



From Subjects to Citizens? Labor, Mobility and Social Transformation in Rural Nepal

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Poshan Dahal

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Abstract

This report is a follow-up to our previous study on Maoist insurgency and local perceptions of social transformation in Nepal. It presents and analyses the findings of a two-month long field research on the nature of changes on labor relations and mobility in western Nepal. The field-research was guided by these key questions: what is the nature of change in labor relations in rural Nepal? Has labor shifted from 'semi-feudal' and 'peasant' modes of production in agricultural settings to 'wage labor' in urban and non-agricultural settings? Has this process benefitted laboring households in rural Nepal? Findings from our field research suggest that labor relations in rural Nepal have undergone major changes in recent decades accompanied by livelihood diversification and multi-locale livelihoods in Nepal. Not only has rural to urban migration emerged as an important part of livelihoods, rural laboring households are drawing income both from wage labor in agriculture and other wage labor opportunities that have emerged locally. Attached forms of patron-client caste based relations have significantly weakened. Although traditional forms of semi-feudal labor relations have not disappeared completely and some poorer households are still engaged in semi-feudal and caste-based labor arrangements in agriculture, there is clear evidence of increasing numbers of laboring households involved in wage labor within or outside the village. Many are commuting to work in construction and informal sectors in nearby villages or roadside markets and cities. In our attempt to understand the political economy of rural livelihoods and labor, we have identified four themes to characterize the changing nature of labor in Nepal: a) diversification of rural livelihoods from land and agriculture-based to non-agricultural and non-land based; b) gradual weakening of traditional systems of labor arrangements including caste-based division of labor; c) commodified labor; and d) widespread mobility of labor both within and outside of the country. Overall, we argue that these changes indicate a clear shift in the social and economic position of the laboring population from subjects to citizens. This change has increased economic and political agency of the laborers and laboring households but is not free from vulnerabilities and risks. Despite the weakening of semi-feudal labor relations, laboring households have not been able to enhance their economic status on a significant or a sustainable basis. Compared to the past, wages have increased and laboring households have access to cash, but income is not enough to meet subsistence needs as the sources of expenses have also increased and so has their dependence on the market.

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Table of Contents

Abstract	2
Acknowledgments	4
Introduction	5
Organization of the Study and Methodology	6
A Review of the Political Economy of Livelihoods and Labor in Nepal	8
The Nature of Changes in Labor and Livelihoods	13
1. Diversification of work: shift from agricultural to non-agricultural labor	13
2. Weakening of semi-feudal labor arrangements	15
3. Commodified labor	18
4. Widespread mobility of labor	19
From Subjects to Citizens?	21
Risks and Vulnerability	23
References	25
About the Authors	26
Annex 1 (Fieldwork site details)	27
Annex 2 (Fieldwork site details)	28
Annex 3 (Labor Practices)	30

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As always, we value comments and feedback from our readers. These should be sent to <antonio.donini@tufts.edu> and <jeevan.sharma@ed.ac.uk>

Introduction

This report aims to understand the forms and nature of labor, including bonded, semi-feudal and other forms of modern 'unfree' labor in various sectors of work and employment, and how they are shaped by the ongoing social transformations in Nepali society. Based on a two-month long field research, this study looks at the nature of labor from the perspective of individuals and communities at the lower end of the socio-economic scale and of the decisions they make to improve their human condition. In this study, we focus on the livelihoods of manual laborers in the unorganized or informal sectors such as the agricultural, informal service or construction sectors. The fieldwork focused on the political economy of livelihoods and labor, and how changes are affecting the survival and livelihoods of the laboring population.

At the very outset it is useful to set a few parameters for this report. First, this report is based on a short two-month long qualitative fieldwork carried out in selected areas of western Nepal. While the research project is organized around a perspective of class-based analysis, it concentrates on the labor side of class-based relations with an exclusive focus on the livelihoods of laborers and does not provide a full class analysis, let alone an analysis of capital. Second, it is neither meant to offer a full or comprehensive understanding of changes in labor relations in Nepal. Third, it is not the purpose of this report to offer a detailed theoretical discussion on the subject of class or labor relations although we have framed the research project around these concepts.

Our starting assumption, based on review of the literature, and including our own recent work on perceptions of change, is that (rural) Nepal is on the cusp of a major "transformation" from a relatively stable condition of reproduction of social and economic relations based on feudal and caste strictures to a more fluid and open condition where the old "order" is changing if not collapsing and a new order - or disorder - is emerging (Sharma and Donini 2010). Individuals and their livelihoods are increasingly affected by variables such as circulation of labor, incorporation of the rural economy into globalized flows and the commodification of labor and land, to name but a few. Based on the perceptions of these changes by those involved, and the meanings ascribed to these changes, our field research aims to provide a view from below that allows for a better understanding and conceptualization of ongoing transformations in Nepali society. In the previous study on local perceptions of social transformation in Nepal in the context of six decades of aid driven development and violent insurgency, we found that there was clear evidence of a qualitative 'step-change' in the way Nepali society is organized beyond the "normal" processes of incremental change that are always at work. However, the field evidence suggested

that the political economy of livelihoods in rural Nepal had not changed dramatically. The 'revolution' brought about by the Maoist insurgency had not made a serious dent in the structural violence that continues to characterize life in rural Nepal. We concluded that if transformation in rural Nepal was more about the symbolic and the "awareness" aspects of social relationships and less about the structural dimensions of the human condition, the perceived disconnect between aspirations and reality was bound to escalate with potentially serious consequences. In this study, we explore the nature of changes in labor relations and livelihoods in western Nepal and whether the changes in labor relations have benefitted laboring households in rural Nepal.

In this research, we make a distinction between forms of labor as existed in the past in the agricultural sector in rural Nepal and contemporary forms of labor in various branches of the economy including agriculture but not limited to it (e.g. informal/service sector, construction sector, etc). Our proposed approach is not to treat bonded and semi-feudal labor separate from a broader analysis related to the whole landscape of forms of labor. Following from our previous study, we assume that changes in labor conditions are strongly connected to the intensification of occupational mobility and labor migration, and to the increased monetization of commodity exchanges and of social relationships.

The study was guided by the following questions:

- What is the nature of change in labor conditions in Nepal? How have the practices of traditional labor in rural Nepal evolved? How might we explain the changes in labor practices, meanings and relations in contemporary Nepal?
- Has labor shifted from 'feudal relations' in rural and agricultural settings (including bonded and other traditional forms of labor) into wage labor in rural on-farm and off-farm settings in addition to towns and cities where there are increasing opportunities for work in construction, service, and other informal sectors, and has this process been beneficial to the rural poor?

Organization of the Study and Methodology

The field research was undertaken following on from the earlier work on social transformation in rural Nepal and focused on three rural areas in the Western, Mid-Western and Far-Western regions. Two districts from each of these regions (one from the hill and another from the Terai) were selected. The six districts selected for the field research were: Parbat/Syangja, Pyuthan, and Bajhang in the hills, and Rupandehi, Bardiya, and Kailali in the Terai. The actual study sites from each of these districts were selected based on the following criteria:

1. Diversity of labor (both agricultural as well as non-agricultural) including prevalence of specific semi-feudal, bonded or caste based labor practices;
2. Prevalence of different types of mobility/migration including short-distance commuting and long distance temporary migration;
- 3 Remoteness i.e. areas that were both close to the road and market, and areas that were further away from the road and market;

A few of the field sites especially in the hills could only be accessed by foot, requiring 3-4 hours of walk from the nearest road; whereas the field sites in the Terai were mostly accessible by road. A basic description of each of the field-sites is given in annexes 1 and 2. In each of these sites, our focus was to understand the livelihoods options and strategies available for those who worked as manual laborers in the unorganized or informal sectors such as agricultural, service or construction sectors.

We selected and trained three field-researchers (all Nepali, with a Masters degree in social science) who were sent to each of the three regions where they each spent four week in a Hill area (15 June -15 July 2011) and four weeks in an area in the Terai (15 July to 15 August 2011). Prior to the fieldwork, a two-day workshop was conducted for the field researchers in Kathmandu where they were acquainted with the research questions, data collection tools (interview and observation instruments), recording and note taking. The field researchers were trained to collect three different types of information: a) general political-economic profile of the study area; b) people's



perception of changes in labor relations and practices; and
c) case studies of laboring households and specific forms of
traditional labor.

Each researcher spent at least three weeks in a rural village and
about a week in a market close to the rural field site. This was
done in all the six sites to capture the mobility and circulation
of labor from rural villages to nearby market areas or towns.
The researchers lived in the village itself, and spent significant
time with the laboring families throughout the course of the
field research.

Qualitative interviews were conducted for the study. The
interviews were done with laboring households with specific
focus on households at the lower end of the socio-economic
scale. Interviews were also conducted with other local people
(not necessarily involved in manual work) to understand their
perception of changes in labor practices in the community.
Key informant interviews were also conducted with teachers,
local leaders, shopkeepers and NGO workers, among others,
to capture their perception of change and transformation.
Observation was also used as a tool to understand the everyday
labor exchanges and interactions in the field sites. A number of
households were interviewed in detail to understand specific
labor practices and relations, sources of income and livelihoods.

A total of 220 formal and informal interviews were conducted
throughout the study of which 143 were male respondents and
77 female. People were primarily interviewed at their houses
often together with other members of the family present. Some
of the interviews were also conducted in work places while a
few interviews were conducted in markets and teashops.

The field researchers tape-recorded the interviews, transcribed
and wrote field notes sent on a regular basis to the field
research coordinator and the Principal Investigator, who then
sent feedback and comments on those transcripts and field
notes by email and/or by phone. After the end of the eight-
week long fieldwork, a two-day workshop on data analysis
was conducted together with the field-researchers to share
fieldwork experience and discuss the emerging findings. Major
themes that emerged from the fieldwork were identified and
discussed in detail.

A Review of the Political Economy of Livelihoods and Labor in Nepal

As part of the study, we carried out a quick review of existing literature and documentation relevant to the subject matter.¹ This is summarized below. Our first finding was that there exists scant literature on labor and labor relations in Nepal. Existing literature can be categorized into three broad types. *First*, there are government surveys on changes in socio-economic indicators; *second*, there are sociological studies looking at socio-economic changes in rural Nepal a few of which specifically look at labor; and *third*, there are assessments and reports by aid agencies that document the existence of specific labor practices such as child labor, *haliya* or *kamaiya* systems. Although there have been a few studies on specific labor practices, which are mostly carried out at in a very specific local context, there is a clear lack of research engaging with the wider meanings of labor in people's livelihoods and how these relate to the larger processes of social transformation facing Nepali society.

The Nepal Labour Force Survey (1997/98 and 2008) and the Nepal Living Standard Survey (1995/96, 2003/04 and 2010/11) provide information on changes in income, poverty and livelihoods. According to NLFS (2008), there has been a significant increase in the average monthly income of households from Rs 2,143 in 1997/98 to Rs 5,117 in 2008. The NLSS (2011) found that household dependency on the agricultural sector had marginally decreased from 79.9 per cent in 2003/04 to 76.3 percent in 2010/11. It found that the share of agriculture in wage employment had decreased from 53 per cent in 1995/96 to 35 percent in 2010/11, whereas the percentage share of non-agriculture sector in wage employment increased from 47 per cent to 65 per cent during the same period. NLSS data also shows that labor force employed in agriculture decreased from 61 percent in 1995/96 to 71 per cent in 2010/11. In the same period, there was a decline in the agriculture wage employment from 12 per cent to 2.8 per cent.

Between 1995/96 and 2010/11, the average nominal daily wages have increased by 325 percent in agriculture and by 255 percent in non-agriculture. According to NLSS (2011), the share of farm income in household income has decreased from 61 per cent to 28 per cent from 1995/96 to 2010/22, whereas the share of non-farm income in household income has increased from 22 per cent to 37 per cent during the same period.

The NLSS also documents an increase in the percentage of households receiving remittances from 23 to 59 percent with the total amount of remittances increasing rapidly from Rs13

billion to 259 billion from 1995/96 to 2010/11. NLSS (2011) also notes that 80 per cent of the remittances received are primarily used for daily consumption along with 7 per cent for repaying loans, 4 per cent for household property and 3 per cent for education of children.

There are only a few studies that look into the social and political history of labor exploitation and livelihoods in Nepal. Regmi (1978) explores the agrarian tax system in nineteenth century Nepal, in which mandatory payments had to be made in cash or in kind to the local elite, landowners and the government by the rural peasants. He explains that the various systems of tax collection, which were put in place by the state to extract labor from the peasants to generate a steady flow of income to the landowning elites and to generate revenue for the government. He writes, "the system left the peasants at a minimum level of subsistence, and took little account of the need to reinvest a portion of the agricultural surplus to raise the standard of living of the peasant" (Regmi, 1978:74). Through the systems of *rakam* and *jhara*, the state was able to impose a labor tax as well as extract free labor from the peasants. *Rakam* entailed the provision of administrative and military services to the state such as transportation of mail and supplies, mining, and management of check posts; whereas the *jhara* system provided labor in construction and repair of roads, bridges, irrigation channels and other public services. These forced labor systems did not allow the peasant to make any economic gains as there was no return for these services (Regmi, 1978).

Likewise, Regmi mentions land was appropriated by various elite groups through the systems of 'Rajya' (owned by principalities in far-western hill region), 'birtas' (owned by priests, soldiers, and the royal family), and 'jagir' (owned by military and government personnel). This allowed elites to extract tax as well as rents in the form of money, commodities and labor without any compensation (ibid, 1978). This provided the landowning elite with abundance of resources. However, according to Regmi, these taxes and rents did not supplement the state revenue, nor were they re-invested in agricultural development. Hence, Regmi concludes that the reason for Nepal's continued existence as a poor country during the 19th century was because of "low productivity due to inadequate capital investment in agriculture" which forced the rural peasants to live in scarce subsistence and poverty. (Regmi, 1978:179)

Holmberg (1999) has written about four forms of compulsory labor practiced by the Nepali state until the political changes of the mid 20th century in the regions north of Kathmandu, which presently lie in the districts of Nuwakot, Rasuwa and

¹ We would like to acknowledge the assistance of Avash Piya in the literature review.



Bijay Chettri

Dhadhing. The region, inhabited by Tamangs, was subjected to compulsory labor practices mainly for butter, fruit, and paper production and portering. The state imposed such labor obligations to support the military, administrative, and subsistence requirements of the ruling elite. Holmberg explains that these forms of labor were exploitative and oppressive. Villagers had to manage their subsistence within a system where there were no limitations to such labor obligations.

In a study of political economy of rural Nepal conducted during the 70s and the 80s, Blaikie and colleagues looked at different forms of labor (agricultural labor, wage labor, portering, construction work etc.) among the peasants and workers in the hills of Nepal. According to Blaikie et al (2002a) the major role of the peasantry in the political economy of Nepal, since the formation of a tributary state in the late 18th century, has been to provide surplus to the ruling aristocracy. They further explain that “the economy of the peasant is essentially a domestic one in which production is for the use of household or kin, and surpluses, such as they exist, are redistributed by payments to the temple, festivals, poor relatives, etc” (Blaikie et al, 2002a: 64)

For the majority of rural households income generated through agricultural labor was an important form of livelihood. Many also depended on portering, construction work, casual work, and some on urban labor to increase their subsistence, and reduce their dependency on agriculture, which was not productive at all times. Due to the weakening of the local economy, the collapse of the trade between Tibet and India, the rapid increase in population, and the growth in construction of roads, there was an increase in portering as an alternative way of subsistence during low agriculture production periods in the west-central hills during the 70s (Blaikie et al, 2002a). Another important form of labor was construction work, in which labor was forcibly extracted by various state entities. Likewise, there was an increase in urban wage labor during the 70s and 80s. The study concludes that though the wages earned were not sufficient for survival, wage labor was still the preferred form of employment in the central hills of Nepal (ibid, 2002a).

In a longitudinal account on the political economy of western central Nepal, Blaikie et al (2002b) concluded from their empirical research that the only social change in the previous 20 years in rural western Nepal was the ‘degree of continuity’

towards deepening poverty. This study showed that there had been very little change in the rural class structure. The study concluded that there had not been any significant changes in the development of commercialized agriculture, increase in cost of hired labor, and improvement in livelihoods. Though there had been some changes in the semi-feudal system, this had not translated into a capitalist agriculture as predicted. The study, however, acknowledges that migration and urban growth had been underestimated in the previous study and appeared to have resulted in significant changes in labor relations and livelihoods.

Similarly, in a more recent account, reflecting on 30 years of change in a Gurung village, north of Pokhara, Alan Macfarlane described a temporary migration pattern, with many men from the village leaving for service in the British and Indian armies (Macfarlane, 2001). These soldiers returned with their pay and pensions and the profits from army service were invested in the village. His study showed that over a third of the total income in the village came from army pay, pensions and civilian work abroad, and this constituted almost all the cash available to villagers. The importance of remittances, as described in his original study, had declined to a trickle from the few laborers abroad who saved a little and sent it home. The re-visit showed a change to the nature of migration. From the middle of the 1970s, when army recruitment dried up, people went first to India and later to East and south-east Asia, the Middle East, and a few to Europe and America. When they and the remaining army service men retired, they no longer came back to the village but settled in towns, in particular in nearby Pokhara. Further, he argued that a beneficial effect of this out-migration had been to prevent ecological collapse but it had meant that people left behind were bearing the burden of out-migration, visible in material impoverishment (Macfarlane 2001).

Likewise, from a study conducted over a decade in the 1990s in a village of Kaski district, Adhikari (2001) explains how remittances, which were the main source of cash, have had a dual impact on labor opportunities in rural Nepal. During the early 1990s, remittances assisted 'marginal farmers' and 'landless laborers' in their livelihoods "through the creation of land-renting and labor employment opportunities within the villages" (Adhikari, 2001: 248-249); whereas in recent times, remittances have triggered urban migration especially among poor communities in those villages. During the early 1990s labor opportunities had been created for landless and marginal farmers as there was demand for labor. Likewise, remittance-receiving households were able to pay wages for labor from non-migrant (lower) households. At the end of 1990s, Adhikari argues, there was an increase in urban migration from these rural settings and savings from remittances were invested in land, housing and businesses in urban areas. This led to an influx

of urban migration especially from poor and disadvantaged communities.

Parajuli (2007) studied the changing profession of "Gaines" (singing people) of Batulechaur in northern Pokhara. Gaines traditionally roamed around and made their living out of singing. Some of them were also involved in fishing and begging. However, over subsequent generations the majority of Gaines abandoned their traditional occupations because of the availability of new sources of income in nearby Pokhara owing to the growth in economic activity and urbanization of the city. The benefits of modern occupation such as pensions, leave, allowances, training were highly attractive for the Gaines, with most of them discontinuing their traditional occupation.

Anthropologist John Hitchcock conducted a study in the hills of central Nepal in a Magar village in the late 1950s which concluded that income from working for the Indian or the British Army in India was the main basis to cope with the increased monetization and to improve the economic status of many in the village (Hitchcock 1961). With the increase in the availability of trade items from nearby markets there was also an increase in monetization – cash was in high demand. The salaries of soldiers and more importantly their pensions became the primary sources of cash for many households. This also created an increase in the money lending process with more flows coming from the interest of these loans. Hitchcock concluded that households connected with the army were able to improve their economic status while the others were having difficulty coping with the increased cash requirements.

Panter-Brick (1997) documented that migration to the lowlands of Nepal or to the cities in India for employment were coping strategies of households with low agriculture production and seasonal food deficit in western Nepal. Some migrant workers returned with substantial amounts of money whereas some from poorer households only earned enough to support themselves. With the easy availability of high-interest loans from local creditors and banks, some households used this as a strategy. The study highlighted that these diversified coping strategies were able to ensure some cash flow as a response to low agricultural production and food shortages. The study also found that for some families these coping strategies created opportunities for income and eventual possibilities for investment. However, for some families, especially from poorer households, these strategies only led to "greater debt, economic marginalisation and impoverishment" (Panter-Brick, 1997: 190).

In the study of Tamang community in a village in Rasuwa district, Fricke (1993) found that the 'domestic mode of production' had helped in sustaining the family. Domestic

modes of production were independent and self-sustaining; households were better able to sustain the economy by maximizing the use of labor and exploiting external sources of income. This sustainability was possible for Tamang households through the interplay of two interdependent labor cycles. The first was a short-term annual subsistence cycle, which made maximum use of labor possible. In times of low agricultural production, most of the men left the village in search of wage labor. This search for work was also very useful in sustaining families in times of scarcity as additional funds were raised. This also meant that, when people went out of the village for labor work, there were less people in the families to look after. The second was the long-term developmental cycle of the household, which was utilized during brief periods to support labor through systems of exchange with other households (Fricke, 1993).

Some of the studies look at labor practices and relations between various social groups in rural Nepal and with the Nepali state. Holmberg (2007) observes the relations between Tamang (patron) and Kamis (landless) in which Kamis gained their livelihoods by providing iron work and field labor for their Tamang patrons. In return for their labor Kamis received grains and meals from their patrons on major festivals. There was a relation of dependence in terms of their labor. This relation between Tamang and Kamis appeared to be based on the Hindu caste system. However, Holmberg argues that there was more to this relation than the cultural adaptations of the caste ideology. He explains that the interaction of the Tamang with the larger Hindu Nepali society propelled the unequal relations between the Tamang and the Kamis. In a 'process of sanskritization' Tamangs began to treat Kamis in the same way high caste Hindus treated the lower castes.

Likewise, L. Caplan (1972) looks at the changes in political and economic relations between high caste Brahmins and the Cobbler caste (untouchables) in a Hindu village in Western Nepal post 1951. The growth of the market had affected the village economy: there had been an increase in the need for cash in the village. While earlier cash was only available outside the village, the changes had brought cash inside the village. Opportunities for employment and unskilled labor had benefitted both the Brahmins and the untouchables. However, these opportunities had different contrast effects: Brahmins were able to use cash to lend at high interest rate or invest in land. The Cobblers on the other hand, spent their extra cash in making up for their greater grain deficit, and were not able to use it for improving their living standards. The study concluded that though there existed an unequal distribution of wealth among Brahmins and Cobblers, there had been some changes in the economic relations between them. The economic

opportunities might not have improved the economic status of the untouchables, but had made them increasingly independent of the Brahmins from whom they were dependent for cash and grains earlier (Caplan, 1972).

In another study, P. Caplan (1990) looks at the economic interdependence of Brahmins and Limbus in Eastern Nepal. Cash raised by Limbus from wage labor, domestic service, and petty trade had eased the burden of agricultural insufficiency and the need to rely on mortgages. However, this cash was not able to make any positive contribution to the overall economic situation of the Limbu households. The participation in the 'commercial' economy of the region did not largely affect the economic dependence between the Limbus and the Brahmins. However, this relationship was affected by the employment of Limbus in the Army as Limbus were able to acquire considerable cash income from sources outside agriculture; and they were able to invest this wealth in land, "displacing Brahmins as landlords" (Caplan, 1990:108). Thus agriculture no longer remained the primary source of income for the Limbus, and the income generated from commercial sources especially from the Army, threatened the economic interdependence between these groups.

Other studies have looked into specific forms of bonded labor and their implications. Chhetri (2005) studied the social and economic problems of the Tharus from a historical perspective, and at how the socio-economic and political environment was created to exploit and oppress the Tharus. Under the traditional *kamaiya* system, landlords were dependent on the *kamaiya* Tharus to ensure labor supply. This dependence would provide as a 'social safety net' for both groups with possibilities for a *kamaiya* farmer of being transformed into an 'independent' farmer. However, the expansion of the state into the Terai in the 19th century and the granting of land to Pahadis (people of hill origin) resulted in the alienation of the Tharus from their farms. The appointment of migrant Pahadis for administering taxation and resettlement policies created a powerful new class in the Terai, and hence the formation of the landlord class that engaged the *kamaiyas* as bonded laborers.

Chhetri explains that under this new system of bonded labor, the *kamaiyas* were contracted to the landlord for labor in which the *kamaiya* family would receive a share of the production or payments made in kind. This contracting mechanism of labor and credit made it impossible for *kamaiyas* to free themselves as the illiterate *kamaiyas* were not able to pay back the loans which would eventually get larger. This form of bonded labor was prevalent in many of the Terai districts until it was officially abolished in 2000. However, Chhetri argues that the haphazard process of freeing the *kamaiyas* has only resulted in *kamaiyas*

being forced to go back to their landlords or migrate for work to India or starve due to unemployment as the state was unable to keep promises of land and better livelihoods.

Dhakal (2007) looked into a particular practice of labor known as *haruwa* in Eastern Terai. This study analyses how this particular practice of labor has now been transformed due to commercialization and economic changes. According to Dhakal (2007:282) “the ever growing labor market, commercialization and mechanization of agriculture as well as to some extent the mobilization by the NGOs has helped to bring about the decline of the old forms of patron-client relations in the agricultural production sectors”. In his study of bonded laboring practices, Giri (2010) provides an insight into how the promise of education was being utilized by both parties (parents of working children and landlords) as a safe meeting point and to transform traditional forms of agricultural bonded labor like the *haliya* system and the *kamaiya* system. Though traditional practices had been denounced and to some extent banned, there was an increasing trend among families to send their children to work under a contract that offered education as a promise. However, this promise of education acted only as a ‘magnet’ as children were not allowed to attend school or were engaged in so much work that they eventually dropped out of education. Hence modern transformative forces like education do not necessarily bring changes in labor relations as exploitative relations exist in a different form than before.

An ILO sponsored research report on forced labor in the agricultural sector offers insights on magnitude of the forced labor as well as working and living conditions of the laborers (KC, Subedi et.al. 2010). The report found that various forms of bonded labor existed in significant numbers in Nepal and faced exploitation and rights violations. The findings of the report suggest that these laborers including children were forced to work without or with very little payment and were caught in a debt trap. A number of studies done by NGOs mainly focus on documentation of specific labor practices. Child labor, in particular, has received quite a lot of attention. Reports and surveys document the prevalence, types, causes, history and definitions of specific forms of labour such as the *kamaiya* system, *haliya* system, *kamlari* system and *haruwa/charuwa* system among others. Jha (2006) carried out a mapping exercise of projects and other initiatives on bonded labour particularly looking at the *ex-kamaiya*, *haruwa* and *charuwa* systems. More recently, the Social Science Baha carried out a documentation of different forms of bondage labor in Nepal (Sijapati, Limbu et.al. 2011). Similarly, a number of rapid assessments have also been carried out by NGOs on freed *kamaiyas* and *haliyas*. In general, the results show that there has been an improvement in access to education, improved household economy and reduced poverty

for individuals and households of freed *kamaiyas*. However, it is very difficult to come up with a comprehensive understanding of these ‘freed populations’ based on a few rapid assessments.

A quick review of existing literature on labor and livelihoods in rural Nepal indicates changes on the nature of labor from caste based and semi-feudal to commodified wage labor. Despite some important insights offered by a number of studies, there is very little knowledge on the nature of changes in labor and livelihoods in the context of rapid social, economic and political changes that have taken place in Nepal over the last two decades; not just in one particular form of labor, but in a cross-section of forms of labor. Our attempt is to understand these changes in labor relations from the standpoint of those experiencing changes on an everyday basis.

The Nature of Changes in Labor and Livelihoods

As the studies mentioned above note, and our own research confirms, diversification of livelihoods is one of the key features of rural livelihoods in Nepal. There is a visible shift from rural livelihoods based on agriculture and land to non-agricultural and non-land based livelihoods although most laboring households derive their livelihoods from both. Although subsistence agriculture and agricultural wage labor remain the most important sources of livelihood among the poorer households, the proportion of income derived from farm-based or land-based activity has decreased and there is a growing dependence on non-farm based and mobility based livelihoods.

Our research confirms that there has been a general decline in agriculture in the hills especially in the remoter rural areas, both due to exodus of labor into non-land based livelihoods activities as well as a general perception among the land-holding families of the declining value of agricultural work. Although the wage rates have increased significantly in rural areas, there are less laboring opportunities in the agricultural sector in the hills. The situation in the Terai is quite different from the hills as there are still some opportunities for wage labor in the agricultural sector. With the expansion of roads and markets and increased mobility, there are various work opportunities for laboring households, which mainly include work in construction sites, opening small shops (e.g. selling vegetables), milk production, brewing, weaving and migrating to work in service sectors or construction work in nearby markets and towns.

Very few people are involved solely as agricultural laborers and only a few of them have continued traditional bonded or caste-based labor relationships. Our field research shows that households at the lower end of the socio-economic spectrum are predominantly working as wage laborers in the agricultural sector, and as construction and migrant workers that are mediated by availability, social networks and kin relations. For the laboring households who are increasingly relying on wage labor outside their village, costs associated with transport, accommodation and health care expenses are significant, often eroding returns and remittances back to the village.

New sources of demand for labor outside the village have enabled laboring households to raise their wages locally and to break away from caste based labor relations and other demeaning practices in their villages of origin. Nevertheless, the village still tends to be the key unit for the organization of labor, particularly for women workers who are stuck with housework and children, and or those with very little financial or social capital. Due to widespread out-migration of men, women's participation in agricultural activities and therefore their workload has increased but it is not clear whether this has increased agency of women in decision-making.

In our attempt to understand the political economy of rural livelihoods and labor, we have identified four themes to characterize the changing nature of labor in Nepal:

- diversification of rural livelihoods: a shift from livelihoods based on land and agriculture to non-agricultural and non-land based employment;
- a gradual weakening and disappearance of traditional labor arrangements including caste-based division of labor;
- commodified labor;
- a widespread mobility of labor both within and outside of the country

Overall, we argue that these changes indicate a shift in the social and economic position of the laboring population from *subjects* to *citizens*. The shift results in increased economic and political agency but is not free from vulnerabilities and risks. Despite the weakening of semi-feudal labor relations, laboring households have not been able to enhance their economic status on a significant or a sustainable basis. Compared to the past, wages have increased and laboring households have access to cash, but income is not enough to meet subsistence needs as the sources of expenses have also increased and so has their dependence on the market.

1. Diversification of work: shift from agricultural to non-agricultural labor

Population growth, subsequent land fragmentation, decreased availability of arable land, availability of work outside the village, availability of markets and the need for cash income are bringing changes in the nature of rural livelihoods. These changes have had an impact in people's livelihoods, creating more diversified livelihood sources. In the past, people relied mainly on agriculture and traditional caste based occupations for subsistence with some income from outside in the form of remittances. However more recently, many of the households could hardly rely on agriculture or the caste based attached labor for their subsistence. At the same time, the sources of subsistence were not limited to a single source. Many households of the study depended on two, or more than two, sources for subsistence. Prominent sources of livelihood amongst the laborers were farming, wage labor (both within and outside the village), informal sector jobs in nearby markets or towns and migrant remittances.

There are key factors that have brought about this shift from agriculture to non-agriculture as a major source of livelihood.



Jeevan Raj Sharma

Some of the significant changes have been the increase in wage rates for hiring laborers, the modernization of agriculture with the increasing need to use fertilizers, and the access to markets and roads, which have also facilitated migration. According to a Dalit man in Pyuthan district, “It is difficult for the landless like me to make a living on a share cropping basis because we need to get fertilizers for better production. Further, wage rate is also getting higher every year and above all if weather ruins everything, then we will be in loss and it would be difficult for the family to cover the loss.”

There is also a strong perception amongst young people that there is no benefit in doing agriculture and with the expansion of education people are moving out of the rural areas in search of work opportunities. According to a VDC Secretary in Pyuthan, “People in the village have the concept that educated people should not be doing agriculture, rather they should have a job.” Further, the higher living standards of families relying on remittances has encouraged youth to migrate in the hope of raising their own living standards.

Moreover, with the fragmentation of land, productivity of land as compared to past has decreased extensively. Consequently, laboring households are looking for alternatives for their

subsistence. According to a high caste man in Pyuthan, “earlier my grandfather had land where 200 *muri*² of paddy would have grown. However, at present I have land where only 10 *muri* of paddy can be grown. As a result my sons have no other option than migrating to India for employment.”

There have been shifts in the labor practices of poorer households. A Dalit man, a *hali* (bonded tiller) in Syangja, had stopped working for his high-caste landlord. He had been working in the fields of the landlord to pay off the interest for the loans taken by his father. However, he had recently stopped working in the fields and had started doing construction work. He thought that construction work was better than the agricultural work because “it is easier and can be done with less hard work”. Construction work also provided him with much freedom, as he is able to choose when to work and when to stop working. The wages earned from construction work are “very high”, earning him 250 rupees a day as opposed to 120-150 rupee a day in agriculture.

The laboring households in Bardiya district had been doing different kinds of work for their sustenance instead of relying

² Crops are measured in muri (1 muri=160 lbs)

just on sharecropping and exchange labor. A young Tharu man in Bardiya was making wooden doors, cupboards and beds, in addition to his involvement in agriculture. Similarly, in the hill district of Bajhang, beside agriculture and migration, men were working in the construction of school buildings, irrigation canals, private houses and trail construction within the village. Men in Pyuthan were seen to be working in construction work, primarily toilet construction, and some also building houses.

Likewise, in Pyuthan, after the agricultural season, male members often sought wage labor outside the village to meet the subsistence needs of the family. Many temporarily migrated to India and worked as laborers carrying loads as porters, working in stone quarries and road construction.

The connection of rural areas to markets and cities through roads and communication has brought alternative sources of livelihood for rural populations. This increase in access to markets has created opportunities for new sources of wage labor and other opportunities in non-farm sectors. For the migrants of Bajhang, the new road to the market of Tamel has made it easier for them to return to their village during the peak agriculture season and then return to India after finishing work in the village. Laborers in Pyuthan came back from India during the plantation season and again returned back for the harvest period.

In the study areas, the laboring households had at least a member of the family, almost always male, working outside the country, mostly in India. In Bajhang most Dalits had been migrating to India. A generation ago, most of these were involved in watchman jobs in India, but now some had started their own businesses like street food vendor. The majority of the villagers in Bardiya often went to places like Pithauragadh in India thanks to their own kin networks. Those from relatively better off backgrounds who had begun to go to the Gulf countries had also been using their social networks to access brokers for necessary paperwork and visa.

In Kailali and Bardiya most men aged between 25 and 40 from *kamaiya* families, were working as daily wage laborers unlike some of their fathers who were still working as *kamaiya*. In the Terai districts, the freeing of the *kamaiya* had created a shift in labor practices. *Kamaiya* households, who had previously worked for their landlords, had begun to work in various sectors of the economy after being 'freed'. While some continued to work as agricultural wage laborers others had started working in the construction sector, migrated to India, or others still had been involved in small service enterprises such as plumbing, electric wiring, electronic good repair shops, rickshaw pulling and cycle repairing among others. These new skills were

acquired through various training programs of the government, NGOs and INGOs, or offered in the market.

Here it is useful to point at the gender dimensions of such transition of labor from agriculture to non-agriculture and/or caste based attached labor to wage labor. Most often, it is men who appear to be making this transition with women still working in caste based attached labor and/or agricultural labor. At the same time, increased out-migration of men has meant that it is women who are left behind who work in the caste-based attached forms of labor in agriculture.

Overall, the findings indicate that livelihood diversification is a common practice. Remittances in many of the field sites have played an important role in ensuring the household subsistence. However, though people have seen an increased flow of money, laborers have not been able to increase their economic status sustainably. According to a member of Pyuthan Chamber of Commerce, "Laborers spend half of their income on drinking liquor therefore they have not been able to improve their living standard sustainably." Our study confirms such elite perceptions that many laborers spent significant amounts of their earning in buying liquor and tobacco, or in other consumer goods such as mobile phones.

On the other hand, not all have shifted from agriculture to non-agriculture. Some have continued working in agriculture, as it provides them with security in times of need. According to a Dalit man in Parbat district, "working as a *hali* in agriculture is better than working in other sectors because having a relationship with the landlord (*bista*) is necessary in times of need to ask for help."

Many laboring households have nevertheless started to look for different sources of income other than or in addition to agriculture. The study shows that there have been some significant changes in the laboring practices of poorer households as they look for new ways to sustain and survive. The shift has been that many have adopted new opportunities for work, however relying on agriculture to some extent. Overall, agriculture along with construction work and dependence of remittances remain the key feature of rural livelihoods among the labor population.

2. Weakening of semi-feudal labor arrangements

Semi-feudal labor arrangements were widespread in rural Nepal for many decades. Through the specific bonded systems of *haliya*, *kamaiya*, *haruwa*, and other caste-based occupations, many of the poorer households relied on their landlords or those with a wealthier economic status for their livelihoods. However,

the expansion of the market and increased involvement of the state in development activities, party politics and more recently, in the last decade, the Maoists' discourse on feudalism, and the discourse of development and rights advocated by NGOs and various local groups have challenged the feudal system of labor arrangements.

These developments have dented the status of those who had relied on the feudal system. A Dalit man in Syangja district had worked as a *hali* (bonded tiller) for the Bahuns and Magars of his village for about 20 years. But when he realized that the kind of work he was doing was very humiliating and discriminatory, he stopped working for them although wage rates had gone up significantly, and started working on his own in the construction sector. A woman in Rupandehi said that her husband used to work as a *haruwa* (bonded laborer) for a feudal lord in the village but she made her husband discontinue this. According to her, "We had to beg all the time from our owner, and only then we got something to eat. Now that he has a different job, he does not need to work under anyone's threat or pressure." But she accepted the fact that he became a *haruwa* in the past because there wasn't enough for him to live otherwise. And again, the reason for discontinuing is the same: that wasn't enough either. Her husband now works in the brick factory in a nearby town and said that it has been better to run the family this way. This, she thinks, has changed the condition of her family: "Now we also work in share-cropping here and there, and manage our life. In the past, it was always a struggle."

In Rupandehi, several families used to work as *haruwa* for their landlord but stopped after the Maoists occupied the land and abolished the system in their village. A Dalit man, 53, worked as *haruwa* for a landlord in Rupandehi for about 20 years. He gave it up when the Maoists imposed a ban on the *haruwa* system in 2003, and since has been working as wage laborer in agriculture and construction for about 9 years. He earned about 250 rupees a day. A Tharu man, 62, also worked as a *haruwa* for a landlord for about 33 years. After being freed of the *haruwa* bond, he was now working his land on a share-cropping basis. "Share-cropping is better because one would have to work for some certain time and then do other works like in wage labor in between." But in the past, he thinks that the *haruwa* system was better because, "one would get more amount of rice in advance when necessary. But this isn't possible with wage labor type of work. This is why our fathers chose this." They ended up as *haruwa* because the grandfathers and great-grandfathers did not own any land, and there was no alternative but to work for landlords as *haruwa*.

In Bajhang, the practice of *baytho* between Dalits and landowners has waned significantly. According to this system,

Dalits had to provide labor services to the landowner thrice a year: once during the paddy plantation, once for harvesting and once for chopping firewood. This system was prevalent among the Sarki community, who were forced to work for the higher caste (*rithis*), as their fathers were *rinis* (debtors) to the *rithis*. However this has now changed into the system of *padimo* (exchange of labor), in which labor is exchanged, and sometimes labor is also hired.

Unsurprisingly, landlords feel that these changes have significantly affected their status, and in some cases they feel that have been forced to adapt. A Bahun man in Pyuthan district, whose father was a *jimbal* (landlord), felt that Bahun status and prestige had been greatly affected by these changes. According to him, "In the past our forefathers might have dominated them (laborers), but at present these laborers are dominating us." He further said "Laborers have realized that rich people need to rely on them for their existence, and as we cannot do farming on our own, they are further taking advantage of our weakness."

Some of the changes highlighted by the study were that in earlier times laborers were given one third of the production and the landowners took two thirds. However, according to a Tharuki man in Pyuthan district, "Laborers are now planning to give one third to the landowner and keep two thirds." Likewise, earlier, laborers working on share cropping basis had to deliver paddy to the house of the *zamindar* (landlord) but now the laborer would do so only if the landlord gave an extra wage. Likewise, a Bahun man complained that "No matter how much they (laborer) say, we have to give to them." Additionally, unlike in the past, even in the share cropping system landowners now had to partially cover the expense for fertilizers, and also needed to arrange a tractor for ploughing for the laborer.

Similarly, a Dalit man in Pyuthan district opined that labor relations had improved particularly after the multi party democracy. According to him, "Earlier, laborers had to work for all day long but were not given money on time. They (landlords) indeed were the true feudal who hardly thought of the welfare of their laborers. However at present laborers have become much more clever and are going to retaliate if the landlords try to subjugate the laborers."

In the Terai, feudal relations have been greatly affected by the *kamaiya* movement and their liberation. A Tharu man who once worked as a *kamaiya* but now was free said, "My life has changed; although I have many problems at present, I feel good to be free. I work only if I am interested, otherwise I don't. There isn't any compulsion as in the past. Therefore, life at present is much better than before." Some *kamaiyas* had

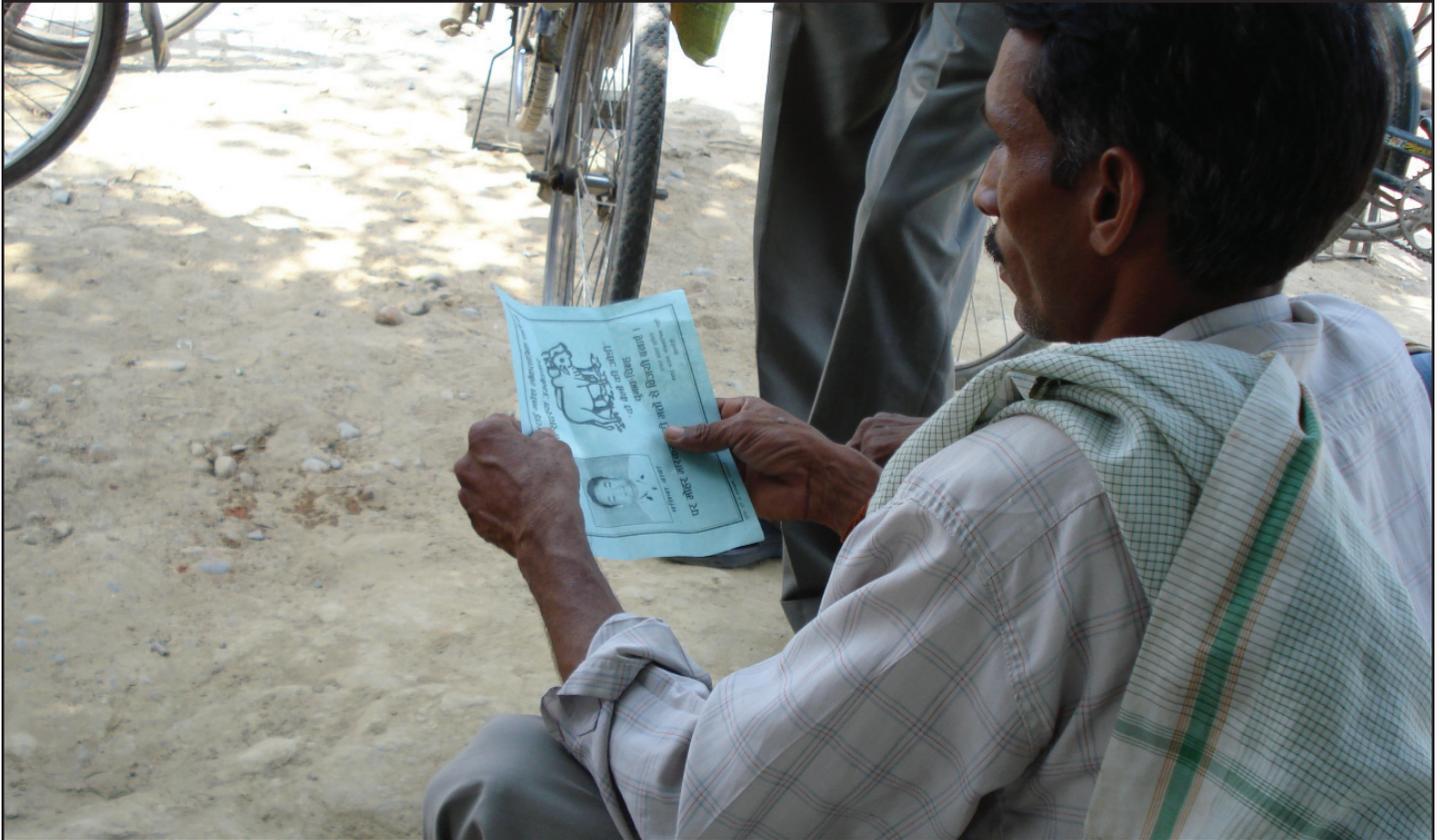
occupied government land and some had received support from NGOs to build houses. Those who had not had access to these services were still fighting for their rights and involved in activism. This had impacted their relations with their landlords as most of the landlords were giving away their land in sharecropping (*battaiya*) and some had started migrating to urban areas. According to a female *kamlari*, an NGO had been helping them from the beginning to raise awareness and organise the *kamaiya* liberation movement. The same NGO had been providing training on their right to demand services from the government.

However, there were some cases where feudal relations still remained strong. A Tharu man in Rupandehi district had worked as a bonded laborer for the Bahuns of the village for seven years. After the government abolished the system, he continued working for the same Bahuns under a different labor arrangement of sharecropping. He still refers to the Bahun as ‘*mukhiya*’, ‘*malik*’ (‘headman’ or ‘lord’).

Others like a Dalit couple (aged 49 and 41) had continued the traditional practice of caste-based labor arrangements and preferred them over wage labor as the former offered more

security. They had inherited a tailoring job. They were not involved in any agriculture work neither did they have land. They had no one to work in the farms. They received grains in the return of their work from the landlords in the village. They got about 10 kilos of rice each year (collected after the harvest season) from each household who received their services. Some households had increased the quantity of grain and gave 16 kilos, while others continued to give 10 kilos or even as low as 5 kilos. The size mainly depended on the size of the family of those who receive the service. In bigger families the tailors had to sew more clothes than in smaller households, and understandably they got more grains from them.

The amount of grain has changed over the years. For this couple, the caste based attached labor (*balighare*) was better than working as a daily wage worker because one did not have to go and work outdoors. The wife said that they did not have time to sew clothes for wages in addition to providing services to their traditional clients. “This *balighare* is enough for us”, she said. Although both of them did the tailoring, there seemed to be some division of labor. The husband did the sewing while the wife went to the village to collect grains and did other work such as needlework or fixing buttons. Their adherence



Jeevan Raj Sharma

to the *balighare* system was guided by the fact that symbolic reciprocity is as important – if not more – than the economic capital. For instance they could leave the village, get out of the *balighare* system, and work in the market doing tailoring. But this was not considered as an option because, as they said, one loses the traditional relationships that one might need in the future. In the time of illness, it is again their traditional clients who have helped them, they said. This mutual dependence partly explains why the system has been sustained.

Giving up traditional practices was not always seen as a positive. Working as a *katuwal* (messenger) was all about following in the footsteps of his father for a Dalit man in Pyuthan. He started working as a messenger in 1999 when his father was getting frail. Others could have replaced his father as the messenger of the village, but the elders of the village suggested he continue his father's job. He thought that the villagers perceived his job positively as he was the medium through which villagers would know about certain events or activities. He planned to continue working for another 10–12 years. However, with a sarcastic smile he said, "I have respect in the village, but of a smaller kind." He opined that people would not work as *katuwal* for the sake of a little bit of grain as it was difficult to sustain in the present time. Also, unlike in the past there were many opportunities in the village and there was no compulsion for an individual to work as a *katuwal*. "If I was enrolled in a government job then the salary would have increased, but I am still relying on the same quantity of *bali* (grain) which my father used to have." He got 4–5 kilos of rice from each household. He said times had changed, for instance during his father's period, a tiller used to get five rupees but now they are getting three hundred rupees.

He did not perceive his work as exploitative because he was not forced by the villagers to replace his father. Instead he decided on his own to do so. Despite the development of modern means of communication, the villagers depended on him for the information of certain programs and events. Therefore, based on the social perception, he thought his job had a value in the village. However, he also believed that he was taken for granted by the villagers as he was treated like a beggar whenever he went to collect the grain on a yearly basis and felt humiliated. Due to this minimal value of his work, he will not allow his son to do so and firmly stated, "I am not going to let my sons do such work, and would rather send them to India to do labor work".

Besides working as a messenger, he also worked as a wage laborer in a group led by a contractor. The group he belonged to was mostly involved in building small *kachhi* (mud) houses and toilets (the group did not have the skills for making *pakki*

houses). Usually he worked in a group for five months during the winter and throughout the monsoon. Furthermore, during the plantation season he exchanged labor or worked on a daily wage in agriculture.

This shows that there have been some clear changes in terms of labor relations in rural Nepal which have been directly challenging the traditional feudal relations of labor that existed for a long time. Those who had been exercising authority had not only been compelled to give away their power, but in some cases, forced to meet the needs and demands of the laborers. Hence, laborers had also identified the limitations of the landlords, and had been taking advantage by increasing the wage rate for labor work. This had subsequently had an effect on the bargaining capacity of the laborers and eventually on their relations with their landlords. Although, in some cases, laborers were dependent on their landlords, and had established new forms of labor arrangements, the feudal relations of labor had overall been greatly weakened.

3. Commodified labor

Chaitanya Mishra (2007) argues that capitalism and specifically commodification of land and labor started even before 1950s in Nepal, but it was not the dominant mode of exchange. It was a thinly practiced mode of exchange existing in parallel to other modes of exchange like *khallo*, *baytho*, *haliya* and *kamaiya*. The availability of cash and the access to markets created new ways in which labor was utilized, and more importantly the way in which labor was being valued. The traditional practice of labor exchange and the reciprocity attached to it did not have any monetary value; it was not governed by a logic other than economic one. Practices of *arima-parima* (labor exchange) were highly prevalent for those seeking labor in agriculture. The exact value of labor was not expressed in the labor exchange or attachment system and it was "morally wrong" to put a value on the labor. Such exchange and attached form of labor was beneficial to the landlord or the stronger party and exploitation was not questioned. However, since the relationship was built on the exchange of gifts and reciprocity, the landlord or the service user must offer generosity, respect and protection in exchange for the services. Over the years, such reciprocity was normalized as a tradition by both parties leading to social reproduction of the classes. However, these exchanges have been on the decline as more and more poor peasants are now working on a daily wage basis either in agriculture and construction. The value of money is also attached to loans, as debtors have started repaying their loans by cash rather than working for others unconditionally.

Our study shows many cases in which monetary value had

been attached to labor. A Magar man in Parbat district worked as a *hali* (bonded tiller) for the Bahuns and Magars in the village. He was in this bonded relation because of the loans he had taken from the Brahmin. He also worked as a construction worker in building walls, and as a carpenter. Although he still tilled for others in exchange for grains, he was also involved in non-agricultural work from which he earns money and has been able to pay back some of the loans to the landlord, and wanted to end that bonded system soon. He said, “Working as wage laborer is better because the wage is very high (350 rupees a day), and I don’t have to work for the same person. For better wages, I go to the nearby market, where I can earn as high as 500 rupees a day.”

In the past, most of the labor work for agriculture was exchanged in kind. Those who worked for the landlords or for the others would receive grains and food in kind. This has now been replaced by cash for such work. A Dalit woman, 62, who lives with her daughter in Kalikakot VDC, Syngja has been working in *nimek* (wage labor in agriculture) after her husband died about 17 years ago. That is the main source of income for them. She said, “When I first started working for others, I would get grains (millets or maize whatever was available or necessary) but now I get paid in cash. People don’t give grains these days.”

The price for wage labor have also increased. In all of the study sites the wage labor for both male and female had increased significantly in the last 4–5 years. The average agriculture wage labor for a male was around Rs 250–300 rupees per day, whereas the female wage laborer average was around 250 rupees per day. In Kailali district, the *kamaiyas* had been demanding increases in wages for agricultural work. As labor becomes scarce due to increased migration out of the villages, there has been a demand for labor and hence an increase in rates. A high-caste woman in Bajhang complained saying that the laborers now demand high wages, which are impossible to pay. She said, “I wanted to hire a tiller and the person demanded nine thousand rupees for one season.”

The availability of food products in nearby markets has influenced the commodification of labor in two ways. *Firstly*, with the easy availability of food products in nearby markets there has been a decrease in farming practices of rural households. As in the case of Bajhang district, the availability of rice in the established market of Tamel has caused people to stop farming in the upper hill region. *Secondly*, it means that people need cash to buy products from the market.

Cash is the main mode of transaction. Cash is available through wage labor or the remittances sent by family members and

relatives to their households. People who continued their caste-based occupations were also using cash in exchange for their services. According a local entrepreneur in Pyuthan, “*Baali ghare pratha* is almost gone and now everything is exchanged in cash. Earlier there was scarcity of cash, but now there is a flow of money.” A Dalit couple who continued to work in the traditional occupation of sewing in Syangja district and provided services for Brahmins and Gurungs still got grains every year for their tailoring work although they increasingly preferred cash. Another Dalit man, who worked in the iron workshop (*aran*), was getting grain (*bali*) for his ironsmithing work but now he preferred to be paid in cash.

This confirms the findings of our earlier work (Sharma and Donini, 2010) on perceptions of social change: a gradual transformation of socio-economic conditions is taking place in rural Nepal. While the drivers of change are diverse, and include the opening-up of rural areas through a complex mix of migration, political agitation, education, communication, it is clear that the old system based on caste and the reproduction of feudal labor relationships is being replaced by an emerging system based on the commodification of land, labor and cash – and the incorporation of rural areas into globalized socio-economic flows. In many ways this process is similar to the “great transformation” described by Polanyi which preceded and accompanied the industrial revolution in Europe.

4. Widespread mobility of labor

Increased mobility of labor has reshaped labor relations in all of the study areas. This phenomenon has had widespread implications in ways in which the practice of labor has been organized. With mobility, laborers got new opportunities for work and livelihoods away from what was available locally. All the field sites showed high rates of mobility both in terms of regular commuting to the nearby market and out-migration to cities and abroad. However, it can be argued that mobility has not always had a profound impact on the existing feudal relations of labor in poorer households. As in the case of Bajhang, many have migrated to work to India for decades, but the economic relations have not been transformed.

Largely, two trends on mobility are found. First, there is the mobility from villages in the hills to nearby towns and cities or in the Terai; and second, from villages in both the hills and Terai to cities in India and a few to the Gulf countries. There are also a few cases where people from the Terai have migrated to the hills to work on various construction projects. These are, however, seasonal forms of migration, and are very rare.

There are those who have benefitted from labor mobility. A

Dalit man in Rupandehi migrated to the Terai from the hills with his parents some five years back in search of better work. He started selling vegetables carrying them in bags in the villages. He now went to the local market (*bazaar*) five days a week to sell vegetables. He has been able to make a living out of it. A man worked as a rickshaw puller in the western city of Butwal. He migrated from the eastern district of Saptari to work in the city, and says that it has been easy to find work there. He helps his parents during the agricultural season back home, and returns to Butwal after that. The study shows that many in the hills migrated to the plains to work as laborers as there are more opportunities in the Terai.

Likewise, migration to India from villages of both the hills and the Terai was mostly on a seasonal basis. Many of the squatters and *kamiya* without identification cards in Bardiya had been migrating seasonally to India, and the majority of them had been going to the places like Pithauragadh, Delhi and Hyderabad for labor work like carrying loads, working in stone quarries and road construction. Seasonal migration was necessary for those returning to work in their villages during the agricultural season. Migrants in Bardiya, returned to their villages twice a year for paddy cultivation: once during cultivation, and again for the harvest.

Most of the men from the laboring households in in Bajhang district went to Delhi, Mumbai and Hubli (Banglore) following their relatives and other family members who had already been working there. Those living in the bordering towns also preferred to go to India to work as their economic conditions were very weak. There were cases especially among the Dalits in Bajhang where family members took turns to migrate to work in India.

Migration did not always offer secure livelihoods or 'freedom' as illustrated by the case of a Dalit man, aged 35, from Bajhang. He left for India at the age of 17 and did various jobs for about 9 years before returning back to his village. He again returned to work in India, where he worked in a steel factory. He earned about 5-6 thousand Rs per month. He returned back to Nepal with four daughters and a son when he became old. They did not have any land except a house-plot. When the family was living together there was enough land to feed the family. Since he got separated from his brothers, he was left with a small piece of land, which was not enough to feed the family. Therefore he started to work as a *haliya*, which was the only option available. Though his brothers were still going to India, he never returned to India in the last 6 years. He worked as a *haliya* for the local landlord. Beside that he worked as wage laborer in agriculture, cutting stones and leveling soil for building houses or walls. As a *haliya* he had to work both

in the plantation and harvesting seasons, for about 8-10 days in each season. In exchange he could rent a small piece of agricultural land for free and receive some grains from the landlords in addition to some clothes. According to him there were more opportunities for wage labor now and the wage rate had increased to Rs 300 a day. He was thinking of leaving *haliya* because he had to work a lot more than what he got in exchange, but wage labor was not regularly available. People came to his house from other villages if they needed a laborer, and they would negotiate the price for a particular job. His eldest daughter, who was 11 years old, did not go to school but helped her mother for domestic work, and was looking after her younger sisters. She also went to work in other people's fields on a daily wage.

He was also planning to visit India, but he didn't want to go to Delhi because he thought that Nepalis were not respected in Delhi. He heard that Nepalis were more respected in Kerala and Jammu-Kashmir, therefore he was thinking about going to one of these places.

It is apparent from the study that people of both the hill districts and the Terai have been migrating to India from the very beginning seeking employment, and the tradition is still intact. According to a Magar man in Pyuthan district, "Without going to India villagers from his area cannot arrange two meals a day." Though mobility from the villages took place mostly to cities in India, there was been a recent trend towards migrating to the Gulf countries for work. A few young men had recently left for Dubai and were working in hotels and hospitality industries there.

Labor mobility is increasingly an important part of people's livelihoods amongst the poorer households. As productivity of agriculture diminishes with land fragmentation, and availability of products from the market, those depending on agriculture have to look for alternative sources of livelihoods. Those living in traditional caste based occupations have also been affected by market penetration in rural areas. Migrating to the plains or nearby towns and cities from interior rural areas has been very common among those looking for new opportunities for employment. Migrating to work in India, on the other hand, has been continuing over the years from both the hills and the plains, and improved roads and connections have made it easier for rural households to continue working in their fields on a seasonal basis. More recently, the trend of migrating towards the Gulf has provided rural households, especially those who can afford it, new opportunities of labor.

From Subjects to Citizens?

We argue that not only there has been a major change in terms of the material aspects of labor relations with a clear shift from caste-based or other forms of attached labor to cash-based wage labor both within and outside of agriculture, but also in the more symbolic aspects of labor relations in terms of the awareness of laborers' identity as citizens with rights. Although not uniformly across all the fieldwork sites, there was recognition that semi-feudal or caste-based attachment to labor was 'exploitative' and increasing opportunities for wage labor both within and outside of the village had opened up significant opportunities to transcend such attachment.

Traditionally, laborers have been perceived as subjects, both by the state and by their owners/employers. The local power holders, especially those who owned land, had control over the poorer households. According to Regmi (1978), since the nineteenth century in rural Nepal, the mukhiya and zamindar were not just landowners but also representatives of the central government who collected revenue, as well as performing various judicial and administrative functions. Through the systems of rakam and jhara, the state was able to impose a labor tax as well as extract free labor from the peasants. Therefore, these forced systems did not allow the peasant to make any economic gains as there was no return for these services; on the contrary "it allowed the state to exercise authority over the peasant not only as a tenant but also as a subject" (Regmi, 1978:104).

Over the last decade various political and social transformations have played a significant role in challenging feudal relations in rural Nepal. This meant that laborers and laboring households embedded in traditional caste-based practices who saw themselves as subjects without rights are now asserting themselves as conscious political and economic agents and are increasingly seen by others as such. This consciousness was highly driven by the discourses of rights and empowerment as advocated by many of the NGOs and local groups working in the villages as well as the Maoists. Hence, traditional semi-feudal laboring practices have been challenged and laborers and laboring households are now asserting their rights through new politicized identities such as kamaiya, haliya or Dalits. Fujikura (2004) in a study of the kamaiya freedom movement in the western Terai looks at the effect of these discourses. He explains that the freedom movement of the kamaiyas led by BASE (grassroots organization) was an outcome of the history of development interventions in the region.

Our field research documents numerous cases where such identity formations are taking place. A Dalit man in Syangja district, worked as hali (bonded tiller) for the Bahuns and Magars of the village. He also worked as a katwal (messenger)

for about 30-35 years. An episode of resistance against the low wages by some of the occupational workers resulted in him losing his job. However, the resistance meant that he was able to come out of the patron-client relation as exercised through his work. A Tharu man in Rupandehi district worked as a haruwa for the local landlord for about 33 years. When the Maoists came to power and introduced the law banning this system of bonded labor, he was freed. After being freed of the haruwa bond, he began to work for the landlord in adhiya (sharecropping). This meant that he had more time for himself and was free to seek other labor work. Similarly, according to a Dalit man in Pyuthan, "In the Panchayat system, laborers like me had to work as hali for the upper caste people, and had to work free of cost. But things have reasonably changed after the multi-party democracy because people like me have become aware and without any fear can speak out for our rights and existence. Earlier we hardly could participate in any sort of gathering but now we can participate in different programs and have become much more clever than before."

Another way in which this transformation is established for the kamaiya is by having an identity card or being registered in the local land reform office with land certificates. Identity cards were very important to establish themselves as freed kamaiyas. According to a Tharu man in Bardiya district, "If I have an identification card, than I can fight for my rights." Likewise many kamaiya who had land ownership certificates but not the land have been rallying and going on hunger strikes. By forming various groups the kamaiyas have been able to raise their problems with state officials.

There have also been various groups and committees established in these areas that have been advocating for the rights of the poor. A President of a local haliya group in Bajhang explained that his group had been working to disseminate information about the problems of poor haliyas, conducting awareness classes, and training the poor on standing for their rights and privileges. In the Terai, traditionally the kamaiya term was used to denote the labor relation between landlord and bonded labor, but has now been formally recognized as an identity of landless people by the state. With these new identities various groups have been demanding rights and entitlements from the state and other organizations. Therefore, the laboring classes have gradually turned from being subjects of landlords to citizens of the state and more able to articulate their demands and their rights.

While we clearly see a transition from the position of laborers from subjects to citizens that is associated with changing labor relations and wider socio-economic and political changes taking place in Nepal, we should not ignore that the transition



Jeevan Raj Sharma

is not a linear one from rural to urban or from agricultural to non-agricultural. Most laboring households must rely on both agriculture and non-agricultural labor as one works as an insurance against the other. It has become almost impossible for laboring households to sustain exclusively either on agriculture or on non-land based wage work, and therefore must draw their livelihoods on both. Despite the increase in migration and wage labor, the village often continues to be the key unit for the organization of labor, particularly for women workers who are stuck with housework and children, and or those with very little financial or social capital.

Risks and Vulnerability

Changes in labor relations, changes in feudal practices, and mobility of labor have all benefitted many of the poorer households in the research area. Nevertheless, for some the changes have brought more uncertainty and vulnerability. As mentioned above, this has resulted in the laboring households seeking insurance by drawing on livelihoods from both village based agricultural labor and in non-land based wage labor both within and outside of the village.

Often those who are left behind in the villages, and especially those without skills, remain quite vulnerable. Two Dalit sisters barely survive on the daily wage they earn by working on others' farms in Parbat district. They have a very small amount of land, and a portion of it has been taken away by a recent landslide. Moreover, they do not have other skills beyond agriculture and it is difficult for them to manage, and traditional form of insurance based on client-patron relations has eroded. It is the women, the elderly and destitute groups who are more vulnerable as a result of ongoing transitions in labor.

While mobility of labor has offered opportunities for many, migrants who travel away are often faced with insecurity, discrimination and poor working/living conditions. Expenses on health care and fraud and extortion while travelling emerge as major concerns among mobile laborers. They are often paid less than stipulated, and barely manage to make savings to send home not to mention a constant peer pressure to spend money on alcohol and mobile phones. Often laborers are subject to fraud especially when their work involves several middlemen. A Tharu man from Kailali who works as a construction worker in Bajura, feels that working in a new place makes him vulnerable as he does not receive his money on time.

As the family relies on the cash income from the breadwinner, illness is a significant concern for the family. Illness and the associated costs relating to medicine consistently emerged as a major cause of concern among the laboring population. Many are not able to bear the cost of medicines required during illness and take out loans. A man who used to work as a laborer in Bardiya district was injured and was asked to take medicines for 4 years and now had to rely on his wife to help with the subsistence of the family.

Likewise, households who had lost their male breadwinner were facing serious difficulties. A Dalit woman in Bajhang had been living with her husband in the Indian city of Hubli, but eight years ago she lost her husband in a tragic accident, which forced her to return to Nepal. She does not have any land and relies on wage labor to support her three children. Her only expectation is to see her son become enough old to travel to India and earn money for the family. A woman from a hill

village was working as a wage laborer in the town of Butwal leaving behind her two children in the village. Her husband works in Bombay in India, but since he never returns home she has to sustain her family on her own leaving behind children in care of grandparents.

Not all have been able to benefit from the weakening of the feudal system and the opening up of rural areas to migration and wage labor, outside influence and rapid socio-economic change. Many of the changes in labor relations and labor practices have had significant positive effects on poorer households in terms of their rights and increased opportunities. However, these opportunities have not been equally accessible to all. Some are still trapped in their traditional forms of labor relations whereas others have risked their livelihoods by migrating for work. Some still depend on their traditional forms of labor as they provide a safety net, whereas increasingly the young generation aspire to transcend feudal relations by seeking work outside. It would appear to us that households spread risks by adopting different forms of labor i.e. a combination of labor both within agriculture and non-land based wage labor.

In sum, while overall the transition from feudal to non-feudal working relationships has been beneficial, there are disparities in how the benefits have been distributed. For young people in particular, the new dispensation offers opportunities that did not exist before to escape from the drudgery and rigidities of traditional village life. For them, the diversification that has come with the weakening of the feudal system and its attendant structural violence, has definitely been a plus. Migration, non-agricultural wage labor, employment in the informal services sector represent both aspirations and opportunities for change. But there are groups who are left behind by the gradual weakening of the reciprocal relationships inherent in the feudal caste system, which were exploitative at the core but also provided a form of safety net in times of need. Those who are too old, weak or ill to adapt or lack marketable skills face perhaps greater vulnerabilities than before. Similarly, some of the upper caste old guard are finding it difficult to transition to a situation where the rights of citizens clash with their perception of their past inherited authority.

More research is no doubt required to better understand both the nature of the transformation that is rapidly taking place and the meanings ascribed to the changes by those who experience them. In particular, it will be necessary to verify if the binary conceptual framework – feudal caste based system of labor versus modern wage labor relations – still functions as a useful analytical tool for understanding change and its implications for contemporary Nepal. It would appear to us that labor in rural Nepal is going through a form of transition, one that is

based not simply on diversified and multi-locale livelihoods but more importantly one that combines both agricultural and non-agricultural wage labor within and outside of the village. Without viable employment in the informal sector that offers some insurance and social protection, it is very unlikely that the rural laboring households will make a smooth transition from caste-based and other forms of attached labor to one that is based on wage labor.

We argue that in order to understand changes in labor relations in rural Nepal we need to look at labor relations both as an arena of economic exchange as well as an exchange of reciprocity, honor and social protection. The choices that laboring households are making to combine village based and mobility based wage labor reflect their concerns for livelihood insurance that is caught between social structures and market forces. Although new forms of wage labor outside of the village offer a major potential for transformation of economic and social position of the laboring households, these new forms are surrounded by poor working conditions, fraud and various risks associated with travel and working conditions. We will expand on these themes and their meanings in our next research project where we will conduct fieldwork among migrant laborers in within Nepal, in India and the Gulf States.

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Annex 1 (Fieldwork site details)

Region	District	Field Work Area	Major Social Groups	Political Influence	Availability of services	Major Source of livelihood	Distance to market	Mobility	Nature of Labor
West									
Hill	Parbat/Syangja	Kailekhot VDC, Saundi	Dalit, Magar, Bahun	Maoists, NC	School, shops water, no road,	Agricultural labor, wage labor in construction, caste based occupation, migration to India	3-hour walk	within the village, neighboring villages, to India, to Gulf states	Agriculture, non-agriculture (construction work)
		Huwac VDC, Bhurtelthok	Dalit, Bahun, Magar	Maoists, NC	School, shops water, no road	Agricultural labor, wage labor, begging, migration to India	1-hour walk	within the village, neighboring villages, India	Agriculture, non-agriculture (construction work)
Terai	Rupandehi	Parroha VDC, Ganganagar	Dalit, Magar, Bahun	Maoists, NC	School, shops water, road, telephone	Agricultural labor, wage labor in construction work, migration to India	30-min walk	within the village, neighboring villages, to India, Gulf states	Agriculture, non-agriculture (construction, service)
		Saljhandi VDC, Barauli	Tharu, pahadi (hill migrants)	NC, Maoists	School, shops water, road, telephone	Agricultural labor, wage labor in construction works, migration to India	1-hour walk	within the village, neighboring villages, India, Gulf states	Agriculture, non-agriculture (construction, service)
		Dayanagar VDC, Chhapriya	Tharu, Chamar	MJE, NC, UML	School, water market, road health post, telephone	Agricultural labor, wage labor in nearby factories and in construction	5-minute walk	within the village, travel to work in the nearby town/market, India, Gulf	Agriculture, non-agriculture (wages labor in factories, service)
Mid West									
Hill	Pyuthan	Dakha Kwadi VDC- Kwadi, Aarneta, Salghari, Ratamata	Brahmin, Chhetri, Dalits	Maoist, NC, UML and Mashaal	Schools, road, water, health post, (telephone/ internet facility in the market area)	Agricultural labor, wage labor in construction work, seasonal migration to India (Madras, Delhi and migration to gulf countries-Dubai)	2- hour walk	travel to work in the market, another village, India	Agricultural work, non- agricultural work, construction work
	Bardiya	Mohammadpur VDC- Lalpur & Bhaishahi,	Dalits, Madhesi Bahun, Tharu, Muslim	Maoist, Terai Mukti Janatantrik, NC, UML	High School, road, water facility, health post, hospital	Agricultural labor, wage labor in construction work, seasonal migration to India (Pithauragadh, Delhi, Hyderabad) and migration to gulf countries- Saudi Arab)	2-hour walk	travel to work in the nearby town or highway, India,	Agricultural work, non- agricultural work, construction work
Far West									
Hill	Bajhang	Maijugaun VDC, Sunwagaun, Saunegaun & Dhada	Chhetri, Dalit and Bahun	NC, UML	High School, road, water facility, health post, hospital (less facility in dalit areas),	Agriculture wage labor, wage labor in construction, traditional occupational works and migration to India	4 hour walk	travel to work within or in nearby villages, nearby market, India (Banglore, Delhi)	Non-agriculture, construction work
	Kailali	Hasulia VDC, and Pabera VDC	Tharu, pahadi (migrated from hills)	Maoists, UML, NC	Schools, , roads, water (pump sets), roa	Wage labor in agriculture and outside agriculture in construction, rickshaw pulling and seasonal migration to India, and other parts of Nepal	30 mins walk	Travel to work within and nearby villages, nearby highway market or the nearest big city, western hill districts and India (Rima, Shimla and Pune)	Non agricultural, construction

Annex 2 (Fieldwork site details)

Saundi village of Kalikakot VDC in Syangja district is situated north of the Siddhartha Highway, and is about a four-hour walk from the nearby town of Waling. There were about 90 households, comprising mainly of Bahuns, Magars and Bishwokarmas (BKs, a dalit group). The focus of our fieldwork was a settlement of BKs, which is locally known as BK Tol. It had about 20 houses of BKs along with 8 houses of the Magars. Most of the laboring households were either involved as wage labor in agriculture, construction workers or had migrated mainly to India in search of work although a few of them were seen to be continuing their traditional caste based occupation i.e. working as ironsmiths and working as tillers (*hali*) for others. Some Magars had joined the Indian Army, while only two Bishwokarmas had managed to join the Army. Brahmins, mainly Luitels and Neupanes, lived aside the Bishwokarma. The better off households had shifted to the nearby town of Waling or in the Terai leaving others behind. Most of the Luitels had shifted their settlement to the plains in Rupandehi and Nawalparasi. Most Magars had also shifted to the plains and the nearby town of Waling. Only two Bishwakarmas had shifted to the plains in Rupandehi, where they lived in the squatter settlements.

Bhurtelthok village lies in Huwas VDC in Parbat district, which is about a four-hour walk from the market of Bayatari on the Siddhartha Highway. There were about one hundred households in the whole hill of Bhurtelthok, comprising of mainly Bahuns, Darjis (a *dalit* group) and Magars. The field site was a settlement of Dalits with 15 Dalit households and 3 Magar households. The Bahuns lived separately from the Dalits and the Magars. The nearby market is called Huwas and is an hour away from the village. Here, many of the Darjis worked as agricultural and construction laborers. They went to work for the Magars or Brahmins in the village or nearby places. Only two households were seen to be continuing their traditional caste based occupation i.e. tailoring. Some Darjis, mainly women and children in an interval of two or three months went for begging in nearby villages to earn some money. The Magars were better off than the Dalits, as many had been in the Indian Army, owned land or shops. The laboring opportunities in agriculture had shrunk in the recent years and only few were engaged in agriculture and some land was left barren. The wage rate had also increased significantly although wage rates were different for males and females for the same work. This area had also seen a decline in caste-based discrimination.

Ganganagar village lies on Parroha VDC in Rupandehi district, and can be reached in an hour walk northwards from Murgiya town on the highway, 16 kilometers south of Butwal. The village has about 80 households, most of them Magars. There were also some Kami and Sarki (Dalits), Bahuns and

Chhetris. Most of the people had migrated from Myagdi and Palpa hill districts. The field site was Kuno and Dando settlements within Ganganagar VDC. In Kuno, there were about 10 households belonging to the Magars, Kamis, Sarkis and Chhetris. The village had been connected by a rough road from Murgiya. Apart from the seasonal agricultural work, the main mode of living for the people in there was the wage labor in construction work in the nearby market town of Murgiya. As construction work was in full swing in the town, laboring households, both male and female, could easily find work. Only two households had male members working in the Gulf.

Barauli, a Tharu village, which lies on Saljhandi VDC in Rupandehi district, is situated on the south of the Mahendra Highway, westwards from the city of Butwal. The field site was the South Barauli on the south-western edge of the VDC. There were about 50 households in the village, most of them Tharus, and a few Bahuns. The village has been connected by a road. The labouring households of Barauli were involved in both agriculture and non-agriculture work for their living. Many of them used to work as bonded laborers (*haruwas*) for landlords (Bahuns and Newars), but now had stopped working as bonded laborers. However, they continued to work in the land of their previous landowners in the new contractual arrangement of sharecropping (*adhiya*). As the town was nearby, and as the construction work were in full swing, many of the males went to work as wage laborers in construction. Some of them had gone to Gulf countries (e.g. Saudi Arabia) for work, while a few worked in the Nepal Army.

The village of **Chhapiya** in Dayanagar VDC in Rupandehi district is situated south of the Mahendra Highway. The village had been connected by a black-top road from Butwal and Bhairahawa. Chhapiya is a village of non-hill people, mostly Madhesi Dalits (Chamars) and Tharus. On the northern side of the village live non-Madhesi, especially Bahuns and Chhetris. Labouring households here were involved in both agriculture and non-agriculture works. The village used to be the property of local feudal lords, the Shahs, who had brought people to work as bonded laborers (*haruwas*) in their land. But as this system of labor arrangement was no longer existent (after it was declared illegal), the laboring households had been doing different kinds of construction work, or working in the nearby factories such as a Chinese Brick Factory, or small processing factories nearby. Some of them had also entered into the sharecropping arrangements, and had been working on the lands of their previous landlords. None had gone abroad to work.

Dakha Kwadi is one of the VDCs of Pyuthan district. The field sites were villages of Kwadi, Aarneta, Salghari, and Ratamata.

Brahmins, Chhetris, Dalits and ethnic groups like Raut, Dhimi and Magar were the predominant settlers of the VDC. Brahmins, Chhetris and a few Magars owned arable land that was good for the paddy plantation. People of the village often visited Bijuwar, the nearby market area, for purchasing goods for everyday consumption. Here, people mostly were engaged in construction work or relied on agriculture. Male members from a few households had migrated to India in search of work opportunities. Recently a few relatively better off people had also started to go to the Gulf countries. Construction work was widespread and had opened work opportunities for laboring households. People often went to the nearby market for purchasing good for everyday consumption. With the construction of the Bhalubang- Pyuthan road and inflow of remittances, land prices have also increased.

The field sites in **Mohammadpur** VDC of Bardiya district were the villages of Lalpur and Bhaisahi. The VDC is few kilometers away from the border with India and has a remarkable number of Madhesi Dalit, Kamaiya, squatters, Tharus and Muslims. Most of the people were squatters and were residing on encroached land, and kamaiyas without identification card who were residing on confiscated land. People of the VDC either go to Guleriya or Sitla Bazar or Balai villages in India to purchase goods for everyday consumption. Here, the population is dominantly involved in agriculture; paddy was extensively grown during the monsoon, followed by pulses and in the winter wheat was grown. Apart from the work in agriculture, there were opportunities for men to get involved in the construction and maintenance work. Some were also involved in service sector work like plumbing and furniture. Many men went to pull rikshaws in Nepaljung. Migration to India was a regular practice among men who went to Pithauragadh, Delhi and Hyderabad for the work. People had easy access to markets, both on the Nepal and Indian sides to purchase goods for everyday consumption. Along with price rises, wage rates had gone up. The wage rate for male and female laborers was different.

Majigaun VDC in Bajhang district is a four-hour walk from the nearest market of Tamel, which is also where the road ends. The study was conducted in wards no 4 and 5 of the VDC, in which the majority of villagers were Rokaya (Chhetri), along with Dalits and Bramins. The focus of the study was in 3 Dalit settlements, Sunwagaun, Saunegaun, and Dhada. There were 60 households in Sunwargaun, 16 households in Saunegaun, which is a Damai settlement; and around 30 households in Dhada. Most of the households were involved in subsistence agriculture or had migrated to India. Opportunities for work in the agricultural sector were available during planting and harvesting seasons but were very limited. Opportunities in

construction work were available in winter if someone built a house or if there was a project to build canals or buildings. The price of land had increased in recent years. There had also been an increase in wages for both men and women although wage rates for men and women were different. The access to market had also increased with easy availability of goods in the nearby shops. Although the caste system was practiced, it was less visible in the public sphere. Development projects were active in the area including women's groups supported by the Poverty Alleviation Fund.

Hasulia VDC is about a 4-hour bus ride from the district headquarters Dhangadi of Kailali district. The VDC has easy access of roads to major cities of Dhangadi, Nepalgunj and Butwal. People often travel to Chandanchauki on the other side of the border in India to buy everyday consumption items. The majority of the population were Tharus along with Terai Hindu caste and Hill people. The field sites were the settlements of Surminala, Omnagar, K-gaun, Pabera and Bisanpur. Surminal has 40 households, most of whom worked as Kamaiyas. Omnagar is a one-hour walking distance from Hasulia marketplace with 99 households of Kamaiyas settled in land assigned for rehabilitating Kamaiyas. K-gaun is 2-hour walk from Hasulia market place, and has a mixed settlement of both Hill people and ethnic Tharu communities. Bisanpur is 1 and half hour walk from Hasulia with 70 households, almost all settlers from the hills. Pabera VDC is adjacent to Hasulia, and about 20 minutes walk. Most of the people were Tharus. Most of the laboring households depended on daily wage work for their livelihoods. Large families were dependent on *battaiya*³ work as one person is not able to sustain the whole family. There has been an increase in the *battaiya* system since the *Kamaiya* system was abolished. Most of the women worked in the fields at the time of agriculture planting paddy and cleaning grass, and harvesting paddy. The value of money has increased over the years along with the increase in wage labor rates. The rates for men and women are still different. The Kamaiyas are able to determine the amount of work for a day compared to working throughout the day in earlier times. There has also been an increase in seasonal migration for labor work to other parts of the country and to India. There were no NGOs working in these areas however some people had received training from an NGO and were now involved in furniture making and masonry work.

3 This is a system of share cropping in the Terai. This is also a system of contract for exchange of land and money for certain period of time generally for 3 years.

Annex 3 (Labor Practices)

Adhiya is a sharecropping practice in the hills. It is usually done by those owning no or insufficient land for farming. In some cases, this system of sharecropping or half-sharing is practiced for caring of cattle such as buffaloes, goats and pigs. A person looks after the cattle and gets the half of it when it is due.

Bista/Balighare, also known as *Khalo-Riti*, is a caste based labor system under which specialized labor is provided by occupational castes who offer home service as ironsmiths, tailors to upper social and economic castes and receive a fixed amount of grain (*bali*) in return annually. The occupational castes demonstrate their loyalty by providing services and receive their share of grain. During festivals and significant family occasions, those who provide services are given more grains/clothes/money.

Battaiya: This is a system of share cropping in the Terai. This is also a system of contract for exchange of land and money for certain period of time generally for 3 years.

Baytho is a form of labor practice where occupational castes work in the fields of upper caste without getting any wage, but are allowed to live on the landlords' land or uses their land for crop production.

Beth Jaane is a traditional system of working for the landlord during plantation and harvesting for a single day regardless of the peasant's priorities and necessities.

Haliya is an agricultural form of labor. *Haliya* starts when one takes a certain sum of money as a loan from the landlord or 'malik' and as a way of paying interest, tills the land of the lender. The person borrowing the money and tilling is a *hali*, and is usually a male. The *hali* can also borrow more money later from the landlord, but to this he has to pay an interest. When the amount becomes too big for the *hali* to pay this liability passes on to his son(s); and in this way becomes institutionalized inter-generationally. Alternatively, one can ask a loan from someone else, pay for the first landlord and then become *hali* for the new lender. The *hali* also receives some amount of grain (*bali*) from the landlord in certain festivals or events. The landlords belong to socially higher castes while the *hali* come from the lower caste groups.

Haruwa is prevalent in eastern and central-western

Terai where a laborer and his family works in a bonded relationship with the landlord.

Jhara is a form of labor practice in the event of certain festivals or in the need of labor for communal causes. Here, everyone belonging to the community contributes free labor for the common cause.

Kamaiya: *Kamaiya* or "kamaune (one who earns)" in the local language means a hard working person but denotes the practice of bonded labor: a person working for a landlord in a bonded labor relationship. In this system, a person becomes indebted to the owner and offers his service as a form of debt repayment, which is often passed to the next generation.

Katuwals are the traditional village messengers, who have the responsibility of informing people in the village of the news and/or for different events like - construction and maintenance of canals, opening up of the forest, doing collective puja, collection of firewood for funeral rites. In various festivals and fairs, Katuwals must participate in the procession and have to maintain the procession as a volunteer. They receive a fixed amount of grain (*bali*) in return annually.

Khallo is a system of contract between the upper castes and lower castes for exchanging grain for service provided by the caste groups.

Majuri/Majura is a form of agricultural labor where one works as a laborer and in return receives only some grains annually.

Nimek or Hajira: This is the system in which one offers labor in agricultural or non-agricultural work, and in return receives money (wage or 'jyala') or grain. Working hours are specified, and so are rates. This can be done in any kind of labor such as in tilling the field, digging, planting of seeds, weeding, or harvesting of crops or in construction of houses, buildings, etc. When it is done in mainly non-agricultural works such as construction, this is also referred to as *Jyaladari*.

Palo system is a voluntary form of labor practice found in agriculture in which labor is exchanged for labor. This is mainly practiced during the agricultural season, and it helps to meet the demands of labor when needed in

bulk amounts on a rotating system. Although this is done mainly among mature women, it is also found among young boys and girls, who may not be able to meet the needs of labor for their families plots. They can sell their turns (also called '*palo bechne*') to anyone inside or outside of their *palo* circle and get some money in return. This was a way through which these youths met their needs, generally unfulfilled from their parents.



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