Livelihood strategies in a marginal area of Nepal (Far West Nepal), with an emphasis on labour migration to India

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Development and environment

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Livelihood Strategies in a Marginal Area of Nepal (Far West Nepal), with an emphasis on labour migration to India

ULRIKE MÜLLER-BÖKER & SUSAN THIEME

Introduction

Labour migration to India is a very important livelihood strategy for people living in marginal areas of Nepal. How is this strategy imbedded in the local context? Which institutions shape the migrants’ everyday life in India? What are the opportunities to improve the crucial institutions for money transfer and money saving? These questions are on the research agenda of an ongoing project at the University of Zurich, Switzerland.

Research and field studies have been conducted in Far West Nepal specifically in the Districts Bajura and Bajhang since 1998. A first project dealt mainly with the interaction between a National Park and local people, but also tackled local livelihood strategies (Backhaus & Kollmair 2001; Müller-Böker et al. 2001; Kollmair in print; Müller-Böker in print). Based on this research, in 2001, a research partnership was established with Nepal within the context of the Swiss National Centre of Competence in Research (NCCR North-South), which focuses on “Sustainable Livelihood Strategies in Marginal Areas”.

The Approach

Using the term livelihood, the research approach is already addressed: What is it all about? For Chambers et al. (1992:7f), a livelihood “comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living”. The Livelihood Approach is a response to previous rural development policies, which focused on technical assistance in agriculture and on natural resources themselves, concepts and measures that did not pay enough attention to the complexity of rural livelihoods. However, the Livelihood Approach attempts to address these problems by unlinking the concepts of ‘rural’ and ‘agricultural’ and revealing that most rural households rely on multiple income sources and adopt a range of livelihood strategies. These strategies are strongly linked with livelihood assets, in particular human, social, physical and financial capital (DFID 2001).

One livelihood strategy, which seems to have been neglected in research until very recently but is of great importance for people living in marginal areas, is labour migration. Until the last decade, the literature on labour migration focused upon economic and demographic factors as the most important determinants of migration. Although, economic forces pertain to conditions under which migration begins, they do not address the questions as to why and how migrants by themselves choose to migrate and select their destinations. Neither do they question the basis for migrants’ assumption that friends and relatives will be able to follow nor that they will be able to return home and again re-migrate. Recent migration research stresses the importance of the structuration of migration streams (Massey 1990; de Haan 2002; Kritz et al. 1992; Castles & Millers 1993; Portes & Sensenbrenner 1993; Goss & Lindquist 1995). How do migrants use networks? Are their migration actions determined by rules of their home society? What are the social rules and norms in which migration is embedded?
The livelihood analysis, chosen as an analytical framework for this study, emphasises the institutional arrangements through which migrants gain access to resources or which determine the migration process.

The Research Sites

Dealing with migration, the investigations were conducted in two very different research sites. The villages of out-migration are situated in the centre of the Far Western Zone (figure 1) – an area extremely impoverished even by Nepalese standards. For the investigated districts of Bajura and Bajhang, statistics show the lowest human development and gender equity indices within Nepal (NESAC 1998; UNDP 2002). It is a truly marginal region, isolated from the mainstream of development, far away from major centres of innovation and services, and national and international politics. At the same time the area is an arena of armed conflicts between the so-called Maoists and the Nepalese army.

![Figure 1: Research Sites](image)

The main destination of the migrants from Far West Nepal is Delhi. The second research site is therefore the capital of India, a huge urban agglomeration. Here we were able to find the majority of the Nepalese migrants of the villages under investigation.

Livelihood Strategies in Far West Nepal

From a linguistic and ethnic viewpoint, Far West Nepal is remarkably homogenous by Nepalese standards. 99% of the inhabitants of Bajhang and Bajura belong to the so-called hill castes, which make up more than 40% of the overall Nepalese population (HMG 1999). The majority of the population belong to the high Hindu castes, which are distinctly separated from the low castes or Dalits and include craftsmen groups and musicians (Cameron 1998). The daily life of this community is governed by many severe rules of interaction, which are more strictly developed than in other parts of Nepal. The results of household surveys and PRAs conducted in several villages showed that different livelihood strategies have been developed according to caste and economic status.

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3 Since 1996, the Communist Party of Nepal-Maoist (CPN-Maoist) has been waging a “people’s war” to establish a communist republic in place of the extant constitutional monarchy. This conflict has now evolved into the most serious internal crisis since the founding of Nepal in mid-18th century (Thapa 2002).
One main pillar is subsistence agriculture, which is based on a staggered system that also includes the mountain pastures, below expansive dry field and grazing areas and closer to the villages, irrigated and dry fields (Kollmair in press). However, only a fraction of households is able to produce enough food. Therefore many people have to borrow grain or money, and a crucial problem is the high level of indebtedness of the majority of people. Low caste people in particular do not own land. They depend on riti-bhagya, the traditional patron-client system, which has existed between high-caste and low-caste households over generations. A household or a group of households has an agreement with the tailor, blacksmith or other occupational low-caste households. The low-caste household receives a grant of grain. In return it provides services like sewing, forging, etc. to the high-caste household. Needless to say, these low caste households are extremely poor and vulnerable.

Caused by poverty and inequality, labour migration to India is in this context the most important economic support for the region, and practised by all castes. In understanding the development of Far West Nepal, we have to take migration as the rule rather than the exception.

### Foreign Labour Migration

Researchers and policy makers have neglected the importance of foreign labour migration as a livelihood strategy in Nepal at least until recent years. That migration mainly by younger men is an increasing phenomenon in the whole of Nepal has only been shown by newer studies (Gurung in press; Seddon et al. 1998; 2001; 2002; Yamanaka 2000; 2001; Blaikie et al. 2002; Upreti 2002).

However, labour migration has a longstanding history in Nepal. It started before the early nineteenth century, when the first Nepalis went to Lahore to join the army of the Sikh ruler Ranjit Singh even before the recruitment of the first Nepalis to the British “Gurkhas” in 1815/1816 (Yamanaka 2000; 2001; Seddon et. al. 2001; 2002). The tradition of Gurkha army service has lasted till today, as the Gurkha mercenaries in the armies of GB, India and the United Nations show. A recent trend is the migration to the Gulf and Tiger States. In 2002 Malaysia announced job opportunities for 50,000 male Nepalis (Nepali Times, 15.-21.2.2002). Only recently, the Nepal government has opened avenues to nineteen countries, such as Israel and Seychelles, with nearly 300 Kathmandu-based Nepalese recruiting agencies.

The migration to these destinations requires financial, human and social capital. The majority of migrants lack this capital. In Far West Nepal many adults are illiterate, 50% of men and only 18% of women can read and write. They do not have access to information and manpower agencies, and lack the money for recruiting agencies. Their only opportunity is to go to India for work and to take unqualified employment.

<table>
<thead>
<tr>
<th>Destination</th>
<th>Number of</th>
</tr>
</thead>
<tbody>
<tr>
<td>European countries</td>
<td>11,157</td>
</tr>
<tr>
<td>The Gulf countries</td>
<td>67,574</td>
</tr>
<tr>
<td>Other Asian</td>
<td>32,627</td>
</tr>
<tr>
<td>India</td>
<td>589,050</td>
</tr>
<tr>
<td>USA/Canada/Mexic</td>
<td>9,557</td>
</tr>
<tr>
<td>Others</td>
<td>8,964</td>
</tr>
<tr>
<td>Total</td>
<td>718,929</td>
</tr>
</tbody>
</table>

Table 1: Destinations and Number of Nepalese Migrants

Source: HMG 2001

All Nepalis who cross the Nepalese-Indian border do so due to the free border agreement without documentation. Money is sent back home mainly through informal channels. These are the main reasons why official figures grossly underestimate the number of migrants in India and
the real value of remittances, i.e. the money brought back or sent home. Official statistics calculates that in 2001 more than 700,000 Nepalese citizens were absent from their home country (table 1). Out of this number 77% of the migrants went to India (HMG 2001). Estimates range from 0.5 to 1.3 million Nepalis working in India (Seddon et al. 2002). The interviewed Nepalese Immigrant Associations in Delhi estimate the number of Nepalese only in Delhi up to 200,000.

Not all workers in India are able to send money home regularly. The average value of remittances per month from India to Nepal according to the Nepalese Living Standard Study (1996) is NRs 10,532 per year (around 172 US$) (NLSS 1996, cited in: Seddon et. al. 2001: 55). But these figures have not been scientifically proven.

**Labour Migration from Bajura and Bajhang to Delhi**

In the villages of the Districts Bajhang and Bajura in Far West Nepal, where we did research, 86% of the male and 17% of the female population migrates from time to time to India for labour (Müller 2001). Some of them take their entire family along. They stay there from a few months to several years. Mapping in one village (Meltadi) in April 2000 showed that 15% of complete households were in India; and in addition 11% out of all households had one to four family members working in India. The main destination is Delhi; only some went to Bangalore or Mumbai (Müller-Böker in print). As a rule migrants of a specific village are not only identified with a particular place but they also occupy a distinct niche of low paid unskilled labour, namely working as watchmen.

The impulse to leave the village, something that people do not like but see themselves compelled to do, is an indicator of a high level of indebtedness. In other words, if food production is insufficient, one has to take a loan from a better-off family in the village in cash or kind, and has to pay it back at a high level of interest. Time to leave the village!

For migrants coming to Delhi for the first time, the new urban environment is very alien in comparison to the rural remote area of origin. In the beginning they cannot communicate in the foreign language and they are not familiar with life in an Indian city. Due to the unhealthy urban living conditions and the climatic change many of them face health problems. For these reasons...
individuals often select the cities of destination based on the experience of people who have already migrated to the same location and where they can use existing contacts.

Nepalis have migrated to Delhi to work as watchman for generations and continue to do so. The crucial security problems in Far West Nepal, which became a hot spot of the armed conflict with the Maoist Movement, intensified the migration activities. The number of migrants in Delhi is constantly increasing as the interviewed Nepalese Immigrant Associations confirmed. Migration could be regarded as a continuum between a common livelihood strategy and going on the run. The interviewed migrants described the situation in Nepal as arbitrary and hopeless and they feel they are in the frontline between the Maoists and the government army – a reason for many to leave Nepal.

How to reach Delhi?

If the family does not have the money for the travel expenses, migrant has to take out a loan in the village to cover the travel costs. A special arrangement for migrants given by persons from the village is a loan of 1,500 Nepalese Rupees (NRs, about 25 US$) to be repaid after 6 months in Indian Currency (IC). The interest on the sum is about 20% p.a..

Also, an address of somewhere to stay in Delhi is necessary. Relatives or friends may provide accommodation, and only then the search for a job and cash loan can begin. The journey from Bajhang and Bajura to Delhi lasts about two days walking and going by bus. Often people travel together with experienced migrants or friends and exploit existing and kinship-based contacts. Despite the open Indian-Nepalese border, the political situation sometimes causes highly arbitrary border checks.

Mostly men migrate. Women accompany or follow their menfolk for a variety of reasons. The principal reason is to access a better standard of medical treatment particularly perinatal care than is available in their home districts. In general, men ensure that they have a secure income before their wives and families join them.

Working in Delhi

Photo 2: Migrants from Far West Nepal in Delhi (S. Thieme 2002)
What kind of jobs do Nepalis have? The bulk of Nepalese immigrants work in semi-skilled or unskilled jobs. Some Nepalis get a job in a factory, hotel or restaurant. But the traditional and most common job of Nepalese migrants who we interviewed is that of watchman. For Indians, Nepalis are de facto watchmen, *chowkiders*, equipped with *khukri*, a whistle and with the fading reputation of the bravery of Gurkha soldiers. Most of the Far West Nepalis work in the night as watchmen and in the morning as car cleaners. This is called *double duty*. For cleaning cars in the morning one usually gets paid about 150 IC (3,20 US$) per car per month. The income of a watchman varies between 800 to 4,000 IC (17 to 85 US$), depending on the number of houses he has to look after. He collects the money from each household or shop on one day per month. Because the watchmen lack social security they face problems when they fall ill and are unable to work. They do not get paid during the sick period and in the worst case the employer replaces them with a new person. Watchmen in Delhi especially face danger of attack during their night duty. And many wives of watchmen are left alone during the night due to their job requirements; this is also dangerous owing to their poor and unsafe living conditions in neglected housing quarters and slums.

If women come along, they have to manage their own family or – quite often – a joint household in the case of living together with co-villagers. Some start after a while to work as cleaners in households for up to 10 private households within one month and receive per household about 100 to 300 IC (2 to 6 US$).

If the family lives in Delhi, the children can go to school. All the interviewed migrants saw the education of their children as the main advantage of staying in Delhi, hoping that their children would not have to work as watchmen or domestic helpers later on.

**How to become a watchman?**

As already mentioned, contacts to co-villagers are essential. The most common form is that the job is arranged via friends or co-villagers. If a person leaves Delhi, he hands over his job and beat to a close colleague. The successor has to pay only the travel costs of his predecessor. A person can also initiate a new beat. He goes to all the shops and houses in an area and makes an agreement with everybody, trying to realise a monthly income between 2,000 and 4,000 IC (42 and 85 US$). One can also buy a beat. A beat, bringing in 4,000 IC will cost around 10,000 IC.

A job network is important for all these transactions.

**How to get money?**

To support their family back home, migrants often need more money than they can earn. Because none of them has a bank account and access to bank credit, the migrants established a variety of financial self-help associations. Financial self-help groups in low-income countries are described by Bouman (1995; 1999). The evolution of credit relations in Nepal was investigated by Mühlich (1999) and Seibel & Shrestha (1988). The main forms run by Far West Nepalese in Delhi are *chits* and *societies*. Money saving and lending is the primary function of these financial self-help associations.

A *chit* is a “Rotating Savings and Credit Association” (RoSCA). Originating in South India (Bouman 1995; 1999; Rakodi & Lloyd-Jones 2002), *chits* or *chit funds* are nowadays widespread in the whole of India and have been adopted by many Nepalese migrants. Different forms and levels of sophistication do exist.

How does a *chit* work? A group of individuals agree to contribute financially a predetermined amount of money at each of a set of fixed dates. The fund is allotted in accordance with some prearranged principles. The pooled savings are immediately redistributed among the members in rotation, until each has had his turn and the *chit* comes to an end. Once a
member has received a fund, he or she is excluded from the allotment of future funds until the chit ends.

The number of chit members is about 100 and each member contributes usually 500 IC per month. The lifetime of a chit depends on the number of players and the periodicity of contribution. The order of allotment was in all observed cases not predetermined. The pots were allotted through an auction among the participants who have not yet received a pot. The number of allotments was not fixed in advance and depended on the number of participants who needed the money most urgently on the day. In these cases the highest bid won the pot. Up to three people per month received money.

Societies are in contrast to chits “Accumulating Savings and Credit Associations” (ASCrA). When a society (the English term is used) is established, representatives of a village household in Delhi contribute only once a single, fixed amount of money. The amount paid in is usually about 100 IC (about 2 US$). Quite high interest rates of 3 to 10% per month are given to the society members from the collected fund loans. Members have the opportunity of taking a loan and at the same time they profit from the increase of the value of the savings. The accumulated amount is distributed at the end among the members of the society or invested in common projects mainly in the home village. Some of these societies do extremely well. One society runs a food depot and a school in their village (Bajura District) solely on its income. Very often the money is also spent on traditional purposes like temple reconstruction or religious celebrations. Other societies (for example of some villages in Bajhang District) collapsed due to the fact that the members – so the given explanation – could not rely upon each other. The migrants from these villages are left to their own devices and the village as a whole has no profit.

The rules of the game are fixed in writing, and records and accounts are audited. The key person of a society and a chit is the chairman (in the case of chit – sometimes called agent). He is responsible for the fact that the rules are observed, and is ultimately liable for any losses. One definite advantage is that chits and societies can mobilise contributions quickly for hospital trips, house repairs and marriages. An advantage over ‘formal’ insurance or deposits in banks is that the money is kept in local circulation rather than being channelled through unknown channels.

Men dominate chits and societies, but generally women can take part. Recently, according our interviews, women established their own societies – following the example of their husbands. The main reason given was that they want to stay among themselves to socialise.

Societies are more homogenous than chits. Society members belong to one or a group of villages, are related to each other mainly through intermarriages – a pre-condition for common investments in their village(s). Gaining access to a chit is not necessarily dependent on being a member of a specific village. Membership does not depend on origin, caste or gender, but draws upon professional and neighbourhood relations in India rather than family and village circles. The element of trust plays an important part in the functioning both of a society and chit. One key principle is the use of peer-group pressure to guarantee repayments.

Chits and societies are multi-functional institutions. They constitute an anchor point for the migrants in Delhi for accommodation sharing, labour exchange, social gatherings, financial support and even money transfer. At the same time, they bridge traditional and modern structures, village and urban lifestyles. The chit promotes the welfare of the individual, while the society also contributes in many cases to the collective success.

In some villages people regard it as a moral obligation to contribute to a society, but only if the society runs well. This is only the case if enough people from one village are in Delhi and if they come along with each other. Some villages also have more than one society due to intra-village conflicts or different investment interests.

Societies, especially, are an important interface between the village of origin and Delhi. When people leave from Delhi, they take money along for communal investments or simply to support their family. Back home, villagers can lend money as well. The needs for common investment are discussed in Delhi as well as in the village. People are constantly coming and
going and the chair- and his vice chairman oscillate between village and Delhi regularly to discuss needs and problems personally.

Both chits and societies are always run at the same place, at the same day and at the same time. Because most of the people receive their salary between the 6th and 10th of the month, the chits and societies meet between the 7th and 12th of each month. During these days these groups can be found in parks all over Delhi – the preferred meeting points. Migrants coming to Delhi for the first time know where and when to go.

How to send money home?

Money is sent back home through various channels, of which there is no formal record. Also, information, letters, and the latest news and needs of the families back in Nepal can be exchanged very quickly and easily. Migrant workers in India mostly send their money with close relatives or people from their village or bring it back themselves when they return home. If money has to be sent urgently, it is not a problem because there is always somebody coming or going. The main problem of this hand carry system is the risk of loss or theft described in many anecdotes. The most common ones involve a migrant carrying money being poisoned while crossing the border, or chilli powder being thrown in his eyes while he is making a stop in a tea shop and his money is stolen.

The hundi system is very common for people working in the Gulf States, East Asia and western countries. A series of middlemen launder the money and ensure a reliable transfer of workers’ money to their relatives’ home. They also ensure a good profit for those involved in the hundi system (Seddon et al. 2001: 58-60).

Opportunities and Problems of Labour Migration

Labour migration provides new opportunities but is also linked to various problems (table 2).

The migrants in Delhi have the possibility to earn money and some examples show that they also send money back individually or for common investment by their societies. Furthermore, the tradition of migration to Delhi and the existing contacts are used by all family members in the case that they are ill. Governmental medical care is free and can be used by Nepalis as well. Women especially come when they are pregnant. If children are in Delhi, most of them go to school and it is seen as one of the main advantages of being in Delhi. Another development is that migrants in Delhi have started breaking traditional institutions such as the caste system, not only for Dalits a burden of their daily life (Müller-Böker in print).

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<tr>
<th>Opportunities</th>
<th>Problems</th>
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<tr>
<td>income</td>
<td>male labour shortage in villages</td>
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<tr>
<td>remittances in marginal areas</td>
<td>separation from the family</td>
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<tr>
<td>investment in village</td>
<td>bad living conditions in Delhi</td>
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<tr>
<td>utilisation of the Indian health-</td>
<td>bad working conditions (lack of</td>
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<tr>
<td>education esp. for children</td>
<td>HIV AIDS</td>
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<tr>
<td>overcoming traditional rules</td>
<td>prostitution, trafficking in women</td>
</tr>
<tr>
<td></td>
<td>credit availability, loan security</td>
</tr>
<tr>
<td></td>
<td>money transfer</td>
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</tbody>
</table>

Table 2: Opportunities and Problems of Labour Migration

The most urgent problems are the poor working and living conditions in Delhi. Many of the migrants live in slums or even as pavement dwellers, separated from their families and coping
with typical urban health problems. Furthermore, we assume that the migrants are vulnerable to HIV AIDS because men have easy access to commercial sex workers in Delhi and women are vulnerable due to rape. Many workers are not aware at all of the existing supportive organisations like the embassy, Immigrant Associations and NGOs.

Money transfer by carrying it personally remains risky. The political problems due to the Maoist movement have worsened the situation even more. Border controls have been introduced and bribes become widespread in order to cross the border without problems.

The problems in the villages are also complex. The villages suffer a shortage of agricultural labour, which is one reason for the low agricultural productivity. The women’s workloads are very high. And last but not least, coming back from Delhi, re-integration into the traditional environment in the home villages is not always easy.

**Recommendations**

Measures already agreed on should be more strictly implemented to improve the migration policy. In order to improve policy, more attention must be paid to the undocumented labour migrants coming from Nepal to India. The migrants face a lack of support from both sides; neither India nor Nepal feels responsible for their problems. Because of their informal situation, migrants have no political rights. Although we described a dense network of supportive institutions in which migration takes place, these networks have their limits. Contacts to existing organisations such as the Nepalese Immigrant Associations, NGOs and Trade Unions should be strengthened to enhance their bargaining power. Furthermore, there is a high demand for literacy and other skill courses, courses on human and working rights and administrative support in cases of problems with the employer or in the case of theft while carrying the remittances back home to Nepal. New training centres should be established and the existing ones improved in order to better serve the needs of Nepalese migrant workers and give them adequate conditions in which they can find higher skilled jobs as well. These courses should also raise awareness about the possibilities of investing remittances in the villages in Nepal. A topic-related development project with a NGO in Delhi is in the planning process.

**Conclusion**

Labour migration is the main livelihood strategy in Far West Nepal and in other marginal areas of the country. We have shown a sample of the complexity of rules and resources, which present constraints and opportunities to the migrants’ actions. The strategy of migration is highly vulnerable due to the political environment. In conclusion, risks of labour migration to India should be minimised and benefits should be maximised as far as possible. Further research is necessary to understand the processes of labour migration and this research is currently being undertaken in our project.

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