

Relation between Festivals and Economic Activities in Nepal

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Abstract

Festivals are the main events of people to purchase new clothes, household goods and necessary gadgets like mobile phone, television, computer, furniture etc. In the study it analyzes the relation between cultural and religious as well as other festivals that play vital role to enhance the economic activities in the nation. Main objectives so this study is to analyze how festivals play role enhance economic activities in Nepal and why such tradition has still been sustained in Nepal and what are the relationship between festivals activities and economic activities. To fulfill the objectives, the study follows mixed method and analyzed the both qualitative and quantitative data collected from only secondary sources. Conclusion and findings are made on the basis of data analysis and presentation.

Keywords: *Festivals, Economic, Nepal, Culture, Religion*

Background

Nepal is landlocked nation located between India and china with low economic status. It is in the path of economic developing but the pace of development is not so high like India and China. These nations are in high pace of development. In this regard, National Planning Commission Report (2021) notes, “The pace of economic growth is only limited around five or six, however, hopeful to increase more than that” (8). It shows that national planning commission also not sure about national economic growth because Nepalese economic is based on various unpredictable factors like monsoon, natural diastase, foreign remittance. There no fixed and guaranteed economic sources of the nation, however, expenditure titles are already

assured like Dashain¹ expenditure, Tihar² expenditure and other festivals cost (The Kathmandu Post, 2021). Universal festival play role to enhance the economic activities that:

A positive correlation between festivals and enhanced economic activities is almost axiomatically accepted as universal reality. It appears stronger among festivals that fall in the predictable annual calendar of culture and tradition. For example, Christmas and New Year in countries that follow the Gregorian calendar, the traditional lunar New Year celebration in China, and a combo of Navaratri (Dussehra), Dipawali and Chhath in South Asia mark the most prominent festive seasons. (p.4)

Above lines indicates that festivals are the main events when people actively participate in economic activities like buying goods and selling goods. Writer has given example of other nations like India where people actively involved in economic activities in the name of festival celebration. In this regards, Gratton & Taylor (1995) notes that during festival vacation people involve in tour and travel which bring new life of tourism sectors” (p.3). During festival period people involve in entertainment through visit beautiful places, however, in Nepal the situation is different and people mostly involved in household activities like preparing food and liquor.

Festivals are not secular in itself; however, modernization and globalization forced these festivals to become secular. In Nepal major festivals are guided by Hindu religion and culture. Dashain and Tihar are the main festivals of Nepal and economic activities also happen in these two major festivals (The Kathmandu Post, 2022). However, economic activities also run-in other festivals too like Christmas, English and Nepali New year, Teej but these activities cannot play vital role in overall national economy. Nepali Patra (2017) notes, “Minor festivals and festival like minority's communities can play vital role in economic activities” (p.3). Festivals of minorities like Sherpa, Thakali and Tamang bring limited impact in economic activities but such activities do not bring visible impacts on economic activities.

Methodology

The study covers the economic activities related to festival in the contest of Nepal. Qualitative research design helps to fulfill the objectives of the study so that I followed qualitative research design to complete the study. Qualitative study helps to analyze the documents and historical data as well as people's perception, opinions about the particular situation, occasion and objects. (Esterberg, 2002). Both primary and secondary sources of the data were used to complete the study. Books, articles, government reports were the major sources of secondary information and primary data were collected through observation and face to face interview.

¹ Dashain is the great festival of Nepal generally falls in the month of October. People take the festival as main festival and government also closed offices during the festival period. The festival is celebrated all parts of the nation in the name of victory over ill soul. Large amount of food and beverage imported from foreign nation for festival.

² Tihar is the second great festival of Nepal celebrates after fifteen days of Dashain. The festival is famous for worshipping goddess Laxmi. Dry food is famous for the festival and annually Nepal imports dry food from foreign nations around Rs. 1000 million.

During the time of study, I have visited two department stores of Kathmandu mainly Big Mart and Bhatbhaneni Super Market and asked question both sellers and head of the department store as well as customers. In total 20 respondents were participated in this study including seller, head of the department store and general customers. 2 head of the department store, 8 sellers and 10 customers. Purposive random sampling method was used to select the respondents because the universe is unknown, however the objectives of the study is clear so that respondents have selected on the basis of purposive random sampling. Similarly, I also observe the market place and analyzed the situation from my side.

Study Area

Nepal is located between India and China. Total population of Nepal is noticed 2,91,92,480 by preliminary population census report of 2078. Around 80% populations follow Hindu as main religion and actively participated in Hindu cultural festivities and rituals (CBS Report, 2022). People spend large amount of income in festival celebration. In this study we analyzed the view of people lived in Kathmandu valley and actively involved in buying and purchasing activities on the special occasion of Dashain and Tihar festival (Nepal Live Today, 2022).

General Introduction of the Respondent

In the process of face-to-face interview, I have met people from various social economic and cultural backgrounds. Socio economic and cultural background of the respondents;

Table 1: Socio Economic Status of the Respondents.

	1	2	S.N
	Male	Female	Sex
	10	10	No
	50	50	%
	Basic	Secondary (+2)	Education
	2	7	No
	10	35	%
	Hindu	Buddha	Religion
	15	3	No
	75	15	%
	Brahmin	Chhetri	Caste/Ethnicity
	3	7	NO
	15	35	%
	Job (Private/ Public)	Business	Occupation
	10	7	No
	50	35	%
	Up to 3 Lakh	3 To 5 Lakh	Annual income in year
	3	12	No
	15	60	%

3	Total	20	100	Bachelor	6	30	Other	2	10	Ethnic	6	30	others	3	15	More than 5 Lakh	5	25
4	-	-	-	Above Bachelor	5	25	Total	20	100	other	4	20	Total	20	100	Total	20	100
5	-	-	-	Total	20	100	-	-	-	Total	20	100	-	-	-	-	-	-

Source: Field Survey, 2022

Table 1 highlights the socio- economic status of the respondents. Data shows that all the respondents are literate. Majority of the respondents are bachelor and above bachelor (30% passed bachelor and 25% passed above bachelor). Like that majority of the respondents (75%) are from Hindu religious group. In the same way, majority of the respondents are from job and business profession. Only 15% respondents follow other profession like wages labor. During festival shopping most of the educated, jobholder people are taken interest because of the nature of festivals.

Impacts of Festivals on Economic Activities

People spend large amount of income in festival celebration because cost of festival celebration is increasing due to fluctuation of money and incensement of market price. National Rastra Bank Report (2020 & 2021), noted that each of the household spend more than 35% income in festival celebration because they purchase new clothes and other household goods during festival time. Dhashain and Tihar are the main festival of Nepal and people usually purchase goods during these festival and consumer market is bulling during the time and the period is the main season for marketing. The following table shows the impact of festival in respondents' economic activities.

Table: 2 Economic Activities

S.N	Annual income (lakh)	Purchasing goods		Estimate expenditure on Festival (lakhs)
		No	%	
1	Up to 3 lakhs	10	50	1
2	3-5 lakhs	5	25	2
3	Above 5 lakhs	5	25	3

Source: Field Survey, 2022

Table 2 shows the impacts and situation of expenditure of the respondents during festival period. 50% respondents spend around one lakh (0.1 million) on the occasion of Dashain and Tihar. Respondents who have around five lakhs (0.5 million) income they spend around two

lakhs (0.2) million) on the occasion of Dahsin and Tihar. Like that respondents who have more than five lakhs (0.5 million) annual income spend around three lakhs (0.3 million). It showed that respondents having high annual income generally spent more than the low-income holders.

Title of Using Money in Festivals

Respondents use money in different purposes like purchasing clothes, food, beverage, meat and liquor etc. Some of the respondents also purchase household gadgets on festivals occasion. The following table shows the situation as;

Table: 3 Title of Using Money

Dashain Title	No	%	Cost in thousands	Tihar Title	No	%	Est. cost (in thousands)
Food beverage / liquor	5	25	20	Food beverage / liquor	5	25	10
	8	40	40		7	35	20
	5	25	60		5	25	25
	2	10	70		3	15	30
Meat and dry food	20	100	50	Meat /dry food	5	25	20
					10	50	15
					5	25	30
House décor/gadgets purchase	5	25	10	House décor/gadgets purchase	10	50	25
	10	50	20		3	15	30
	1	5	5		5	25	40
	3	15	10		1	5	50
	1	5	25		1	5	55
Tika (offering) and other expenditure	5	25	10	Tika (offering) and other expenditure	10	50	20
	4	20	15		2	10	25
	2	10	25		1	5	30
	6	30	35		5	25	35
	3	15	40		2	20	40

Source: Field Survey, 2022

During festivals time, respondents use money in food/beverage, meat, house décor, dress and offering. Table 3 shows the topic wise expenditure of the respondents. Data indicates that In Dashain 25% spends 20 thousand for food and beverage and 40 % spends 40 thousand. Like that 25% spends 60 thousand and only 10 spends 70 thousand in food and beverage. In Tihar 25% spends 10 in food and liquor and 35% spends 20 thousand. Like that 25% spends 25 thousand and 15 spends 30 thousand.

Meat and dry food are the main tile of expenditure of Dashin all the respondents spend 50 thousand in that topic. Like that in Tihar 25% spends 20 thousand, 50% only spends 15 thousand and 25% spends 30 thousand in the title. House décor and gadgets purchasing is another title of festival expenditure. Data indicates that in Dashain, 25% spend 10 thousand in house decor and gadgets, 50% spend 20 thousand, 5% use 5 thousand. Like that 15% spends 15% thousand and 5%spends 25 thousand. In Tihar respondents spends comparatively more amount in house décor and gadgets purchase. In both festival offering is one of the most important sectors of expenditure. Data indicates that 25% spends 10 thousand in offering, 20% spends 15 thousand, 10% spends 25 thousand, 30% spends 35, and 15% spend 40 thousand. In Tihar 50% spends 20 thousand, 10% spend 25 thousand, 5% spends 30 thousand, 25% spend 30 thousand and ,20% spend 40 thousand. Comparatively expenditure is higher in Dasin than the Tihar

Primary data shows that situation of household expenditure is high during festival period. In Nepal the two major festival fall October and the situation of revenue collection and import tax also high in the month due to consumption pattern of the people in festival. Festival not only increased the consumption but also increased the national expenditure that mentioned in the following table.

Table: 4 Pattern of National Expenditure

Months	Jan	Feb	March	April	May	June	July	Aug.	Sept.	Oct	Nov.	Dec	Total
% (National expenditure)	4.5	3.5	2.2	8.2	9.8	12.5	13	7.4	10.7	18.2	8	2	100

Source: Ministry of Finance (2021)

Above table shows that national expenditure is high in October that occupies 18.2 % which the highest parentage of the year. Like that national expenditure is high in the month of July due to fiscal policy of the government because fiscal year is ended during the month and government spend more money in June and July. It is shows that festivals like Dashain and Tihar play important role on national expenditure.

Remittance is one of the main income sources of income. It covers around 33% portion of national household GDP (Economic Survey Report, 2022). During festival season usually foreign employers send money to their household for festival celebration. The following table shows the monthly remittance flow in Nepal

Table: 5 Remittance Flow

Months	Jan	Feb	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Remittance Flow (%)	5.5	4.5	9.5	8.2	8.8	2.2	9	7.4	10.7	20.2	8	6	100

Source: Ministry of Finance (2021)

Table 5 shows the situation of monthly remittance flow in Nepal. Data indicates that during the month of October remittance flow is highest among all months because major festival Dashain and Tihar fall in the months. In other months they send money to the household members in regular basis. During March April and May they send money for children education so the amount also higher the other months.

During festival season collection of important tax is higher than the other season. Mainly from August to November Nepal has imported almost fifty percent good from the neighboring countries. According to the recent data of revenue collection department around 55% import tax and revenue has been collected during September to November. Monthly goods imports percentage is as follows.

Table: 6 Import Percentage

Months	Jan	Feb	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Import (%)	2.5	3.5	6.5	7.2	8.8	2.2	6	7.4	17.7	23.2	9	6	100

Source: Revenue Department Report, 2022

Table 6 shows the import percentage of whole years (2021). Data indicates that 23.7% goods imported in the month of October whereas only 2.5% goods imported in January. Import is high in the months of September, October and November due to the cause of the consumption pattern of people. People consume more goods during festival time.

Nepal Rastra Bank introduces new currency in Dashain and Tihar. Around fifty percentage amount money has launched during festival season. Nepal government and other private agencies also provide one month allowance to the workers which also play role increase economic activities during Dashain and Tihar. Financial organizations like Banks, cooperative and finance company also distribute bonus to the shareholders and staffs. Overall economic activities and government efforts noted that there is deep relationship between festival and economic activities in Nepal.

Conclusion

In the context of Nepal economic activities could not run secularly so that people forcefully involved in economic activities and invest their saving in non-productive sectors. Investments in festival celebration are one of the main unproductive expenditures that people invest around one third percent of total income. In development nation around 10% amount of annual income spend in festival and rest of the amount invest in other sectors like health education, saving etc. In the context of Nepal government also take the festivals as main occasion to collect tax and revenue which wrong in practice. According to the record of national inland revenue office goods imported for festival from legal way from different nations Rs.3000 million and export only limited in 30 million including palm Oil which is not our production. Sooner or later situation of consumption pattern and increasing ratio of goods import bring economic crisis and social anarchy in Nepal so that government should not use festival periods as good time to collect resources.

Recommendations

Each of the nation's certain festival play role to vibrate economic situation but in Nepal economic activities only depend unproductive expenditure like festival celebration, gambling, dance and song, worshipping ceremony. In upcoming days government should change the policy and encourage people to decrease festival celebration cost and consumption patter of the foreign food and beverage. It possible it is better to stop festival allowance and the amount of money should invest in productive sectors like hydro, industries and social sectors like schools and hospitals. Festival celebration pattern, situation import indicated that government should take action to reform festival celebration pattern and save the nation from economic crisis and ill social practices.

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