An Analysis Of Fertility Determinants In Nepal

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INDTRODUCTION

In most developing countries, the high rate of population growth can be attributed to declining mortality and relatively stable high fertility. Therefore, the question of what determines stable high fertility has always been a prime concern. Until recent times fertility decline has been explained largely by theories of social or economic causation which were mostly simple because relatively few facts were available (Freedman 1979: 6).

Nag (1962) in an attempt to explain human fertility in non-industrial societies, identified the role of socio-cultural factors leading to high levels of fertility. As a sharply divergent explanation for the persistent high fertility, Caldwell (1982) argued that parents have not been economically disadvantaged by high fertility for most of the world's history, but that in traditional peasant societies it is both socially and economically rational for parents to have large numbers of children.

The framework first introduced by Davis and Blake (1956) and later modelled by Bongaarts and Potter (1983) is useful for the study of fertility determinants. After analysing 41 sample populations, Bongaarts and Potter (1983) came to the conclusion that 96 percent of the total fertility behaviour could be explained by using only four variables: proportion married among females, lactation infecundability, the prevalence of contraceptive use, and the incidence of induced abortion.

This paper takes into account the first three of these variables. Due to lack of information on the induced abortion, it cannot be included in the analysis as a determining factor of fertility in Nepal.

Nepal has one of the highest fertility levels in developing countries and it has been more or less constant at a high level over the years. The Ministry of Health (1987: 76) estimated a total fertility rate (TFR) of 6.02 per woman for the country, thus denoting a situation of high fertility. According to Jones (1977 : 4), if the TFR is 5 or above and steady over time, it is a case of a stable high fertility country.

Tuladhar (1989: 29) concluded that fertility in Nepal may be declining owing to a changing marriage pattern and increased use of contraceptives. However, he was not sure about the onset of fertility decline in Nepal. In a village study, Niraula (1991: 261) also concluded that Nepal may be on the verge of the onset of fertility decline. However, his study was based on a small area and might not be representative of the whole of Nepal.

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Thus, unless another round of the Demographic Sample Survey (DSS) is conducted, it is dificult to say firmly whether there is an onset of fertility decline in Nepal. Nevertheless, Nepal still has stable high fertility, although decline may now have begun, and the fertility transition has been delayed long. This situation naturally draws attention to the research question of what determines the stable high fertility in Nepal.

ANALYSIS

In this analysis, framework conceptualised from Bongaarts and Potter (1983) is proposed to analyse (Figure 1), age at marriage, breastfeeding and ever use of contraception have been taken as independent variables affecting fertility i.e. the number of children ever born. The selected demographic characteristics of the study population based on univariate analysis and the results of the bivariate and multivariate analysis are presented at the end of the text (Tables 1 to 8).

Marriage Duration As The Controlling Variable

It is evident from Table 1 that Nepal is a high fertility country. For example, 56 percent of the currently married women have three or more number of children ever born. Of those 56 percent of currently married women, nearly 50 percent of them have five children or more. This high fertility can be put into a better perspective and be better understood only when the fertility determinants are analysed controlling for marriage duration.

Marriage duration, which is measured in completed years, is a proxy for the length of exposure to the risk of intercourse and childbearing particularly in those societies where premarital sex is limited. Nepal is also no exception to this. Marriage duration is measured as the algebraic diference between a respondent's current age and her age at marriage. In the case of Nepal, 29 percent of currently married women have been found to have marriage duration of 20 years and above (Table 1). The cumulative fertility of a continuously married woman is expected to be greater, the longer is her duration of marriage.

Table 6 shows that there is a strong positive relationship between marriage duration and fertility. In a low-contracepting society like Nepal and because of relatively long reproductive spans due to low age at marriage (Table 1), the women who have been married for longer periods contribute more to fertility compared to the women of shorter marriage duration groups (Table 2).

Marriage is universal in Nepal. Early age at marriage is in common practice. Eighty four percent of women are married by the age of 19 (Table 1). The early age at marriage can be attributed to traditinal beliefs and practices. It is early age at marriage that leads to longer marriage duration. Since all births, breastfeeding and ever use of contraception take

place within marriage, marriage duration is an important variable in analysing the fertility determinants in Nepal.

Age At Marriage

Age at marriage is one of the important variables affecting fertility behaviour in Nepal. As expected, there is an inverse relationship between age at marriage and fertility (Table 6). In a country like Nepal, where contraceptive prevalence is low, early and almost universal entry into marriage combined with a low level of marital dissolution can substantially boost the level of fertility (Risal and Shrestha 1989 : 29).

The finding of higher fertility for those married at younger ages than those at higher ages is mostly due to diferences in marriage duration. Once controls for the marriage duration are introduced, the independent effect of age at marriage on fertility is likely to disappear (Table 7). Within each marriage duration group, the direction of the relationship between age at marriage and fertility is positive, and the strength of the relationship differs by marriage duration groups. For example, in the case of those women having marriage durations of 20 years and over, there is a strong positive relationship between age at marriage and fertility, thus implying that their low age at marriage has positively and significantly contributed to the number of children ever born. However, in the case of those women having marriage durations 0-9 and 10-19 years, their age at marriage and fertility has a weak positive relationship, thus contributing less to fertility.

It is also evident from Tabel 2 that the women of marriage duration group 20 years and above are contributing more to fertility than the groups of women with 10-19 and 0-9 years marriage duration. This implies that the higher the duration of marriage, the higher will be the fertility and vice versa.

From the demographic point of view, these women with shorter marriage durations, e.g. 0-9 years, are of importance. The ideal target would be approach those women to use contraception, particularly the temporary methods. However, if the target is to motivate women for fammily planning who have been married for a longer period, i.e. 20 years and above, it would have very little demographic effect since almost sixty percent will have five or more children by that time (Table 2).

Breastfeeding

Breastfeeding is one of the important determinants of fertility. The longer a woman breastfeeds, the lower is her chance of conceiving. Breastfeeding plays a crucial role in prolonging the length of post-partum amenorrhea and thereby lowering fertility. In Asia and Africa, breastfeeding has been shown to inhibit an average of four potential births,

representing 25 percent of the total fecundity, per woman (Thapa, Short, and Potts 1988).

In the case of Nepal, breastfeeding is universal. As is evident in Table 1, 97 percent of currently married women breastfeed in the last closed interval. However, there is no signicant relationship between breastfeeding duration and children ever born (Table 6). This could be because of the shorter duration of breastfeeding among currently married young women i.e. women of shorter marriage duration groups (Table 3). For instance, only 26 percent of women of shorter marriage duration groups, e.g. 0-9 years breastfed for 25 months and above, whereas this figure was 45 percent for the longer marriage duration groups, e.g. 20 years and over.

However, since a significant proportion of women breast feed in Nepal for a longer period (Table 1), the expectation is that there should be a negative relationship between breastfeeding duration and fertility. The relationship would be as expected only when control for the marriage duration longer, e.g. 20 years and above, their breastfeeding duration is more significant in fertility control compared to the breastfeeding duration of women having shorter durations of marriage. This suggests that older married women breastfed for longer durations (Table 3).

The relationship between breastfeeding duration and the fertility of recently currently married women, e.g. 0-9 years marriage duration group, is not significant (Table 7). This is because there are no significant differences between categories, sub-groups, of the independent variable (i.e. breastfeeding duration, for this marriage duration group that makes a difference to their characteristics on the dependent variable, i.e. number of children ever born. It is worthnoting that shorter marriage duration groups, younger married women, have been found to breastfeed for shorter periods (Table 3).

Breastfeeding patterns are afected by the process of modernisaton, especially education and urbanisation, and other social and cultural changes. For example, breastfeeding duration has declined dramatically in the developed countries and this change is being carried over rapidly into the developing countries as well. This could be true in Nepal also, that may be why the duration of breastfeeding is short among younger married women. If more and more women adopt these modern patterns, breastfeeding may continue to decline, making attempts to decrease fertility more difficult.

Ever Use Of Contraception

In the ever use of contraception, methods such as female sterilization, male sterilization. pills, condom, injectables and IUD have been taken into account. Respondents who reported knowledge of any family planning method were asked whether they had ever used this particular method of

contraception (Ministry of Health 1987 : 108). Their responses to this question form the basis of the following analysis and discussion.

As is evident in Table 1, the ever use of any contraception is low, 15 percent, in Nepal. The ever use of contraception is still found to be low by specific family planning method (Table 4). The low level of ever use of contraception could be attributed to high desired family size of Nepalese couples as well as slow growth of family planning (Pathak 199: 45-46). One of the striking characteristics of ever users of contraception in Nepal is that a higher percentage of women with more children ever use contraception compared to women with fewer children (Table 5). For instance, among those women having 0-2 children, only 17 percent have ever used any contraception, whereas this figure is found to be 43 percent in the case of those women having five or more children. This can be explained by the fact that ever use of fertility control is positively associated with the number of children ever born.

The relationdhip between ever use of female sterilization and fertility is found to be strongly negative (Table 6). This is because there are large differences betweeen categories, ever use and never use of female sterilization. In this context opinion of be Vans (1985) is citeworthy which opines that if there are large differences between sub-groups, categories of independent variable, there is a strong relationship. If the diffrences are small, the relationship is weak. Thus, only a small percentage of women ever use female sterilization. When we control for marriage duration (Table 7), although the direction is same, the strength of relationship differs. For example, in the case of those women having shorter marriage duration, the strength of the negative relationship between ever use of female sterilization and fertility is higher and vice versa. This implies that the ever use of female sterilization among shorter marriage duration groups is lower (Table 8). In the case of those having longer marriage durations, the relationship between ever use of female sterilization and fertility is less strong. This is because the percentage of ever users of female sterilization in the longer marriage duration groups is higher (Table 8), suggesting that those women want to stop their high fertility. Thus, women contracept after they realise that they have too many children.

The relationship between ever use of male sterilization and fertility is also found to be strongly negative (Table 6). There are large differences between categories of ever use of male sterilization, implying very small percentage of women's spouses are sterilized. However, when marriage duration is controlled (Table 7), it is found that the strength of the negative relationship is stronger among those women who have shorter marriage durations. This is because in the shorter marriage duration groups, there are large differences between sub-groups of use of male sterilization. Thus, this implies that the percentage of ever users of male sterilization is lower among currently married young women (Table 8). In the case of the longer

married women, 20 years and above, the relatinship between use of male sterilization and fertility is weak but positive. The relationship is weak because a higher percentage of spouses of currently married women are sterilized (Table 8) but it is positive because fertility is high, that is why, they use male sterilization to stop high fertility. Since they already have their desired number of children, their spouses have started to use male sterilization to stop their high fertility.

There is also a strong negative relationship between ever use of pill and fertility (Table 6). When a control is introduced for marriage duration (Table 7), among those women having 0-9 and 20$^+$ years marriage duration, there is a stronger negative relationship between ever use of pill and fertility. This means that there are significant differnces between ever use and never use of the pill. Thus, a lower percentage of those groups of married women have ever used pills (Tabel 8). Among those women having 10-19 years duration of marriage, their ever use of pills and fertility has a less strong negative relationship, implying not much significane differences between ever use and never use of pill. Thus, a higher percentage of currently married women of 10-19 years marriage duration group ever use pills (Table 8).

There is no significant relationship between ever use of condom, injectables, IUD, and fertility (Table 6). This is because there are no significant differences between ever use and never use of these methods. Even when control is introduced for marriage duration, there is no signicant relationship of these methods with fertility (Table 7).

However, if we take into acount all methods, any contraception, there is a significant strong negative relationship with fertility (Table 6). Even if we control for marriage duration (Table 7), it is evident from the table that there still exists a significant relationship between fertility and ever use of any contraception for each marriage duratin group. However, although the direction of relationship is same, i.e. negative, the relationship is stronger in the case of the shorter marriage duration group. This implies that, as in specific method a small percentage of currently married young women ever use any contraception (Table 8). On the contrary, the relationship is less strong in the case of longer marriage duration groups (Teble 8).

CONCLUSION

The discussion on the determinants of fertility in the Nepalese context reveals that marriage is uiveresal. Early age at marriage, the leading factor in longer marriage duration is the principal determinant contributing to high fertility in Nepal.

Breastfeedning is also universal in Nepal. It is the only factor considered which seems to have had an effect in reducing fertility. However, the breastfeeding duration of younger married women, especially

women of the 0-9 years marriage duration group, does not have a signicant relationship with fertility.

The ever use of contraceptin is low in Nepal. As most of the ever users of contraception are those with longer marriage duration and high parity, the impact of ever use of contraception on the fertility seems to be minimal.

The evidence of shorter duration of breastfeeding among currently married young women and ever use of contraception especially by the women who have been married for longer periods and with high parity is not conducive to bringing about a decline in fertility. On the other hand, the fertility increasing effect of early age at marriage seems to be controlled by breastfeeding and ever use of contraception, especially sterilization. It is, therefore, fertility has remained stable at a high level in Nepal.

If fertility is to be brought down, special focus should be given to late marriage, the importance of breastfeeding especially among the new generation and the effectiveness, popularity and comprehensiveness of the family planning programme.

Finally, there should be further research in greater detail on the fertility determinants in rural and urban areas and at regional levels. However, the scope of the Nepal Fertility And Family Planning Surrvey 1986 (NFFS 1986) might be limited to undertake an in-depth study.

Figure 1
A Conceptual Framework For The Study Of Fertility Determinants
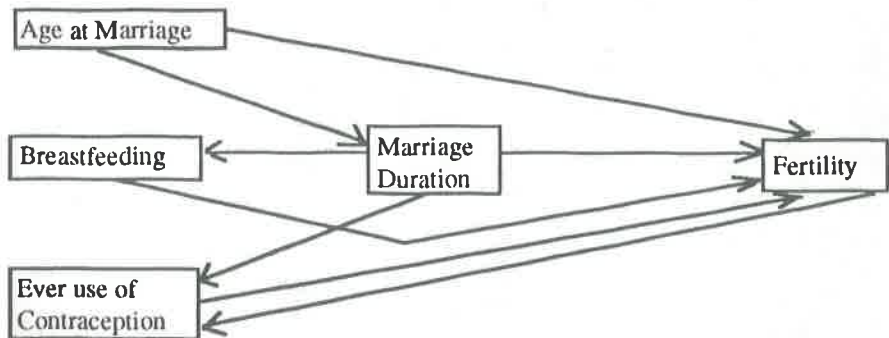
Source : Conceptualised from Bongaarts and Potter 1983.

Table 1

Distribution Of Currently Married Women Aged 15-49 Years On Selected Variables 1986

Variables	Number	Percent
Children Ever Born		
0-2	1715	43.8
3-4	1123	28.6
5+	1081	27.6
Total	3919	100.0
Age at Marriage		
15	1475	37.6
15-19	1832	46.7
20+	612	15.6
Total	3919	100.0
Marriage Duration		
0-9	1371	35.0
10-19	1427	36.4
20+	1121	28.6
Total	3919	100.0
Breastfeeding Duration		
1-12 months	491	18.4
13-24 months	1226	5.9
25+ months	955	35.7
Total	2672	100.0
Breastfeeding in Last Closed Interval		
Yes	2721	97.3
No	76	2.7
Total	2797	100.0
Ever Use of any Contraception		
Yes	591	15.1
No	3328	84.9
Total	3919	100.0

Note : In the case of breastfeeding, the total varies due to inapplicable, not
  stated and still breastfeeding cases.
Source : NFFS 1986 data file.

Table 2

Percentage Distribution Of Currently Married Women Aged 15-49 Years According To Children Ever Born By Marriage Duration 1986

Children Ever Born	Marriage Duration In Year		
	0-9	10-19	20+
0-2	84.7	25.8	16.6
3-4	14.6	45.8	24.0
5+	0.7	28.4	59.4
Total	100.0	100.0	100.0
N = 3919			

Source : As of the Table 1.

Table 3

Percentage Distribution Of Currently Married Women Aged 15-49 Years According To Breastfeeding Duration (last closed interval) By Marriage Duration 1986

Breastfeeding	Marriage Duration In Years		
	0-9	10-19	20+
1-12 months	23.1	20.0	14.0
13-24 months	51.1	47.2	41.6
25+ months	25.8	32.7	44.5
Total	100.0	100.0	100.0
N = 2672			

Source : As of the Table 1.

Table 4
Percentage Of Ever Users Among Currently Married Women Aged 15-49 Years Who Have Heard Of A Particular Method Of Family Planning 1986

Method	Number	Percent
Female sterilization	1947	12.1
Male Sterilization	1634	13.5
Pill	1039	11.5
Condom	629	10.8
Injectable	506	5.4
IUD	239	5.5

Note : Number refers to currently married women aged 15-49 who have heard of that particular method. This N is the base for the calculation of the percentage of women ever using that particular method.

Source : As of the Table 1.

Table 5

Percentage Distribution Of Currently Married Women Aged 15-49 Years According To Ever Use Of Any Contraception By Number Of Children Ever Born 1986

Use	Children Ever Born		
	0-2	3-4	5+
Ever use	16.6	40.7	42.6
Never use	83.4	59.3	57.4
Total	100.0	100.0	100.0
N = 3919			

Source : As of the Table 1.

Table 6

Number Of Children Ever Born And The Selected Independent Variables 1986

	Number	P<.05	**Tau-b
NCB by MARRDUR	3919	.00000*	.56999
NCB by AAM	3919	.00000*	-.08936
NCB by MBLBCH	2672	.40355	-.00536
Ever use of contraception: Method Specific			
NCB by EVERMAST	1947	.00000*	-.22827
NCB by EVERFEST	1634	.00000*	-.17257
NCB by EVERPILL	1039	.00000*	-.16142
NCB by EVERCOND	629	.19786	-.06774
NCB by EVERINJ	506	.13121	-.08335
NCB by EVERLOOP	239	.07531	-.13974
Ever use of any contraception			
NCB by EVERCONT	3919	.00000*	-.20787

Note : P = Pearson chi-square probability.
  * Significant at .05 level of significance.
  ** Kendall's tau-b is used to determine the strength and direction of relationship.

NCB :	Number of children ever born.
MARRDUR :	Marriage duration.
AAM:	Age at marriage.
MBLBCH :	Months breast-fed in last closed interval.
EVERFEST :	Ever use of female sterilization.
EVERMAST :	Ever use of male steriliation.
EVERPILL :	Ever use of pills.
EVERCOND:	Ever use of condoms.
EVERINJ :	Ever use of injection.
EVERLOOP :	Ever use of loops.
EVERCONT :	Ever use of any contraception.

Source : As Of the Table 1.

Table 7

Number Of Children Ever Born And The Selected Independent Variables Controlling For Marriage Duration 1986 (conditional table)

	Number	P<.05	**Tau-b
NCB BY AAM BY MARRDUR			
0-9 YEARS	1371	.00015*	.07824
10-19	1427	.00094*	.09102
20+	1120	.00009*	.10412
NCB BY MBLBCH by MARRDUR			
0-9 Years	480	.22829	-.06586
10-19	1228	.00055*	-.09544
20*	964	.00007*	-.10200
Ever use of contraception: Method Specific NCB By EVERMAST By MARRDUR			
0-9 Years	656	.00002*	-.17565
10-19	747	.00005*	-.14992
20+	544	.00198*	-.12830
NCB by EVERMAST By MARRDUR			
0-9 Years	549	.00000*	-.30537
10-19	614	.33430	-.03661
20*	470	.02672*	.03394
NCB by EVERPILL By MARRDUR			
0-9 Years	382	.00226*	-.16108
10-19	376	.01988*	-.11051
20+	281	.01707*	-.15982
NCB by EVERCOND By MARRDUR			
0-9 Years	250	.64530	-.05067
10-19	227	.24598	-.09799
20+	151	.59553	-.07828
NCB by EVERINJ By MARRDUR			
0-9 Years	192	.24039	-.08481
10-19	181	.67158	-.05141
20+	133	.54764	-.09255
NCB by EVERLOOP By MARRDUR			
0-9 Years	98	.78510	-.02752
10-19	79	.93315	-.02892
20+	62	.57001	-.07008
Ever use of any contraception NCB By EVERCONT By MARRDUR			
0-9 Years	1371	.00000*	-.21082
10-19	1427	.00000*	-.12171
20+	1120	.00000*	-.13145

Source : As of the Table 1

Table 8

Percentage Distribution Of Currently Married Women Aged 15-49 Years According To Ever Use Of Sterilizatiom, Pill, And Any Contraception By Marriage Duration 1986

Ever Use	Marriage Duration In Years			
	Number	0-9	10-19	20+
Female Sterilization	1947	3.0	16.4	17.4
Male Sterilization	1634	5.0	14.1	22.6
Pill	1039	7.9	12.0	8.9
Any Contraception	3919	7.3	18.4	20.4

Note : Since there is no signiicant relationship between ever use of condom, injectable, IUD, and fertility (Tables 6 and 7), these methods are not taken into account in this table.

Source : As of the Table 1

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BOOK REVIEW

Sharma, Guna Nidhi, Hari Uprety and Desa Raj Dahal (eds.) *Debt Trap and Its Management In Nepal*, Nepal Foundation for Advanced Studies (NEFAS) and Friedrich-Ebert-Stiftung (FES), Kathmandu, 1998, pp. iv + 93 plus Table of Contents and Contributors list, Price not mentioned.

The book under review is the outcome of the one day national seminar on *Debt Trap and Its Management in Nepal* organised by Nepal-Foundation for Advanced Studies in cooperation with Friedrich-Ebert-Stiftung. The book incorporates four papers, *The Growing Fiscal Imbalnces in Nepal: Are We Really Falling Into the Debt Trap ?* by Guna Nidhi Sharma, *Burden of Public Debt in Nepal* by Keshava P. Acharya, *Public Debt Management and Macro Economic Stability*, by YubaRaj Khatiwada, *Debt Management*, by T.R. Ananthakrishnan.

All these four papers have dealt directly indirectly the causative factors for increasing debt in most of the developing countries with an inquiry for causes of stagnant Nepalese Economy, with a brief outline of Nepal debt management project. All the authors have presented evidence that country to the Ricardian equivalence theorem, it matters what particular method developing country like Nepal uses to finance her government deficits and address some of the practical issues involved in establishing a voluntary market for government in the country that has not so far developed one.

There are four major ways that government can finance deficits: monetizing the dificit by borrowing at zero cost from the central bank; borrowing at below market interest rates by thrusting debt down the throats of captive buyers, primarily commercial banks; borrowing abroad in foreign currency; and borrowing at market interest rates from voluntary domestic private sector lenders. Which one would have been the best for Nepal if deliberated by the authors in depth would have been a suggestive strategy for debt reduction.

The economic plight of the indebted country like Nepal has to do with the weak commitment to reforms and with her policy lippages. The country has found it easier to cut investment than to tax to reduce the consumption of powerful high income groups. Similarly the ability of the country to grow out of debt is dependable on the markets for their main export products,

the price prospects of major export commodities being unpromising, and GDP growth rates of developed countries being reasonably high and income inelastic demand of Nepalese exports, debt redemption has not been successful and effective in Nepalese context, and the book does not suggest any alternatives. Another uncertainty is the movement of real interest. Almost two thirds of country's debt is tied to variable interest retes, opening her to interest shocks, and every percentage point will raise at least 3.5 million US $ to her debt servicing creating larger demand for new capital inflows or debt reduction. In this context what will be the debt menagement scenario, the question is unanswered. When external financial flows dry up debtors are forced to run trade surpluses inorder to service their debt. Adjustment in the trade balance can be achieved by reducing the consumption out-put ratio or the investment out-put ratio. In the case of Nepal, the consumption out-put ratio has not only failed to decline in proportion to the investment out-put ratio but has actually risen on an average between 1985-95. These phenomena of Nepal's debt character, have not been dealt by none of the authors' works that are contained in book.

Growth in Nepal, which has averaged 5.2 percent in 1985-1991, showed down sharply in 1992, 3.1 percent and was at much the same level in 1993 to 1995. Bad weather resulted virtually stagnant agricultural out-put in two successive years, but in 1992 non-agricultural out put rose sharply by 7 percent, reflecting more settled trading conditions with India and the favourable impact of changes in industrial and exchange rate policies. The lowering export taxes has led to some diversification and a rapid expansion of exports, particularly of woollen carpets and garments, 40 percent in value in 1995. Services, specially tourism, continued to show strong growth. There are indications that non-agricultural out-put grew relatively fast in 1992-1995. In this context, Nepal moderately indebted is the exportes of services and will remein in coming years. Reference to this context if we took her three of the four key ratios of debt to GNP, debt to exports, debt service to exports and interest to exports, they have never reached critical levels and will not reach even in distance future which means debt trap for her is still far. But all the authors have failed or escaped to deal these issues in depth. Generally two ratios are used to classify indebtedness: the ratio of present value of total debt service to GNP and the present value to exports. These ratios cast the level of indebtedness in terms of two important aspects of countrys potential

capacity to service the debt; exports; because they provide foreign exchange to service debt, and GNP because it is the broadest measure of the income generation in an economy. If either of these ratios exceeds a critical level i.e. 30 percent for present value of debt service to GNP and 220 percent or present value of exports— the country is classified as severely indebted. If the critical value is not exceeded by either ratio and is 60 percent or more of the critical value, the country is classified as moderately indebted. If both ratios are less than 60 percent of the critical value the country is less indebted. In this light data provided by the authors do not suggest that Nepal is severely indebted country because her PV/XGS (present value of debt service to exports of goods and services) is neither higher than 220 percent nor her PV/GNP (present value of debt service to gross national product) is higher than 80 percent. This lacuna left by authors in the analysis of Nepal's debt problem has derailed the INT/GNP (total interest payments to gross National product), RES/EDT (international reserves to external debt) and RES/MGS (international reserves to imports of goods and services) from theme tank of Nepal's debt issue, analytical inclusion of which would have been made the book more worthful.

The book also contains a brief sketch of debt management network projected for Nepal by T.T. Ananthakrishnan, advisor debt menagement, Ministry of Finance, HMG/N. In country like Nepal operating with more primitive book-keeping mechanisms, the Ministry of Finance does not have current knowledge of the state of the budget expenditure on current or development account. Under these conditions proposed installation of computer network connecting Ministry of Finance (MOF), Financial Comptroller General Office (FCGO) and Foreign Exchange Department of Nepal Rastra Bank (NRB-E), and Public Debt Department of of Nepal Rastra Bank (NRB-D) will certainly enhance quick communication of data and reports, but present state of affairs in this respect does not ensure the perceived procedures. At present release of the funds by the Accountant General Office end up as bank deposit credit to the spending agencies. The AG office does not keep track of actual disbursement of these funds, nor does the ministry. Nor is there any means of ascertaining, with fair degree of accuracy that these funds are being used for the purpose intended. This means that there is no information on expenditure that can be used as a management imput for taking corrective action or that can provide serviceable data to the Finance Ministry during the year enabling

him to reprioritise the allocation of funds. All that is at hand measure of fund released to the line ministries from AG's office thus a large sum of money under the budget may be banked in the accounts of spending agencies and thus keep sterile for the purpose of development. How these management problems have been envisaged to be tackled, the author does not provide any clue.

Besides these shortcominags, the book provides a very lucid picture of fiscal imbalances, burden of public debt and macro-economic stability with existing scenario of public debt of Nepal, which are of the matter of interst for general reader and provide specific insight to those acedemicians who are intrested in analysing country's economic efficiency and seek answer for ineficiancy in resource mobilisation, both external and internal, for the development. The book is worth to have been gone through by the economists and planners who are confined in the workroom of debt policy frame.

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