

# Inequality of Opportunity in Asia and the Pacific



## NEPAL

“The Government of Nepal has initiated several measures to reduce inequality. All provincial and local governments are empowered with financial and legislative powers to act on their own. [...] In line with the national policy, the public service is becoming more and more inclusive in recent years. The social security in terms of resources and coverage has been expanded significantly”.

Prof. Mr. Puspa Raj Kadel, Vice Chair of National Planning Commission  
74th Annual Session of UNESCAP

### Country Background

<b>29.3</b>	million, total population	<b>0.33</b>	GINI coefficient (income inequality)
<b>2,443</b>	GDP per capita, 2011 PPP \$	<b>0.19</b>	D-index (inequality of opportunity)
<b>15 %</b>	people in poverty (below the national poverty line)	<b>70</b>	years of life expectancy at birth
<b>25.2 %</b>	people in extreme poverty (below \$1.90 a day)	<b>12.4</b>	expected years of schooling at birth

Source: ESCAP, World Bank Open Data, UNDP

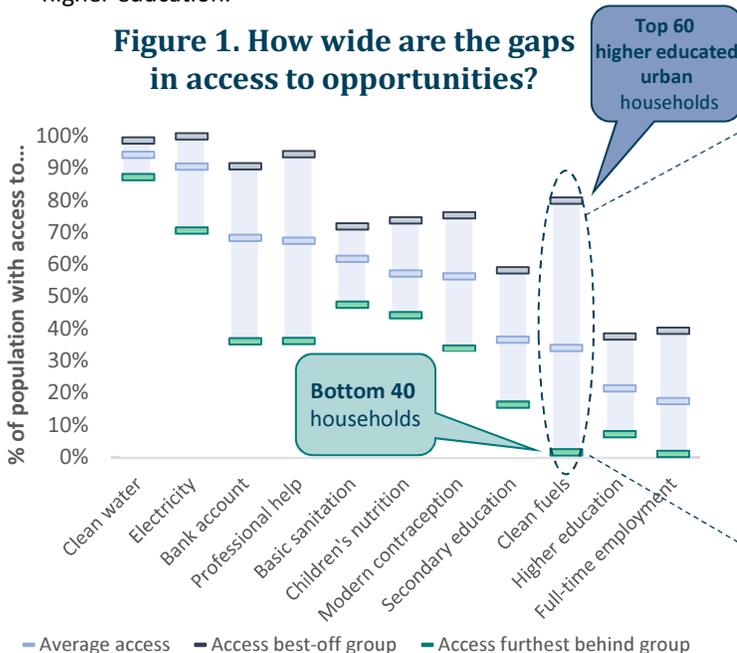
## Leaving no one behind by ensuring a level playing field

Inequality of opportunity refers to the unequal access to fundamental rights and services, required for individuals to sustain and improve their livelihoods.<sup>1</sup>

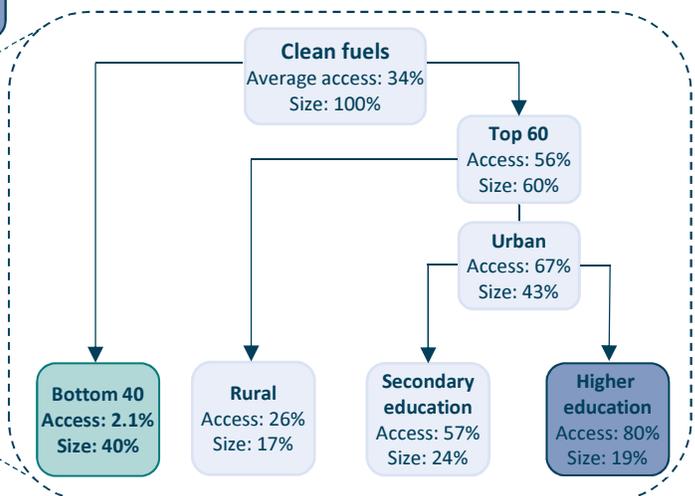
In Nepal, large gaps exist between the *best-off* and the *furthest behind* groups in access to different opportunities. Access to clean fuels and professional help during childbirth are the most unequally distributed opportunities, with access gaps of at least 55 percentage points between the *best-off* and the *furthest behind* groups. Less than 8 per cent of people in the *furthest behind* group have access to full-time employment and clean fuels, or have completed higher education.

Identifying the characteristics of the *best-off* and the *furthest behind* group in access to clean fuels reveals how 8 out of 10 urban households with a higher educated member belonging to the top 60 of the wealth distribution have access. This blue box represents the *best-off* group. The green box shows the *furthest behind* group with the lowest access to clean fuels: households in the bottom 40, where only 2 per cent have access.

**Figure 1. How wide are the gaps in access to opportunities?**

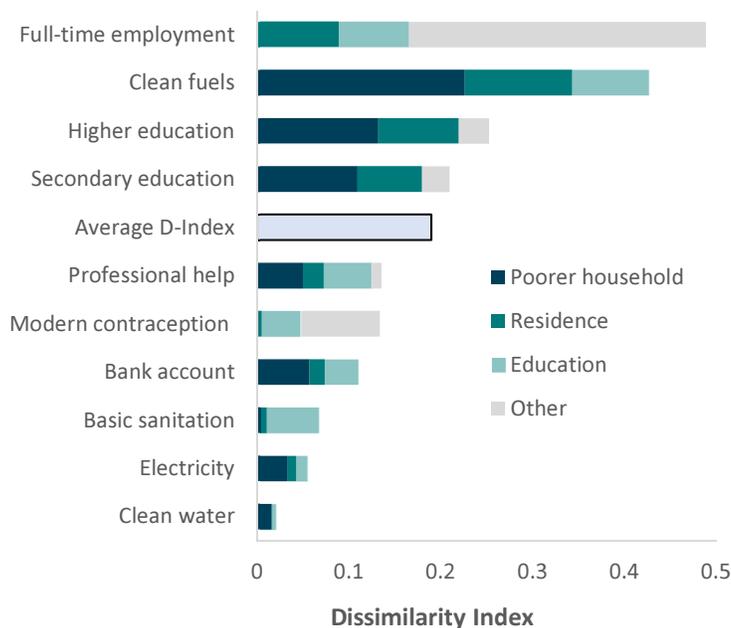


**Figure 2. Who are the furthest behind?**



Source: ESCAP calculations, using data from DHS 2016 and the Gallup World Poll

**Figure 3: Drivers of inequality in access to different opportunities**



**Household wealth, the place of residence and educational level are behind most of the inequality in access to opportunities.**

Other circumstances, however, also appear relevant in explaining unequal access to opportunities.

For example, women, youth and people with low education have limited access to full-time employment in Nepal. A woman's age and the number of children under the age of five in the household explain unequal access to modern contraception.

*Source: ESCAP calculations, using data from DHS 2016 and the Gallup World Poll*  
*Note: A Dissimilarity index (D- Index) is used to examine which circumstance contributes most to overall inequality among different population groups.*

## Key Takeaways

**In Nepal, the largest opportunity gap between the *best-off* and the *furthest behind* group is in access to clean fuels.** While 80 per cent of households in the top 60 of the wealth distribution with a higher educated member living in urban areas have access to clean fuels, only 2.1 per cent of households among the bottom 40 do. **Understanding households' circumstances in shaping energy consumption patterns is paramount in addressing clean fuels inequalities.**

Less than 8 per cent of Nepalis in the *furthest behind* group have completed higher education. Moreover, only 1 per cent of people in the *furthest behind* group have access to full-time employment. **Easing the school-to-work transition and developing specific policies and programmes that promote access to education as well as decent full-time jobs, should be prioritized by policymakers.**

**Among all groups, inequality of opportunity is explained by distinct circumstances.** Household wealth appears as the most important circumstance shaping inequality in 6 out of 10 opportunities. **Since wealth is strongly linked to unequal outcomes in many development objectives and opportunities, leveling the playing field, including through the provision of social protection, is a must.**

<sup>1</sup> The opportunities considered in this country brief are education, women's health, decent employment, basic water and sanitation, access to clean energy, and financial inclusion.

Cover photo by 'Photos of Nepal'

For more information and thematic reports on these data and analysis, please visit: <https://www.unescap.org/our-work/social-development/poverty-and-inequality/resources>

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