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Ethnicity, Adequacy of Consumption and Inequality in Nepal

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Abstract

This paper examines the adequacy of overall consumption at household level in Nepal with a focus on ethnic and spatial disparities, using nationally representative data from the Nepal Living Standards Survey (NLSS-IV, 2022/23) data which includes 46,870 individuals and 9,600 households. Results show significant differences in adequacy of household consumption across locations and ethnic groups. Households in Kathmandu reflect the lowest levels of consumption inadequacy, while those in other urban areas experience much higher inadequacy, often approaching rural levels. Rural Nepal has the highest prevalence of inadequacy in overall consumption, with 57.7% of households reporting less than adequate consumption. Ethnic disparities are equally striking: Hill Dalits (62.9%) and Madhesh/Tarai Dalits (76.5%) remain the most disadvantaged having less than adequate consumption, while Hill Caste and Madhesh/Tarai Caste households seem comparatively better. The chi-square tests confirm highly significant associations (p < 0.001) between ethnicity, place of residence, and adequacy in consumption. These findings highlight the dual influence of social stratification and spatial location on household welfare, underscoring the need for policies that address both rural-urban disparities and entrenched ethnic inequalities to promote inclusive and equitable development in the context of adequacy of overall consumption among households in Nepal.

Keywords

Ethnicity, Overall consumption, Inequality, Rural-urban, Nepal.

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1. Introduction

Ethnicity is widely understood as a form of social grouping shaped by shared experiences and consciousness. Gray (2012, as mentioned by Gautam, 2013) conceptualizes ethnicity by emphasizing its subjective dimension, suggesting that individuals' perceptions and experiences of belonging form the basis of the 'essentialist' or 'primordial' understanding of ethnicity. However, Gray also recognizes the fluidity of ethnic identity, arguing that ethnicity is not fixed but rather temporary, emerging from social interactions and collective consciousness over time. Similarly, Giddens (2006, as cited by Gautam, 2013) frames ethnicity as a socially constructed phenomenon, rooted in cultural practices and shared outlooks that distinguish one community from another. He underscores that ethnicity is not innate but is continually produced and reproduced through social processes, highlighting its dynamic and relational character.

The formation and persistence of ethnic identities are closely linked to broader social, political, and economic contexts. As Kanbur *et al.* (2011, cited by Gautam, 2013) note, ethnicity is an outcome of larger societal processes that shape group dynamics, reflecting the interplay of structural forces and individual experiences. This perspective shifts the understanding of ethnicity from a fixed attribute to a socially mediated and historically contingent phenomenon, emphasizing that ethnic distinctions are both constructed and maintained through collective social practices and institutional frameworks.

In the study of social inequality, concepts such as stratification and differentiation are central, as both refer to forms of social heterogeneity. Differentiation typically concerns the division of labour or occupation, but it also encompasses broader forms of pluralism within society. Horizontal differentiation, or inequality, refers to variations among groups without implying hierarchical ranking, while vertical differentiation, or stratification, represents graded hierarchies of status or power. Abe (2010, as cited by Gautam, 2013) distinguishes heterogeneity as horizontal differentiation based on nominal characteristics, whereas inequality signifies vertical differentiation along a graduated scale.

Social stratification, therefore, represents not merely differentiation but the systematic ordering of social differences along one or more axes.

Gupta (2003, as cited in Gautam, 2013) clarifies that stratification involves the organization of social differences according to specific criteria, often a single dominant parameter, which integrates diverse social strata into a coherent system. This approach highlights how both differentiation and stratification reflect the structured yet dynamic nature of social inequalities, providing a framework for understanding how social hierarchies are constructed, maintained, and reproduced over time.

Research on financial well-being highlights the importance of both individual-level behaviors and broader structural forces. Ali, Rahman, and Bakar (2015) demonstrate that financial satisfaction is more attainable than complete debt elimination, as the former depends largely on financial planning and literacy across the life course. Their findings show that financial planning directly enhances satisfaction and mediates the effects of financial literacy and attitudes toward money, underscoring the need for proactive strategies to manage increasingly complex financial commitments.

Complementing this perspective, Baek and De Vaney (2010) investigate how U.S. families manage economic hardship, using risk management theory and the permanent income hypothesis as guiding frameworks. Their study reveals that families typically rely on credit or savings to bridge income gaps, though responses differ depending on household circumstances. The broader context of the U.S. economic crisis-marked by high unemployment and widespread financial insecurity (Moseley, 2009; Bureau of Labor Statistics, 2009)-exposed the vulnerability of many households, particularly given the lack of adequate emergency funds documented in prior research (Chang, Hanna, & Fan, 1997; Ding & DeVaney, 2000). Risk management theory explains these behaviors as forms of risk financing, while the permanent income hypothesis sheds light on the timing of saving and borrowing decisions during periods of income disruption. Together, these perspectives reveal how financial resilience depends not only on individual financial literacy but also on systemic economic stability and preparedness for shocks.

Expanding the discussion to global contexts, Cabezas (2004) situates financial behaviors within the political economy of tourism in the Caribbean. Her analysis demonstrates how historical exploitation and neoliberal reforms have shaped labour markets, particularly in the domain of sex tourism. By emphasizing the entanglement of sex, travel, and globalization, Cabezas argues for broader frameworks that situate labour and sexual citizenship at the center of analysis. This perspective highlights that financial strategies-whether through formal planning, coping with crisis, or engaging in globalized labour markets-are embedded within wider socio-political and historical structures.

Taken together, these studies underscore that financial well-being and resilience cannot be understood solely at the individual level. While financial literacy, planning, and savings behavior are crucial determinants of financial satisfaction and security, structural conditions such as economic crises, labour market dynamics, and historical inequalities play equally significant roles. Thus, a comprehensive understanding of financial resilience requires integrating micro-level behavioral factors with macro-level socio-economic and political forces.

Wisman and Capehart (2010) investigate a socially generated factor contributing to obesity that is not addressed by Keith *et al.*-namely, that the obesity epidemic may be largely driven by heightened insecurity and stress in a context where high-fat and high-sugar foods are readily available. Research increasingly supports a strong link between stress, insecurity, and weight gain. Physiologically, stress prompts individuals to crave fatty and sweet foods and often leads to higher calorie consumption, promoting weight gain, particularly dangerous abdominal fat. Over the past three decades, insecurity and stress have risen alongside capitalism's intensifying creative destruction: job and income security has declined, social status is threatened by growing inequality, healthcare costs have surged, retirement income adequacy is uncertain, social capital and neighborhood cohesion have weakened, and people worldwide are more time-pressured and anxious about the future. Evidence for a connection between insecurity, stress, and obesity is reflected in the "social gradient of obesity", where obesity rates are highest among the least privileged and most economically insecure groups-those with minimal control over their lives and key sources of self-worth-such as African-American and Mexican-American women (Hedley *et al.*, 2004; Flegal *et al.*, 2002, as cited in Wisman and Capehart, 2010). This kind of scenario can be observed in other countries of the world including Nepal.

The Nepal Living Standards Survey (NLSS-IV, 2022/23) indicates persistent concerns regarding the adequacy of household consumption across multiple dimensions. According to the National Statistics Office (NSO, 2024), 18.5 percent of households reported less than adequate consumption in areas such as housing, clothing, health care, and children's schooling, while inadequacy was most pronounced in income, where 50.5 percent of respondents expressed insufficiency. Moreover, at least one-fifth of households reported inadequate consumption in all categories except schooling. Patterns of adequacy also varied along socioeconomic lines: households in lower consumption quintiles and poorer groups were more likely to report "less than adequate", whereas wealthier households were more likely to report consumption as "fair". These disparities suggest significant inequality in consumption adequacy across regions, provinces, and social groups. The research problem, therefore, lies in examining the determinants of consumption adequacy in Nepal, with particular attention to poverty status, regional variations, and socio-demographic factors such as urban-rural residence and ethnicity.

2. Objectives

The primary objective of this paper is to examine the adequacy of household consumption in Nepal with particular attention to ethnic and spatial disparities. Specifically, the study seeks to (i) analyze how adequacy of consumption varies across major ethnic groups such as Hill Caste, Madhesh/Tarai Caste, Janajatis, and Dalits; (ii) compare disparities between Kathmandu, other urban areas, and rural Nepal to describe the urban-rural divide; and (iii) assess whether ethnicity and place of residence are significantly associated with variations in consumption adequacy. By doing so, the study aims to highlight structural inequalities and identify the most vulnerable groups, thereby informing policies that promote inclusive development and poverty reduction in Nepal.

3. Methods

The sources of data and analysis done in this paper is based on secondary data from the Nepal Living Standards Survey (NLSS-IV, 2022/23), which provides nationally representative household-level information. A weighted sample of 46,870 individuals and 9,600 households was used to ensure population-level generalizability. Adequacy of consumption was measured as the proportion of households with less than adequate consumption across ethnic categories and residential locations (Kathmandu, other urban, rural). Descriptive statistics were employed to present the distribution of inadequacy levels, while cross-tabulations highlighted ethnic and spatial variations. To test the statistical significance of these variations, chi-square tests were conducted, with results showing highly significant associations (<0.001) between ethnicity, location, and consumption adequacy. The combination of descriptive and inferential methods allowed for both the identification of patterns and the establishment of robust statistical relationships across social and spatial categories.

4. Social Construction of Economy and Inequality

Daly (2017) examines the multifaceted meanings and repertoires of action associated with money in contexts of poverty and low income. Drawing on interviews with 51 participants, the study demonstrates how individuals actively engage with money to navigate and position themselves within complex social and personal realities. The analysis approaches money on two levels: first, as a matter of praxis and orientation in spending, and second, as an element of self-identity. In terms of spending, two primary repertoires emerge: a functional repertoire, where money is treated as a resource for meeting material needs, and a relational repertoire, where money is understood in relation to interpersonal connections and the maintenance of personal and familial values. These repertoires are closely tied to broader processes of self-construction and worldview formation. For those experiencing poverty or low income, money may operate as a disabling force, undermining valued identities and limiting future prospects. However, an alternative orientation reframes financial scarcity more positively, by emphasizing skill development, character formation, and the affirmation of core values and relationships. Overall, the research highlights the complex and ambivalent role of money in low-income settings, underscoring the agency, creativity, and diverse meanings that individuals attribute to it (Daly, 2017).

Gittleman and Wolff (2004) further point out that the explanatory power of mean-coefficient analysis is unsatisfactory, since a deeper understanding of the racial wealth gap-and of the effectiveness of policies aimed at reducing it-depends on identifying why wealth accumulation differs so sharply by race. Key questions remain: Do white families accumulate more wealth than African American families of similar ages because of larger inheritances and intergenerational transfers, higher savings rates, or superior returns on assets? Unfortunately, because wealth data are typically available only at a single point in time, it is difficult to determine which of these factors plays the most significant role in racial wealth inequality (Gittleman & Wolff, 2004).

Gittleman and Wolff (2004) argue that while examining earnings and income is useful for understanding labour market discrimination and the extent to which African Americans are closing the gap with whites in terms of marketable skills and social connections, such studies give only a partial picture. Two families with the same income but very different wealth levels do not occupy the same economic position. Families with greater wealth are better equipped to invest in their children's education and health, live in safer and more resourceful neighborhoods, weather financial difficulties, and exert greater political influence (Gittleman & Wolff, 2004). In fact, the level and type of earning affect different social aspects of individual and household life in different social contexts.

5. Sociological Understanding of Economy & Consumption

Daly (2017) notes that recent sociological research has expanded insights into the nature of money, shaping an emerging-though not fully unified-alternative paradigm. One line of inquiry highlights money's symbolic role in signaling status, authority, and social worth (Carruthers & Ariovich, 2010), while also examining its connection to trust (e.g., Giddens, 1990). Scholarship on monetary practices emphasizes the mutual influence between money, culture, and social relationships (Carruthers & Ariovich, 2010: 69). Zelizer's work (1989, 1994) is particularly influential in showing how money gains specific meanings within cultural practices and social structures that extend beyond formal economic systems. She underscores how individuals actively transform money in personal contexts, demonstrating that money is socially shaped and that different forms of money are distinguished through social norms governing their acquisition and use.

Daly (2017) highlights two main strands within the literature on money. The first views money in primarily functional and cultural terms within a market-oriented framework, while the second regards money as socially constructed and embedded in relationships and systems of value. These perspectives generally operate in isolation from one another, a divide that is also reflected in research on poverty and low income. Although numerous studies examine the experiences of individuals and families in such contexts, they often concentrate narrowly on practices of money management and expenditure, treating these as ends in themselves and focusing largely on the limited range of options available (Hooper *et al.*, 2007; Kempson, 1996, as cited in Daly, 2017). This is not to diminish the contribution of research that has illuminated the complex strategies, resources, and practices of "coping" with financial hardship (Daly & Leonard, 2002; Flint, 2010; Patrick, 2014, as cited in Daly, 2017). Nonetheless, taken collectively, three broad conclusions can be drawn from this body of work. First, studies of low-income households tend to emphasize money-handling practices and assume a largely rational, functional orientation. Second, they portray financial scarcity and the "discipline of poverty" as the primary forces structuring personal and family life. Third, the deeper role of money in shaping identity and social being remains insufficiently explored (Daly, 2017).

Gray and Kish-Gephart (2013), adopting a microsociological perspective, propose a theoretical framework to explain how social class distinctions are reproduced within organizations. They introduce the notion of "class work" to describe the cognitions and practices individuals from different social classes employ during cross-class interactions. The authors highlight how such class work not only reinforces inequality but also shapes organizational dynamics, particularly affecting those in lower hierarchical positions. By tracing how micro-level interactions become embedded as institutionalized rules and practices, their work contributes to both institutional theory and the sociology of class differences. They also call for further research on social class in organizational contexts while acknowledging the methodological and conceptual challenges this entails (Gray & Kish-Gephart, 2013). It is therefore important to carry out detail study on social construction of economy and inequality in different contexts.

Hersch and Viscusi (2010) investigate why Mexican workers tend to experience poorer outcomes regarding fatality risk compensation. They consider two potential explanations: the worker's proficiency in English and whether the immigrant, currently legal, had previously been undocumented in the United States. Their analysis also presents regression analyses including each of these variables individually, as well as their interactions with the fatality rate and with the fatality rate specific to Mexican workers.

Leininger and Kalil (2014) examine the connections between economic conditions, family stress, and children's adjustment. They note that a key principle of the family stress model is that economic strain affects children indirectly, primarily through its impact on parents' emotional and behavioral functioning (Conger *et al.*, 2010). However, other research suggests that increases in parental depression or family conflict are not always necessary for children to be negatively affected by economic strain. Children can be directly influenced by witnessing the economic difficulties experienced by their parents-or even by those of friends and neighbors (Ananat *et al.*, 2011; Barling *et al.*, 1998, 1999; Hamilton *et al.*, 2009; Mistry *et al.*, 2009, as cited in Leininger and Kalil, 2014). Additionally, their (Leininger & Kalil, 2014) findings support earlier reports showing that substantial portions of the population across all income levels faced significant economic strain during the Great Recession. The results provide strong evidence that, particularly for White families, examining ongoing economic strain may be more informative than focusing on individual economic events when studying the impact of macroeconomic turbulence on child and adolescent behavioral problems.

Under the theme of "Capitalist realism", Paulson and O'Guinn (2012) note that in his 1984 book, sociologist Michael Schudson compares advertising in capitalist societies to Soviet realist art. In the Soviet Union, art was required to serve specific objectives: it had to educate the working class in the spirit of socialism and depict life not as it was, but as it should be-an idealized version worth emulating (First Soviet Writers Congress 1934, quoted in Schudson, 1984: 215). Artists who did not conform were prohibited from exhibiting their work. Schudson (1984) argues that American advertising functions similarly, being ideological and prescriptive, though differing in its conventions and enforcement mechanisms. If one replaces "art" with "advertising", the principle becomes that advertising should portray reality as progressive and represent social struggles in a positive light. When societal disruptions occur, advertising presents ideologically appropriate solutions. Like Soviet realism, ads simplify and typify people, presenting them as representatives of broader social categories: "advertising must simplify and typify images and ideas, depict people only as incarnations of larger social categories" (Schudson, 1984: 215). This process of flattening and stereotyping facilitates the promotion of a particular ideology or preferred social reality (Paulson and O'Guinn, 2012). It is therefore important to look at various aspects of economy in different socio-cultural contexts.

6. Ethnicity, Consumption & Rural-Urban Disparity in Nepal

Scanlan (2003) explores how comparative sociological perspectives can illuminate issues of food security. Given that food security involves complex economic, political, and social factors, sociology is well positioned to study it, drawing on multiple theoretical approaches and rigorous methods to identify the most immediate explanations for hunger dynamics. The article outlines key measures and constructs for assessing food security and its determinants, presents relevant theories, highlights the value of cross-national research, and demonstrates sociology's contribution to understanding the socio-political roots of hunger. Scanlan emphasizes the potential for future comparative sociological research to expand on recent work, which has established sociology's role in a field historically dominated by studies focused primarily on production and supply rather than on conflict, stratification, and inequality-factors central to understanding hunger (Scanlan, 2003). This kind of disparity can be observed in overall consumption of households across ethnicities and rural-urban locations in the context of Nepal from the following Table:

Table-1: Ethnicity and Overall Consumption and Rural-Urban Disparities in Nepal **(N=46870)**

Ethnicity	Percentage of Households with Less than Adequate			
	Kathmandu	Urban Nepal	Rural Nepal	Total
Hill Caste	31.1	42.3	52.2	43.1
Madhesh/Tarai Caste	27.4	55.6	54.7	54.4
Mountain/Hill Janajati	34.9	43.8	60.0	47.3
Tarai Janajati	29.1	53.3	55.4	53.3
Hill Dalit	54.1	63.4	62.9	62.7
Madhesh/Tarai Dalit	25.6	64.3	76.5	67.9

Religions/Linguistic group	42.1	61.1	60.6	60.2
Others & Not stated	–	10.8	26.7	18.6
Total	**33.8**	**50.1**	**57.7**	**50.5**
Chi-Square value	12247.43	118785.25	36522.50	165862.49
Degree of freedom	12	14	14	14
-value	0.000	0.000	0.000	0.000

Source: Computed from NLSS-IV (2022/23) Data Set (Results are weighted)

Adequacy of consumption in Kathmandu, other urban areas, and rural Nepal shows marked differences across ethnic groups. Kathmandu exhibits the lowest share of households with inadequate consumption across almost all categories, reflecting higher access to resources, services, and economic opportunities in the capital. For example, less than a third of Hill Caste (31.1%) and Madhesh/Tarai Caste (27.4%) households in Kathmandu report inadequate consumption, compared to over half of their rural counterparts. Even traditionally disadvantaged groups, such as Hill Dalits (54.1%) and Madhesh/Tarai Dalits (25.6%), fare relatively better in Kathmandu than in rural areas. This suggests that the urban economy and infrastructure in Kathmandu mitigate consumption inadequacy across diverse ethnicities.

In other urban areas outside Kathmandu, inadequacy levels are higher and closer to rural Nepal, showing that the benefits of urbanization are unevenly distributed. For example, 55.6% of Madhesh/Tarai Caste and 64.3% of Madhesh/Tarai Dalit households in other urban areas experience inadequate consumption, which is much higher than their levels in Kathmandu. Similarly, Hill Dalits in other urban areas (63.4%) are almost as deprived as those in rural areas (62.9%). These figures suggest that secondary towns and urban settlements lack the appropriate economic opportunities, service infrastructure, and income-generating capacity available in Kathmandu. Thus, while urbanization is often associated with better living standards, the data reveal that not all urban residents benefit equally, reinforcing the capital city's dominance in resource concentration.

In rural Nepal, inadequacy of consumption is the most widespread, with 57.7% of households overall reporting less than adequate levels. The disparities are particularly sharp among disadvantaged groups such as Madhesh/Tarai Dalits (76.5%), Hill Dalits (62.9%), and Mountain/Hill Janajatis (60.0%). Even relatively advantaged groups like Hill Castes (52.2%) and Madhesh/Tarai Castes (54.7%) face over half of households reporting inadequate consumption. These patterns highlight entrenched structural inequalities and the persistence of poverty and deprivation in rural regions. The overall chi-square results, all significant at <0.001, confirm strong associations between ethnicity, settlement location, and adequacy of consumption. Rural-urban disparities, combined with ethnic stratification, reveal that consumption adequacy is not only spatially unequal but also socially stratified in Nepal.

The chi-square test results further reinforce the robustness of these findings. Extremely high chi-square values across Kathmandu (12,247.43), other urban areas (118,785.25), rural Nepal (36,522.50), and the national total (165,862.49), all with -values of 0.000, indicate that the observed differences in adequacy of consumption across ethnic groups and settlement types are highly statistically significant. This means that the disparities are not due to random chance but are strongly associated with ethnicity and place of residence. In other words, both social identity and geographic location systematically shape household consumption adequacy in Nepal.

7. Discussion

Daly (2017) emphasizes that sociological research on money is moving beyond a purely economic paradigm, recognizing its symbolic, cultural, and relational dimensions. Money is not simply a neutral medium of exchange but a socially embedded institution that signals status, authority, and trust (Carruthers & Ariovich, 2010; Giddens, 1990). Zelizer's (1989, 1994) influential work underscores how money acquires meanings through cultural and social practices, showing that financial resources are actively transformed by individuals and families within specific contexts. These insights are particularly relevant to Nepal, where social identity, ethnicity, and settlement location strongly shape access to resources and adequacy of consumption.

The findings from Nepal demonstrate that consumption inadequacy is not merely a matter of financial scarcity but is structured by broader systems of inequality. In Kathmandu, households across almost all ethnic groups report significantly lower inadequacy compared to their rural and secondary-urban counterparts. This supports Daly's (2017) critique of poverty research that overemphasizes rational money management while overlooking the ways in which money is entangled with identity and social being. For disadvantaged groups such as Dalits and Janajatis, inadequate consumption reflects more than limited income-it reveals entrenched social hierarchies and exclusionary practices that limit access to opportunities and services.

Gray and Kish-Gephart's (2013) concept of "class work" helps explain how inequality persists through everyday practices and organizational rules, suggesting that in Nepal's socio-economic system, ethnic and caste distinctions play a similar role to class boundaries in organizational contexts. The persistence of high consumption inadequacy among rural Dalits and Janajatis illustrates how social stratification is reproduced not only through formal institutions but also through embedded cultural and relational practices that define who has access to economic opportunities.

Similarly, research by Leininger and Kalil (2014) on family stress models shows how economic strain reverberates beyond income, shaping family dynamics and child well-being. In Nepal's rural areas, where more than half of households experience inadequate consumption, economic hardship likely generates stress that affects intergenerational well-being. These findings suggest that inequality in consumption is not only an economic issue but also a social and psychological one, reinforcing Daly's (2017) call to study the deeper role of money in shaping social being.

At a broader cultural level, Paulson and O'Guinn's (2012) discussion of "capitalist realism" sheds light on how dominant narratives of progress can obscure structural inequalities. Just as advertising simplifies social realities into idealized categories (Schudson, 1984), narratives of urbanization in Nepal often portray cities as engines of opportunity. Yet the empirical evidence shows that only Kathmandu provides significantly better conditions, while other urban areas more closely resemble rural deprivation. This indicates that the benefits of urbanization are unevenly distributed and ideologically overstated, with the capital city monopolizing resources and opportunities.

The disparities confirmed by highly significant chi-square results further demonstrate that ethnicity and geography jointly determine household well-being in Nepal. Hill and Madhesh/Tarai castes in Kathmandu, for instance, report relatively low inadequacy, while Dalits and Janajatis in rural areas face systematic disadvantage. This pattern highlights the social construction of economic inequality: access to adequate consumption is not distributed randomly but follows historically embedded lines of power, identity, and location.

Taken together, the findings suggest three main implications. *First*, in line with Daly's (2017) framework, analyses of poverty in Nepal must move beyond a functionalist focus on money-handling practices to incorporate the cultural, relational, and symbolic roles of money. *Second*, inequality in consumption cannot be understood without considering how ethnicity and settlement shape access to resources, mirroring Gray and Kish-Gephart's (2013) insights on the reproduction of class distinctions. *Third*, macroeconomic processes such as urbanization should be critically examined for their uneven impacts, as ideologies of progress may mask structural exclusions.

Ultimately, the study of consumption adequacy in Nepal contributes to the sociological literature on money and inequality by showing how financial scarcity is mediated by cultural norms, social hierarchies, and spatial divisions. Money in this context is not simply a resource but a social instrument through which identities and inequalities are produced and sustained.

8. Conclusions

The findings drawn in this paper highlight that adequacy of consumption in Nepal is deeply structured by both ethnic identity and settlement location, reflecting entrenched socio-economic inequalities. While Kathmandu demonstrates lower levels of inadequacy across groups, the persistence of deprivation in rural areas and secondary towns underscores that the benefits of urbanization are concentrated and unevenly distributed. These patterns confirm Daly's (2017) argument that money must be understood not only in functional terms but also as a socially embedded construct that reflects power, trust, and identity.

The findings further suggest that financial scarcity alone does not explain inequality. Rather, social hierarchies-manifested in caste, ethnicity, and geography-play a decisive role in shaping who has access to adequate consumption. As Gray and Kish-Gephart (2013) argue in organizational contexts, inequality is reproduced through everyday practices and structural arrangements; in Nepal, this occurs at the intersection of social stratification and spatial disadvantage. The symbolic and cultural meanings of money (Zelizer, 1989, 1994) therefore become crucial in understanding how deprivation is both experienced and perpetuated.

From a policy perspective, addressing inadequacy of consumption requires multi-dimensional strategies. Expanding infrastructure and economic opportunities beyond the capital is essential to mitigate urban-rural disparities. At the same time, targeted interventions must address the specific disadvantages faced by Dalits, Janajatis, and Madhesh/Tarai groups, ensuring that development policies confront entrenched patterns of exclusion. Social protection programs, inclusive financial systems, and equitable access to education and healthcare can help reduce the structural barriers that restrict upward mobility.

For future research, a stronger focus on the social construction of economic life is needed. Beyond measuring income and expenditure, studies should explore how money, trust, and cultural practices shape household strategies, social identities, and intergenerational outcomes. Comparative research across urban, semi-urban, and rural contexts would further illuminate how inequality is reproduced and contested in different settings. Moreover, integrating the insights of family stress models (Leininger & Kalil, 2014) could help clarify the psychosocial dimensions of economic hardship, particularly its impact on children and community resilience.

In essence, the evidence from Nepal demonstrates that economic inequality cannot be understood apart from its social and cultural foundations. Money is not merely a tool of exchange but a medium through which social distinctions, identities, and exclusions are enacted. Recognizing this complexity is vital for designing policies that foster not only material adequacy but also social justice and inclusive prosperity.

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