

**DISPERSAL OF POPULATION AND ITS EFFECTS
ON RESOURCE MOBILIZATION:
A CASE STUDY OF LANDLOCKED NEPAL***

T. K. JAYARAMAN and OMKAR LAL SHRESTHA

Introduction

The population in Nepal (11.56 million according to the 1971 census) has an unbalanced distribution in its two main regions, the Hills (7.15 million) and the Terai (4.41 million). The reasons are two-fold. The Terai was a malaria-affected region and the transportation facilities were poor. With the malaria eradication programme being successfully carried on, the Terai became an increasingly habitable region. Improved transportation facilities over time also rendered population dispersal programmes easier to implement.

The government's regional development and population dispersal programmes have indirect effects on other variables in the economic system, and these effects may be favourable or unfavourable. One of the unfavourable effects is on the export performance of Nepal and hence indirectly on the domestic development itself, since developmental expenditures are linked to foreign exchange availability.¹ The Terai is a food surplus region both because of its agriculturally favourable factors and relatively sparse population. Due to the poor transportation facilities to the Hills, the marketable surplus does not move to the agriculturally poor, food-deficit hilly regions but moves out across the frontier to India. Thus the principal exports of Nepal, food, are the result of an artificially suppressed domestic demand. If the transport facilities between the two regions were better, food exports from Nepal would have been lower. Secondly, if population were more evenly distributed, total domestic consumption would have been much higher, thereby reducing the exportable surplus.

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¹ For greater details, see the authors' paper on "Some of the Trade Problems of Landlocked Nepal" presented at the Workshop/Conference on "Family Planning, Population and Development in Nepal," held at the University of California at Berkeley during August 25-29, 1975.