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Fighting Chronic Poverty with Social Inclusion and Establishing Rights at Work: Reconstructing the Livelihood of the Kamaiya ex Bonded Labourers of Western Nepal*

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ABSTRACT

Poverty is widespread and persistent in Nepal and the latest (1995-96) data puts the figure at 42%. There is significant intra-regional variation in the poverty rate, with far higher proportion in areas inhabited by indigenous groups in this hierarchically stratified country. In the fertile Western Plains the *Tharus*, the original inhabitants of the malaria infested areas were edged out of their communally held land by the high caste migrants after DDT spreading ended the mosquito menace. The new owners needed cheap and tied labour and by lending to the dispossessed *Tharus* at unequal terms forced them into bonded labour relationship. After generations of servitude and inter-generational transmission of poverty, the government prohibited the system in 2000, and undertook measures for their rehabilitation.

Discrimination and social exclusion are dysfunctional and constitutes disinvestments for future poverty reduction. For the poverty reduction measures to work such chronic poor and disenfranchised group requires proactive inclusionary policies that emphasize education-social mobilization, establishment and monitoring of equal opportunity, non-discrimination and rights at work, more than mere emergency support. To reconstruct a new livelihood in a hitherto new niche, education for children-adults, awareness rising on national labour laws, standards and human rights, strengthening the wagedworkers rights can empower such poor and marginalized groups to fight poverty on an empowered footing. New economic opportunities through marketable skill training, small enterprise development, micro-finance services and intensive and efficient use of available resources can result in creating sustainable livelihood options for such empowered groups bustling with "Bridging" Social capital.

1. Background: The Nexus between Poverty and Social Exclusion

Nepal, a mountainous country of splendid natural beauty, endowed with rich cultural and religious traditions, remains one of the poorest and least developed countries of the world. Even within South Asia, the poorest region of the world, Nepal does not fare well. Poor infrastructure, low level of attainment in social indicators, isolation from the rest of the world until the recent past, and variety of other factors has contributed to the perpetuation of poverty and underdevelopment in Nepal. Poverty in Nepal is widespread, and persistent, as the periodic reviews suggest (NPC, 1997), and have major implications for the unmistakable social and spatial characteristics. Nepal is also a case of inadequate poverty data sources and the lack of comparable time-series household income/expenditure survey data makes comparison over years and even with the neighboring countries a difficult task.

Measurement and assessment of human well-being and poverty is a complex task. Despite decades of research on poverty, no universally agreed upon definition of poverty is available. This is largely because poverty and human well being is a multidimensional phenomenon and there are many ways of looking at it. Poverty can be measured from both subjective (utility) and objective (poverty lines, basic needs etc.) perspectives. Most conventional measures are the objective type, looking at poverty from an income approach of meeting basic needs. Only relatively recently subjective perceptions of poverty has aroused interest (Chambers 1997). Furthermore, issues like social and process indicators of poverty, and linkage of poverty with equity and vulnerability (the concept of entitlement) has brought researchers close to concepts like well being as a way of looking at poverty e.g., material deprivation, lack of assets, isolation, alienation, dependence, lack of decision making power, vulnerability to external shocks and insecurity (IFAD 1992). Combined with this broad approach of looking at poverty, concepts like Human Development and its measures for ranking nations have led to use of newer terms like

human well being. People are considered poor when they cannot secure a minimum standard of well being and when they have limited or restricted choice and opportunity for a tolerable life (UNDP 1997). This is where the relatively new concept “Social Exclusion” comes in. Going beyond the simple income deprivation, social exclusion is a state of poverty in which individuals cannot access the living conditions that would enable them to both satisfy their essential needs and participate in the development of the society, they belong. Therefore when people cannot achieve their potentials through upgrading their capabilities or due to deliberate and structural constraints like gender, Caste, ethnicity, religious orientation or other social barriers, such exclusionary process remains as the major obstacle towards poverty reduction. As development and hence poverty reduction essentially hinges on expanding the freedom of choice that people have before them, which has been so eloquently argued by Amartya Sen (1999) in his recent seminal book titled “Development As Freedom”. For participatory development, empowerment of local communities and devolution of authority all-important buzzwords of recent development strategy becomes nullified if Social Exclusion retains its sway and Social Inclusionary principles are not deliberately fostered. For example, if caste based exclusion persists, members of low or untouchable caste’s would find it difficult to access education and health infrastructures provided by the state and most often staffed by members of higher castes for discriminatory reasons and age-old traditions of inter-caste discrimination. Thus, no measure of poverty reduction including provisioning of basic services would result in significant impact if such social constraints were not reduced for the inclusion of the poor in the process of development and here lies the connection between poverty and social exclusion.

2. Poverty Characteristics and Dimensions: Distribution of Social and Spatial Poverty and pockets of Chronic Poverty

Beginning in 1977, Nepal has started to collect poverty data based on minimum per capita level subsistence expenditure and income (NPC 1977), Basic Needs Income (NRB 1984), World Bank/UNDP updating poverty Line (1989) and finally the National Living Standards Survey (NLSS) of 1996 calculating expenditure requirements of minimum food and other non-food items for minimum living standards. The poverty estimates based on differential national definition of poverty for reasons of sensitivity nonetheless uses a lower poverty line compared to international standards or \$1 a day in PPP terms cutting off point. A below \$1 in PPP terms would mean 53 percent of the Nepalis are currently living under poverty. In the past few years, poverty research has gained a tremendous momentum and a new NLSS is to be undertaken shortly. There has also been a proliferation of new analysis based on secondary data collected through the mentioned surveys. Here we are just summarizing the findings on prevailing poverty rates only.

Despite the differential poverty line measures utilized by different surveys, the secular trend over time is a linear increase in number of people under poverty line. The NPC survey of 1977 put the national average at 36.2 percent, increasing to 42.5 percent in the 1984 NRB Survey and stayed around the same at 42 percent in the 1996 NLSS. A further analysis by the Central Bureau of Statistics (CBS) the undertakers of the NLSS, revised the figure upwards to 45 percent in 1998. The distribution over the period has remained concentrated in the rural areas, while the urban areas having lower poverty levels are also characterized by higher inequality, Gini coefficient rate of 0.43 compared to 0.31 for the rural areas. As expected poverty is more widespread in rural areas but shared while in the urban areas available data and research suggests absolute poor are few but the variation in income is significantly high.

Table 1
Poverty Surveys and Rates in Nepal Over Time

| Poverty Survey/Calculations and Year | % of people under poverty line |
|--------------------------------------|--------------------------------|
| NPC 1977 | 36.2 |
| NRB Survey 1984 | 42.5 |
| NLSS 1996 | 42 |

The so far undertaken poverty estimates (NPC 1977, NRB 1984 and NLSS 1996, CBS 1998) reported poverty between 36-45 percent of the population nationally, according to the established parameters, while the \$1 a day measure will raise the figure by around 10 percentage points. This reveals that not only poverty is widespread it is also persistent and unfortunately increasing. Recalculation of the 1996 NLSS data revises the figure further upwards (CBS 1998).

Poverty is endemic and persistent in Nepal and the latest poverty data as reported by the National Living Standards Survey (1995-96) puts the figure at 42%. Consistent economic growth in the 1990's (average annual growth of Real GDP during the 1990s was 5 percent, although per capita income growth during the same decade has been half of that or 2.5 percent) convinced the National Planning Commission to lower the poverty rate estimate to 38 percent in 2001. Per capita income growth since then has been stagnant and negative (0 percent in 2001 and -0.6 percent in 2002 as estimated by the Government) and observers are once again anticipating rising poverty in the country. However, there is significant intra-regional variation in the poverty rate, with the low of 4 percent in the prosperous urban Kathmandu valley to a whopping 72% in the rural mid and far western hills/mountains. The tremendous spatial variation in poverty also characterizes severe social inequality among regions and social groups. Poverty is also synonymous with social composition and caste and ethnic based stratification as we shall note in the next table. Poverty is markedly more pronounced among lower castes and Dalits (the untouchables) and several indigenous groups, while it is considerably lower among Brahmins (the highest class) and Newar group (the original inhabitants of Kathmandu valley area (which is the most prosperous area). Some major groups and their poverty line is shown below:

Table 2
Ethnic/Social Composition of Poverty in Nepal

| Caste/Ethnicity | Percentage of people Below National Poverty Line |
|------------------|--|
| National | 42 |
| Kathmandu Valley | 4 |
| Brahmin | 34 |
| Newar | 25 |
| Kami* | 68 |
| Sarki* | 65 |
| Damai* | 67 |
| Rai** | 56 |
| Tamang** | 59 |
| Magar** | 58 |
| Tharu*** | 48 |

*Dalits/untouchable occupational categories

**Indigenous groups also known as Kirati, inhabiting the impoverished Eastern and Central Hills

***Indigenous group in the Mid and Far Western Terai (plain) region, many of whom remained Bonded Laborers for generations until 2 years ago.

Source: Nepal Human Development Report 1998

The above table clearly shows the magnitude of poverty among the Dalit underclass and several indigenous communities both in the hills and the plains, compared to both the national poverty level and poverty rate among prosperous groups, just as the extremely high spatial variation reported earlier. Although no time-series data is readily available on the poverty incidence among these groups concentrated in several pockets of the country, it is reasonable to assume that

these groups have remained impoverished for generations and due to the exclusionary policies promoting higher castes and important ethnic groups like the Newar, these impoverished groups have remained chronically poor. Characteristic of chronic poverty definition, these groups, particularly the Tharu (lived as bonded/forced laborer only until mid 2000) are classic example of a chronic poor group. As Hulme (2003) succinctly defines chronic poverty as one of “extended duration” or “through much of their life course”, characterized by “capability deprivations”, and often rooted in households, specific groups, communities or even spatial areas and can be assessed in both absolute and relative terms. The household level deprivation, particularly in terms of adult literacy, mean year of schooling and malnutrition among household members can also be critical indicators of characterizing a group as chronic poor. To this one can further add the lack of voice and rights at work, especially for the community in focus here, the *Tharus* who lived under conditions of forced labour until very recently.

3. The Chronic Poor Kamaiya Ex Bonded Labourers in the Mid and Far Western Plains of Nepal

Bonded labour is a variant of what ILO describes Forced Labour (ILO 2001). It is against the Fundamental or Core ILO Conventions and spirit of Universal Human Rights. In 1999 ILO launched its Declaration on Fundamental Principles and Rights at Work (DECLARATION) aimed at combating discrimination, forced labour, child labour and supporting rights to organize and collective bargaining covering the broad spectrum of the Principles. Bonded Labour in Nepal, largely known as the Kamaiya System, is characterized by all key elements of forced labour, viz., (a) Involuntary Labour, (b) Denial of Freedom, (c) Imposition of Penalty (fear of reprisal) and (d) Coercion (compelled to contribute family labour, women and children as attached labour of the head of household).

Kamaiya system was a complex and coercive farm wage labour system prevalent in five mid and Far Western Terai districts of Nepal namely, Dang, Banke, Bardiya, Kailali and Kanchanpur and reportedly in three other adjoining districts of Nawalparasi, Rupandehi and Kapilbastu. It is a long-term farm labour relationship between labourers and their employers. It characterises various inter-linked contracts, viz., (a) labour contract with the entire family, (b) credit, often for forward sale of family labour and (c) land contracts (Sharma et al 1999). Largely due to incurred loans and their accumulated interest the Kamaiya Bonded labourers enters into an oral contract with the creditor (who also happens to be large land owner, land-lord) to cultivate the latter's land in return of meagre amount of food stuff. The Kamaiya (literally meaning hard working person cultivating land) is hired on an annual basis to carry out all farm activities and their responsibility extends into performing domestic chores mostly by the women and children of the family. The below subsistence in-kind wage that they receive does not meet the family's comprehensive requirements (clothing, health care, ceremonial and ritualistic expenses and cash for other needs) and thus the Kamaiya is compelled to borrow more and become further indebted.

The mid and far western plains of Nepal were and still are traditionally inhabited by an indigenous group called *Tharu*. Hot, humid and swampy plains of southern Nepal infested with mosquitoes, sand flies (vectors of Malaria and Kala Azar) was always inhospitable to most ethnic groups of South Asia, but not the *Tharu* people, who developed immunity against these diseases. The swamps were gradually drained and massive spraying of DDT (under global Malaria eradication programme) rendered these fertile areas highly sought after for the land starved hill people. Being a marginal ethnic minority community having merely customary and use rights to their land and being outside the mainstream state authorities (both British India and the Shah Kingdom of Nepal) their land were expropriated and turned over to various land grantees in the last century, rendering the marginal community landless and further impoverished. Being dispossessed of their land the *Tharu* people being largely non-literate and with very few non-agricultural skills were forced to enter into bondage with the new land lords. Either by debts incurred to maintain themselves or due to lack of alternative employment and income opportunities these people entered into unequal yearly contracts (mostly oral) committing their family labour to the landlord in

return of measly amount of food crops grown in the farm. Unequal access to resources and services, and an unbalanced social power structure, forced agricultural workers to accept contracts including the repayment of a salary advance, with wages far below the minimum wage. Usurious interest rates and the low income made certain that the worker would never be able to escape this bound. According to statistics of the Ministry of Land Reform the number of *kamaiya* families in the 5 district totaled just over 18,000 families. Among them the majority were completely landless and having no home of their own, followed by those with either only a home or a small parcel of land or both of very small size, and some having both home and land of their own, but of small holding size.

The bondage perpetuates through generations as interests incurred on loan increases and thus effectively blocking any opportunity for even the next generation to come out of this exploitative and unjust system. The system thus, was characterised by bonded relationship under the guise of a permanent farm labour system. The His Majesty's Government of Nepal (HMG/N) in July 2001 abolished the practice rendering the system illegal and annulled all hitherto incurred debts incurred by the *Kamaiyas*. The recently promulgated *Kamaiya Labour Prohibition Act of 2001* makes the perpetuation of the system punishable under the law. Furthermore, the government has registered all *Kamaiyas*, issued identity cards to them and with support from other development partners re-settled them in new areas providing the poorest majority of them with a small parcel of land and with house building materials and loan.

4. Strategies to overcome the chronic poverty of the *Kamaiyas*

4.1. Macro-economic Planning instruments and the *Kamaiya* Question in Nepal

As part of the World Bank and IMF policy for future concessionary lending, Nepal like most other Low Income Countries have prepared its Interim Poverty Reduction Strategy Paper (PRSP) in 2001, which also coincides with the country's 10th Five Year (development) Plan (2002-2007). Similarly the National Planning Commission (NPC) and Ministry of Finance (MoF) of His Majesty's Government of Nepal (HMG/N) has carried out another requirement of the Bretton Woods Institutions, Medium Term Expenditure Framework (MTEF) that is again based on an earlier exercise to rationalize and prioritize public expenditures for greater impacts on poverty reduction, The Public Expenditure Review Commission (PERC).

The IPRSP and the full PRSP that was transformed into the 10th Five Year Plan identified the proximate causes of poverty and its perpetuation over time and it is heartening to note that non-income factors were also accorded its due importance in the persistence of the widespread and deepening poverty in the country (NPC 2001, NPC 2002). Discrimination and social exclusion are dysfunctional and constitutes disinvestments for future poverty reduction and the Nepal PRSP recognizes this nexus.

For the poverty reduction measures to work such chronic poor and disenfranchised group requires as ILO contribution (ILO 2002) to Nepal's PRSP, notes, proactive inclusionary policies that emphasize social mobilization, establishment and monitoring of equal opportunity, non-discrimination and rights at work, more than mere emergency support. To reconstruct a new livelihood in a hitherto new niche, education for household members; awareness raising on national labour laws, standards and human rights; strengthening the wagedworkers rights can empower such poor and marginalized groups to fight poverty on an empowered footing. New economic opportunities through marketable skill training, small enterprise development, micro-finance services and intensive and efficient use of available resources can result in creating sustainable livelihood options for such empowered groups bustling with "Bridging" Social capital.

Both the PRSP and Five Year Plan are macro-planning documents that set some goals and objectives on a time bound manner. However, these planning instruments need to be supported by appropriate policy framework and allocative principles and that is the crux of the problem, as

national development plans all over the low income countries espouse a commitment to poverty reduction to be achieved by pro-poor growth strategies. As noted earlier the annual GDP growth has slowed down considerably in the past two years for a multitude of factors including but not limited to post September 11 global slowdown, war in Afghanistan and most recently in Iraq, oil price increases in Nepal, rapid deceleration in tourist inflow and intensification of the Maoist insurgency inside Nepal. With a projected slow recovery these factors have already and will continue to erode Nepal's capabilities in poverty reduction. One of the major factors of widespread poverty in Nepal is the high unemployment and severe underemployment figure, by some estimate the figure is 15.4% or 1.66 million out of a population of 23 million. With a growing labour force due to youthful and growing population, securing employment for this horde of unemployed is going to be a Herculean task. By some estimate it will require an annual growth rate of nearly 11% per year in the 10th Plan period (2002-2007) to provide employment to this large number, certainly an unattainable task given that the economy has registered a negative growth in the 2001-2002 period! The HMG/N in both the PRSP and the 10th Plan document recognizes the critical importance of creating employment opportunities to reduce poverty and has made favourable estimates, based on a high growth scenario. However if past experience and recent slowdown is any guide then more modest results can be expected and no net gains in new employments over the Labour Force additions are expected until 2004/5. With slowing growth in agriculture and overall contraction of the economy, employment expansion possibilities in the rural areas and for the chronic poor groups, most of who reside in the rural areas are therefore rather bleak.

In the MTEF exercise (NPC, August 2002), five core sectors/ministries account for 70-75% of the development budget, Agriculture, Education, Health, Water Resources and Roads, Drinking Water and Urban Development (NPC August 2002). Therefore, MTEF has also retained the focus on rural economy, social sector and infrastructure, all essential in creating new employments and broad based pro-poor growth. Although numerous studies in many different parts of the world conclude that increased expenditures on education and health do not always benefit the poor due to leakage, improper targeting, and general inaccessibility and exclusion of the poor from such public services. Besides, the quality question in both education and health care continues to plague progress in the Nepali social sector.

Over three fourth of the MTEF budget is expected to come from donor funding and given the recent fiscal situation, it is quite alarming. MTEF has categorized all projects into priority 1, 2 and 3 and their current categorization. The MTEF although still largely pro-poor will have limited impact upon the poverty reduction front as the need to create new employment to reduce poverty particularly for the chronic poor groups will not necessarily be covered under priority 1 projects. Chronic poor groups require strong and enforced policy regime against discrimination, social exclusion and establishment of rights at work, as they also require proactive social inclusionary programmes for their active participation in economic activities and Affirmative Action Programmes. None of the MTEF core sectors are going to address these concerns of the chronic poor groups.

The recent upsurge in administrative (read security) expenditures has caused serious shortfall in development budgetary allocations and coupled with poor aid disbursement and utilization (UNDP 2002), expenditures on key economic services sector are not likely to increase in tune with HMG/N ambitious growth targets. Regular (administrative) expenditures registered a growth of 18% during 1996-2000 and 14.4% during 2001-2002 while the development expenditures registered growth of 15.7% and only 3.2% during the same period respectively. Given the fixed costs of administration and much enlarged and better equipped security forces, the regular expenditures are not likely to drop some time soon leaving the development expenditures far more vulnerable and dependent on foreign aid. Interestingly this is despite Nepal's maintaining a good record on social sector spending over the 1990s and into this decade as well. Under the MTEF core sectors only Agriculture and Water Resources-Roads have potential to create significant new employment, although given the decreasing yield and productivity gains in agriculture in the past several years, creation of new employment opportunities in agriculture

sector is also rather limited. It is of course important to mention that both the PRSP and 10th Plan stressed importance on employment creation as a vital tool against poverty and has chosen to consider employment-impact analysis an explicit criterion in macroeconomic policy decision making and make employment-intensive growth objectives an explicit criterion in public expenditure programmes—a key recommendation of the ILO's inputs in Nepal PRSP (ILO, May 2002). Employment dimension of Nepal's poverty has never received the due attention it deserves given the dependence of millions of the citizenry who are poor, with low literacy and skill level. Employment generation is still thought of as a derivative outcome of other investments, policies rather than chosen as a strategy by itself and hence the pro-poor stance of the PRSP, 10th Plan and the allocative principles of MTEF are in the danger of missing the objectives, let alone the MDG goals. There are grave signs of deepening poverty, persistence of poverty in pockets of chronic poor over generations, and ominous slow-down of the economy in Nepal and the macroeconomic and planning instruments although recognizes the symptoms and offers palliatives are still off the mark in providing a long-term strategic solution for the root cause of poverty.

4.2. Social Inclusion of the Kamaiyas: Mainstreaming education, provision of vocational skills and Micro-finance Services for the Kamaiyas

Poverty in Nepal particularly among the chronic poor groups is a consequence of Social and economic exclusion that manifests through various forms like discrimination, marginalization and denial of opportunities. Such exclusionary practices emanating from deep rooted inegalitarian customs, traditions and purposive discrimination due to lack of legal and social protection results in denial of access to poor and excluded groups from resources and facilities otherwise available within the community. Chronic poor and socially excluded groups live on the margin and face obstructions on their economic, political and social participation in the world of work and daily life. For instance, a recent ILO (2003) study reports that the Dalit underclass are not represented in the House of Representatives (elected branch of the Parliament), constitute only 0.5% in the Army with the rank of Inspector and above, are absent in the higher courts, Constitutional bodies, and in the civil bureaucracy and in the Central committees of National political parties their representation is negligible. Due to the concept of untouchability Dalits and many chronic poor ethnic groups cannot participate in the labour market freely. Consequently the educational attainment of various ethnic minorities/chronic poor groups is also limited. A recent ILO Survey (ILO, December 2002) reports, the Literacy rate among Kamaiyas is only 38% percent compared to 45% nationally, but more significantly their primary enrollment rate is less than half of the national average and only 0.4% of them have completed Secondary level of education compared to national enrollment of 48%. Active inclusionary policies that enhance the participation of excluded groups in the mainstream are therefore vitally important to uplift them from the state of chronic poverty, helplessness and dehumanizing state of living. Given the low level of education among the chronic poor Kamaiyas it is only logical that education holds an important aspect of their empowerment and dignity that can challenge and end discrimination and further marginalization and immiserization of the group.

ILO has been at the forefront of concerted initiatives to end Forced and Bonded Labour globally and also in Nepal. Nepal's ratification of ILO Convention 105 (Forced Labour) and 182 (Worst forms of Child Labour) in recent years have provided additional momentum in ILO's campaign and actions against Bonded Labour in Nepal. As early as 1998, well before the abolition of the Kamaiya System, ILO/IPEC (International Programme on the Elimination of Child Labour) initiated educational programmes for the Kamaiya children, ILO supported Trade Unions to press for minimum wage in agriculture and monitor its implementation, and organize farm workers, activities that contributed in developing awareness and prohibition of the system later on. ILO strategies in providing educational opportunities to a chronic poor group who face discrimination, coercion and social exclusion recognizes the importance of social mobilization of the target group through broader community centered activities by involving the ILO constituents, the Government, Trade Unions and Employers Associations. In the world of work they are partners and hence while working with a chronic poor socially excluded group to ensure their rights against

discrimination, coercion and exploitation their collective participation and support is therefore absolutely vital and indispensable.

The first IPEC-ISPI programme on bonded children provided educational opportunities to around 2,000 children between the age group of 6-16 in three distinct forms, pre-schooling for mainstreaming into the national system, Out of School Programme for older children and Vocational Education for 14-16 year groups that included literacy and numeracy training as well.

The current larger IPEG-DECLARATION Project (Sustainable Elimination of Bonded Labour in Nepal, 2002-2005) has taken on from where IPEC-ISPI moved on and is targeting all Kamaiya children in the five aforementioned districts to bring them under educational programme. The total number of children under this project exceeds 11,000 and also includes non-literate adults of all the Kamaiya families.

Under the new project, selected partners are working closely with District Education Office, District Child Labour Elimination Committees and all other stakeholders in order to create the right environment and ensure no eligible person (both children and adult) are left out of the educational programme. The education programme aims at enrolling all children in some form of education whether direct mainstreaming in public schools for the younger ones (6-9) or preparing them through Out of School intensive programme for future mainstreaming in appropriate classes or NFE followed up with Vocational Education for older children (14-16) and adults. The combination of general education and vocational education is particularly important as a social inclusionary measure for these excluded people as well as for opening up newer employment opportunities in skilled trades. The Kamaiyas being an ethnic minority and indigenous group faces complex sorts of discrimination and exclusion in the formal public education system, dominated by high caste teachers and fellow peers. The alternative and tailored education programme for them therefore can ensure their enrollment and continuity (through community mobilization and educational support provided by the project) and hopefully increase mean years of schooling, a critical factor for human development, for them. The Kamaiyas themselves have also voiced very strong support for education as a means of escaping their persistent and chronic poverty and undignified and dehumanizing status as reported in a recent Survey on them (ILO, December 2002).

For adult and older children of former Kamaiyas a new and innovative Vocational Education Programme supplemented with Social Mobilization, Group Formation and Micro-finance Services has also been arranged. Departing from the traditional mould of thinking on vocational education, viz., sewing and cutting for women and carpentry, electric wiring and the likes for men, the project commissioned a comprehensive study to identify skills and trades that has potentials. From the study (ILO March 2003) many new ideas like poultry, goat and pig rearing, commercial cultivation of vegetables, cycle repairing, bee keeping, paramedic-vet, paramedic and midwifery, candle and incense making and many other activities both on an individual and group basis have been found viable for women, while many different trades and wage labour opportunities have potential for men in the Kamaiya community. The Kamaiyas can hope to reconstruct their livelihood through education, vocational training and micro-finance services and thus prevent recurrence of the bondage. Education not only provides them new opportunities, it also is the best anti-dote against child labour and can thus prevent their children from engaging in any form (hazardous and or worst forms) of child labour. Education provides dignity as well as competency against fraud, deception and illegal coercive activities that are now punishable under law. With their literacy and numeracy, they cannot be easily fooled as they were in the past by unscrupulous landlords converting them as chattels. Vocational training will provide them new skills and open up newer opportunities of employment and income and micro-finance services will meet their credit needs and enhance their capacity to manage credit and micro-enterprises.

Another ILO Programme STEP (Strategies and Tools against Social Exclusion and Poverty) is soon going to organize a low-cost but effective micro-health insurance scheme for the Kamaiyas through local intermediaries. Recent STEP studies have indicated that a good amount of their

income goes for health care needs jeopardizing their food security and other needs. Micro-health insurance has worked well globally among many vulnerable and poor groups and even in the region (Bangladesh and India) they are providing a much-needed protection against unbearable health cost and tendency to resort to unscrupulous quacks and ill trained paramedics.

The freed Kamaiyas need such direct support to stand on their own as small entrepreneurs and free and skilled-wage workers, to supplement their traditional skills as agricultural labourers. However they need more than such services and support to ensure they remain free and not fall back into bondage, as we shall delve into in the next section.

4.3. Establishing Rights at Work for the Kamaiyas through community vigilance and unionization of agricultural workers.

The very reason the indigenous Tharu people fell into bondage to work for local landed gentry is because unacceptable and exploitative labour relations were practiced against them in the country and they became the victims. All elements of bondage and forced labour were characterized in their lives. They either had no legal title to any land parcel, or they lost whatever land-asset they had through usurious repayment of their loans and thus many of them were forced to live on their Master's land or as squatters elsewhere. Their women and children had to work for their Masters at nominal or no wage-benefits, often for long hours, with very little or no education and non-farm skills they had no alternatives, and they could not avoid working under bondage for fear of reprisal.

As a primarily agricultural labour group living in a rural and agrarian setting, the Kamaiyas in foreseeable future will continue to depend upon agricultural wage as their major source of income and employment. They live in sub-tropical fertile plain with high cropping intensity. Agriculture in Nepal is still characterized by low technology and is labour intensive providing employment opportunities to large number of unskilled, semi-skilled workers. Employment estimates suggest that around 120 days of agricultural employment is available for each able and willing adult Kamaiya. Agricultural labour in Nepal like elsewhere in South Asia offers low pay and long and often hazardous work conditions. Prior to the abolition of the Kamaiya system and largely being exhorted by the movement against the system, HMG/N declared a minimum wage policy for agricultural workers, fixing Rupees 60 (\$0.77) as the minimum daily wage for 8 hours. The rate may be fixed higher than the national level by District Local Government authority and in few Kamaiya inhabited districts it is 15-35% higher, due to higher demand of agricultural labour and relative profitability of farms. Obviously prior to their freedom from Bondage the Kamaiyas were not fetching any daily wage let alone minimum wage and they will be well served under the changed circumstances if they receive at least the minimum wage. A 60 Rupees or more daily wage for at least 3 months in combination with their newly acquired home, small agricultural plot and income from skilled wage labour or micro-enterprises can ensure them survival for the entire year. In conjunction with educational and vocational services, social protection (micro-health insurance) support from ILO initiatives can go a long way in their life of freedom.

The most critical aspect of establishing Rights at Work is however ensuring vigilance and monitoring system against abuse of existing labour laws and accepted standards. We have entered into agreements with National Trade Union Federations (TU's) in Nepal to carry out this critical task. As mentioned earlier ILO in Nepal has been working very closely with the Constituents (particularly the National Trade Union Federations) from late 1990s to cover the informal and rural sector. The Agricultural Workers Union of Nepal (AWUN) was established by TU's in over 40 districts (out of a total of 75) of the country. The 1999 Amendment of the 1992 Trade Union Act now allows TU's to organize rural and agricultural sector workers. The current Action Programmes of TU's aims realizing three major objectives. The first is developing mechanisms at various levels to prevent former Kamaiyas and other agricultural workers entering into exploitative terms and conditions of work. This is being undertaken through a community vigilance system that includes the local chapter of AWUN, local communities, local government bodies and landowners themselves. Nepal does not have a formal labour inspection and

monitoring system. The Labour Ministry has very few Labour Inspectors at its disposal and they are concentrated around large cities and industrial centers. Their training and job description is more concerned with Occupational Safety and Health rather than labour standards. Therefore, in the vast and remote rural areas dominated by asymmetrical power relations and long tradition of coercion and exploitation of labour, monitoring of conditions of work can only be done by the community and local activists only. This is what is expected to be achieved under the leadership of national trade unions.

Secondly, educating and increasing awareness among ex bonded laborers about fundamental principles and rights at work, unionizing them and linking them with the national TU's to strengthen the unionization process and bond with worker's rights activists. Nepalese workers like many other segments of the society are often unaware of their rights, national laws and constitutional guarantees. In addition to the workers the employers (in this case the land owners employing laborers), law enforcers, judiciary, media people, civil society organizations and administrative officials also need education and sensitization on core labour standards and ILO conventions ratified by Nepal and hence obligatory upon the state to adhere to the letter and spirit of the standards and ratified conventions. Awareness raising on these issues, advocacy and information-campaign on fundamental principles and rights at work and unionization are necessary to highlight their cause.

Third, strengthened AWUN and its chapters can effectively monitor against recurrence of bondage, violation of labour standards, violence-intimidation against the ex bonded laborers. With AWUN members being present in all communities, it will far easier to monitor the practice of labour standards and conditions of work. It will not only act as a catalyst for disseminating information-awareness of labour standards and laws but will also work as the critical mass of conscious workers who safeguards their fellow worker's rights.

5. Examining the policy implications and a basis for best practices

In the global fight against deepening poverty, particularly the chronic and socially excluded variants, and the considered strategy must ensure people living under such conditions have the means to a decent living. Every country irrespective of its level of economic development can achieve a threshold of Decent Work, as espoused by ILO (ILO 1999). The edifice of Decent Work consists of four pillars, Decent Employment, Social Inclusion, Social Protection and Voice at work. While most governments recognize these essential pillars as part of their national development goals and democratization their implementation is often lagging. The UN's commitment to Rights Based Approach also voiced and endorsed by various international development agencies exemplifies the spirit of Decent Work concept.

The policy implications arising out of ILO's work on ending Forced/Bonded Labour are rather significant and can support far-reaching reforms and realignment of national development strategy for targeting the chronic poor groups in the national poverty reduction programmes.

That, the chronic poor group requires support that is much more than mere economic in nature has been argued in this paper. The inter-generational persistence of poverty among several chronic poor groups in general and the ex bonded labour Kamaiya group in particular testifies the efficacy of such an approach.

To Be Developed further.