

# Agrarian Change and the Long-Term Transformation of Rural Livelihoods in Nepal

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Mountain livelihood systems have long been perceived as traditional, 'stable', 'backward', and subsistence driven. However, research shows that mountain livelihood systems in Nepal change at considerable speed and have not and do not depend on farming alone. Migration has also long been a component of mountain livelihood strategies.

Studies of agrarian change in Nepal's hill regions from the 1950s and 1960s showed that rural livelihoods depended on grain production, with some cultivation of other crops and widespread raising of livestock. Villagers also obtained some income from off-farm activities and from outside the village, and various forms of migration were already an important feature of village life (Pignède 1966; MacFarlane 1976; Caplan 1970).

Seasonal migration and transhumance involved individuals and families spending some time away from their homes, yet maintaining contact and contributing to the overall household income and subsistence. Longer-term migration to work in small towns within the district or in neighbouring districts of Nepal (including the Terai) was also documented, although this involved only a small minority of individuals and households. A more

significant minority was employed abroad, in India, in both the private and public sectors – in agriculture, construction, and to a lesser extent manufacturing; in the service industries; and in the civil service, notably the police and the army.

At that time most researchers perceived labour migration as a supplement to the local economy, and agriculture as the core of rural life.

## Changing livelihoods: a comparison between the 1970s and 1990s

### The 1970s

A set of studies carried out in western Nepal from 1973 to 1975 examined features of agrarian change and evolving livelihoods (Blaikie et al. 1973, 1977; Feldman and Fournier 1976; Seddon et al. 1979). This research showed that in the hills, population pressure combined with the introduction of new farming techniques provided a major impetus to change. Traces of the earlier pastoral economy and system of shifting cultivation remained, but settlement had increasingly become the norm. Flocks of sheep and goats had been progressively reduced because lands close to the village could not support them in winter between their annual summer migrations to the high hill pastures. Hence a profound systemic change had been forced on the agriculture of the hills over several decades. Farmers had introduced intercropping, planting of winter wheat on rice lands in winter, and minor improvements to irrigation, field preparation, and terrace construction. Even with these innovations, however, production barely kept pace with population growth (Seddon et al. 1979).

In both the hills and the Terai, grain yields generally declined between 1967 and 1972, despite a slight increase in the areas cultivated (particularly under



wheat). Overall average annual agricultural output increased only minimally. Cash crop production increased at a slightly higher rate, largely as the result of an expansion in cultivation; yields here also tended to decline. At the same time, even in the remotest Nepalese villages, mass-manufactured commodities from India had by the mid-1970s largely replaced locally produced goods, undermining the ability of 'occupational' castes to exchange their artisanal goods for grain. Similarly, the hill towns, now connected to the Nepalese and Indian Terai by road, were now consuming vegetables, potatoes, and onions imported from these regions rather than produce from the surrounding hill economy (Blaikie et al. 1977).

The largest livelihood categories in the 1970s were small and medium peasant producers with minimal farm sales (less than 250 Nepali rupees [NPR]), followed by agricultural labourers; some of these producers and labourers had some additional non-farm income.

Imported goods began to replace local goods in rural Nepali villages, reducing opportunities for local producers

Medium and large-scale producers with farm sales of NPR 1,000–4,999 or over NPR 5,000 were fewer in number. Producers in these categories were reliant on sales of farm produce and tended to have no non-agricultural income.

The marginal peasants and agricultural labourers without supplementary income from outside farming were usually the least well off. The greatest number of households, however, consisted of peasant smallholders involved in production for direct consumption using their own labour, reciprocal labour exchange, or occasional wage labour; they secured the bulk of their non-farm necessities from local artisans (occupational castes) through exchange arrangements, supplemented by small purchases from the market. Households with some income from non-farm sources tended to be better off. They had only limited involvement in the market for labour and for the sale of farm produce, but they were not entirely self-sufficient.

As regards the development of the market since the 1950s and 1960s, there had been a significant increase in 'off-farm' sources of income involving labour migration, mainly to the towns of Nepal and India, but also often to work in agriculture on a seasonal basis, to fit in with the domestic agricultural cycle. (Migration from the hills to the Terai had already begun to increase following the elimination of malaria in the 1950s and early 1960s.) The 'traditional' arrangements with occupational castes for provision of non-agricultural necessities had begun to break down, as cash became more common than kind as a means of payment.

### The 1990s

A follow-up study carried out in 1996/97 in the same areas that were surveyed in the mid-1970s provided a solid quantitative basis to interpret change (Blaikie et al. 1998, 2002). It indicated that population growth, limited new agricultural opportunities in the hills, the availability of land for settlement in the Nepalese Terai, and new opportunities for non-agricultural employment in India and further afield were the major factors of change that had influenced the adaptive choices made by individuals and households over the intervening 20 years. Three groups of strategies were identified: in situ agricultural strategies; securing off-farm income; and emigration (including from the hills to the Terai). Some households, because of advantages in access to resources and skills, had been able to pursue all three.

In situ agricultural strategies to cope with an overall reduction in land holdings proved, in a sense, the starting point for all households. In both the hills and the





The proportion of small-scale peasant producers involved in non-agricultural economic activities increased

Terai (particularly the latter), average land holdings had continued to decline. Livestock numbers had generally declined per household, accelerated by the sharp reduction of forest forage and grazing, but livestock sales in a few hill locations with good access to fodder and forest still provided substantial cash incomes. In the Terai, more farmers were using improved seeds, chemical fertilisers, and canal irrigation than before, although the levels of investment and commercialisation remained low. In the hills, however, agricultural strategies had altered little over the 20 years. Hill farmers appeared generally conservative about further investment in agriculture, but had intensified production, particularly of staple subsistence crops. Small- and medium-scale peasant commodity production remained prevalent.

As regards non-agricultural (off-farm) activities, about 50 individuals of the 153 households surveyed were involved in running non-farm businesses, as compared with about 80 people from 667 households in 1974/75. These results suggest entrepreneurship in non-agricultural activities had increased. However it did not seem to have developed as a widely available option for rural households, as compared with other forms of non-farm income generation.

Local and more distant wage employment had become an increasingly important source of income for rural households as a whole. Temporary out-migration from the hills, which had been occurring for at least 100 years and had already become prevalent by the 1970s, continued to increase during the 1980s and 1990s. New opportunities for contract labour in the Middle East began to provide new cash earning opportunities overseas. The local agricultural labour market continued

to provide some opportunities, but they appeared to be shrinking because of the reduction in the number of farms with insufficient family labour – although population growth and economic growth in the Terai had increased the size of the agricultural labour market there (even if partly offset by the reduction in farm size and rapid growth in the number and proportion of small farmers). The fairly constant level of agricultural wages suggests that demand and supply, in aggregate increasing in size, remained balanced.

## Conclusion

Examining the changes over time, the most striking finding in the later years is the increased proportion of small-scale peasant producers in the hills who had some form of non-agricultural income. The share of agriculture in household cash incomes continued to fall, and many workers had migrated permanently to the towns. Furthermore, the most vulnerable households still resident in both the hills and the Terai managed to survive in a deprived condition through charity, unreturned loans, living off communal resources, and small amounts of (usually local) off-farm work. A significant landless labouring class had not evolved.

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