# Possible Decision Rules to Allocate Quotas and Reservations to Ensure Equity for Nepalese Poor* 

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#### Abstract

Government of Nepal provides quotas and reservations for women, indigenous nationalities, Madhesi, untouchables, disables and people of backward areas. These statuses are not homogenous in economic sense. We proposed few other decision trees (rules) that can predict household poverty in Nepal based on 14,907 household observations employing classification and regression tree (CART) approach. These decision rules were based on few practically answerable questions (for respondents) and can be cross checked easily by the enumerators. We modeled 5 different scenarios that respondents were likely to answer the asked questions. These decision rules were $94 \%$ to in worst-case scenario $70 \%$ accurate in out-of-sample dataset. These proposed meaningful decision rules can be helpful on policy making and implementation that relate to positively discriminate (quota and reservation) for those who lie below poverty line.


Key words: Caste/Ethnicity, Nepal, poverty and equity, quotas and reservations, decision tree

## INTRODUCTION

Nepal is a beautiful mosaic of various racial and cultural groups. It is one of the most diverse countries in the world, in terms of culture, ethnicity, religion and language. There are more than 125 caste/ethnic groups and more than 100 languages (CBS, 2012). Nepal is rich in diversity but suffers from poverty. According to World Bank (2001), "Poverty is pronounced deprivation in wellbeing". Wellbeing is more often associated with an access to goods and services and, people are said to be better off if they have an access to resources and vice versa (Haughton \& Khandker, 2009). As reported in Global Finance ${ }^{1}$, Nepal is among the poorest 20 countries in the world with $\$ 1347$ as GDP purchasing power parity. Poverty is chiefly viewed from geographical, political boundary and development status, like urban and rural but not from individual caste/ ethnicity basis although the importance of caste/ethnicity has been realized nationally and internationally. UNDP Nepal publishes, Nepal Human Development Reports, where poverty has been re-analyzed based on caste/ethnicity from CBS data set but

[^0]their analysis is based only on broader 11 categories. Such broader category does not represent the distinct features of all caste/ethnicities belonging to same categories, since they are not homogenous. Due to heterogeneity among the people within same caste/ ethnicity, it skeptics that the categorization of different caste/ethnicity in a broader group may not represent their respective status on actual way.

Diversities of caste/ethnicity have become an important issue of intellectual, political, economic and development discourses in both international and national arenas. Internationally, International Labor Organization (ILO) convention 169 has raised the issue on rights of indigenous nationalities and as Nepal being the signatory country; it was compulsion for government of Nepal to comply with provisions of convention. As a response, some positive discrimination based on caste/ethnicity has already initiated and penetrated harder in major spare of political, economic and social life. National Foundation for Development of Indigenous Nationalities (NFIDN) Act 2002 has listed 59 caste/ethnicities as indigenous nationalities of Nepal and targeted benefits have been allocated to the groups in different forms. Similarly, some caste/ethnicities are listed as endangered and marginalized and such caste/ethnicities are given social protection allowance as well. Government of Nepal has been providing quota and reservation on categorical basis to women, indigenous nationalities, Madhesi, untouchables, disables and people of backward areas, although the statuses are not homogenous in economic sense.

This paper takes an initiative to access level of poverty based on caste/ethnicity, household size, and number of mobile phone in household, per month expenditure on food, education and mobile. Answers on these strategic questions, can access the poverty status of individual family on more comprehensive, logical and practical manner. Therefore, our research objective is to predict the poverty status of household based upon these strategic questions. In addition, we argue that the government of Nepal should allocate economic upliftment scheme to households below poverty line not only based on belonging to specific caste/ethnicity, gender and other but it also should incorporate strategic questions that are discussed in the paper.

## METHODOLOGY

## Data

This paper tries to perform a predictive analysis of Nepalese poverty employing the raw data of Social Inclusion Atlas - Ethnographic Profile (SIA-EP) research project conducted by Central Department of Sociology/Anthropology, Tribhuvan University. It consists of detailed Socio-economic characteristics data of 14709 households across Nepal for 98 various caste/ethnicity.

The poverty is determined on the basis of poverty line indicated by Nepal Living Standard Survey (NLSS III), CBS (2011) for each development region, belt, urban and rural. The poverty line was adjusted for year 2012 based on National Consumer Price Index published by Nepal Rastra Bank (the Central Bank of Nepal). Then we define the state of poverty as categorical dependent variable. If the difference of household income and poverty line indicated by NLSS III was positive we level those household as "APL" (above poverty line) and for the negative difference we leveled as "BPL" (below poverty line).

## Classification and Regression Trees

Classification and regression trees (CARTs) are a type of predictive modeling and recursive partitioning based on data mining algorithm (Breiman, Friedman, Olshen \& Stone, 1984). It detects possible decision rules and charts decision tree that fits response variables (categorical or continuous) to given sets of explanatory variables. Decision tree generated by CART is easy to transcribe thus it is appreciated as glass box techniques. Therefore, decision trees are famous in data mining (Chen, Hsu \& Chou, 2003).

Unlike other statistical methods, decision trees CARTs are free from parametric and structural assumptions (Kim,1995) such as linearity, normality, and equal variance (Horner, Fireman \& Wang, 2010; Oh \& Kim, 2010) require little apriori knowledge or theories regarding which variables are related, how can nonlinear problems be handled , and are ideal for determining patterns, segmentations, stratifications, predictions and data reductions/screening (Atkins, Burdon \& Allen,2007) and deriving models from large noisy datasets obtained from surveys (Chen, Hu \& Tang, 2009). CARTs are less sensitive to outliers and extremes values as well.

To generate the best classification prediction with regard to the target variable, CART filters and splits the best explanatory variables iteratively into binary sub-groups (nodes) such that the samples within each subset are more homogenous (Atkins et al.,2007). Thus, it creates decision tree. CART algorithm uses Gini index ${ }^{2}$ measure as the splitting criteria and does only binary splitting (Bozkir \& Sezer, 2011). Gini index generalizes the variance impurity - the variance of a distribution associated with two classes (Brown \& Myles, 2009). This is a recursive process as it repeats until a predefined measure of homogeneity/purity (or other measure of completion) is satisfied. It should be noted that the same predictor variable may be used a number of times at different levels of the tree (Atkins et al., 2007).

[^1]A complete decision tree can grow quite large and/or complex and over fits the data. Pruning and cross-validation simplifies the growth of tree and improve the stability and predictive accuracy (Kim \& Upneja, 2014). An $n$-fold (with $n=3-10$ ) cross validation is a common empirical approach to optimize tree growth (Brown \& Myles, 2009). It is a re-sampling technique that uses multiple random training and validating sub samples. The detailed algorithms upon which the decision tree is defined may be found in Breiman et al. (1984).

## RESULTS AND DISCUSSION

## Descriptive Statistics

The research objective is to perform a predictive analysis of which household can be above or below poverty level. We want to find the best feature variable or questions on which the out-of-sample respondents are more likely to answer and surveyor can cross check. The list of variable used for models are given in Table-1. We mainly choose these variables because of high degree of associations with the poverty levels and these variables are answerable. The independent variables in our data set were a mixture of categorical and continuous variables. We performed chi-square test for the categorical variables and $F$ - test for the continuous variables (Oh \& Kim, 2010) have also implemented similar approach.

Table 1: Details of Variables Used in Various Models

| Variable Name | Descriptions | M-1 | M-2 | M-3 | M-4 | M-5 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| caste | Caste of household | $\sqrt{*}$ | $\sqrt{*}$ | $\sqrt{*}$ | $\sqrt{*}$ | $\sqrt{*}$ |
| edu_cat | Household head education | $\checkmark$ | $\checkmark$ | - | - | - |
| catMobile_Phone_no | Number of mobile phone possession | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\sqrt{*}$ |
| catsource_lh | Household source of livelihood | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| catTV_no | Number of TV possession | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| catComputer_Laptop_no | Number of Laptop/Computer | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| catBike_no | Number of Bike possession | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| own_house | House ownership | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\checkmark$ |
| hhexppm | Per month total HH expenditure | $\sqrt{*}$ | - | - | - | - |
| foodpm, | Per month HH food expenditure | $\checkmark$ | $\sqrt{*}$ | $\sqrt{*}$ | - | - |
| edupm, | Per month HH education expenditure | $\checkmark$ | $\sqrt{*}$ | - | - | - |
| hhsize, | Size of household | ${ }^{*}$ | $\sqrt{*}$ | ${ }^{*}$ | $\sqrt{*}$ | $V^{*}$ |
| phonepm, | Per month HH phone expenditure | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\sqrt{*}$ | - |
| P0 | Poverty Status (either APL or BPL) | $\checkmark$ | $\checkmark$ | $\checkmark$ | $\sqrt{ }$ | $\checkmark$ |

Note: M-1, M-2, M-3, M-4 and M-5 represent model 1, 2,3,4 and 5 respectively. The variable which were feed into the model are marked with $\sqrt{ }$, the variable which were dropped are marked with - and the variable which made model to gain maximum possible predictive accuracy are marked with $\downarrow^{*}$. Poverty level is dependent variable and rest are independent variables.

Table-A in annex shows the portion of population above and below poverty for each caste. The chi-square test for caste $\left(\chi^{2}=2510.35, p<0.01\right)$, household head education $\left(\chi^{2}=997.16, p<0.01\right)$, possessions of number of mobile phone $\quad\left(\chi^{2}=663.39, p<0.01\right), \quad$ TV $\quad\left(\chi^{2}=564.97, p<0.01\right)$, laptop/computer $\left(\chi^{2}=489.22, p<0.01\right)$, bike $\left(\chi^{2}=413.86, p<0.01\right)$, household source of livelihood $\left(\chi^{2}=626.84, p<0.01\right)$, house ownership status $\left(\chi^{2}=215.13, p<0.01\right)$ were found to be significantly associated with poverty status. Further we found, per month total household expenditure $(F=1805, p<0.01)$, food expenditure ( $F=970.3, p<0.01$ ), per education expenditure $(F=797, p<0.01)$, phone expenditure $(F=167.6, p<0.01)$ and household size $(F=640.7, p<0.01)$ significantly associated with poverty status.

## Decision Tree Generation

Among 14709 household, the data was divided randomly into training (70\%) and testing set ( $30 \%$ ) using random seed ${ }^{3} 11111$ in $R^{4}$. For the training dataset 10296 households and for testing or validation 4413 households' observations were considered respectively. Models were developed in training dataset while their predictive capabilities were checked in testing dataset.

We develop five different models as five possible strategies in various cases. The list of variable included in each model/case is given in Table-1. Model-1 contains total households' per month expenditure, but such expenditure are volatile are likely to be suppressed by respondents. Under the assumption that total household expenditure cannot be accessed easily we dropped this variable in model-2. To include the household with no education, we drop the household head education and per month education expenditure variable in model-3. Again, we dropped the food expenditure variable in model-4 but included mobile phone expenditure per month variable assuming household respondent may know their mobile phone expenditure among other expenditures. Finally, to model the worst case scenario, in model-5 we dropped all the variable related to money and included non monetary feature variables only.

For each model, we implement "rpart" function of package called rpart ${ }^{5}$ in R to grow decision tree. It uses Gini index as a measure of impurity. We performed pruning and

[^2]10 -fold cross-validation to suppress over fitting problem, to simplify the tree and to enhance predictability.

## Decision Tree Results Interpretation

This research only interpret the result of Model-2 (see Figure-1) while results of rest of the models are kept at Annex and left for the readers. The probability of being above poverty line is $91 \%$ for those household whose size is less than 7 and whose per month food expenditure is above 5910 Nrs. For household having more than 6 members who can spend 10458 Nrs per month in household food consumption is $85 \%$ likely to be above poverty line. But for households whose per month food expenditure is between 5910 Nrs and 10458 Nrs, educational expenditure determines the probability of being above or below poverty line. If these household spend more than 2206 Nrs per month for education, they are $78 \%$ likely to be above poverty line, while if they fail, they are only $30 \%$ likely to be above poverty line.

Household less than 5 members, having per month food expenditure less than 5910 Nrs whose caste falls in "Grp-2" (see Figure-1 note) are $93 \%$ likely to be above poverty line. This caste group, if have household size less than 4 are $79 \%$ likely to be above poverty line. If the household size is exactly 4, and if they spend more than 591 Nrs in per month education then they are $75 \%$ likely or less than 591 Nrs in education then they are only $23 \%$ likely to be above poverty line. The data shows the educational expenditure is associated with poverty. Being able to pay for education have really liberated these household to be out of poverty.

The household who spend in between 4100 Nrs to 5910 Nrs per month on food and size being more than 4 and who fall in "Grp-1" (see Figure-1 note) are only $63 \%$ likely to be above poverty line. Or if, their food per month spending is less than 4100 Nrs , then they are only $27 \%$ likely to be above poverty line. We consider this caste as "Grp-1". For these castes food expenditure is most crucial to be out of poverty. The household with more than 4 members whose food expenditure is less than 5910 Nrs per month, if are able to spend more than 1633 Nrs on education are $62 \%$ likely to be above of poverty line, if they spend less than 1633 Nrs , their probability to be out of poverty drastically retrench to only $16 \%$.

[^3]Figure 1: Decision Tree of Model-2


Note: Bangali, Bantar, Barae, Bing/Binda, Chepang, Chidimar, Dewat, Dhobi, Dom, Halkhor, Kahar, Kisan, Kurmi, Kuswadiya, Lodha, Mallah, Meche, Munda, Musahar, Nuniya, Raji, Ram, Raute, Santhal/Satar, Tamang, Tatma, Thami are considered in "Grp-1". The "Grp-2" consists Badhae, Badi, Baniya, Bhediyar/Gaderi, Bhote, Bote, Brahman (Hill), Brahman (Tarai), Brahmu/ Baramu, Byangsi, Chhantal, Chhetri, Damai/Dholi, Danuwar, Darai, Dhagar/Jhagar, Dhanuk, Dhimal, Dhunia, Dura, Dusadh/Paswan/Pasi, Gaine, Gangai, gharti/Bhujel, Gurung, Hajam/ Thakur, Haluwai, Hayu, Jaine, Jirel, Kalwar, Kamar, Kami, Kayastha, Khatwe, Koche, Koiri, Kumal, Kumhar, Kunu, Lepcha, Limbu, Lohar, Magar, Majhi, Mali, Marwadi, Muslim, Newar, Nurang, Pahari, Punjabi/Sikh, Rai,Rajbansi, Rajbhar, Rajput, Sanyasi, Sarki, Sherpa, Sonar, Sudhi, Sunuwar, Tajpuriya, Teli/Chamar/harijan,Thakali, Thakuri, Tharu, Walung, Yadav, Yakkha and Yehlmo. The probability of being above poverty line is in between parenthesis.

## Out of Sample Predictive Accuracy

We have developed five models in training data set and derived rules via decision trees. We have implemented these rules on the testing dataset and checked their predictive accuracy. The overall accuracy of models is given in Table-2. While we relaxed the
monetary variables, as we proceed from model-1 to model-5, the accuracy fell. We develop a worst case scenario in model-5 where the respondents were only asked their caste, household size and number of mobile phone possession. We observed 70\% overall accuracy. Sensitivity or true positive rate is the power of model to correctly identify household below poverty line cases. While, specificity or true negative rate is the power of model to correctly identify household above poverty line cases. The sensitivity is found less than specificity in all models. The positive predictive value (PPV) or precision of model is also less than the negative predictive value (NPV) model.

Table 2: Predictive Accuracy of the Models

| Models | Model-1 |  | Model-2 |  | Model-3 |  | Model-4 |  | Model-5 |  |
| :--- | :---: | :---: | ---: | :---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Reference | BPL | APL | BPL | APL | BPL | APL | BPL | APL | BPL | APL |
| BPL | 1726 | 95 | 1458 | 411 | 1290 | 434 | 1171 | 543 | 1172 | 598 |
| APL | 169 | 2423 | 437 | 2107 | 605 | 2084 | 724 | 1975 | 723 | 1920 |
| Accuracy |  | 0.9402 |  | 0.8078 |  | 0.7646 |  | 0.7129 | 0.7007 |  |
| 95\% CI | $(0.9328,0.947)$ | $(0.7959,0.8194)$ | $(0.7518,0.777)$ | $(0.6993,0.7262)$ | $(0.6869,0.7141)$ |  |  |  |  |  |
| Sensitivity |  | 0.9108 |  | 0.7694 |  | 0.6807 |  | 0.6179 | 0.6185 |  |
| Specificity |  | 0.9623 |  | 0.8368 |  | 0.8276 |  | 0.7844 | 0.7625 |  |
| PPV |  | 0.9478 |  | 0.7801 |  | 0.7483 |  | 0.6832 |  | 0.6621 |
| NPV |  | 0.9348 |  | 0.8282 |  | 0.775 |  | 0.7318 |  | 0.7264 |

Note: The predictions were made on testing dataset using decision rules derived by training dataset.

## CONCLUSION

This paper performed a predictive analysis of Nepalese poverty. Five decision trees were generated under some practical assumptions employing randomly selected $70 \%$ of entire data. The decision rules derived from these five models were tested on remaining $30 \%$ of test data. The decision rules were found to be $94 \%$ to in worst case $70 \%$ accurate in test data. Here we incorporated few features of poverty among numerous possible. These features are readily answerable and accessible from out-ofsample respondents. We suggest, Government of Nepal to incorporate these decision rules in addition to existing system. Employing these rule can ensure more equity for those who are poor regardless of only being women, indigenous nationalities, Madhesi, untouchables, disables and people of backward areas.

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## Annex -I

Table -A: Portion of Household Above and Below Poverty Line on Various Caste/ Ethnicity

| Caste | APL | BPL | Caste | APL | BPL | Caste | APL | BPL |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Lodha | 0.10 | 0.90 | Meche ${ }^{* * * * *}$ | 0.48 | 0.52 | Muslim | 0.64 | 0.36 |
| Chepang**** | 0.12 | 0.88 | Rajbhar | 0.48 | 0.52 | Thakuri | 0.66 | 0.34 |
| Raute***** | 0.14 | 0.86 | Lepcha***** | 0.49 | 0.51 | Dhimal ${ }^{* * *}$ | 0.68 | 0.32 |
| Kuswadiya***** | 0.14 | 0.86 | Bantar | 0.50 | 0.50 | Tajpuriya** | 0.70 | 0.30 |
| Kisan***** | 0.15 | 0.85 | Danuwar**** | 0.50 | 0.50 | Mali | 0.70 | 0.30 |
| Kahar | 0.18 | 0.82 | Bangali | 0.51 | 0.49 | Gangai | 0.72 | 0.28 |
| Halkhor | 0.21 | 0.79 | Koche | 0.51 | 0.49 | Teli/Chamar/harijan | 0.73 | 0.27 |
| Chidimar | 0.24 | 0.76 | Jirel** | 0.51 | 0.49 | Damai/Dholi | 0.74 | 0.26 |
| Nuniya | 0.25 | 0.75 | Badi | 0.52 | 0.48 | Gurung** | 0.74 | 0.26 |
| Munda | 0.26 | 0.74 | Bote**** | 0.54 | 0.46 | Rai** | 0.74 | 0.26 |
| Dhobi | 0.28 | 0.72 | Khatwe | 0.54 | 0.46 | Kalwar | 0.76 | 0.24 |
| Raji ${ }^{* * * * * ~}$ | 0.28 | 0.72 | Bhote*** | 0.55 | 0.45 | Dhanuk**** | 0.76 | 0.24 |
| Mallah | 0.36 | 0.64 | Kami | 0.55 | 0.45 | Haluwai | 0.76 | 0.24 |
| Thami**** | 0.36 | 0.64 | Sonar | 0.56 | 0.44 | Brahman (Hill) | 0.77 | 0.23 |
| Hayu ${ }^{* * * * *}$ | 0.38 | 0.62 | Kumhar | 0.57 | 0.43 | Kumal*** | 0.77 | 0.23 |
| Dewat | 0.39 | 0.61 | Dhagar/Jhagar**** | 0.58 | 0.42 | Magar** | 0.78 | 0.22 |
| Kurmi | 0.39 | 0.61 | Yehlmo | 0.58 | 0.42 | Yadav | 0.78 | 0.22 |
| Kamar | 0.40 | 0.60 | Chhetri | 0.59 | 0.41 | Byangsi** | 0.79 | 0.21 |
| Santhal/Satar**** | 0.40 | 0.60 | Dura*** | 0.59 | 0.41 | Punjabi/Sikh | 0.81 | 0.19 |
| Tamang*** | 0.40 | 0.60 | Yakkha** | 0.59 | 0.41 | Rajput | 0.81 | 0.19 |
| Nurang | 0.40 | 0.60 | Badhae | 0.59 | 0.41 | Brahman (Tarai) | 0.85 | 0.15 |
| Bing/Binda | 0.41 | 0.59 | Bhediyar/Gaderi | 0.59 | 0.41 | Chhantal** | 0.85 | 0.15 |
| Musahar | 0.41 | 0.59 | Brahmu/Baramu**** | 0.59 | 0.41 | Sudhi | 0.85 | 0.15 |
| Dom | 0.42 | 0.58 | Darai*** | 0.60 | 0.40 | Kayastha | 0.86 | 0.14 |
| Barae | 0.43 | 0.57 | Tharu*** | 0.60 | 0.40 | Limbu** | 0.86 | 0.14 |
| Dhunia | 0.43 | 0.57 | Lohar | 0.61 | 0.39 | Baniya | 0.87 | 0.13 |
| Ram | 0.45 | 0.55 | Sanyasi | 0.61 | 0.39 | Newar* | 0.87 | 0.13 |
| Sarki | 0.45 | 0.55 | Gaine | 0.61 | 0.39 | Marwadi | 0.93 | 0.07 |
| Sunuwar*** | 0.45 | 0.55 | Koiri | 0.61 | 0.39 | Jaine | 0.95 | 0.05 |
| Hajam/Thakur | 0.46 | 0.54 | Kunu | 0.62 | 0.38 | Sherpa** | 0.97 | 0.03 |
| Majhi ${ }^{* * * *}$ | 0.47 | 0.53 | Rajbansi*** | 0.63 | 0.38 | Thakali* | 0.97 | 0.03 |
| Tatma | 0.47 | 0.53 | gharti/Bhujel*** | 0.63 | 0.37 | Walung*** | 0.98 | 0.02 |
| Dusadh/Paswan/Pasi | 0.47 | 0.53 | Pahari*** | 0.63 | 0.37 |  |  |  |

Note: APL /BPL represents portion of population above/below poverty line. Marked with *are prosperous caste, ${ }^{* *}$ are benefit excluded caste, ${ }^{* * *}$ are marginalized caste, ${ }^{* * * *}$ Highly marginalized caste and ***** are endangered group. (Source: NFDIN (N.D). Categorization Notice. Lalitpur: National Foundation for Development of Indigenous Nationalities (NFDIN), Government of Nepal.)

## Annex II

Figure 2: Decision Tree of Model 1


Note: "Grp-3" referes to Badhae, Bangali, Bhote, Bing/Binda, Brahman (Hill), Brahman(Tarai), Chepang, Chhetri, Chidimar, Darai, Dom, Gaine, gharti/Bhujel, Hajam/Thakur, Halkhor, Hayu, Jirel, Kami, Kayastha, Kurmi, Meche, Munda, Ram, Sanyasi, Sonar, Sunuwar, Thami, and Yehlmo. "Grp-4" refers to Badi, Baniya, Bantar, Barae, Bhediyar/Gaderi, Bote, Brahmu/ Baramu, Byangsi, Chhantal, Damai/Dholi, Danuwar, Dewat, Dhagar/Jhagar, Dhanuk, Dhimal, Dhobi, Dhunia, Dura, Dusadh/Paswan/Pasi, Gangai,Gurung, Haluwai, Kamar, Khatwe, Kisan, Koche, Koiri, Kumal, Kumhar, Kunu, Kuswadiya, Lepcha, Limbu, Lodha, Lohar, Magar, Majhi, Mali, Mallah, Musahar, Muslim, Nuniya, Nurang, Pahari, Punjabi/Sikh, Rajbansi, Rajbhar, Raji, Rajput, Raute, Santhal/Satar, Sarki,Sudhi, Tajpuriya, Tamang, Tatma, Teli/Chamar/harijan, Thakuri, Tharu, Yadav, Yakkha.

Figure 3: Decision Tree of Model 3


Bangali,Bantar,Barae,Bing/Binda,Chepang,Chidimar,Dewat,Dhobi,Dom,Halkhor,Kahar,Kisa
Grp-5 n,Kurmi,Kuswadiya,Lodha,Mallah,Meche,Munda,Musahar,Nuniya,Raji,Ram,Raute,Santhal/ Satar,Tamang,Tatma,Thami
Badhae, Badi, Baniya, Bhediyar/Gaderi, Bhote, Bote, Brahman (Hill),Brahman (Tarai), Brahmu/Baramu, Byangsi,Chhantal,Chhetri,Damai/Dholi,Danuwar,Darai,Dhagar/Jhagar,Dhanuk,Dhimal,Dhunia,Dura, Dusadh/Paswan/Pasi,Gaine,Gangai,gharti/Bhujel,Gurung,Hajam/Thakur,Haluwai,Hayu,Jaine,Jirel,Kal
Grp-6 war,Kamar,Kami,Kayastha,Khatwe,Koche,Koiri,Kumal,Kumhar,Kunu,Lepcha,Limbu,Lohar,Magar,Ma jhi,Mali,Marwadi,Muslim,Newar,Nurang,Pahari,Punjabi/Sikh,Rai,Rajbansi,Rajbhar,Rajput,Sanyasi,Sar ki,Sherpa,Sonar,Sudhi,Sunuwar,Tajpuriya,Teli/Chamar/harijan,Thakali,Thakuri,Tharu,Walung,Yadav,Y akkha, Yehlmo
Badhae,Bangali, Baniya, Barae, Bhote, Bing/Binda, Byangsi, Chepang, Chidimar, Darai, Dewat,
Grp-7 Dhagar/Jhagar, Dhimal, Dhunia, Dom, gharti/Bhujel, Halkhor, Jirel, Kahar, Kalwar, Kamar, Kisan, Kurmi, Lodha, Mallah, Munda, Musahar, Nuniya, Rajbansi, Raji, Rajput, Ram, Raute, Santhal/ Satar, Sarki, Sherpa, Sonar, Sudhi, Tajpuriya, Tatma, Thami, Tharu, Yehlmo
Badi, Bantar, Bote, Brahman (Hill),Brahman (Tarai), Brahmu/Baramu, Chhetri, Damai/Dholi, Danuw ar,Dhanuk,Dhobi,Dura,Dusadh/Paswan/Pasi,Gaine,Gangai,Gurung,Hajam/Thakur,Haluwai,Hayu,Jain
Grp-8 e,Kayastha,Koche,Koiri,Kumal,Kumhar,Kunu,Lepcha,Lohar,Magar,Majhi,Mali,Marwadi,Meche, Musl im,Newar,Nurang,Pahari,Punjabi/Sikh,Rai,Rajbhar,Sanyasi,Sunuwar,Tamang,Teli/Chamar/harijan,Tha kali,Thakuri,Walung, Yadav, Yakkha
Badhae,Badi,Bangali,Bantar,Barae,Bhediyar/Gaderi,Bhote,Bing/Binda,Chepang,Chidimar,Danuwar,D ewat,Dhagar/Jhagar,Dhimal,Dhobi,Dhunia,Dom,Dusadh/Paswan/Pasi,Gaine,Halkhor,Hayu,Jirel,Kah
Grp-9 ar,Kalwar,Kamar,Khatwe,Kisan,Koche,Kumhar,Kurmi,Kuswadiya,Lodha,Lohar,Mali,Mallah,Meche, Munda,Musahar,Muslim,Nuniya,Nurang,Rai,Rajbansi,Rajbhar,Raji,Ram,Raute,Sarki,Sherpa,Tamang, Tatma,Thami, Yakkha,Yehlmo
Baniya,Bote,Brahman (Hill),Brahman (Tarai),Brahmu/Baramu,Byangsi,Chhantal,Chhetri,Damai/Dholi
Grp-10 ,Darai,Dhanuk,Dura,Gangai,gharti/Bhujel,Gurung,Hajam/Thakur,Haluwai,Jaine,Kami,Kayastha,Koiri, Kumal,Kunu,Lepcha,Limbu,Magar,Majhi,Marwadi,Newar,Pahari,Punjabi/Sikh,Rajput,Santhal/Satar,Sa nyasi,Sonar,Sudhi,Sunuwar,Tajpuriya,Teli/Chamar/harijan,Thakali,Thakuri,Tharu,Walung,Yadav

Figure 4: Decision Tree of Model-4


Badi,Bangali,Bantar,Barae,Bhote,Bing/Binda,Chepang,Chidimar,Danuwar,Dewat,Dhobi,Dh unia,Dom,Dusadh/Paswan/Pasi,Hajam/Thakur,Halkhor,Hayu,Jirel,Kahar,Kamar,Khatwe,K
Grp-11 isan,Kumhar,Kurmi,Kuswadiya,Lepcha,Lodha,Majhi,Mallah,Meche,Munda,Musahar,Nuni ya,Nurang,Rajbhar,Raji,Ram,Raute,Santhal/Satar,Sarki,Sunuwar,Tamang,Tatma,Thami,Yehl mo

Badhae,Baniya,Bhediyar/Gaderi,Bote,Brahman (Hill),Brahman (Tarai), Brahmu/Baramu, Byangsi, Chhantal, Chhetri, Damai/Dholi, Darai,Dhagar/Jhagar, Dhanuk,Dhimal,
Grp-12 Dura,Gaine,Gangai, Gharti/Bhujel, Gurung,Haluwai,Jaine,Kalwar,Kami,Kayastha,Koche,K oiri,Kumal,Kunu,Limbu,Lohar,Magar,Mali,Marwadi,Muslim,Newar,Pahari,Punjabi/Sikh,Ra i,Rajbansi,Rajput,Sanyasi,Sherpa,Sonar,Sudhi,Tajpuriya,Teli/Chamar/harijan,Thakali,Thaku ri,Tharu,Walung, Yadav, Yakkha

Grp-13 Chepang,Chidimar,Dhobi,Halkhor,Kahar,Kisan,Kuswadiya,Lodha,Munda,Nuniya,Raji,Raute Badi,Bangali,Bantar,Barae,Bhote,Bing/Binda,Danuwar,Dewat,Dhunia,Dom,Dusadh/
Grp-14 Paswan/Pasi,Hajam/Thakur,Hayu,Jirel,Kamar,Khatwe,Kumhar,Kurmi,Lepcha,Majhi,Malla h,Meche,Musahar,Nurang,Rajbhar,Ram,Santhal/Satar,Sarki,Sunuwar,Tamang,Tatma,Thami ,Yehlmo

Badhae,Bhediyar/Gaderi,Bote,Brahman (Hill), Brahmu/Baramu, Chhetri, Damai/Dholi,
Grp-15 Darai ,Dhagar/Jhagar, Dhimal,Dura,Gaine,gharti/Bhujel,Gurung,Haluwai,Kalwar,Kami,K oche,Koiri,Kunu,Lohar,Mali,Marwadi,Muslim,Pahari,Rajbansi,Sanyasi,Sonar,Teli/Chamar/ harijan,Thakuri,Tharu, Yakkha

## Grp-16

Baniya,Brahman (Tarai), Byangsi, Chhantal, Dhanuk, Gangai, Jaine, Kayastha, Kumal, Limbu,Magar,Newar,Punjabi/Sikh,Rai,Rajput,Sherpa,Sudhi,Tajpuriya,Thakali,Walung,Yadav

Figure 5: Decision Tree of Model-5


Node 3 ( $\mathrm{n}=1177$ ) Node 5 ( $\mathrm{n}=2459$ ) Node 6 ( $\mathrm{n}=1081$ ) Node 10 ( $\mathrm{n}=592$ ) Node 11 ( $\mathrm{n}=269$ ) Node 12 ( $\mathrm{n}=1764$ ) Node 13 ( $\mathrm{n}=2954$ )


Badi,Bangali,Bantar,Barae,Bhote,Bing/Binda,Chepang,Chidimar,Danuwar,Dewat,Dhobi,Dhu
Grp-17 nia,Dom,Dusadh/Paswan/Pasi,Hajam/Thakur,Halkhor,Hayu,Jirel,Kahar,Kamar,Khatwe,Kisa n,Kumhar,Kurmi,Kuswadiya,Lepcha,Lodha,Majhi,Mallah,Meche,Munda,Musahar,Nuniya,N urang,Rajbhar,Raji,Ram,Raute,Santhal/Satar,Sarki,Sunuwar,Tamang,Tatma,Thami,Yehlmo

Badhae,Baniya,Bhediyar/Gaderi,Bote,Brahman (Hill),Brahman (Tarai),Brahmu/Baramu,Byan gsi,Chhantal,Chhetri,Damai/Dholi,Darai,Dhagar/Jhagar,Dhanuk,Dhimal,Dura,Gaine,Ganga
Grp-18 (Bhujel,Gurung,Haluwai,Jaine,Kalwar,Kami,Kayastha,Koche,Koiri,Kumal,Kunu,Lim bu,Lohar,Magar,Mali,Marwadi,Muslim,Newar,Pahari,Punjabi/Sikh,Rai,Rajbansi,Rajput,Sany asi,Sherpa,Sonar,Sudhi,Tajpuriya,Teli/Chamar/harijan,Thakali,Thakuri,Tharu,Walung,Yadav ,Yakkha

Badhae,Bhediyar/Gaderi,Bote,Brahmu/Baramu,Chhetri,Darai,Dhagar/
Grp-19 Jhagar,Dhimal,Dura,Gaine,gharti/Bhujel,Kami,Koche,Koiri,Kunu,Lohar,Mali,Muslim,Pahari, Rajbansi,Sanyasi,Sonar,Thakuri,Tharu,Yakkha

Baniya,Brahman (Hill),Brahman (Tarai),Byangsi,Chhantal,Damai/Dholi,Dhanuk,Gangai,Gur
Grp-20 ung,Haluwai,Jaine,Kalwar,Kayastha,Kumal,Limbu,Magar,Marwadi,Newar,Punjabi/Sikh,Rai, Rajput,Sherpa,Sudhi,Tajpuriya,Teli/Chamar/harijan,Thakali,Walung,Yadav

Grp-21 Chepang,Chidimar,Dhobi,Halkhor,Kahar,Kisan,Kuswadiya,Lodha,Munda,Nuniya,Raji,Raute Badi,Bangali,Bantar,Barae,Bhote,Bing/Binda,Danuwar,Dewat,Dhunia,Dom,Dusadh/Paswan/
Grp-22 Pasi,Hajam/Thakur,Hayu,Jirel,Kamar,Khatwe,Kumhar,Kurmi,Lepcha,Majhi,Mallah,Meche, Musahar,Nurang,Rajbhar,Ram,Santhal/Satar,Sarki,Sunuwar,Tamang,Tatma,Thami,Yehlmo

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[^0]:    * This research was completed when both authors were pursuing Masters of Arts in Economics in Patan Multiple Campus, Tribhuvan University
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    ${ }^{1}$ https://www.gfmag.com/global-data/economic-data/the-poorest-countries-in-the-world

[^1]:    ${ }^{2}$ Gini index here is the measure of impurity of nodes and should not be interpreted as Gini coefficient that measures the income dispersion.

[^2]:    ${ }^{3}$ Random seed initializes the pseudorandom number generator.
    ${ }^{4} \mathrm{R}$ is a language and environment for statistical computing and graphics (http://www.r-project.org/).
    ${ }^{5}$ Recursive Partitioning and Regression Tress package developed by Terry M. Therneau, Beth

[^3]:    Atkinson and Brian Ripley (2011) was accessed by authors from http://CRAN.R-project.org/ package=rpart.

