24,644	12,000	4,000	-	21,031	4,000	20,000	-	20,000	11,945	-	-	15,717					
	Skilled Labour	11,204	2,100	5,126	-	10,860	5,126	-	-	-	-	-	-	10,733					
	Manual Labour	6,314	9,480	4,800	-	6,468	4,800	-	-	-	6,338	-	-	6,143					
Others	5,467	-	7,540	-	5,467	4,800	-	-	-	-	-	-	5,467						
Average	7,374	4,087	7,540	-	6,489	7,540	20,000	-	20,000	8,174	2,400	-	6,792						

Source: Field survey, 2001. Note: US \$ 1 = NRs. 75

Table 2.13 : Loan Type According to Source and Interest Rate in Study Villages

Loan source, amount and interest rate		No. of loans	Biggest loan amount (NRs)	Smallest loan amount (NRs)	Average loan amount (NRs)	Interest rate per year	
Patan	Formal	Bank	150	300,000	1,000	21,797	4 -24%
	Semiformal (program)	Woman group	37	500,000	100	22,097	12 -24%
		Agriculture group	1	4,500	4,500	4,500	36%
		Livestock group	5	50,000	4,000	17,500	12 -24%
		Saving and credit group	6	5,000	1,000	2,417	24 -36%
		Family planning	1	5,000	5,000	5,000	-
		Youth club	1	1,000	1,000	1,000	24%
	Informal	Village lender	48	721,000	1,500	39,844	20 -36%
		Neighbour	33	50,000	200	20,758	18 -60%
		Landlord	25	62,000	1,000	24,840	12 -60%
		Business man	2	100,000	100,000	100,000	18 -24%
		Relative	1	20,000	20,000	20,000	-
		Others	2	20,000	5,000	12,500	5 -36%
Total/average		312	-	-	24,584	-	
Melauli	Formal	Bank	92	200,000	1,000	29,653	15 -24%
	Semiformal (program)	PDDP group	143	200,000	200	10,606	18 -36%
		Other group	2	80,000	4,000	42,000	24 -36%
	Informal	Landlord	445	750,000	150	37,552	18 -60%
		Business man	4	13,000	1,000	4,625	18 -36%
		Shopkeeper	3	30,000	1,000	12,000	36%
Total/average		689	-	-	30,605	-	

Source: Field survey, 2001.

Note 1: Formal loan is from government and commercial banks. Semiformal loan is from groups under various development programs and spontaneous self-help and mutual aid groups. Informal loan is from relatives, neighbors, traditional money lenders, and other village elites.

Note 2: Loan amount is in Nepali rupees (NRs.); US \$ 1= NRs. 75. No. of loans are nominal and households having plural loans are accounted plural times. In Patan 252 households have loans from one source and 30 from two sources. In Melauli 385 households have loans from one source, 134 from two sources and 12 from three sources. PDDP is Participatory District Development Program.

and dears on a verbal understanding and are basically interest free but may have to provide some unseen services, including free labouring. When such amounts are big and or have to be procured from moneylenders, landlords or businessmen paperwork and assets would be needed. Such paperwork is not complicated as in the banks, but the interest rates are generally very high.

The semiformal way to procure loans is through various development programs of NGOs and donor agencies with a savings and credit component, self-help groups and mutual funds. The first two are a phenomenon of the past few decades in the developing world and a recent phenomenon of the past decade in

Nepal. The entry points of these programs could be various, such as creating a saving habit, getting organized and empowered, disseminating production technology, building productive physical infrastructure, developing of human resources, nurturing of equal rights and abolishment of race, gender, ethnic, language, class and profession discrimination, but their overall goal is rural development. In fact they profess that the villagers need to become more rationale in modern ways. They provide credit capital, skill training, knowledge sharing and enlightenment tours to the villagers in the process. Self-help groups and mutual funds are a traditional means to make ends meet from seasonal and yearly needs to lifelong and generational needs. It is based on the central theme of mutual help at times of need and thrives on the local social network built location specifically by the villagers themselves upon customary wisdoms best suiting their needs.

In Patan 312 cases of loans are reported of which nearly half (150 cases) were from formal banks, with about a NRs. 22,000 average loan amount, the highest and the lowest amounts being NRs. 300,000 and 1,000, respectively, and the annual interest rates varying from 4 to 24% (**Table 2.13**). The lower interest rates are generally policy-induced preferential loans and are highly subsidized whereas the higher ones are mostly acquired for some kind of investment almost against the collateral of some sort of fixed assets. About one-third (111 cases) of the loans are informal from moneylenders, villagers, landlords, businessmen, relatives and others. The average loan amount per each source varies from NRs. 12,500 to NRs. 100,000 and the interest rates per annum vary from 5 to 60%. The more common interest rate in the village for these informal loans is 36% and 42% for emergency needs. Any loans with an interest rate of less than 30% are given with special consideration according to the social relations of the loaner and the borrower, whereas 60% is a shark loan with vested interests on both the parties. Loans from relatives are free of interest and can be as little as some hundred rupees. Often the loan amounts from the lenders are larger than the ones from formal institutions and reaches up to NRs. 721,000. The rest of the loans are from semiformal sources based on group activities of various development programs, such as women development, agricultural and livestock development, saving and credit, and youth clubs. The loan amounts per each case from such sources are relatively smaller, varying from NRs. 1,000 to NRs. 50,000 and interest rates between 12 to 36% per annum. The interest-free loan from a family planning program is an incentive to the villager to participate in the program.

More than 80% of the formal and semiformal loans are used by all the ethnic groups in production activities, such as farming, business and others whereas about 80% of the informal loans are used in household consumption activities to make ends meet (**Table 2.14**). Small and medium category farmers are the most frequent borrowers as the large farm may need not borrow and the landless are often regarded as not worthy of lending even by the development programs that are supposed to be the champions of development and advocates of the poor and alleviators of poverty. About half of the loans made by people of all caste are for farming while only 30 to 40% of the loans are used for household consumption. Chhetris actively borrow from formal and informal sources followed by the Bahuns. But the people from the occupational caste have to depend upon formal loans with collateral as most of their socio-economic equals are unable to give loans. Similar numbers of people in these different castes undertake semiformal loans but the occupational castes use them more due to lack of other sources to meet their needs (**Table 2.15**).

In Melauli, there are 689 cases of loans, which is much greater than in Patan. Formal loans from banks have about 15% share in the total number of loans, the loan amount per case varying from NRs. 1,000 to NRs. 300,000 and the annual interest rates from 15 to 24% (**Table 2.13**). Semiformal loans under the village-level development programs of Participatory District Development Program (PDDP) have a 20% share in the total number of loans, the loan amount varying from NRs.200 to NRs.200,000, the average loan

Table 2.14 : Purpose of Loan According to Caste/Ethnicity, Farm Category and Loan Source in Study Villages

Loan purpose, caste/ethnicity, farm category and loan source		Caste/Ethnicity				Farm category				Loan source			Total
		Bahun	Chhetri	Magar	Occupational caste	Landless	Small	Medium	Large	Formal	Semi-formal	Informal	
Patan	Farming	58	78	-	27	1	95	64	3	109	41	13	163
	Nonfarming	3	10	-	5	-	9	8	1	13	1	4	18
	Household	40	69	-	14	-	75	46	2	25	7	91	123
	Others	4	1	-	3	1	6	1	-	3	2	3	8
	Total	105	158	-	49	2	185	119	6	150	51	111	312
Melauli	Farming	47	82	4	18	-	78	68	5	50	75	26	151
	Nonfarming	13	19	-	8	-	23	16	1	10	8	22	40
	Household	112	217	4	108	3	255	177	6	25	55	361	441
	Others	3	49	-	5	-	22	34	1	7	7	43	57
	Total	175	367	8	139	3	378	295	13	92	145	452	689

Source: Field survey, 2001.

Table 2.15: Loan Source According to Caste/Ethnicity and Farm Category in Study Villages

Loan source, caste/ ethnicity and farm category		Caste/ethnicity				Farm category				Total
		Bahun	Chhetri	Magar	Occupational caste	Landless	Small	Medium	Large	
Patan	Formal	52	71	-	27	-	86	60	4	150
	Semiformal	19	18	-	14	1	37	12	1	51
	Informal	34	69	-	8	1	62	47	1	111
	Total	105	158	-	49	2	185	119	6	312
Melauli	Formal	27	52	-	13	-	45	47	-	92
	Semiformal	41	64	4	36	-	77	64	4	145
	Informal	107	251	4	90	3	256	184	9	452
	Total	175	367	8	139	3	378	295	13	689

Source: Field survey, 2001.

amount being about NRs.30,000 and the annual interest rates varying from 18 to 36%. Two-thirds of the loans are informal from landlords, businessmen and shopkeepers with average loan amounts varying from NRs. 4,600 to NRs. 37,500. Informal loans are at times as little as few hundred rupees, but again bigger amounts come from the professional moneylenders, the biggest amount being NRs. 750,000 here in this village also.

Being a remote village, informal financial transactions are more common here, although they are being reduced to some extent by successful introduction of PDDP program. Here around 70% of the formal and semiformal loans are used in productive activities, such as farming, business and others whereas 80% of the informal loans are used for household consumption to make ends meet (**Table 2.14**). Here too the Chhetris, followed by the Bahuns from small and medium farm categories, are the most active borrowers, mostly through informal channels. But here even the people from occupational caste borrow actively from the informal sources (**Table 2.15**). About one-fourth of loans by Bahuns and Chhetris are for farming while about 60 to 70% are for household expenses. Magars use loans half for farming and half for household expenses. More than three-fourth of the people of occupation caste also use it for household expenses.

2.7.2 Saving Methods

Savings are also done in formal, informal and semiformal ways in both the villages. Fixed deposits in the banks are the main methods of formal savings whereas informal ways of savings would be to invest or have a share in businesses, such as, trading, transporting, and contracting and hoarding, run by fellow beings, and the giving of loans to those who need it within the village. Some simply put the money in their houses under the ceilings, beds, statues, inside the pots or treasure boxes. Semiformal savings are done in the saving groups by contributing certain amount of money, rather small, periodically by the respective members of the group. Such savings under the development programs get certain amount of interest whereas self-help groups and mutual funds will often invest it in group or individually, in turn rotating among the members, often through bidding. In such a case the member who bids to pay the highest interest rate gets the loan to be used as desired. In the former case they get the dividend and in the latter case they will get a chance to use the lump sum money during the rotation. The profit maximization from this chance will depend upon the available opportunities and efforts.

In Patan, 113 cases of savings are reported of which eight are formal savings in the banks, with saving amounts varying from NRs. 1,000 to NRs. 100,000 and the interest rates varying from 8 to 24% (**Table 2.16**). Of the nine informal savings, five are in-house savings, with amounts varying from NRs. 10,000 to NRs. 15,000, three, with the amounts varying from NRs. 11,000 to NRs. 33,000, are being loaned to the villagers and one case of NRs. 40,000 is being invested in a business share. The interest rates for these savings vary from 8 to 24% in formal and informal savings. There are 96 semiformal savings under various development programs, saving NRs. 20 to NRs. 160 per month. With the accumulation of these savings they also become eligible for getting loans from the respective programs. Thus, these savings become a kind of collateral to the loans they would be taking later. Interest rates of such savings are rather low, around 5 to 18% per annum. Savings not leading to such loan facilities in the future and done within the self-help groups often can bring interest rates as high as informal loans.

The main purpose of the formal savings is to meet future household expenses and improve life, whereas that of informal savings is to meet various things, including household expenses (**Table 2.17**). The purpose of two-thirds of the semiformal savings mostly made by medium farmers, by its very nature, is to develop the group, establish a cooperative and consequently get cheaper loans. Some 20% of the people, mostly Chhetrsi and Bahuns from small and medium farms also take it as pure savings to be used for household expenses in the future while a few also save to improve farming in the future.

In Melauli there are 337 cases of savings of which 256 cases (76%) are semiformal savings under the PDDP program, saving NRs. 20 per month for which they get 18% interest per annum (**Table 2.16**). Some 64 cases (20%) are informal savings, mostly given as loans to the fellow villagers, some being indirectly invested locally in the form of a share in the business done by the fellow beings, and two of them saving in their own houses. Such saving amounts vary from NRs. 1,000 to NRs. 200,000 and receive annual interest up to 36%. But some of the money given as loans to the fellow villagers is free of interest. They do so to ensure future loans from them, even if needed, basically on the mutual-help principles. There are 17 cases (5%) of formal savings in banks, cooperatives, and government bonds and employees fund. Such savings per case vary from NRs. 2,000 in a cooperative to NRs. 1,600,000 in banks and their annual interests vary from 3% in flexible use bank accounts to 18% long-term fixed deposits and other funds. The purposes of these formal savings are for investing in farming, education of dependents, business, and to improve future economic condition (**Table 2.17**). More than 40% of the informal savings are also for future uses in farming, business

Table 2.16 : Saving Method, Amount and Interest Rate in Study Villages

Saving method, amount and interest rate			No. of savings	Biggest saving amount (NRs)	Smallest saving amount (NRs)	Average saving amount (NRs)	Interest rate per year
Patan	Formal	Bank	8	100,000	1,000	33,000	8~24%
	Semiformal (program)	Saving and credit group	59	5,000	180	-	8~36%
		Woman group	25	1,200	160	-	7~18%
		Livestock group	7	1,440	480	-	8~12%
		Farming group	5	720	240	-	5~12
	Informal	Business	1	40,000	40,000	40,000	-
		Home	5	15,000	10,000	12,200	-
Provide loan		3	33,000	11,000	20,500	8~24%	
	Total/average	113	-	-	4,327	11%	
Melauli	Formal	Bank	10	1,600,000	35,000	214,003	3~18%
		Life insurance	1	50,000	50,000	50,000	18%
		Co-operative	2	5,000	2,000	3,500	18%
		Provident fund	3	25,000	2,000	15,667	18%
		Government bond	1	15,000	15,000	15,000	12%
	Semiformal	PDDP group	256	50,000	500	-	18~36%
	Informal	Business	12	200,000	1,000	33,250	36%
		Home	2	30,000	10,000	20,000	-
		Provide loan	50	200,000	1,500	30,962	0~36%
		Total/average	337	-	-	13,644	20%

Source: Field survey, 2001.

Note 1: Formal: Savings in government and commercial bank. Semiformal: Savings in groups under various development programs and spontaneous self-help and mutual aid groups. Semiformal ways of saving under various programs generally make its members save certain amount of money regularly. In Patan, members of saving and credit group program save NRs. 20, women group, NRs. 160, livestock group, NRs. 50, and farming group, NRs. 25, per month, each. Informal: Money lent to relatives, neighbors business men, and is house savings.

Note 2: Loan amount is in Nepali rupees (NRs.); US \$ 1= NRs. 75. In Patan each household has only one saving. while in Melauli 276 households have one saving, 26 households have two savings and 3 households have three different savings. PDDP is Participatory District Development Program.

and other economic opportunities, and education of dependents. About 25% would use it for future food and household expenses, while many also would like to use it to meet various needs. Some would also like to get cheaper loans in the future by building group relationship bonds. The semiformal savings are hoped to be used in farming and other economic opportunities including business, education of dependents, and formation of cooperative. But many would use it to meet various needs as they come in the future. This is true for all the caste/ethnic groups and all landed farm categories.

Table 2. 17: Purpose of Saving According to Saving Method, Caste/Ethnicity and Farm Category in Study Villages

Purpose of saving, saving method, caste/ ethnicity and farm category	Saving method			Caste/ethnicity				Farm category				Total
	Formal	Semiformal	Informal	Brahmin	Chhetri	Magar	Occupational caste	Landless	Small	Medium	Large	
Patán	Farming	5	-	3	2	-	-	1	1	3	-	5
	Group development	-	28	-	13	10	5	-	3	24	1	28
	Cheaper loan	-	9	-	5	3	1	-	2	5	2	9
	Future use	6	20	1	9	14	4	3	10	14	-	27
	Others	2	34	8	28	10	6	1	21	20	2	44
	Total	8	96	9	58	39	16	5	37	66	5	113
Melauli	Farming	-	57	1	19	12	25	-	39	18	1	58
	Business	3	47	12	6	47	9	-	21	40	1	62
	Group development	-	9	-	-	7	2	1	4	4	-	9
	Cheaper loan	-	19	1	3	13	4	-	12	7	1	20
	Future use	9	72	21	29	52	20	-	47	51	4	102
	Others	4	52	30	8	70	8	-	36	45	5	86
Total	16	256	65	65	201	68	1	159	165	12	337	

Source: Field survey, 2001.

Note: Farming includes vegetable and livestock production, business includes local investment such as petty trading and hoarding, future use includes household expenses, education expenses and other consumption expenses, group development includes participation in different programs and institutional building, others include savings without any specific purposes.

2.8 Group Activities and Evaluation

2.8.1 Group Formation

Groups are formed generally in two ways in the village. The first one would be the spontaneous formation of the group by the villagers upon feeling its need after perceiving some important social/economic issues facing the community. Villagers would be forming such groups to tackle the issue by making use of conventional wisdom. It will be built upon the social network with the motif of self-help and mutual aid. Anybody from the community can become a member of the group on an equal basis. This is the traditional way of group formation and some established communities might have a long history of such group formation. Although there will be clear leadership and the role of the group members defined, there will be fewer written laws and more unwritten rules, observed rather than imposed, based on the values of the community in such groups. Most of the times the decisions are made on the basis of consensus among the members and seniority commands certain respect in the process. Rotating saving and credit associations (ROSCAs) are such spontaneous groups dealing with economic aspects of the group members.

The other way of group formation would be under the guidance of development programs in which the groups would act as the participatory end user and or facilitator of the program. Bylaws of such groups are defined very clearly and the rules are made with minute details under the interventions of the developing programs. Leaders are generally elected and the roles of the members are clearly defined, often divided into ordinary membership and inner-core working membership. The development service of the programs would be delivered to the group or to the individuals through such groups abiding by the rules and regulations of the program. Often the development programs will give institutional and technical trainings to the group and its members to enhance the effects of the program and achieve the development targets. At times the development programs make use of the already existing groups or duplicate such groups found elsewhere to realize their programs and achieve their targets with necessary orientation and trainings. Due to this reason some spontaneous groups are formed nowadays with an eventual aim to be become a group that would be incorporated into one of the development programs. They are regarded as development oriented groups. Most of these development-oriented groups have program of saving and credit as a core component. Even the programs with institutional and technological service delivery components have the saving and credit program as an additional program.

2.8.2 Development Activities

In conducting the survey of the villagers, 87 in Patan and 134 in Melauli, participating in activities of various groups, 14 types of groups in Patan and 12 types of groups in Melauli were identified. These groups can be bundled into four categories, informal group, women group, community forest users group and agricultural group in Patan and informal group, women group, community forest users group and PDDP group in Melauli. Informal groups are spontaneous groups built upon social networks with the motive of self-help and mutual aid. The Himchuli Yuwa Sadan (youth club), Sarashwoti Ekata Club, Dhami Samuha in Patan and the Siddhartha Samuha (youth club), Awareness Group in Melauli are all informal groups. Such groups softly undertake the social issues in both the villages. These days the issues they try to advocate and tackle are generally the ones related to social adaptations to “modernization” and the changing world. In Patan, Himchuli Yuwa Sadan, is running an adult literacy campaign while Sarashwoti Ekata Club is raising funds by collecting not only money but also locally available goods. Youth club and awareness group in Melauli act more as a facilitator in organizing various training programs and seminars.

Women groups are spontaneous groups of women folk in the community to deal with the issues specific to and or handled by the female members of the community. These groups are generally very active and are recognized successfully undertaking the service delivery programs of various NGOs and donor agencies. Women's groups in these villages are the duplicates of the spontaneous groups to undertake the service delivery programs, such as saving and credit, vegetable farming in both the villages, and family planning and drinking water programs in Melauli. In Patan they also act as facilitators of Community Based Economic Development (CBED) of the Canadian Centre for International Studies and Cooperation (CECI) and the Centre for Environment and Agricultural Policy Research Extension and Development (CEAPRED) and promote the respective programs of saving and credit, and vegetable farming.

Community forest users groups are development oriented groups generally built upon social network spontaneously. They are formed to use and manage the community forest in a participatory manner to gain optimum benefit with sustainable use and preservation of the environment. Since these groups are formed to manage the forest near the settlements used by the villagers for a long time, they tend to be very specific to the micro-locations and membership limited to the dwellers of the same settlement or community.

Agricultural groups in Patan are basically the development oriented groups formed to disseminate vegetable farming and goat rearing. They differ from women's groups undertaking similar agricultural programs in their openness of membership to males and institutional organization. They are formed under the interventions of related development programs. Groups under the PDDP program in Melauli advocates any development activity in a joint and participatory manner. The activities range from vegetable farming to the management of a preparatory school and the building of social awareness to eradicate the social rudiments regarding temple girls. The villagers are made aware of the benefits of group formation by the designated social mobilizers selected from the villagers by the program officers. There are already 71 PDDP groups scattered through out the different settlements in the village by 2001. All the PDDP community level groups are coordinated by the village program officer and are constantly advised by the district level program office through that officer. Thus, all the PDDP groups have the same bylaws, organization and institutional makeup, and similar programs.

All of the groups also have saving and credit programs either as a main or side component, and make their members save a certain amount of money regularly and disburse loans from time to time to their members. Some of the details of loans and savings have been highlighted in the earlier sections. Many of them also get officially registered either as local NGO or as a cooperative and get federated as a district-level cooperative to make their legal footholds strong.

2.8.3 Evaluation of Group Activities

In order to understand the modalities of the activities of various groups in the study villages, a questionnaire survey was conducted to evaluate members' participation, nature of programs, quality of leadership, methods of program implementation through coordination with other institutions, sustainability of the group, effects of programs in enhancing social welfare, self confidence and empowerment, and health. All together 87 villagers in Patan and 134 in Melauli, who were actively participating in at least one group were interviewed. The interview was taken from both the core managerial members and the general members of the group in order to have balanced information. They were asked to evaluate the group of which they are the members regarding the above mentioned aspects of the group in five stages; worst, bad, fair, good and excellent. Each of the evaluating aspects of the group has further detailed points for evaluation, also done in five stages.

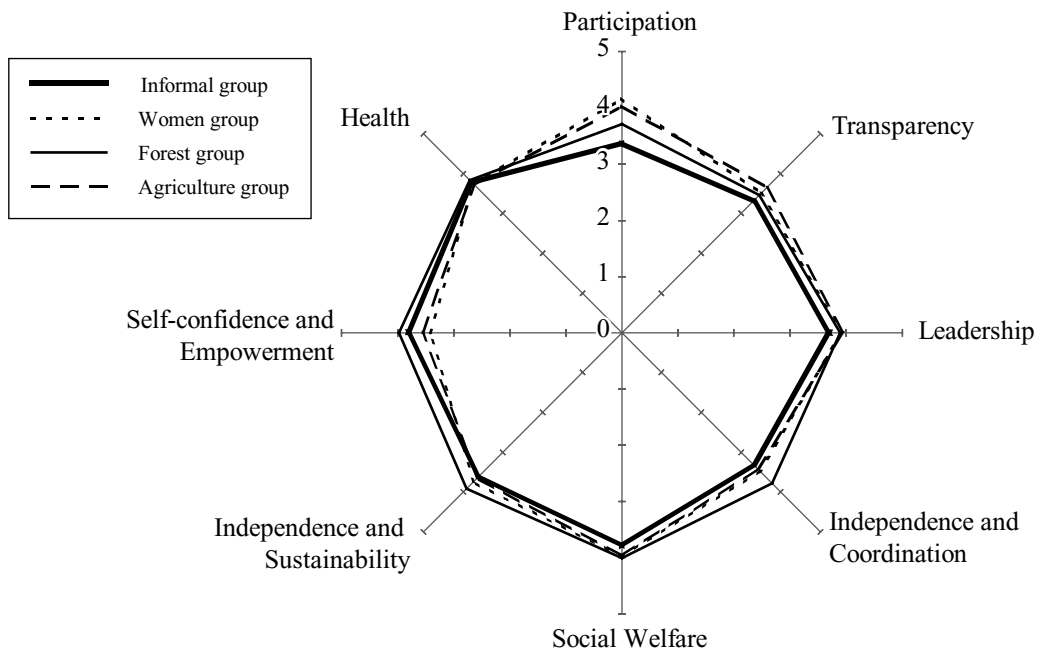
Participation of the members is evaluated in different stages according to aspects such as creation of rules and regulation, program selection, program implementation, and operation and maintenance of the group. The nature of programs is evaluated according to transparency and achievements of the programs regarding program goals, saving and disbursement of group fund, seed capital fund, VDC fund channelled to the group, and the knowledge of rules and regulations of the group. Similarly, the leadership quality is evaluated according to honesty, devotion, responsibility and efficiency of the group leaders; chairman, manager and other core managerial members. Methods of program implementation through coordination with other institutions is evaluated according to the dependency and coordination with other institutions, such as VDC, DDC, government line agencies, various non governmental organizations and spontaneous groups, such as Ama Samuha (women group), whereas the sustainability of the group is evaluated according to sustenance of leadership, program operation, economic status, and acquired skill and technology status of the group. All of these aspects are regarded as institutional aspects.

Regarding the evaluation of the effects of programs in enhancing social welfare, mutual understanding and mutual helping behaviour of the members with one another, acclimatization to the new habit of group behaviour, conflict and quarrels among the members/villagers, alleviation of untouchable feelings, inspiration/encouragement for group actions, and skill and capability enhancement are being considered. Further, the effects of programs in enhancing the self confidence and empowerment of the members are evaluated according to producing of local elites and social mobilizer, being able to organize, being able to recognize duties and rights, capability to put forward the demands to the authorities, children's education, adult literacy, access to credit, enhanced production technology; irrigation status, and other income generating opportunities. In addition to this, the effects of programs in enhancing health are evaluated according to nutritional health, family planning, drinking water status and hygienic toilet use.

All of these variables are marked by the numbers 1 to 5, in which, 1 is regarded as worst, 2 as bad, 3 as fair, 4 as good and 5 as excellent and their mean value in each aspect is considered for the analysis of respective groups. Again for simplicity, discussion is done according to groups bundled into four categories, as mentioned above, in each village. The values of each aspect are presented in octagonal graphs in **Figure 2.8** for Patan and **Figure 2.9** for Melauli.

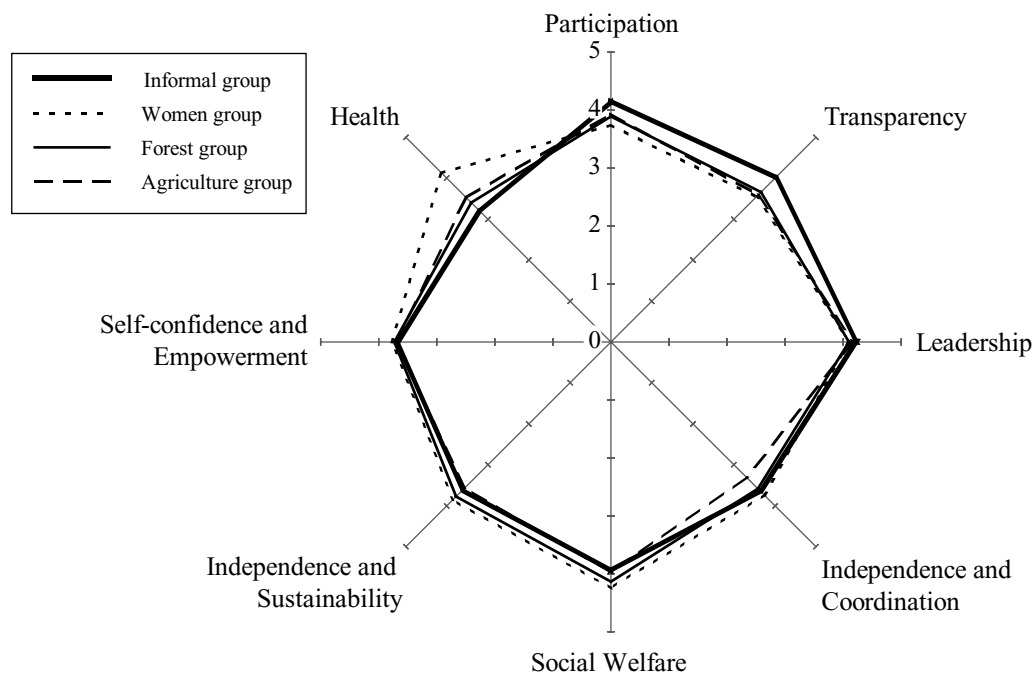
All the respondents of the survey evaluated all the aspects of the groups and their variables in the interview questionnaire to be above fair, mostly good and fair and at times excellent. With the exception of some occasional cases, nobody found that any aspect of the group and or its variables to be bad or worst. Hence, the aggregated mean values of the groups and their bundles are exclusively above 3. Accordingly the discussion hereafter will be to differentiate the attributed values near to 3, i.e., as being fair and near to 4 or above, i.e., as being good or better.

In Patan, the evaluations of all the eight aspects of informal groups are between 3 to 4. The values for effects of programs in enhancing social welfare, self confidence and empowerment, and health are relatively higher while those for the nature of programs and their implementation through coordination with other institutions are relatively lower (**Figure 2.8**). This could be due to the very nature of these groups that they are formed to softly tackle the various social issues. But, at the same time their programs may be holistic and vague in nature and hence difficult to assess their qualities and implementation methods clearly. In the case of women groups all the values are above 3.5 and those for participation, leadership and effects of programs in enhancing social welfare is relatively high. These values confirm the gender sensitivity of these groups and their clear message to change the society by enhancing social welfare. Community forest users groups have the most balanced values, nearly 4 in all aspects. Being a development-oriented group, based on spontane-



Source: Field survey, 2001

Figure 2.8: Evaluation of Groups in Patan



Source: Field survey, 2001

Figure 2.9: Evaluation of Groups in Melauli

ous formation and location specific social network, it has quality leadership and high participation. Since community forest users groups are continuously guided by the district forest office, their programs are transparent and implemented in coordination with other institutions. Achievements of the programs are shared among all the members, which contribute towards enhancing their social welfare, self-confidence and empowerment, and health. The agricultural groups are also evaluated better with the values for all the aspects being above 3.5 and relatively higher in participation, leadership quality and enhancement of social welfare but relatively lower for program implementation. Since they are groups formed to deliver the development services, members and leaders have high motivation to be active because they can obtain direct benefits in a rather short period that would enhance the social welfare.

In Melauli, the evaluations of all the eight aspects of informal groups are above 3.5. The values for participation, leadership quality and nature of program and effects of programs in enhancing social welfare are all very high and that for enhancing self-confidence and empowerment is relatively high (**Figure 2.9**). This could be attributed again to the very nature of these groups that are formed spontaneously to softly tackle the various social issues, with high motivation for participation, quality leadership and problem specific programs. In the case of women groups, all the values are above 3.5 and those for the effects that programs have in enhancing social welfare and health, and leadership are above 4. These values not only confirm the gender sensitivity of these groups and send a clear message to change the society by enhancing the social welfare and health of the members; the villagers are also constantly motivated by NGOs to achieve the eradication of Deuki customs and the related discriminations. The women groups in Melauli are all development oriented ones with interventions and motivations from NGOs and donor agencies. Community forest users groups have rather balanced values, all above 3.5 and greater than 4 in quality of leadership and enhancement of social welfare. Being a development-oriented group, based on spontaneity in formation and location-specific social network, it has quality leadership and high participation in this village, as well. Here too, they are being continuously guided by the district forest office; hence their programs are transparent and are implemented in coordination with other institutions. Achievements of the programs are shared among all the members that contribute in enhancing their social welfare, self confidence and empowerment, and health. The evaluation of the PDDP groups are very similar to forest users group due to the identical nature of their formation, similarity in being continuously guided by the district-level office, similar ways to share the achievements among the members specific to micro locations.

In general the groups in Melauli are better appreciated and highly evaluated than in Patan. This fact can be symbolically confirmed in the evaluation of women groups in both the villages. The values of women groups, with continuous external motivations, in Melauli are better than those in Patan in all the aspects, except the members' participation. The relative lesser value for the participation in Melauli in spite of continuous external motivation could be due to the presence of a very high female illiteracy rate, extreme remoteness and persisting social tradition of the village. The community forest users groups are stable in their institutional aspects of members' participation, nature of programs, leadership quality, methods of program implementation through coordination with other institutions and sustainability of the group. They are also able to realize the effects of programs in enhancing social welfare, self-confidence and empowerment, and health in a balanced way among the micro location-specific members. Thus, their values are most balanced and stable. Informal groups, generally considered to be good in enhancing social welfare, self confidence and empowerment, have better values for the institutional aspects of members' participation, nature of programs, leadership quality, method of program implementation through coordination with other institutions, and sustainability of the group. These are rated to be better in Melauli than in Patan. Accordingly, it may be said that informal groups formed spontaneously based upon social networks generally have better leadership and participation, and are better in enhancing social welfare, self confidence and empowerment, and health of the members. When these groups are used for development service delivery with guidance/intervention in the formulation of programs and their implementation, the resonant effect improves the institutional aspects and social aspects, eventually making the group much more sustainable. This point deserves special attention in order to make the development programs successful at the community level where it is sought the most, especially when there are failures in delivering their development services to the community through just externally motivated groups that act as the service recipient.

Table 2.18: Food Self-sufficiency and Economic Indicators According to Farm Category in Patan

		Landless	Small	Medium	Large	Total
Food self-sufficiency in months (HH No.)	1 ~ 3 months	7	75	19	-	101
	4 ~ 6 months	1	127	48	1	177
	7 ~ 9 months	1	89	57	-	147
	10 ~ 12 months	8	131	259	9	407
	No answer	3	11	5	-	19
	Average	20	433	388	10	851
Food self-sufficiency in months (average months)	1 ~ 3 months	1.0	2.2	2.5	-	2.2
	4 ~ 6 months	6.0	5.1	5.4	6.0	5.2
	7 ~ 9 months	8.0	8.0	8.2	-	8.1
	10 ~ 12 months	11.6	11.5	11.6	12.0	11.6
	Average	6.7	7.2	9.9	11.4	8.5
Food self-sufficiency in months (average months)	Brahmin	11.8	7.1	10.0	12.0	8.7
	Chhetri	9.6	8.6	10.3	11.3	9.5
	Occupational caste	1.0	4.9	7.9	-	5.5
	Average	6.7	7.2	9.9	11.4	8.5
Caste/ethnicity group (HH No.)	Brahmin	6	124	145	1	276
	Chhetri	7	197	200	9	413
	Occupational caste	7	112	43	-	162
	Total	20	433	388	10	851
Average land holding (ha)	Brahmin	-	0.27	0.75	2.40	0.54
	Chhetri	-	0.27	0.79	2.11	0.57
	Occupational caste	-	0.21	0.58	-	0.31
	Average	-	0.26	0.75	2.14	0.51
Average annual const income (NRs)	Brahmin	56,920	37,634	52,437	-	45,730
	Chhetri	65,200	50,006	45,027	627,930	63,494
	Occupational caste	37,798	39,693	42,337	-	40,066
	Average	49,652	42,740	47,977	627,930	52,540
Having loan (HH No.)	Brahmin	-	52	39	-	91
	Chhetri	-	76	61	5	142
	Occupational caste	2	40	7	-	49
	Total	2	168	107	5	282
Share of having loan HHS/total HHS		10%	39%	28%	50%	33%
Average loan amount (NRs)	Brahmin	-	17,014	26,138	-	20,968
	Chhetri	-	31,908	38,197	89,600	36,641
	Occupational caste	2,550	12,325	8,214	-	11,339
	Average	2,550	22,669	31,840	89,600	27,040
Average number of big animal	Brahmin	2.6	3.1	4.6	8.0	3.9
	Chhetri	1.7	3.2	4.2	4.8	3.7
	Occupational caste	1.1	3.0	3.0	-	2.9
	Average	1.7	3.1	4.2	5.1	3.6
Average number of small animal	Brahmin	1.3	2.5	3.4	2.0	3.0
	Chhetri	0.1	2.8	3.3	4.8	3.0
	Occupational caste	0.6	2.6	2.8	-	2.5
	Average	0.7	2.7	3.3	4.3	2.9
Average number of fowl	Brahmin	1.7	6.9	5.9	-	6.0
	Chhetri	0.7	4.9	6.0	8.3	5.3
	Occupational caste	0.9	3.0	4.3	-	3.2
	Average	1.1	4.7	5.6	8.3	4.9

Source: Field survey, 2001. Note: 1US\$=NRs.75. Fowls are almost all chicken.

Table 2.19: Food Self-sufficiency and Economic Indicators According to Farm Category in Melauli

		Landless	Small	Medium	Large	Total
Food self-sufficiency in months (HH No.)	1 ~ 3 months	4	104	21	2	131
	4 ~ 6 months	1	129	53	3	186
	7 ~ 9 months	1	73	70	1	145
	10 ~ 12 months	-	88	141	10	239
	Total	6	394	285	16	701
Food self-sufficiency in months (average months)	1 ~ 3 months	2.0	2.3	2.5	3.0	2.3
	4 ~ 6 months	6.0	5.1	5.8	6.0	5.3
	7 ~ 9 months	8.0	7.7	8.0	8.0	7.8
	10 ~ 12 months	-	11.3	11.4	11.9	11.4
	Average	7.0	6.2	8.9	9.4	7.4
Food self-sufficiency in months (average months)	Brahmin	-	6.9	8.5	8.7	7.5
	Chhetri	3.7	6.3	9.1	9.1	7.8
	Magar	-	9.8	10.3	12	10.3
	Occupational caste	2.0	5.4	8.2	12	6.0
	Average	7.0	6.2	8.9	9.4	7.4
Caste/ethnicity group (HH No.)	Brahmin	-	118	76	3	197
	Chhetri	5	159	180	11	355
	Magar	-	4	3	1	8
	Occupational caste	1	113	26	1	141
	Total	6	394	285	16	701
Average land holding (ha)	Brahmin	-	0.29	0.86	2.89	0.55
	Chhetri	-	0.28	0.86	2.72	0.66
	Magar	-	0.32	0.79	2.05	0.71
	Occupational caste	-	0.24	0.79	2.55	0.36
	Average	-	0.27	0.85	2.70	0.57
Average annual costs income (NRs)	Brahmin	-	21,953	24,077	82,800	23,154
	Chhetri	75,400	22,986	32,269	30,020	28,770
	Magar	-	2,500	60,000	-	21,667
	Occupational caste	115,200	32,559	27,638	1,000	32,037
	Average	83,360	24,924	29,859	32,000	27,704
Having loan (HH No.)	Brahmin	-	74	57	3	134
	Chhetri	2	131	134	5	272
	Magar	-	3	3	1	7
	Occupational caste	1	94	22	1	118
	Total	3	302	216	10	531
Share of having loan HHs		50%	77%	76%	63%	76%
Average loan amount (NRs)	Brahmin	-	38,543	40,281	73,333	40,061
	Chhetri	77,000	37,748	41,021	59,750	39,991
	Magar	-	2,000	6,000	5,000	4,143
	Occupational caste	144,000	25,855	40,282	4,000	29,483
	Average	99,333	33,956	40,250	52,000	37,217
Average number of big animal	Brahmin	-	3.4	4.9	5.3	4.0
	Chhetri	-	3.0	4.6	5.6	4.0
	Magar	-	4.8	4.7	4.0	4.6
	Occupational caste	-	3.3	3.7	4.0	3.4
	Average	-	3.3	4.6	5.4	3.9
Average number of small animal	Brahmin	-	3.5	4.3	4.0	3.8
	Chhetri	5.0	3.7	5.2	6.1	4.7
	Magar	-	4.0	4.0	6.0	4.3
	Occupational caste	-	2.9	2.2	-	2.8
	Average	5.0	3.4	4.8	5.8	4.1
Average number of fowl	Brahmin	-	3.4	5.0	-	3.9
	Chhetri	-	3.3	2.8	5.5	3.2
	Magar	-	2.7	-	1.0	2.3
	Occupational caste	-	3.5	3.4	-	3.5
	Average	-	3.4	3.5	4.0	3.4

Source: Field survey, 2001. Note: 1US\$=NRs.75. Fowls are almost all chicken.

2.9 Food Self-sufficiency

The annual farm production of the district is equivalent to NRs. 107 million most of which is self consumed and only some worth about NRs. 323,000 are sold. The main food products are paddy, with a share of 34% of total food products, wheat, with a share of 36%, maize, with a share of 27%, and millet and barley, together with share of 3% (PDDP, 1999). However, the district as a whole is a food deficient district and needs to import about 22,000 tons of food every year from other districts, especially the Tarai to meet the food requirements.

Regarding the cereal food self-sufficiency of the households in the study villages, 12% in Patan and 19% in Melauli can meet their needs only up to three months (**Table 2.18 & 2.19**). Some of them are from large and medium farms and are not self-sufficient mainly because of their large family. They are somehow able to make the ends meet by purchasing food using nonfarm incomes. But the landless and small farms have difficulty in making ends meet and are regarded as destitute ultra-poor. They, specially the occupational caste people who constitute one-third of this group in both the villages, can hardly meet their food needs of two months and may have to starve at times or spend foodless nights. Another 21% in Patan and 27% in Melauli can meet their cereal food needs for up to six months. The majority of them are from the small farm category in both the villages and have a hard time to make ends meet without nonfarm income. They are from all the caste groups and are regarded as the vulnerable poor. Family members of working age from these groups migrate to India, Kathmandu and other urban centres, undertaking any available job for survival.

About one-fifth of the households in both the villages have cereal food self-sufficiency for up to nine months. Almost all of them are from small and medium farms, and from all caste and ethnic groups in both the villages. They can make the ends meet by engaging in various petty activities even within the rural region. Any income from nonfarm activities would be spent to meet needs beyond cereal food. About half of the households in Patan and one-third in Melauli produce cereal food enough for year around. Some large farms even have surplus and can sell it or use it in various ceremonies. Although they come from all landed farm categories and from all the caste and ethnic groups most of them are Chhetris. The family members of these two groups live rather well and can take-off with proper education and some of them can land in very good nonfarm jobs in Kathmandu or India.

Food self-sufficiency is directly proportionate to the farm category and the self-sufficiency rate is higher in the sequence of Magars, Chhetris, Bahuns and occupational caste people. It is also proportionate to a household's annual cash income with a high share of nonfarm income. Such successful people often migrate to urban areas and live there with their families leaving the village house empty or with only the old parents. As such, 19 houses in Patan and four houses in Melauli were found empty during the survey time (and their related information was taken through the neighbours and the relatives). Those living and working outside the village make some visits in a year if they have their parents, properties and other family members in the village. During such visits they bring money, various consumers goods and other amenities from the urban areas. This often lures other ambitious villagers to hunt for opportunities in the urban areas for better livelihood, at times making them very aggressive. Lokendra Bahadur Chand, the current and four time prime minister is an example of such highly successful person from the vicinity of Patan, who started his career as a teacher in the local school and is regarded as a role model by many in the whole region of the far west.

Many of the destitute ultra-poor and the vulnerable poor, however, have to depend on any means available to survive. One of such means is to raise domestic animals and fowls. But their possessions are no better. Often they use loans for consumption, even diverting production loans, thus entering into a vicious

circle. Such destitute and vulnerable people are left with no option but to acquire food security and need urgent policy support from government, donors and NGOs to make them self-confident.

2.10 Summary

Baitadi is a montane district in the far western development region of Nepal, far away from the capital and other major cities of the country. It has not received its due share of attention in the development process and governance until very recently. Hence even the towns and urban centres of this district have remained remote and basically agrarian. On the other hand, being a border district, it has fair access to North Indian towns, and people in this district have close relations with the people across the border in their daily economic and social activities. They not only procure and sell goods across the border but also get education, job and life partners from there. Thus, they have a closer affinity to India than other parts of Nepal. The region as a whole is a highland Hindu world with very little non-Hindu and Tibeto-Burman language speaking ethnic groups living here. The higher Hindu caste; Bahun/Chhetri dominates the region and outnumber the lower Hindu caste; occupational caste people by a vast majority. Chhetris form the distinct majority and the whole region can be termed as a Chhetri land. The study villages are also no exception to this and about half of the population is made up Chhetri in both the villages. People here speak different forms of Dotyal, a dialect of Nepali and ability of people to read and write their mother tongues or Nepali fluently depend upon their formal education. Melauli, the more remote village of the two is behind Patan and people of occupational caste and females are always behind in this aspect, making the females of occupational caste in Melauli the most vulnerable group. Bahuns are generally better educated and are better able to manipulate Nepali even without formal education, perhaps due to the in-house religious trainings.

Farming is the mainstay of the people with more than 80% of the people depending on it. Almost all the farmland is self-cultivated by the owners and the average landholding per household is less than a hectare. Landholding pattern of the study villages are also similar to the district and average landholding per household is less than 0.6ha in both the villages. Half of the land is *khet* where paddy is the main crop and the other half is *pakha* where maize is the main crop. Chhetris are in general better landed and have a better share of irrigated land which is just the opposite for the people of occupational caste. The yield and production of paddy, wheat and potato is higher in Patan, where the share of irrigated land is more than Melauli. The yield of major crops; paddy, wheat, maize in Patan is higher than the district average. Livestock is an essential component of farming supplying dung and draft power to the crop farming, and milk to the farmers. Goats and chicken also serve as cash reservoirs for they can be always disposed of when people need abrupt money in their livelihood. They are also used as sacrifices in various religious and social events.

Since farming is subsistence in nature and basically composed of small owner farmers, most of them are unable to secure their annual food needs from their own production only. About half of the households in Patan and two-third in Melauli are not self-sufficient in cereal food. A portion of them, mostly people of occupational caste, is able to produce food only enough for about three months a year. Thus, the people also get engaged in various nonfarm jobs within and beyond the rural region to procure their food needs. A vast number of them migrate to India to get engaged in all sorts of nonfarm works, either as a main job or as a side job. Mentally and physically it is easier for them to work in India than in Kathmandu as the latter is too far away, living costs too expensive and has fewer opportunities, although the income gain from each work is higher in Kathmandu. Chhetris outnumber nonfarm job seekers but a greater percentage of the occupational caste people leave village for seeking a job and most of them end up in India. They prefer to go to India to

avoid social and psychological discrimination in Nepal where they are easily identifiable. These migrants are basically from the most active and productive age cohorts, often making the village population pyramid skewed.

Many people also procure loans to enhance their food security from formal, semiformal and informal sources. Most of the formal and semiformal loans are used in productive activities, mostly farming and some business. But most of the informal loans are used to meet the instant needs of daily expenses. Some of these loans are based on mutual aid and are basically interest free, but some, especially the larger transactions, are charged annual interest rate of about 36%. Most of the semiformal loans are provided by the development agencies, i.e., government, donor agencies, INGOs and local NGOs. They also encourage villagers to save and often disburse loans based on their savings. Thus, the villagers, quite a many, also make regular savings, although little in amount, in a hope to be worthy of future loans and built solidarity among the peers undertaking development activities through group formation.

Groups are formed either spontaneously by the villagers upon feeling their need after perceiving some important social/economic issues facing the community or under the guidance of development programs. The former one is built upon the social network with the motif of self-help and mutual aid and would tackle the issues by making use of conventional wisdom and leadership. In the later case, groups would act as the participatory end user and or facilitator of the development programs where they are defined and formed by the rules made under the interventions of the developing programs. Institutional and technical trainings are given to the members where necessary to enhance the effects of the program and achieve the development targets. Considering the evaluation of the groups by their members, groups formed spontaneously based upon social networks generally have better leadership and participation, and are better in enhancing social welfare, self-confidence and empowerment, and health of the members. When these groups are used for development service delivery with guidance/intervention in the formulation of programs and their implementation, the resonant effect improves the institutional aspects and social aspects, eventually making the group much more dynamic and sustainable. This would imply to the development agencies not only to keep on creating groups to promote the development programs, but rather make use of already existing groups that are built upon social networks where the relationship among the members are stronger. This point deserves special attention in order to make the development programs successful at the community level where it is sought the most, especially when there are failures in delivering their development services to the community through just externally motivated groups that act as the service recipient

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