

Nepalese Household Economics: Agriculture, Wage Labour, And Remittances

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INTRODUCTION

The Nepalese economy is generally described as being characterised by an overwhelming importance of agriculture (NESAC 1998, Seddon at al. 1998). As a matter of fact, the country has one of the highest rates of employment in agriculture in the world, estimated at about 93 percent by international sources (UNDP 1997). Figures provided by national documents (CBS 1991, CBS 1996) are lower, 81 percent, but still document a high predominance. Yet, most of these farmers have increasing difficulties to secure their livelihoods, sustainably, and not only have to cope with declining yields but also with dwindling sizes of land holdings due to continuous fragmentation resulting from inheritance and occasionally also from loss of land due to indebtedness. Thus, it is crucial to point out to the great variations within this sector, ranging from subsistence with renting-in of additional land for either cash or a pre-bargained share of the harvest and/or with at least one member of the family engaged in agricultural wage labour on the one end of the scale to the selling of surplus production and renting-out of agricultural surplus land on the other end.

Due to this this broad spectrum, it is crucial to note that many of the persons and households classified as agricultural ones as a matter of fact have incomes from diverse sources, including wage labour either in local areas or elsewhere, i.e. are involved in labour migration. Often some members of the household work in agriculture, usually women and girls, whereas men may additionally, perform other types of work (see Box1). Thus, it is important to acknowledge that many households, rather than completely changing their household economy or relocating their total household in form of migration, chose to diversify their livelihood and income strategies in form of having one or several members involved in labour migration (Ellis 1998, DFID 1999, de Haan 1999). These ideas are incorporated into an analytical framework for 'livelihood strategies', provided by the British Department for International Development (DFID),

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denoting the range and combination of activities and choices that people make/undertake in order to achieve their livelihood goals. In this framework labour migration is depicted as one possible option and it is pointed out that it is not a question of people moving from one form of employment to another. Rather, it is a dynamic process in which they combine activities to meet their various needs at different times (DFID 1999).

This article aims at shedding some light upon the phenomenon of labour migration and remittances in Nepal. At a national level, an important contribution to this topic was made by Seddon and his Nepalese colleagues Gurung and Adhikari (1998). For a statistical data base it draws from the findings of the Nepal Living Standard Survey (NLSS) carried out in 1996/97, based on a representative sample of 18,855 persons in 3373 households (CBS 1996, 1997a). Besides these publications the files of the original data base, available at CBS (CBS 1997b), have been further analysed by the authors, particularly in terms of a regional disaggregation of migration and remittances. In addition, this article is based on the findings from an empirical study on migrant workers in carpet manufactories of the Kathmandu Valley carried out by one of the authors during 1998/99, funded by the German Research Council (DFG). In this case study a quantitative survey was undertaken (n=1780), focusing on geographic, demographic (gender, age, family structure), and socio-economic aspects (education, food security) as well as on working histories (year of taking up work in Kathmandu; networks). In addition, a more detailed quantitative survey (n=250) and qualitative interviews (n=50) were carried out in Kathmandu and Jhapa, which included a detailed list of all family members (ages, education, and work migration), as well as a comprehensive enumeration of all places of work in Kathmandu, incomes, reasons for change, expenses and remittances to the household of origin. During the village studies, information collected in Kathmandu was supplemented by including migrants of other destinations, as India or Gulf states, extending the study from one on internal migration to one on international migration.

AGRICULTURE : A WEAK BACKBONE

In many geographical regions holdings are extremely small for the majority of the population. Based on findings from the Nepal Living Standard Survey (NLSS) holdings are below 0.5 ha. for an average of 40 percent of all households. Holdings are particularly small in the western hills and mountains where even 49 percent are smaller than 0.5 ha. (Table A1 Appendix). Generally, holdings are only larger for those sections of the Nepalese society who at some stage of history had either received a land grant from the then governing aristocracy, for religious, such as Brahmins, military or administrative services, such as upper strata of either Chhetri castes or ethnic groups, such as Gurung, and/or those who had been

involved in the tax exempting machinery, as Regmi (1978) once termed the procedure of extracting surplus value from the scarce profits gained from agricultural holdings (Seddon 1999, Graner 1997). In addition to cultivating their own land, 29 percent of all households rely upon additionally renting-in some land in order to secure their livelihoods, a phenomenon which is particularly prevalent in the eastern terai. Among these households, an average of 5 percent rely upon cultivating rent-in land without having any land of their own (Table A1 Appendix).

WAGE LABOUR AND LABOUR MIGRATION

Processes of labour migration from the hills have some history and date back at least to the early 19th century, when recruitment of so-called *Gurkha*-soldiers into the British Indian army was initiated (Acharya 2000). In addition to employment in the military, labour migration is also pronounced to other Indian labour markets, both rural and urban (Dixit 1997, Seddon 1998). Recently, new destinations are of increasing importance, such as Kathmandu and the Gulf states (Seddon 1998, Gurung forthcoming), and migrants originate not only from the hills but also from the terai region. Irrespective of the fact that labour migration from all across the country to various destinations is a prevalent feature of the Nepalese political and household economy, these important and possibly vital contributions to agricultural household incomes are often neglected. Dixit (1997) even speaks about an official and scholarly apathy on the subject of Nepali labour in India, a concern also raised for studies in other regions.

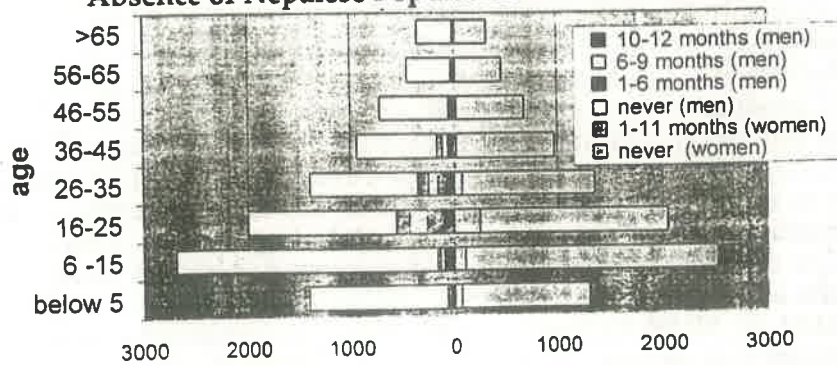
In addition to changes in regional patterns of migration in Nepal recent processes of labour migration are also characterised by a particular gender pattern. Traditionally, almost exclusively men left their country and families i.e. parents and/or wives and with/without children, whereas women stayed back in order to take care of agriculture and of dependent family members, such as the elderly and children. This pattern is still prevalent today for most destinations, as for instance rural and urban areas in Nepal or in India, and overseas destinations, as the Gulf states. On the other hand, new labour markets have evolved in urban areas, particularly in the Kathmandu valley, such as during the 1990s, when high growth rates in carpet production opened up a rapidly increasing demand for labourers, and this migration was undertaken by both men and women. Yet, this industrial boom was only of fairly short duration and came to a sudden halt when exports/ production and, above all, terms of trade on both international and domestic market declined during the mid 1990s (Graner 1999). The industry later on recovered to some degree but faced severe difficulties ever since.

Based on NLSS findings, a total of 20 percent of all economically active persons are engaged in wage labour. Interestingly, agricultural wage labour plays a major role, as 10.6 percent of the wage labourers are engaged

in agriculture and only 9.4 percent in non-agricultural wage labour. A regional disaggregation shows that agricultural wage labour is highly concentrated in the eastern terai where 50.4 percent of all agricultural wage labour in the country is performed, i.e. more than in all other rural areas put together (CBS 1997a). Wage labour outside agriculture occurs in all parts of the country in both urban and rural areas and is highest in the western hills/mountains (Table A1 Appendix), followed by the eastern terai. These figures indicate that only a comparatively low percentage of non-agricultural wage labour is performed in urban areas, 21 percent, and also that an extraordinarily high percentage of all wage labour is performed in the eastern terai. Regional variations exist not only for the types of wage labour but also for the rates of wages, which are highest in Kathmandu for both agricultural and non-agricultural labour. Agricultural wages are generally significantly lower than wages for non-agricultural labour and differences are most pronounced in the eastern terai at 54 percent (Table A1 Appendix). These low wages indicate high pressure on local labour markets and low bargaining capacities from the side of the workers (Box 1). They also indicate high wage differentials and thus some degree of attraction of labour markets at other destinations, whether urban, regional (India) or further abroad.

Dimensions of migration and absentee population are apparent from the NLSS data base. It is particularly pronounced among the 16-25 and 26-35 age group of men, where 25- 31 percent of the respective cohort are absent for at least one month per year (Figure 1). Most of them are engaged in labour migration and are at home for one or two months only, and as the case studies have shown this is usually during the autumn festival season, *dasain* and *tihar*. In addition, some of the absent population, particularly in the 16-20 age group, are involved in migration due to higher education, attending schools away from home.

Figure 1
Absence of Nepalese Population From Home 1996/97



Source : Calculated by the Author based on NLSS 1996/97.

BOX 1

Critical Issues About Labour Markets And Migration In Nepal

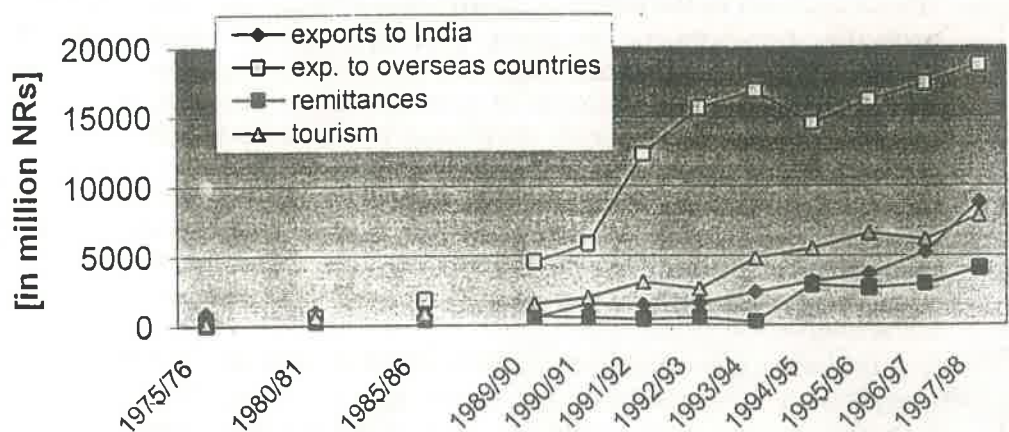
- Nepal is witnessing a transition from a predominantly agrarian economy to one where non-agrarian income opportunities are of increasing importance, as subsistence agriculture is getting more and more difficult due to fragmentation of land-holdings, this transition often takes place not in form of substitution but in form of a diversification of incomes within households;
- access to non-agrarian labour markets is highly linked with educational qualification (SLC), which opens up upper market segments those persons who lack this qualification, i.e. the majority of the Nepalese population, especially from ethnic minorities and low-caste groups, are left with wage labour in less attractive labour markets, due to the importance of labour markets for lowly-qualified persons analyses of these are vital for understanding the national economy and for planning;
- in rural areas labour markets are characterised by a supply which outnumbers demand, which results in labour markets dominated by short-term engagements, daily wage labour and by a low bargaining capacity of those in search for work, resulting in extremely low daily wages, due to these unfavourable conditions on local rural labour markets, an increasing number of workers are searching for labour opportunities in urban labour markets, resulting in an increasing number of households which receive remittances from migrants, i.e. a national and regional remittance economy;
- labour markets in the urban economy face difficulties to integrate the growing numbers of migrant workers, where again supply outnumbers demand labour-intensive sectors of the economy, such as carpet production have failed to provide secure sustainable labour opportunities in the long run, additional pressure also exists from the side of Indian migrants, who are generally higher-skilled, particularly in construction and garment production, such as pashmina, thus conditions on urban labour markets are again deteriorating, with declining purchasing capacities and thus declining remittances, i.e. a low-level remittance economy, which makes these markets less attractive;
- due to these unfavourable conditions on local rural and urban, labour markets, an increasing number of workers are searching for labour opportunities in foreign countries, particularly the gulf states, resulting in an international remittance economy.

WAGE LABOUR AND REMITTANCES -ASSESSING SCALES AND TYPES

In Nepal, labour migration was mentioned as a matter of concern in a study by a British forest official, engaged during the late 1920s in designing a new forest policy. He pointed out the urgent need for intensifying agriculture, which also was to lessen or completely stop the contemporary drain of the country's menhood to India (Collier 1928, 252; quoted in Graner 1997, 36/37). Similar notions are still apparent in Dixit (1997) or in Khadka (1998). On the other hand, labour migration and remittances are increasingly conceptualised as an important contribution to a diversification of household incomes (Ellis 1998). Yet, in spite of its relevance, this topic has at least for quite some time received fairly little attention in Nepal, as indicated by Dixit's critique.

The topic gained a much wider public interest when Seddon (1998) together with his Nepalese colleagues Adhikari and Gurung published the findings of their study on international migration and remittances, pointing out the inadequate understanding but also the predominant role of the remittance economy, with transfer payments amounting to a guesstimated 35-69 billion Rupees annually, for 1997/98, equivalent to about 13-25 percent of the GDP (Seddon 1998). Thus, remittances by far exceed official values of overseas exports, which are at about 22.2 billion NRs (TPC 1999, Graner 1999). Similarly, these estimation also by far exceed officially quoted values of remittances, as provided by the Nepal Rastra Bank, which were at about 2 billion NRs in 1995/96 and increased to 4 billion NRs in 1997/98 (Figure 2).

Figure 2
Foreign Currency Earnings in Nepal



Source : NRB 1999

One of the few national sources on labour migration and remittances is provided in the Nepal Living Standard Survey (NLSS), which in its assessment on household incomes also investigated into sources and values of remittances (number of remittances received, types of work, regional origin, relation of donor and recipient). The study provides evidence that 23 percent of all households, 760 out of 3373, receive a total of 948 cases of remittances during the year preceding the survey (NLSS 1997). These payments are of importance to households all across the country, particularly in the western hills/ mountains, 30.8 percent of all households, as well as in the eastern terai and in Kathmandu (Table 1). Values of remittances range from an annual average of 8,000 NRs, for far western region, to above 30,000 NRs in Kathmandu, where some households receive remittances from several sources. The crucial role of these remittances is also obvious from the share of total household income, which range between 19 and 31 percent (Table 1).

Table 1
Annual Remittances to Different Regions

	Western Hills	Eastern Hills	Western Terai	Eastern Terai	Kathmandu	Other urban	National average
Pc. of households receiving remittances	30.8	13.6	22.9	26	18.9	20.1	23.4
Aver. annual values of remittances [in NRs]	15,806	19,508	8,736	12,508	33,620	27,561	15,160
Pc. Share of household incomes	31.2	19.1	27.8	24.9	27.6	21.9	26.6
Average household incomes* [in NRs]	35,053	41,084	39,308	45,284	118,939	65,363	43,732
Average per capita incomes* [in NRs]	6,534	7,609	5,772	7,876	24,084	11,502	7,690

* average incomes are given for all households whereas average remittances are given only for households receiving remittances

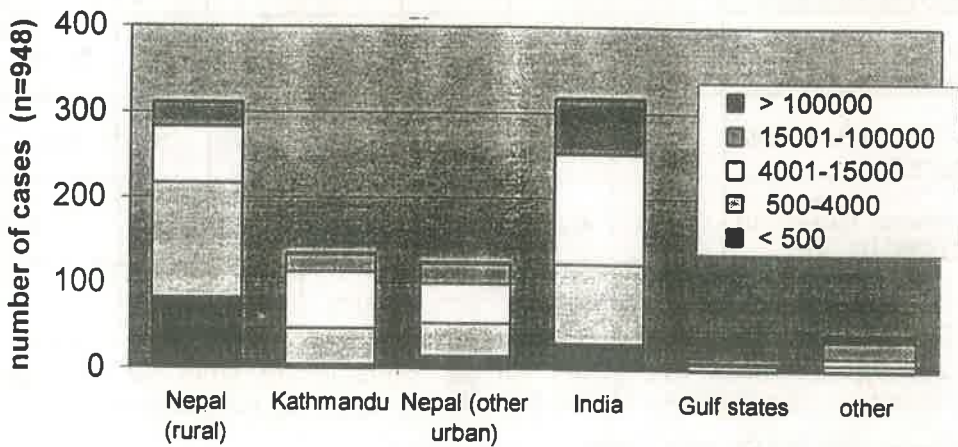
Source: CBS, NLSS 1995 /1996.

Regional interlinkages are apparent from an analysis of the regions of origin of remittances, which are disaggregated for rural and urban areas of Nepal, India and other countries. The high number of remittances from within the country shows the importance of internal migration, at least in terms of volumes, as 58.4 percent 32.6 plus 25.8 percent derive from within the country (Table A1 Appendix). Interestingly, a more detailed analysis of the data base shows that more than half of all remittances from urban areas

from Nepal derive from Kathmandu, indicating the predominant role of the capital city as a destination for labour migration. Remittances from foreign countries originate mainly from India (Figure 2) where urban areas are much more prominent than rural ones, 247 vs. 72 cases of remittances (Table A2 Appendix).

Whereas domestic remittances are important in terms of volumes, it is crucial to note that their contribution in terms of values is far less prominent, 44 percent. Annual values of remittances are particularly low from rural areas within Nepal, where 26 percent are below 500+NRs annually and another 43 percent are below 4,000 NRs. Remittances from Kathmandu are significantly higher and account for 31 percent of all values originating from domestic remittances (Figure 3 and Table A2 Appendix). High value remittances originate from India and particularly from other foreign countries, such as the Gulf states, above 15,000 NRs or even above 100,000 NRs. These latter cases only account for 6 percent of all remittances, yet their value exceeds all domestic remittances, 6,839 billion NRs. vs. 6,409 billion NRs. (Table A2 Appendix). Regional interlinkages between region of origin and region of 'destination' of remittances indicate the importance of Indian labour markets particularly for migrants from western Nepal (Figure 4).

Figure 3
Remittances From Various Regions

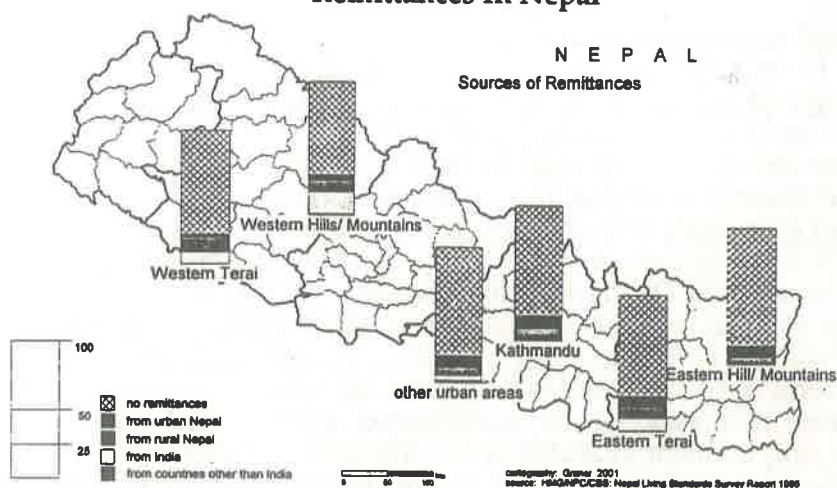


Source : CBS, NLSS 1996.

Among all regions of origin average annual remittances, 5,000 - 136,000 NRs, are significantly higher than median values, 1,500 - 25,000 NRs, (Table A2 Appendix), the latter ranging between 5 to 56 percent of the former. This is a strong indicator for high disparities among single values of remittances, which increase along with overall values. Thus,

comparatively high disparities exist for remittances originating from foreign countries other than India, whereas they are much lower for rural areas of Nepal and India. A high number of remittances is given exclusively in kind, 24 percent; 228 of 948 cases, as is apparent from the data set, particularly for annual values of less than 4,000 NRs. Yet, in some cases in-kind remittances amount to 32,000 NRs, for in-kind only, or even 100,000 NRs in addition to cash remittances. These mixed types are most frequent forms, 373, but often remittances are also given in cash only, 347, (Table A2 Appendix).

Figure 4
Remittances In Nepal



Source : CBS, NLSS 1995/96.

Remittances from rural areas in Nepal mainly originate from workers engaged in agriculture, 151 of 319, other occupations are business, army, and teachers. Wage labour in agriculture is also important for, rural areas of, India accounting for about 12 percent of the remittances from there. Whereas the Indian army plays a less important role today < 5 percent, the occupation as watchmen, *chaukidar* is one of the largest single groups of occupation, 34 cases, 10 percent. A gender analysis shows that among those who support their households through remittances comparatively few are women, 114 of 948 cases. These remittances are generally of low value, ranging mainly below 4,000 NRs, and are only higher in very few cases (Table A2 Appendix).

As mentioned above, some households are supported from various sources of remittances, which could be interpreted as a successful diversification of household incomes. Yet, there are some methodological difficulties in the data set which need to be pointed out. Several sources of

remittances occur either in households with several members remitting to the households of origin which in deed indicates a diversification of incomes. Yet, in many cases remittances from one single person are disaggregated in terms of relation of donor and recipient, as for instance, given to father, wife, child A, child B and C. This rather indicates some or even a high degree of dependence. Remittances are most frequently sent/ given by sons or daughters, 44.7 percent but also by husbands/ wives, 17.2 percent, or father/ mothers, 13.3 percent. All remaining remittances also originate from other family members, such as brothers/ sisters, 11.6 percent, in-laws and more distant family members, such as nephews or uncles, and only 1.9 percent are provided by non-related persons (CBS 1997a).

Total remittances of the households included in the NLSS sample amount to an approximate value of 15,497 NRs. (Table A2 Appendix). Assuming a representative sample of about 1:1000, total annual remittances in Nepal could be roughly assessed at 15 billion NRs. These estimations lag far behind the assessments made by Seddon and his colleagues, 35-69 billion NRs, and these pronounced differences ask for some explanation. Besides the risk of gross understatements from the side of the households included in the NLSS-sample there is also the danger of misrepresentation of the sample households. On the other hand, there may have occurred significant increases even during this comparatively short period of time since the 1995/96 survey, particularly to countries other than India which generally account for a large number of high-value remittances.

These increases can be documented and verified from data on overseas employment available at the Ministry of Labour. Based on this source the issuing of employment permits to overseas countries increased tremendously, particularly in 1997 and 1998 (Table 2). One of the most pronounced changes occurred for permits to Saudi Arabia which now account for 60-70 percent of all labour permits to overseas countries. In addition to these formal permits, it can be assumed that there is a high number of persons engaged in undocumented labour migration (Seddon at al. 1998, Gurung forthcoming). This is particularly the case for women who wish to migrate to Arabian countries and who need to arrange their permits privately. Estimations of the volumes of labour migration range above 100,000 persons for migration to countries other than India, mainly to the Gulf region, and about 15,000 persons to Western and 13,000 to South East Asian countries (Seddon at al. 1998). These numbers are supported by estimations from the Foreign Labour Inquiry Commission set up in 1997 which also estimated the number at above 100,000.

In addition to these migrants, those taking up labour migration to India are generally assessed at about 1 million (Dixit 1997) some sources even estimate a higher number. In spite of these volumes in terms of both workers and importance for the national economy a blindness towards

these dimensions of labour migration remains even during the late 1990s. In 1998 the Nepal Human Development Report, which for other topics is a most well-informed source, quoted grossly underestimated figures of 12,000 persons (NESAC 1998, 104), missing out on quite an important and salient feature of the Nepalese economy.

Table 2
Issuing Of Permits For International Labour Migration 1989-99

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total permits (2)	855	319	194	558	1679	2159	2134	3259	6500	15156	19357
Change to previous year*		-627	-392	188	201	286	012	527	994	1332	277
Permits to Saudi Arabia (1)	No data						1431	1896	4835	11756	13099
Change to previous year*	No data							325	1550	3431	114
Pc of permits to Saudi Arabia*	No data						671	582	744	776	677

* Calculations by the Author based on the of MOL, HMG.

Sources : (1) Ministry of Labour (unpublished data); (2) Gurung forthcoming

CARPET WORKERS - YOUNG MIGRANTS AND THEIR REMITTANCES

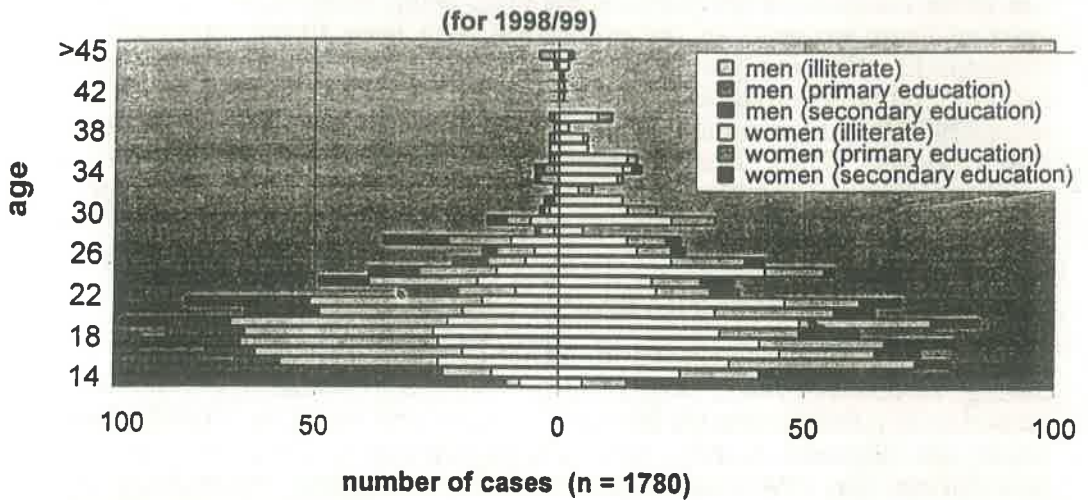
As pointed out before, the production of carpets for international markets has created an enormously large labour market, particularly for women (Graner 1999). After being established in order to provide income opportunities to the refugees (Hagen 1975, Gombo 1985) the gradual increases in demand and production soon brought about the opening of further manufactories, located in and around Kathmandu. Soon, recruitment was increasingly done from sources outside the camps, and thus this labour market rapidly opened up for Nepalese workers. Enormously high annual growth rates, 20-90 percent, particularly during the late 1980s and early 1990s, increased the demand for labourers and initiated a substantial migration process to these manufactories.

When a severe recession set in during the mid 1990s, with declining exports and loss of values (Graner 1999), it affected both entrepreneurs and workers in a hard way. Reasons for this decline were manifold, such as an over-saturated market in Europe and cases of quality decline. Yet, even more crucial were public discussions about working conditions and particularly about child labour, which had a most devastating impact upon

changing the image of, and the imagination related to these carpets from one of an exotic, natural product to one stained by sweat and tears of innocent children. This brought the misery behind the looms as proclaimed by one of the most active NGOs fighting child labour (CWIN 1993), straight into living rooms all across Europe. The reaction which then occurred was to avoid buying carpets and the market broke down. As a consequence, the demand for labourers declined dramatically, whereas during the early 1990s there were about 60-80,000 weavers and an additional force of about 30-40,000 persons for spinning, carding and dyeing of wool, and for cutting and washing of finished carpets, as well as technical and managerial staff, this figure declined to about 60 - 80,000 workers (Graner 2001) by 1996. Along with the permanent fear of loss of work, due to insecure and declining orders and continuous closures of small and medium scale manufactories, the bargaining positions of those workers who managed to stay employed substantially declined. Thus, slowly rising nominal wages had to meet highly inflationary costs for living, a condition which has led to continually decreasing real purchasing capacities (Graner 1999).

The option to take up work in carpet manufactories in the Kathmandu valley was and is predominantly chosen by young people. Dimensions of child labour are difficult to re-construct for those years, and the figures constructed by NGOs, 50 percent of the labour force (CWIN 1993) seem to be politically motivated rather than a matter of fact. Based on the working histories recorded during field work in 1998/99, about 24 percent of the labour force took up work at an age of still being minor, younger than 14, particularly during 1989-1992, when production increased tremendously. Yet, even then those learning to weave were predominantly from the 14-16 age group. Minors accounted for no more than 24-34 percent of the newly recruited labour force, who again were the youngest among this sub-group of the total labour force. In 1998/99 the labour force can be characterised as adolescent youths, 79 percent of the workers were 25 or younger and 50 percent are even 20 or younger, $n=1780$ (Figure 5) and women slightly outnumbered men, 957 and 823. Children under the age of 14 were not encountered, although a negligible number among those aged 14 or 15 looked fairly young. This information is also confirmed by a recently published study on child labour (CPS/ Rugmark 1999), which came across altogether 391 children under the age of 14, among the total enumerated labour force of 23,049, i.e. 1.7 percent. Although these data show that child labour has not yet been completely abolished the study at the same time documents the tremendous success of reducing child labour in carpet manufactories.

Figure 5
Age Structure And Education Of Carpet Workers



Source : Graner, E . 2001.

Most of these adolescents had left their homes in consent with at least one of their parents. They left usually with either contractors, in the early stage, or with village friends and/or elder brothers/sisters who had previously joined the labour force in Kathmandu. Yet, some of them also run away *bhageko* from their homes, usually after some time of unsuccessfully trying to get their parents consent. In some cases they left schools but most of them had left school much earlier, often during their primary education (Figure 5). Among the elder ones who run away some did so in order to make a love marriage in Kathmandu, when the potential spouse was rejected by at least one on the parents.

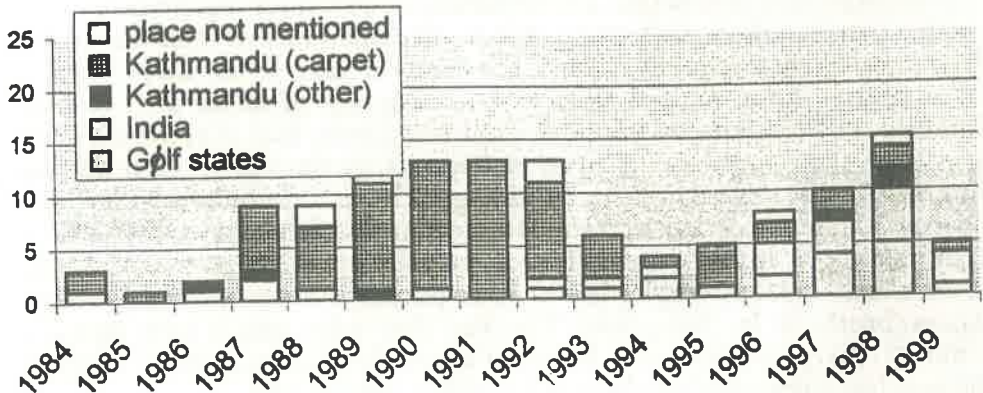
Irrespective of whether the migration occurred with or without their parents consent, most of the labourers remit some share of their incomes to their parents on a regular basis, at least once a year, when they return to their parental home for the autumn festival season at *dasain* and/or *tihar*. Remittances are given by both sons and daughters, and in some cases the ones from the daughters are even higher, as they tend to spent much less on *extras* in Kathmandu. When young girls, and in some cases also boys stay with their elder brothers the latter often put themselves in charge of financial issues. In these cases they collect all wages and give fooding and some share, a fairly negligible one, as pocket money to their younger sisters/brothers. In these cases it is also they who decide how much to remit to their parents, and in some cases they keep a large share to themselves, appropriating the surplus of their youngsters.

The economic recession has drastically reduced accumulation of surplus wages and also have had negative impacts upon remittances. In the late 1990s many workers, particularly after being married, had to spend most of their earnings in order to cope with their living expenses in Kathmandu. Whereas annual remittances in 1992/93 amounted to about 1,500 – 7,500 NRs per worker, these have declined to about 500 – 5,000 NRs since 1995/96. At the same time, the percentage of workers remitting has also declined. Thus, this industry and its workers have become a comparatively non-remitting or at least a small-scale remitting sector of the national economy, particularly when compared to international labour migration.

SEARCHING FOR ALTERNATIVES - NEW LABOUR MARKETS

When income conditions in carpet production gradually declined during the last five years, work in carpet manufactories became much less attractive as a destination for labour migration than it had been until a few years ago. Simultaneously, the Gulf region has evolved as a major destination for overseas migrants. This interesting chronology of destinations for labour migration can also be documented from the village studies in Jhapa district n=60. There, labour migration to carpet manufactories of the Kathmandu valley increased steadily from 1984 onwards, when the first boy was recruited from a businessman of a neighbouring local bazar. Within the following years, many others joined him, either by also being recruited or by following friends and elder brothers or sisters, and this migration peaked in 1991 and 1992 (Figure 6). Migration suddenly declined in 1993 and came to an almost complete stop in 1994.

Figure 6
Migration From Jhapa Gaon
 (133 cases of migration from 60 households)



Source : Graner, E. 2001

By then the first migrants had left for the Gulf region, Kuwait which is becoming more and more popular for people from all over Nepal. This option was also taken up by several young men who had previously been employed in carpet manufactories. Yet, until now, access to labour markets in these states is almost exclusively done via manpower agencies, i.e. vertical and, above all, commodified networks, and fees cum commissions are about 40,000 - 80,000 NRs, corresponding to a two to three years salary of carpet workers. Above all, this type of labour migration also has a **distinctive gender dimension** as demand for men is much higher than for women. Above all, government prohibited recruitment of women to the Gulf states in 1998, following the case of rape of a migrant Sherpa women. Thus, women have stayed back, having the choice between no employment or far less attractive labour markets, such as weaving carpets.

CONCLUSION

Considering both the volume and importance of migration, as well as the recent dynamics, particularly to the Gulf region, one needs to consider implications for, government, policies. First, the Nepalese labour force is generally comparatively low-skilled, in terms of education and/ or vocational training. Thus, a higher qualification could be beneficial at foreign as well as national labour markets. Vocational training centres could cater to these needs. Secondly, the role of remittances is crucial both at a household and national level. Yet, the largest share is sent through informal channels rather than via the national banking system. Improvements could be made in facilitating official channels and encouragements could be made, possibly in form of nominal bonuses. Last, but certainly not least, the discriminative policies against women employment, particularly in the Gulf region, needs to be changed, allowing women to join the labour force but at the same time guarding their safety from exploitative work conditions and harassment.

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Appendix

Table A1
Agriculture, Wage Labour And Remittances 1995/1996

Western	Western Hills	Eastern Hills	Western Terai	Eastern Terai	Kathmandu	Other urban	National average
Agricultural holdings							
Average size of agri. holdings [ha]	1.00	1.03	1.50	1.19	0.41	0.75	1.09
Holdings below 0.5 ha [in %]	49.3	39.3	26.6	35.2	77.5	56.5	40.2
pc. of hhs. without land	5.3	5	11.0	17.2	88	54	16.9
pc. of hhs. renting-in land	18	28.7	34.2	39	48.1	17	28.7
pc. of hhs. renting-in land only	1.9	3	4.1	10.3	12.4	6.2	4.8
Daily Wages [in NRs]							
Agricultural wages	49	40	41	36	88	45	40
Non-agricultural wages	76	83	58	67	121	65	74
Proportion agri./nonagri. wage [in %]	64%	48%	71%	54%	73%	69%	54%
Migration and remittances							
Households receiving remittances [in %]	30.8	13.6	22.9	26	18.9	20.1	23.4
Aver. values of remittances [in NRs]	15,806	19,508	8,736	12,508	33,620	27,561	15,160
Regional origin of remittances [in %]							
Nepal/urban areas	13.1	56.1	8.7	29.8	48.1	41.5	32.6
Nepal/rural area	27.4	29.9	50.6	31.8	29.8	30.9	25.8
India	55.1	9.6	40.7	36.4	2.5	20.5	38.1
Other countries	4.2	4.4	0	2	19.6	7.2	3.4

Source : CBS NLSS 1997, 32-67

Table A12
Remittances From Different Regions Of Origin 1995/96

pc. of households	Remittance [in NRs]							Total amounts of remittances	
	total no.	< 500	501 - 4000	4001 - 15,000	15,001 - 100,000	above 100,000	average	Median	[in 1,000 NRs]
Nepal rural areas)	311	26,4	43,1	21,2	8,7	0,6	5,207	1,500	1,619
Kathm andu	135	3,7	31,1	48,1	14,8	2,2	14,554	6,500	1,965
Nepal other urban areas)	125	12,0	30,4	36,8	18,4	2,4	14,597	6,000	1,825
Nepal total)	571	17,9	37,5	31,0	12,3	1,4	11,224	3,000	6,409
India urban)	247	4,5	27,9	44,1	22,7	0,8	12,440	6,300	3,073
India rural)	72	27,8	33,3	27,8	11,1	0,0	6,586	2,000	474
India total)	319	9,7	28,9	40,6	20,1	0,6	10,532	6,000	3,47
Gulf states	11	9,1	54,5	0,0	18,2	18,2	38,655	2,000*	425
Other foreign countries	47	4,3	17,0	14,9	40,4	23,4	136,468	25,000	6,414
For. countries excl. India	58	5,2	24,1	12,1	36,2	22,4	117,916	20,000	6,839
Total	948	136	319	313	157	19	12,090	4,500	15,795
Women	114	33	52	21	8	0	4,501	1,200	0,513
Men	837	106	269	293	146	23	18,258	5,000	15,282
In cash only	347	10	108	150	58	12	19,891*	-	14,322*
In0kind only	228	106	102	15	6	0	2,451*	-	1,473*

* average and total values of in-kind/in-cash remittances are calculated including mixed remittances

Source : Calculated by the Author based on Nepal Living Standard Survey data base (HMG/NPC/CBS 1997b)