

# MOBILITY AND AGRARIAN CHANGE IN CENTRAL NEPAL<sup>1</sup>

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Central Nepal has been a region subjected much to the influence of mobility of its inhabitants since about 200 years ago. But its role has become crucial in recent times, mainly because of limited resources and economic opportunities in hill villages. Even though mobility of different kinds also occurred for many reasons (e.g. bringing salt from Tibetan border or goods from Indian border or working in the armies of Prithvi Narayan Shah of Gorkha, since the Mid-18<sup>th</sup> the century AD) even in the distant past, mobility for earning/supporting livelihoods was/is of prime concern to people in the recent past as well as in present times. This livelihood earning mobility include foreign labour migration (for army and other jobs), long-term migration within the country and seasonal migration within the country and abroad. The impact of this mobility on the village society and economy, particularly in the sustainability of livelihoods in recent times is described in this paper.

## **Mobility and Sustainability of Livelihoods – The Wider Context**

Mobility is a common feature in the human history. Technological breakthrough and industrialisation in Europe and opening of vast land in new continents led to the mass migration, both long-term and short-term, of what is generally called as 'guest workers'. Even today, movement of people from poorer areas to industrial areas is commonly taking place. However, there have been shifts in the destinations and origins of the migrant labourers mainly because of the changes in the economy of countries. In the past 'guest workers' were common in Europe (like Indians, Pakistanis migrating to Britain, Indonesians to the Netherlands, Turkish to Germany, Vietnamese to France and the like), but now they also go to Japan, Australia and New

Zealand (mainly from Pacific countries) and to Newly Industrialised Countries (like Malaysia, Singapore and South Korea) and Gulf countries. At present a large number of foreign labour migrants from South Asia and some countries of South East Asia (like Thailand and Philippines) tend to work in the last two categories of the countries.

Even though labour migration and the remittances income are common in these developing or newly industrialising countries, their impacts vary. Controversy arises as to the net balance of income flow to rural communities (Byers 1979; Robinson 1986; Shrestha 1985; Stahl 1984). In some case study sites it has also been revealed that expenses required to go to foreign countries and frequent failures in getting job are greater than the remittances (Byers, 1979; Robinson, 1986). It is often claimed that remittances from migrants are used exclusively for supporting the consumption needs of recipients and are spent primarily on imported consumer goods (Miles et al. 1993; World Bank 1991). Some authors (Bertram and Watters, 1986) see an economy (like that of Pacific region) dependent in the long term in other areas for their remittances as unsustainable, because a rural economy has no internal dynamics of its own and its sustainability depends on the existence of opportunities to remit savings.

Off-farm employment requiring change of residence of rural people, on a short-term or long-term basis, is often reported to cause shortage of skilled as well as unskilled labour. Its consequences, like disruptions in the capacity of rural communities, have been given emphasis by many authors (Adulavidhaya and Onchan 1985; Corner 1981; Maude 1981; Parnwell 1986; Shrestha 1985 and Smart 1986). Others are of the opinion that outmigration can lead to the introduction of new technology, because of new knowledge and cash income (Connell 1981; Gilani 1986; Grasmuck 1984; IDRC 1977). Outmigration is also considered an effort of rural households to spread family labour in different occupations and thus reduce the risk of failure in securing their survival (Stark, 1991). A recent study conducted in Tonga by Connell and Brown (1993) goes further : it demonstrates how remittances, mainly in kind, can help promote a thriving small business sector by reducing the monopoly of traditional large retailers. The authors claim that remittances can lead to structural changes at the receiving end.

This study conducted in 1989-90 in Lahachok-Riban village of Kaski district reveals that remittances had been beneficial in sustaining the livelihoods of the marginal farmers and landless labourers through the creation of land-renting and labour employment opportunities within the

villages. Farming was also not disrupted due to the absence of male labourers from outmigrant households because of the growing land renting practices. Unproductive and distant land was converted to plantation, thus playing a positive role in the conservation of resources. By 1994-95, opportunities to work in Gulf countries had expanded, especially for the marginal farmers in recent times, leading to a situation where labour shortages was now reported. Wage rates for the males had also increased rapidly. As a result, farmers reported of being discouraged in farming. This was particularly noticed in the villages of Prabhat, Baglung and Myagdi districts in the early 2000.

Remittances have also led to some structural changes as they have also been invested in small and medium scale factories and businesses in urban centres creating employment opportunities. On the other hand land prices in such places have also soared rapidly.

#### **Study of Lahachok-Riban Villages of Kaski District in 1989-90<sup>2</sup>:**

In the early 1990s, the village and household economy in Lahachok-Riban and more widely in central Nepal, comprised two major inter-locking spheres: the village-farming system and off-farm work. The former did not involve much cash income, since most crops were grown for subsistence, but the latter involved cash. It is because of this interlocking that changes in off-farm employment has affected the farming system of those taking part in such employment as well as of those not taking part (or taking part to a lesser extent) in such employment.

Lahachok village was dominated by Brahmins and the Riban village by Gurungs. Members of the Occupational Caste were present in both villages. Average land holding of a household was 15 ropani (0.75 ha) and 80 % households were not self-sufficient in food production. The sample size for this study was 200 households (but one was dropped later on due to inaccurate information) - 62 Brahmin, 60 Gurung, 27 dalit and 37 Chettri households.

For the village as a whole outside earnings (off-farm income) contributed about 38 per cent to the total household income in 1988-89 and there was also a wide variation in its contribution to the household income of different ethnic groups. It contributed about 60 per cent to the total income of Gurungs, 25 per cent to the Brahmin households, 26 per cent to the Chettris and 9 per cent to the members of the dalit group. Earnings outside the country were the main source of off-farm income for Gurung, Chettri and

dalit households; while for Brahmin households off-farm employment within the country was the main source of all earnings beyond their own farming activities.

As there was variation between households and ethnic groups in their total earnings, the question arose as to whether that level of earnings was derived from a single source or from many sources. The household survey conducted in 1989-90 showed that each village household was dependent on many sources of income, but the particular sources varied in importance between ethnic groups. But they were grouped for convenience into three categories : off-farm income, farm income and wage employment within the village.

Twenty-four Gurung households (40 per cent) derived more than 75 per cent of their total income from 'off-farm earnings', mostly pensions and remittances. Except for 10 households (approx. 17 per cent), all Gurung households were found to derive direct benefit from 'outside employment', which was highly remunerative in comparison to farming. For them off-farm earnings' were the main source of income, with farming of secondary importance. All except one Gurung households derived income from farming, but only 23 per cent of households derived more than half their income from this sector. Gurung households, on the other hand, seldom derived income from wage labour within the village, as evidenced by the fact that only one-quarter derived any income from this source, up to a maximum of 5 per cent of household income. In fact, access of most of the Gurung households to 'outside earnings' appeared to have caused them to reduce their dependence on other sources of income, like farming and village wage labour.

In contrast to the Gurung group, it was the farm sector, which contributed most to the total income of Brahmin households. But for them off-farm employment was the next important source of income. Slightly less than half the Brahmin households derived any income from off-farm sources, but 24 households were mostly strongly oriented towards this source of income. It contributed more than half their total income for only 13 (21 per cent) households. Even though 12 of the 62 Brahmin families derived some income from wage labour within the village, it was the most important source for only one household.

Like Brahmin households, most of the Chettri households also derived proportionately much more of their income from the farm sector. Although their number was smaller (40 households), 80 per cent (32) derived more than half their income from farm production. Despite the fact that proportionately more Chettri households were involved in off-farm activities than other ethnic

groups, only two of them derived as much as half their income from this source. About 45 per cent of the 40 Chettri households derived part of their income from village wage labour, but it was the main source of income for only two households.

Labouring jobs within the village was the main source of income of dalit households. It contributed to about 48 per cent to their household income. Members of the dalit groups were also employed in off-farm work outside the village, but the remuneration was much lower, often lower than in farm wage employment. As a result they tended to stay in the villages as they were not able to find remunerative off-farm work because of lack of education and social network. Even the opportunities for wage employment within the village was created, as discussed later, due to the impact of high off-farm income earned by Gurung households.

'Outside earnings' was the main source of cash income in the village, which played an important role in the village life, as it was needed to buy the goods and services not produced locally. About 75 per cent of the cash income in the village was derived from outside source. Except for the Occupational Caste (dalit) households which derived most of their cash income from wage labour in the village, households of other ethnic groups derived most of their cash income from 'outside earnings'. On average, Gurungs as compared to members of other ethnic groups derived more of their household income in cash. In contrast, Brahmin families, more than other ethnic groups, derived on average much more of their cash income from the farm sector. In the early 1990s only 16 per cent of the total cash income of the two study villages came from the farming, the rest (84 per cent) came from 'outside earnings'.

Pension (Indian Army and British Army) and remittance sent by individuals then working in the Indian army contributed most to village off-farm earnings, including of course a large part received by Gurung households. Government jobs within the country were the next most important source of off-farm earning, a large part being received by Brahmin households. Occupational Caste (dalit) households with substantial outside earning derived a large part of their income from civil (manual) work in India (Table 1).

**Table 1: Lahachok-Riban Study Area: Average Household Income (Rs.) from Outside Source in 1988/89.**

Source	Brahmin	Gurung	Chettri	Occup. Caste	All Household
Govt. job/Nepal	3,429	990	1,277	-	1,623
Indian Army	290	4,980	700	190	1,768
British Army	-	1,973	-	-	595
Pension	-	1,973	-	-	1,825
Civil work/India	1,258	723	862	832	938
Other remittance	58	-	-	94	36
Others	-	160	-	16	51
Total	5,035	13,626	4,719	1,132	6,836

*Source Household survey data 1989/90*

### **A Study of Lahachok-Riban in 1994**

When the study area was revisited in 1994, it was observed that people were diversifying their migration destination. New places villagers went to work included Gulf countries, South Korea, Taiwan, Malaysia and Japan. Among these countries, more jobs were taken in Gulf countries, particularly by the members of Occupational Caste and Brahmins and Chettris. Japan, South Korea, Taiwan and Malaysia were taken mostly by Gurungs through the connections to the people already migrated there and following the channels they advised. Hundi was primarily used to remit money by the people undertaking these new-found foreign labour opportunities.

### **A Recent Study in Lahachok in 1999**

A study was also conducted in 1999 to study the migration patterns in new destinations. Accordingly Lahachok village was studied as it had relatively less number of people working in the army. For this study the wealth ranks of all the village households were determined by the participatory method. Their migration pattern was studied. All households of the village (630) were grouped into 10 groups, each containing 10 % of the households in ascending order of wealth rank. Group A consisted the poorest 10 % households, and the last group (Group J) consisted the wealthiest 10 % households.

As can be seen in Table 2, in total, 281 households (348 people from them) from 630 households had one or more members in off-farm jobs.

Accordingly, 45 per cent households had members in off-farm jobs. Only 11 households had members in both foreign and domestic jobs. This figure did not include seasonal migration, whereas in practice many households were reported to go for off-farm work in Pokhara and in development project sites. Considering the seasonal migration of about 250 (considering the lower limit of the range given by 'key informants' and one individual from one house) 85 per cent of the households derived off-farm income. In other words, 16 per cent of the population were then involved in temporary or seasonal migration.

**Table 2: Class and Employment in Foreign Lands and Within the Country (Number of Households, Number of People) in Lahachok VDC 1999**

Class	Household population	Employ. in Households	Foreign lands People	Employ. in Households	Own country People	Total Households	People
Class A	63 (10.0)	-	-	1 (0.8)	1 (0.6)	1(A)	1 (0.3)
Class B	63 (10.0)	4(2.7)	5(2.7)	4 (3.1)	4 (2.5)	8 (2.8)	9 (2.9)
Class C	63 (10.0)	5 (3.3)	5 (2.7)	6 (4.6)	9 (5.5)	12 (4.3)	14 (4.0)
Class D	63 (10.0)	14 (9.3)	14 (7.5)	9 (6.9)	9 (5.5)	23 (8.2)	24 (6.9)
Class E	63 (10.0)	17 (11.3)	19 (10.2)	6 (4.6)	6 (3.7)	23 (8.2)	25 (7.2)
Class F	63 (10.0)	22 (14.7)	28 (15.1)	10 (7.6)	14 (8.6)	32 (11.4)	42 (12.0)
Class G	63 (10.0)	23 (15.3)	27 (14.5)	23 (17.5)	26 (16.0)	46 (16.4)	53 (15.2)
Class H	63 (10.0)	18 (12.0)	21 (11.3)	24 (18.3)	26 (16.0)	42 (14.9)	50 (14.4)
Class I	63 (10.0)	22 (14.7)	31 (16.7)	17 (13.0)	23 (14.2)	39 (13.9)	54 (15.5)
Class J	63 (10.0)	25 (16.7)	36 (19.4)	30 (22.9)	40 (24.7)	55 (19.6)	76 (21.8)
Total	630 (100.0)	150 (100.0)	186 (100.0)	131 (100.0)	162 (100.0)	281 (100.0)	348 (100.0)

(Figures in brackets are percentages)

Table 2 also reveals that the distribution of off-farm jobs is very much skewed in favour of the wealthier class. There was only one household (from the poorest 10 per cent households) which had access to off-farm job. Considering the poorest 20 per cent households in the village, only 7.9 per cent had off-farm jobs. Whereas this figure from the richest group (top 10 per cent household in the wealth scale) was 87 per cent. In other words, 55 of the 63 households had access to such job. Similarly proportionately more members per household (from this richest group) were involved in off farm work. Even though a clear trend of increase in number of households participating in off farm jobs with the increase in wealth rank was not visible, proportionately more households from wealthier classes were involved in such jobs.

In total of 630 households of the village, 150 households had members working in foreign countries. These households had sent in total 186 members. A few households were found to send 2 to 3 members, but a large majority of households had only one member in foreign employment. With each class having same number of households (63), there was consistent increase in the number of households sending member(s) to foreign employment. The only exception in this trend was class H (upper middle class), where there is a slight drop in the number of households involved in foreign employment. In the poorest class, there was no household involved in foreign employment. Second poorest group comprising 10 per cent of the households accounted for only 2.7 per cent of the people involved in foreign job. Whereas the richest class, also comprising 10 per cent of the households, accounted for 19.4 per cent of the people involved in foreign job.

Regarding employment within the country, the same trend (as with employment in foreign countries) was observed. The domestic jobs seemed even more unequally distributed in favour of richer classes than the foreign jobs.

It is seen that an overwhelming proportion of households or people are involved in employment in India. About 75 per cent of households involved in foreign employment had member(s) in India. About 77 per cent of total people of the village involved in foreign employment were found to land in India. The second important country was Qatar, which accounted for 12 per cent of the people involved in foreign employment. The third important country was Saudi Arabia, with about 7 per cent of the people involved in foreign employment. Other countries where people had gone for work

included Hongkong, Oman and UK, but their importance in terms of number of people was insignificant.

**Table 3: Caste and Employment in Foreign Lands and Within the Country (Number of Households, Number of people) in Lahachok VDC 1999**

Caste	Household population	Employ. in House-holds	Foreign lands People	Employ. in House-holds	own country People	Total House-holds	People
Brahmin	280 (44.4)	46 (30.7)	53 (28.5)	74 (56.5)	95 (58.6)	120 (42.7)	148 (42.5)
Chettri	129 (20.5)	35 (23.3)	45 (24.2)	38 (29.0)	46 (28.4)	73 (26.0)	91 (26.10)
Dames	77 (12.2)	3 (2.0)	3 (1.6)	1 (0.8)	6 (3.7)	4 (1.4)	4 (1.1)
Sun	34 (5.4)	18 (12.0)	27 (14.5)	18 (6.4)	27 (7.8)		
Sarki	30 (4.8)	24 (16.0)	29 (14.5)	6 (4.6)	6 (3.7)	30 (1.7)	35 (10.1)
Mama	26 (4.1)	3 (2.0)	3 (1.6)	1 (0.8)	2 (1.2)	4 (1.4)	5 (1.4)
Magar	18 (2.9)	7 (4.7)	8 (4.3)	6 (4.6)	7 (4.3)	13 (4.6)	15 (4.3)
Gurung	16 (2.5)	7 (4.7)	10 (5.4)	2 (1.5)	2 (1.2)	9 (3.2)	12 (3.4)
Newer	11 (1.7)	2 (1.3)	3 (1.6)	3 (2.3)	3 (1.8)	5 (1.8)	5 (1.8)
Tamang	9 (1.4)	5 (3.3)	5 (2.7)	-	-	5 (1.7)	5 (1.4)
Total	630 (100.0)	150 (100.0)	186 (100.0)	131 (100.0)	162 (100.0)	281 (100.0)	348 (122.0)

*(Figures in brackets are percentages)*

Considering the involvement of households in all jobs (both in foreign countries and in Nepal), Sarki households had taken up proportionately more jobs (than their share in population).

Other groups which had taken up more jobs than their share in population included Sunwar, Gurung, Magar and Tamang. Brahmin households were found to take jobs more or less in proportion to their share in population. The most discriminated group was found to be the Damai, followed by Kami.

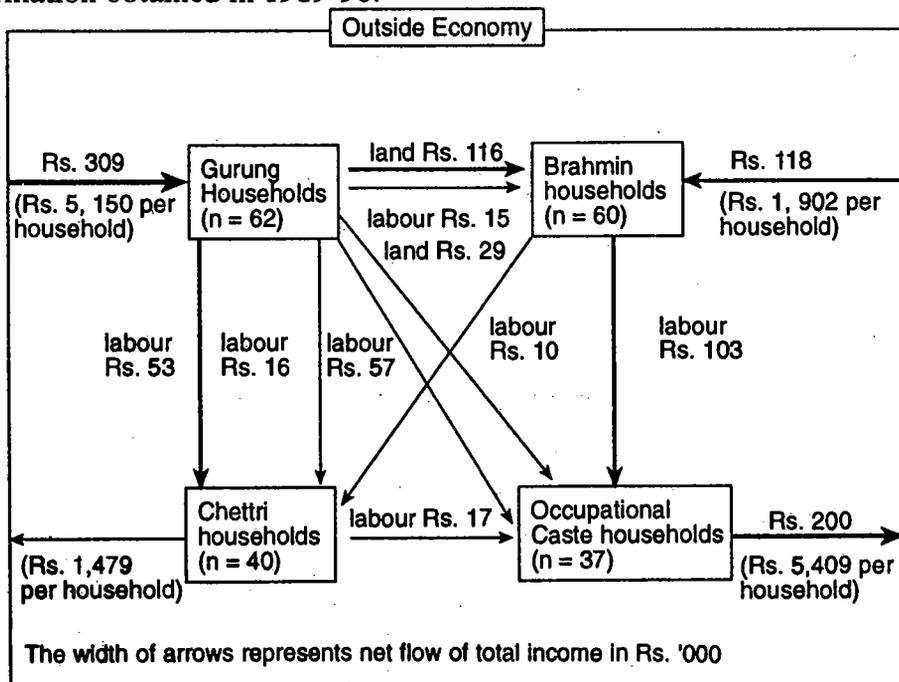
The distribution of jobs in foreign countries and in Nepal shows a different pattern. As is seen in Table 3, even though a large proportion of foreign jobs were taken by Brahmins, it was comparatively less than their proportion in the population. Ethnic groups who took proportionately more foreign jobs (in comparison to their share in population) included Sarki, Sunwar, Gurung, Magar and Chettri. It is surprising to note that members of lower castes had taken more foreign jobs. This was due to the lack of education. As domestic jobs (generally available in civil service and schools) required education, member of low caste showed a tendency to go to overseas countries for manual work. But these members of low caste belonged to somewhat higher economic classes. They were found to occupy lower middle class position as they belonged to class D and above (i.e., above 40 point in the wealth range of 0 - 100). This much of wealth made them able to pay the advanced money and take risks associated with foreign employment. Regarding domestic jobs, we see that Brahmin households (followed by Chettri households) had taken more jobs than their share in the population.

#### **Visit to Villages in Parbat, Baglung and Myagdi Districts in early 2000**

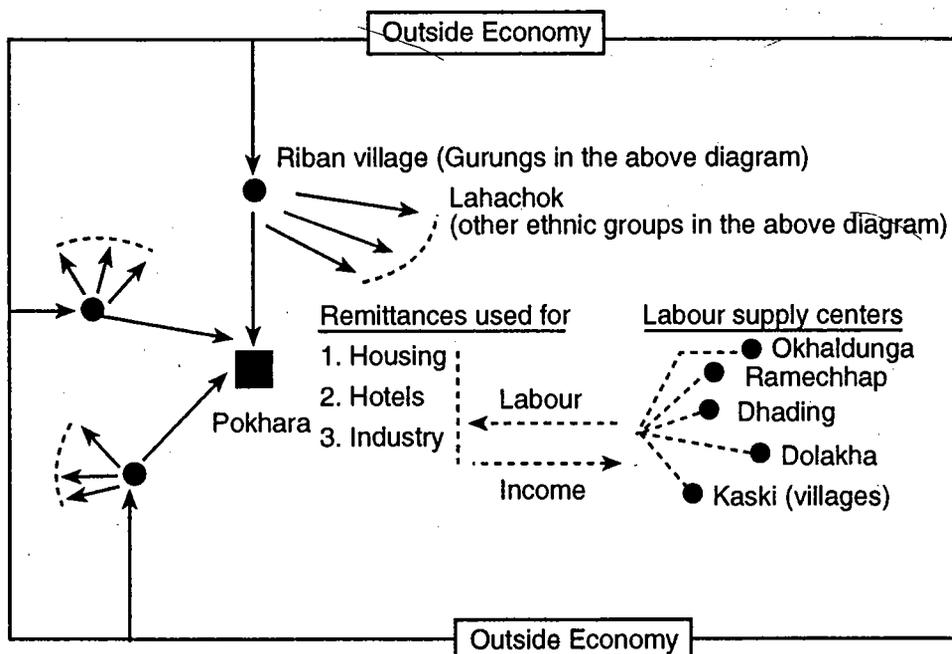
In the course of visiting villages in these districts, it was observed that outmigration is now taking place to such an extent that villagers have felt the scarcity of male labour to perform some of the male-specific farm work like ploughing and digging. In one village Kaiya (Parbat district), the wage rate of male was as high as Rs. 200 per day plus three meals, whereas that of female labour was Rs. 65 only. Even those males who remain in the village tend to be engaged in work available in the town. This was felt as hampering the production of cash crops like growing of vegetables for seeds or for sale. In villages of Maygdi, labour outmigration was considerably high. It was observed that outmigration was more pronounced in Maygdi district in comparison to Kaski district. All households earning remittances were reported to have invested their savings in land and housing in Kusma, Baglung and Beni, the growing urban centers. The price of land in these centres was reported to have exceptionally high, higher than in Pokhara town. It should also be considered that outmigration rate in Parbat district is higher: higher by 4.5 times than in Lahachok-Riban village (discussed later). Baglung and Maygdi are also the districts experiencing outmigration at par with Parbat district.

**Inter-village and Rural-urban Transfer of Funds Generated from Remittances and Sustainability of Livelihoods:**

One major impact of the remittances is that it has created wage labour and land-renting opportunities in the villages. The wage labour opportunities were taken by landless and marginal farm households not able to earn a significant proportion of income from outside sources. Landrenting opportunities also provided a scope to enlarge the scale of operation for those engaged in farming. As a result, more labourers were demanded in the villages. Moreover, it is seen that high remittance earning households have started investing their savings in the town. This was a change noticed in the 1980s, whereas in the past those having savings generated from outside work invested in *khet* land and housing. The establishments of small businesses and factories in urban centres also increased because of investments of savings by remittances-receiving households (mainly Gurungs). This caused a rapid increase in the price of land in Pokhara. At present savings have been invested in tourist industry, confectionery, housing, transportation and instant-noodle factories. Expansion of businesses, housing and industries has attracted labourers in urban centres from places where employment opportunities are less remunerative and also scarce. This has led to a transfer of 'outside earnings' within the villages and from rural areas to urban centres. This is schematically depicted in the following figure and is based on information obtained in 1989-90.



The process of transfer of 'outside earnings' within the village has helped in the sustenance of livelihoods of people, mainly of the members of the Occupational Caste and marginal farmers. In recent times, particularly in the 1990s, migration to urban centres of households earning higher level of remittances is increasing at a faster rate. Investment of 'savings' is mainly done in the urban centres. The housing expansion in urban centres is very rapid. This recent phenomenon of rural-urban flight of manpower and money and its impacts are shown schematically in the following figure.



The question arises as to whether the situation of economic interdependence outlined above is a general phenomenon with a wider geographical coverage. The circulation of cash income and exchange of resources between households of different ethnic groups has been a feature in most villages of the middle hills region of Nepal, especially since the late 1970s when the opportunity to migrate to the Terai almost ceased. Even though the ethnic groups involved in 'outside earnings' differ from one region or village to another, the distribution of this income has been allowing the continued existence of landless or near-landless wage labourers, and of small farmers, in villages of the middle hills. Ethnic diversity as it exists in the Lahachok-Riban villages is a feature in all villages of the Mardi-Seti valleys in Kaski District. Similar diversity also exists in many villages of Kaski and Lamjung Districts, with Gurungs being the main earners of the 'outside

income'. In villages of other Districts of central Nepal, notably Syanja, Palpa, Gorkha and Baglung, it is Magars and to a lesser extent Gurungs who are the main source of 'outside earnings'.

The widespread significance for the sustainability of rural livelihoods in the hill regions of Nepal of off-farm income derived from employment abroad (and, for specific social groups, of income from British or Indian army service) was also emphasised in a major study of the political economy of agrarian change in Nepal in the mid 1970s: "most of those who do not work in agriculture... leave Nepal for India to work in civil, or if possible, army employment. For certain ethnic groups (e.g. Gurung, Magar, Rai and Limbu), recruitment to the British Gurkhas is possible, and such employment is much sought after for both status and financial reasons, even by relatively prosperous individuals. Such 'outside' employment allows the continued residence of a very substantial number of households in the rural areas whose farm incomes alone have long since become incapable of supporting them" (Blaikie, Cameron & Seddon 1980: 49). Anthropological studies conducted in the central Nepal in the 1960s and 1970s also emphasised the fact that 'outside earnings' is the main basis for the sustenance of living standard in the hills (Pignede 1966, 1993; Hitchcock 1966; Macfarlane 1976).

A study of Mohoria village as early as 1958 by Pignede (1966; 1993) revealed that as much as 62 per cent of the most active (19-45 years age) men were absent from the village. 53 percent of the active men worked in the foreign armies and 9 per cent in civil service. About 12 per cent active women of the village accompanied their husbands moving away from the village. This essentially means that a large part of the village labour was absent. He writes. "British and Indian recruitment was heavily felt in Gurung country. The handful of young men who live in Mohoriya is almost exclusively composed of those suffering from tuberculosis, the lame, those with rickets and other abnormalities" (Pignede 1993:23). He indicates that farming was carried out employing wage labourers, mainly from the dalit (Occupational Caste) groups, and by women, children and old people. He writes "The village community has been forced to transform itself to lessen a (demographic) disequilibrium which was tending to make the exploitation of the village lands impossible. The age group of workers has widened. Children and old men actively participate in the domestic work and agriculture. The women spend more time in the fields than formerly. The (Gurungs) villagers have been forced to use non-Gurung labourers. These workers belong to the

untouchable caste of Blacksmiths, Tailors, Cobblers, etc. The untouchables can supply the male man-power needed because they are not mercenaries. Thus the untouchables are more indispensable than formerly" (Pigenede, 1993: 41). He also argues that bargaining power of these labourers has increased and thus demanded more grains or cash. Despite the difficulty in carrying out farming, Gurungs were interested in continuing the family farming because they intended to come back and continue the same life. Until in the 1960s Gurungs went to the foreign land with the aim of returning to the village, but to make life easier in the village with the pension and other earnings. This is also argued by the Mary des Chene (1992). She considers Gurungs involvement in foreign job (armies) as a 'brief sojourn' or a 'hiatus' in the life, as the income of this period is just used for their life in the village which they value most. Accordingly, at that time Gurungs continued with the farming, and even invested their savings on land and house within the village. But it is mainly in the 1980s that Gurungs started to move away from the village in the quest of new life in urban places, and 'outside earnings' helped them in this pursuit. Thus the major impact of the remittances in the rural social and economic structure is seen in the 1980s and 1990s.

A study conducted in 1969 in Thak (Gurung village in Kaski district) by Macfarlane (1976: 156) reveals that 27 % of the village income was derived from remittances and pension, 50 % from crop production and 15% from livestock production. But army pension and remittances accounted for 80 % of the cash income with the sale of the locally produced goods accounting for only 12 %. He estimates that "of a total of 294 production units in the village, the 43 units away from the village earn approx. one quarter of the total income" (1976: 156). This means that 'foreign labour migration' which accounted 15 % of the manpower contributed approx. 25 % of the village income. This tells that foreign labour migration is more remunerative than the local production. Macfarlane's also suggests that remittances and pensions has helped in lessening the economic disparity in the village as he writes "it was the 'medium-poor', predominately the *sorajat* Gurung households with insufficient lands on which to live in the village who had most access to army funds, and that the flow of cash from outside help(ed) to balance them against the wealthier households which (had) less incentive to send their sons away from the village" (Macfarlane 1976: 160). He further noted that "families with little land may still be prosperous if they have a son in the army" (1976: 160).

Even though Macfarlane and Pignede exclusively deal with Gurung villages with a few dalit households, they still demonstrate occurrence of some distribution of 'outside earnings' within the village, especially through the labour. Macfarlane is more explicit in expressing this distribution as he notes "the wealth that flows in through the 54 households (in his sample of 100 households) with outside connections is distributed along various channels throughout the community, benefiting Tailors and Blacksmiths as well as the recipient Gurung households (1976: 162)... certainly the wealth that flows in from abroad reaches certain households first - those with pensions or men in the army, but also may spread outwards to affect other households not themselves directly involved in foreign labour migration (1976: 189)". The 'various channels' that Macfarlane mentioned certainly consisted mainly of labour, as was the case in Mohoriya. In Lahachok-Riban study area (as discussed above), the same was also true. Until that time, Gurungs had continued to maintain their interest in farming. But as Gurungs started giving less priority to agriculture since the 1970s, land was increasingly rented out. Therefore land also featured as the principle channel of distribution of 'outside earnings' in the model discussed above. The land-renting practices have further increased the demand for labour, thus increasing the wage labour employment opportunities within the village.

Apart from Gurungs, Magars are also the people traditionally benefiting from the remittances and pensions, mainly from army service. A study conducted in the early 1960s by Hitchcock reveals that income associated with armies was the main basis to cope with the increased monetisation and to improve economic status. He points out "in recent years, there has been an increased monetisation in Banyan Hill (south of Pokhara) and increase in trade items available in nearby regions. The primary sources of cash are soldier's salaries, pensions and interest from money lending. In two generations, the number of soldiers and pensioners in the *thum* (an local unit of revenue administration which consisted a few neighbouring hamlets) has more than tripled" (Hitchcock, 1966: 104). He further notes that those households connected with British army were successful in improving the economic status and those households not having member(s) in the army were desperate in coping with the increased cash requirements. Study of Gurung and Magar communities in Syanja and Gulmi districts, respectively, by Kansakar also reveal that pensioner households had higher income (by slightly less than 50 %) as compared to non-pensioner households (Kansakar 1982: 63). In these figures, Kanakar did not include the income received during the service in the

army considering that income, pensioner households would be far ahead in the economic status. He noted the scarcity of labour caused by outmigration of Gurungs and the practice of using low caste households for the farm work. He mentions that Panchamul village in Syanjya district was the original place proposed for the location of Lumle Agricultural Farm, but the Gurung there opposed the proposition saying that low caste people would find job in the Farm thereby adversely affecting their (Gurungs) own farming. This study also clearly indicates that remittances have helped in creating wage employment opportunities. In Bharse, the Magar village, Kansakar also shows that it is only the pensioner households, which invest 'current outside earnings' in different activities like trade, industry, farming and land purchase. On the other hand, non-pensioner households used the 'outside earnings' mainly for house construction and in meeting family expenditure. This indicates that pensioner households had already fulfilled their basic family requirements like housing and the main part of family expenditure, so that the current income was used for improving the asset position and in income-earning enterprises.

In some central hill districts, migration rates in recent times have been very high indeed. In Parbat district, for example, a study of 12 selected villages showed that on average 8.4 per cent of the total population (significantly higher than 4.5 per cent of the Lahachok village; Prabat's outmigration rate for foreign employment is about 8 times higher than that of the nation) was involved in foreign labour migration, with some VDCs having even higher rates -between 14 per cent and 15 per cent in two cases (Bhusal 1997). Foreign labour migrants constituted about two-thirds of all migrants from these villages; and the total rate of migration (including temporary and seasonal migration) was even higher, with an average of 11.7 per cent of the total population involved.

The importance of off-farm income as a necessary supplement to farm income for those with limited land is also underlined by a study (Basnet 1996) of Shishuwa Adarsha VDC (also in Kaski District), which indicated that the households involved in foreign labour migration tended to have less agricultural land and to be less food self-sufficient than those not so involved (producing 2.35 *muri*<sup>3</sup> of foodgrain per capita a year as compared with 3.91 *muri* a year). In Shishuwa, the income from employment abroad was spent for the most part on immediate 'food and family requirements' (55 per cent) and debt repayment (12 per cent), while housing, land purchase, bank savings, education, marriage and business accounted for the rest (33 per cent).

Two thirds of the income from remittances contributed, it seems, to current expenditure, and a third to what might be termed social investment.

### **Conclusion**

Remittances, particularly from foreign labour migration, is a common feature in hill districts, even though there is interdistrict and intra-district, inter-village and intra-village (within a district) variations in the extent of 'outside earnings'. From this study, it appears that in recent times off-farm employment is generally common among the top 50 % households with the affluent households as likely to work within Nepal as in foreign countries. Employment abroad (India and overseas) is more common among 'lower-middle' class. Most disadvantaged households were least likely to get jobs in Nepal as well as in foreign countries. Even though new job opportunities in Gulf countries are not restrictive based on caste and ethnic groups, households belonging mainly to 'middle class' and 'lower-middle class' are able to gain access because of high city cost associated with the job. Most disadvantaged households not having access to foreign labour as well as within country off-farm employment are getting benefits from the creation of wage labour opportunities in the villages (because of labour shortages caused by male-specific migration and ability of migrant household to pay the wages).

The major structural change that is seen in recent times, mainly due to the growing influence of remittances, is the increased rural to urban migration, where savings generated from remittances are invested in land, housing and businesses and industries. This has also led to the migration of poor and disadvantaged to urban centres for seeking employment opportunities. In areas with heavy migration, labour shortage is beginning to put limit on agricultural production. On the other hand, urban centres have also witnessed haphazard developments in housing and infrastructures and in land speculation. As a result, proper environment for the productive utilisation of remittances income is lacking which might put limits to the multiplier effects that could be generated from the structural changes resulted from the impacts of remittances.

### **Notes**

1. This is a paper presented at a conference on "Physical Mobility and Development in the Mountains" which was organized by Central Department of Geography, Tribhuvan University, Nepal and School of

Development Studies, University of East Anglia, UK. The conference was held at Kathmandu on March 15-17, 2000.

2. This section is based largely on the earlier study conducted by one of the authors. See *The Beginnings of Agrarian Change: A Case Study in Central Nepal* for detail.
3. Muri is a volumetric measure. 1 muri paddy = 52.5 kg, 1 muri millet = 63.3 kg, 1 muri maize = 72.7 kg, 1 muri wheat = 63.2 kg.

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