

From Forced Labour to Free Market: The Evolution of Peasant Livelihoods in Nepal ----

By Bhandari, M. & G.C., J. J.

Author	Mahesh Bhandari¹ · Jagat Jang G.C²
Affiliation	¹ MPhil Scholar in Rural Development, Tribhuvan University ² Director at Forward Microfinance Laghubitty Sanstha Ltd.
Email	Mahesh_shakranti@yahoo.com ; astrojaj55@gmail.com

Abstract

This article explains how the existence of Nepalese peasants shifted from being bound in coercive labor systems like Kamaiya, Haliya, Haruwa-Charuwa and Kamlari to working within a relatively more open, market oriented economy. Although Nepal has passed landmark legislation such as the Kamaiya Labour (Prohibition) Act, 2002, and constitutional guarantees against bonded labour under the September 20, 2015, promulgated Constitution of Nepal, discrimination grounded in caste, gender, and class remains an ongoing obstacle to transformative change at the local level. This study uses simple descriptive methods and past studies to follow the course of labor in Nepal from the 7th century up to the current times. The study indicates that despite the fact that many workers were legally freed, most of them have not been able to obtain land, labor as well as basic rights. Many others still do not have identity documents, earn dangerous and insecure livelihoods and also migrate to foreign countries under unsafe conditions. The research also shows that poor land reforms and over reliance on foreign labor and remittances have worked in favor of some more than others especially leaving out the most vulnerable groups. The report argues that in order for Nepal to successfully overcome forced labor, it has to prioritize equal distribution of land, good law enforcement, end discrimination and foster agriculture resilient to climate change. It suggests that policies to be based on human rights and offer rural people access to land, legal identity, vocational training and safe, secured and decent work.

Keywords: Bonded Labor Systems, Forced Labor, Land Reform, Peasantry, Rural Livelihoods

Introduction

Peasants in Nepal have suffered from forced labor, discrimination by caste system and major changes for an incredibly long stretch of history. Slavery in Nepal starts way back in the 7th century. During King Narendra Deva's reign, from 643 to 680, history records that he had donated

10 male and 20 female slaves to the Bhaktapur temple. For centuries after that, the setup did not change. For instance, since 1313, Patan's rich and powerful families recorded that some individuals were freed with a special document which is called Muktapatra. During the 18th century, powerful individuals like Thakur Gira Gosai and King Prithvinarayan Shah also gave slaves away for religious and political reasons. Some changes happened in the late 1700 and 1800 centuries, like royal orders meant to end forced labor systems like Jhara, Betha, and Begara. However, slavery was not ended completely until 1925 by Prime Minister Chandra Shamsher. He also made official rules to freed slaves and signed the 1926 Slavery Convention, which was officially accepted by Nepal in 1963 later on (Bajracharya, 2022).

In recent years, Nepal's farming and labor systems have seen big changes. Before, many rural people especially those from lower castes or ethnic minority groups were trapped in unfair labor systems such as Kamaiya and Haliya. These systems forced them to work for many hours under very bad conditions (Giri, 2012). Though Kamaiya and Haliya were officially ended during the early 2000s, their effects still persist in poor farmers today. Their end happened along with other big changes. After the civil war, Nepal moved towards democracy and started using ideas from the global free market economy. This made labor markets more flexible, farming more for business and land and labor could be bought and sold. People started going other countries to work and that helped them to earn money. However, the jobs were not safe and stable (The Asia Foundation, 2018). Nepalese economy has also changed the way of dealing with people, labor, money and land. People these days don't depend on farms work, rather they starting other jobs, running small businesses and going abroad to earn money. But not everyone is benefited and lucky, the poor people who doesn't have land and belonging from Dalits community are still badly affected (IDSN, n.d.). Ongoing climate change, depleting farming land and environmental damage making the life of rural people more struggling and harder.

According to the Nepal Economic Forum (2025), the situation brings up some questions such as, has the life really become well since forced labor ended or have all those existing problems come back in new forms under the global economy? Bonded labor systems such as Kamaiya which was ended in 2000, Haliya in 2008) and Haruwa–Charuwa also officially ended only in 2022, are kept going even after slavery ended. Most of these former bonded laborers are still not holding any land, due to not having legal documents, being homeless, illiteracy and not also not supporting by the government. Most freed Haliya people are still in the same situation as more likely as slavery

system (The Freedom Fund, 2022). The international groups such as ILO and USDOL have tried helping people through training under 22 types of jobs and for more than 1,100 people (Felm Nepal, 2023). These examples show that even though Nepal had officially ended issues like slavery, unfair treatment, discrimination by cast and abuse to workers still ongoing. Now a days, such issues are shaped by globalization and free market thinking.

This paper looks at how life in rural Nepal has changed over the time, how peasants shifted from bonded labours to wage based workers in the context of Nepal and abroad as well. Paper also looked about how these changes have been affecting to poor farmers in today's global economy.

Literature Review

Nepal's labor history is a clear indication of the ways in which peasants were forced to work under exploitative systems like Kamaiya, Haliya, Haruwa-Charuwa, and Kamlari. The government can have passed laws like the Kamaiya Labour Act of 2002 and included provisions in the constitution to stop these activities from taking place but problems like caste, gender and class discrimination ensure that it becomes difficult for real change to take place. Several studies have investigated how these labor systems emerged, how they developed and whether reforms were successful. This review explores such studies to identify what has already been learned, what is still missing and what are the arguments presented. It helps describing why the struggle for fair labor and equal rights in rural Nepal persists.

Pasa and Kharel (2024) reveal that evolution of peasant livelihoods is increasingly characterized by a shift from agrarian labor to a reliance on international migration, where remittances have become a central pillar of the rural economy, fundamentally reshaping household welfare and local markets. Atreya et al. (2023) discuss the livelihood of Nepali Dalit people, their sources of income, and determinants of their economic status. They learn that Dalits make their livelihood from a mix of agriculture, wage labor, petty commerce, and remittances. However, social discrimination and resource constraint in the form of access to land, education, and credit constrain their economic possibilities. While the research highlights the extent to which caste exclusion still shapes Dalit livelihoods and thereby constrains their ability to make a full transition to free-market livelihoods, it also presents a very optimistic picture of the future. The research is significant in the manner that it highlights the manner in which historic inequalities, such as those of caste and forced labour, continue to influence the ability of Nepal's oppressed groups to integrate into its evolving rural economy.

Shivakoti (2022) discusses Nepal's temporary labour migration in terms of the manner in which the industry remains underregulated and segmented. The article uncovers that Nepali laborers migrate abroad for short-term employment to escape poor opportunities in the homeland, especially in the rural areas where farm and traditional work programs fail to be profit-generating. But repeated migration is usually fraught with threats of abuse, bargain prices, and social disconnection. Shivakoti maintains that this form of labour migration is a critical element of the ways in which many rural families survive and increase their means of livelihood in a changing economy. This research showcases peasants' on-going challenges as they move from forced labour and subsistence farming to employment based on markets, often global in Nepal.

Uprety (2021) investigates how Nepal's peasants are dealing with capitalist economic changes at both the national (macro) and local (micro) levels. He demonstrates how even after neoliberal reorganization and market integration in the 1990s and beyond, the opening up of new earning channels such as wage employment, migration, and petty enterprise has left many peasants economically excluded. Uprety examines how land rights, legal entitlements, and social relations influence who benefit from such a shift. Poorer and peripheral groups are excluded from access to credit, secure land titles, or market linkages and therefore limit their involvement in the new rural economy. His research shows that despite increasing market forces, structural inequalities continue to shape peasant survival strategies. This source reveals why the transition out of forced labour livelihoods to more diversified, market-oriented livelihoods has been power- and class-conditioned and asymmetrical.

Sunam (2020) examines how transnational labour migration has reshaped rural livelihoods and agri-food systems in Nepal. He explains that the majority of rural households greatly depend on remittances that relatives who work abroad send, and this has changed traditional home economies and agricultural practices. The remittance income from migration is assisting households to invest in education, land, and small businesses instead of moving beyond subsistence farming and forced labor. But Sunam also makes the point that remittance dependence generates new vulnerabilities such as reliance on unsafe foreign employment and altered social dynamics among populations. His study illustrates how the streams of labour migration and remittances are contributing to the incremental change of Nepalese peasants away from forced labour systems toward more market-oriented and diversified ways of living. Shrestha (2019) provides a latest development in the labor law of Nepal and how it has contributed towards the labor market. Based on the study, reforms

that aim at protecting laborers' rights and guaranteeing labor conditions have minimized exploitation, for instance, activities traceable to forced labor.

The enforcement of reforms is weak, especially in rural and informal sectors where peasants work. The article further concludes that although the law secures fair compensation and social security, insecurity in contracts and low access to legal aid continue. This analysis serves to demonstrate that legal reforms are a step in the right direction towards bettering the labor conditions in Nepal but should be coupled with more effective implementation to enable peasants to switch from coerced to market-led livelihoods.

Hoffmann (2018) examines how western Nepal's laborers moved from bonded to precarious factory work in new factories. He outlines how bonded labor was ended, but ex-bonded laborers now face irregular work, lower wages, and ethnic discrimination in factories. The paper also concerns itself with how Maoist political movements impacted workers' assertions of superior rights and fair treatment. Hoffmann's book draws attention to the reality that the path from forced to wage labour is not a smooth road to freedom but one of continued struggles over economic security, identity, and power. The book aids in acknowledging the complicated and uneven process of peasant livelihood transition in Nepal's marketization.

Campbell (2018) articulates how natural products and biodiversity are key upon which the rural people of Nepal survive and how sustainability conflicts with their economic decision. He demonstrates that peasants subsist not only on farming but also on forest products, medicines, and ecosystem services. Conservation policies, however, limit access to these resources at times and create conflict between environmental goals and local needs. Campbell identifies that the ability of peasants to maintain their livelihood is a question of brokering such tensions and adapting to ecological change and pressures of the marketplace. This research helps to comprehend how the transformation from conventional systems of forced labour towards more market-based rural livelihoods in Nepal is extremely connected with natural resource management, where peasant possibilities and constraints are being shaped by sustainability issues. Giri (2012) analyzes the system of bonded labour, Haliya and Kamaiya, of Nepal's Musahar and Tharu people. He explains how, although illegally but being in place for centuries, the forced labor had trapped tens of thousands of peasants under debt and tyranny. The study demonstrates how the labor contracts were institutionally unequal with limited freedom and autonomy over decision-making for workers and thus a very limited economic autonomy. Giri also presents the visions of affected communities

and how bonded labor established social relations and curbed peasants' ability to transition towards free-market livelihoods. His book underscores the long-term impacts of forced labour on rural marginalization and poverty in Nepal, which account for why peasant livelihoods transitioned gradually and asymmetrically from coercion to more market-oriented systems.

Rigg (2006) dismisses the common belief that farm ownership and farming will always reduce rural poverty in the Global South. For Rigg, farm work remains fundamental, yet rural citizens rely on diverse occupation, such as off-farm wage employment, migration, and petty work, for livelihood and an improvement of their livelihoods. Land cannot be a guarantee for a good life since poor farmers are at risk from factors like low productivity, landlessness, and adverse access to the market. Rigg highlights the need for poverty-reduction policies in rural areas to respond to diversifying rural incomes and to acknowledge how farming is positioned within broader economic and social change. It is this that accounts for why, in countries such as Nepal, the transition away from forced labor and subsistence agriculture to free-market livelihoods entails not only complex landholding changes but also in peasant modes of organizing diverse means of coping with poverty and risk.

Start (2001) looks at how rural households exit from agriculture and enter non-agriculture activities and how this affects poverty. He explains that the rural non-farm economy (RNFE) develops in stages small at first, widening as farming picks up, fluctuating sometimes when cities take in more labor and capital, and eventually taking off once again through rural-urban connections like subcontracting. Although the RNFE may lower rural poverty through jobs and income generated, it is not for everyone. At other times, the richer rural households will be better placed to take advantage of the new opportunities, creating increased inequality. Start also argues that government policy would need to be appropriate to each stage of the RNFE. For example, in early stages, minimal intervention through credit or training will be needed, while later stages would involve greater investment in infrastructure or market access. This model is useful to understand how the rural economy of Nepal developed when it changed from subsistence agriculture and forced labour systems to more diversified and market-oriented sources of livelihood.

Blaikie, Cameron, & Seddon (1980) describe how Nepal's rural economy continues to be mired in stagnation and inequality despite modernization. They argue that Nepal's physical geography peripherality and Indian dependence, along with mainly entrenched class structures and unequal state machinery, exclude economic advancement. The text is founded upon extensive fieldwork

and shows how town development and bureaucratization are working to serve a narrow elite, yet the majority of peasants have narrow livelihood opportunities and rising poverty. They warn that subsistence farming, still a rough 90 percent of the population, has limited room for escape from exploitation, and off-farm job opportunities typically remain out of reach for poorer families. Their political economy perspective highlights the way mobility, credit, and land are still in the grip of power relations, short of providing peasants with a transition to free market forces. This source helps to portray how in Nepal, the transition from forced labor to market living has been slow, uneven, and deeply shaped by inequities.

Regmi (1971), in this volume examines how Nepal's initial Gorkha state (1768–1846) formed peasant life in terms of land and taxation policy. He shows how although the state (Jagirdar, village headman, Birta) gave land rights to landlords, peasants were tied to the land to provide unpaid labour in the form of *jhara*, *hulak*, and *rakam*, and to pay taxes. Half of the crops (*adhya*) went not to landlords but to landlords and the state, who advanced (*kut*) and created a usurious and locally based moneylending economy that entangled peasants in bondage and debt. Revenue streams like *Ijara* and *Amanat* were mismanaged, allowing tax administrators to exploit villagers, spreading inequality. Regmi also reckons that economic policy is geared towards maximizing short-run revenue through the exploitation of land reclamation, monopolistic trade, and export taxation, rather than for growth or peasant well-being.

As a result, despite apparent reforms, most peasants were still in dependency, without any progress in economic liberty or market-based livelihoods. Caplan (1967) studies in this book how land policy in East Nepal reshaped peasant existence. The state tried to eliminate forced labor and traditional land arrangements, but the majority inappropriately local elites hijacked the reform. These influential men utilized their power to acquire more land and influence, while denying the poor peasants anything. Most peasants continued to work under oppressive conditions even after they were legally outlawed, including paying excessively high rents or being debt bonded. Caplan demonstrates that rather than actual freedom, most farmers transitioned from one domination to another. His thesis explains why peasant life in Nepal evolved slowly and unevenly, as the nation was headed toward a free economy.

Objective and Methodology

The aim of the research is to contribute to an improved understanding of the history and modern day transitions of peasant livelihoods in Nepal with special emphasis on the transition from

systems of compulsory labour to involvement in free market economies. By taking into account social, economic and policy processes that have influenced such development, the research intends to make an academic and applied policy contribution towards improving rural livelihoods. The specific aim of the study is to analyze how labor relations, land policy and market integration transformations are influencing peasant livelihoods in Nepal in the transition from forced labor to diversified, market-oriented economic activities. This study takes a systematic way of studying transformation of Nepalese peasant livelihood, more precisely in the sense of change from compulsory labour economies to market-based economic activities. All the human being are bound to do action – Karma, that is physical labour (Badal, 2020).

The research design involves developing a theoretical framework based on the literature, determination of the suitable source of data, application of apt research designs and employment of suitable tools and techniques of data collection and analysis. The overall aim is to set a firm foundation for understanding the social, economic, political and policy forces that have influenced the development of rural livelihoods and work in Nepal. The research design employed for the current research is primarily qualitative and descriptive.

The research design seeks to explore and outline the historical and contemporary patterns through which Nepalese peasants' livelihoods have been transformed from forced labor to participation in the open market. The research design is interested in finding patterns, explanations, and implications of the change and, additionally, the influence of policy and structural factors. Data wise, this study is based solely on secondary data. Data have been collected from a broad range of literature, from academic journals to books, government reports, policy documents and policy reports and reputable web-based databases. Data cover different time periods to facilitate a longitudinal assessment of the development of labour systems, land policy, labour law reforms and rural economic trends and migration flows in Nepal, to some extent. This type of information gives comprehensive knowledge about the evolution and transformation of peasantry labour system over the time.

Findings: Historical Transition of Peasant Livelihoods in Nepal

Nepal's rural history was built on feudal labor relations under which peasants suffered bonded labor systems such as Kamaiya (Western Nepal's Tharu bonded labor), legally abolished in 2000, but persisted (ILO, 2001), Haliya (Far-West Nepal's debt-bonded ploughmen), legally abolished in 2008 (GoN, 2008), Raikar and Birta systems, landlords received surplus in the form of forced

labor (Regmi, 1978). Based on ILO estimated report (2001), 20,000 Kamilya Households were freed but there were minimal alternative livelihoods. Landlessness was still high after abolition (CBS, 2011), forcing most into informal wage labour. The majority of people in forced labour are found in Asia and the Pacific region with 15.1 million and highest prevalence of 5.3 in one thousand people is found in Arab States, (ILO, 2022). As per IDSN (Date accessed on July 22, 2025), Nepal's interim Constitution in effect prohibits slavery, serfdom or forced labour in any manner. The Government declared in 2000 that kamaiya system was illegal and kamaiya bonded laborers had to be released, and the Kamaiya Labour (Prohibition) Act was passed in 2002 declaring bonded labor by kamaiyas illegal, nullifying all the loans made, and liberating all employed as kamaiya laborers.

Though aimed mainly at the kamaiya bonded laborers, by making illegal work or service performed by a person to his creditor without remuneration or at minimal remuneration to repay loan, the 2002 Act can potentially be extended to other forms of bonded labor. In 2000 and in 2002, when the Government of Nepal passed the Bonded Labour (Prohibition) Act and The Kamaiya Labour (Prohibition) Act, respectively, thousands of bonded laborers were evicted from their houses and their landlords refused to give them land and labor and left them with no food to eat. Without any assistance from the government, they were compelled to remain in the fields and were devoid of any means of livelihood. Activities that had previously been rejected by their landlords they transformed into internally displaced and homeless. Failures in the process of rehabilitation have exposed former kamaiya bonded laborers to falling into new forms of exploitative work such as bonded labor.

Year (CE / VS)	Description of Major Events
ca. 643–680 CE	Licchavi King Narendra Deva assigned 10 male and 20 female slaves to Anantalingeshwar temple in Bhaktapur.
1313 CE	Patra nobles of Ga Baha, Patan freed two individuals using muktapatra.
1759 CE	Thakur Gira Gosai offered land and a female slave to Adivishweshwar temple, Bisankhu.
1766 CE	King Prithvinarayan Shah gifted slaves or exchanged seized slaves for buffalo..
1773 CE	Balakrishna Deva Sharma offered two Newar girls as devadasis to Pashupatinath temple.
1776 CE	Joga Narayan Malla offered two female slaves to Bhagavati temple, Kabhrepalanchok
1790 CE	/
VS 1847 Bhādra	Abolition of jhara, betha and begara systems in Morang District.
1793 CE	/
VS 1850 Jyestha	Royal decree freed those enslaved in Jumla after rebellion against Ranjit Kavara.
1803 CE	Jhara obligations remitted for all Brahmins in Parbat; ban on enslaving Brahmins and Rajputs issued (VS 1860 Kartik).
1804 CE	Hulaka postal services introduced, relying on compulsory labor.
1808 CE / VS 1865	King Girvanayuddha issued rukka forbidding sale of children to Muslims, Madhesis, and Bhotyas.
1813 CE	All Brahmins exempted from jhara obligations.
1822 CE	/
VS 1879 Āśvina	Lalamohar issued to protect Magars from enslavement in Bheri–Mechi region.
1830 CE	/
VS 1887 Kārtika	King Rajendra ordered Danuwar creditors not to enslave pledged persons in seven villages.
1834 CE / VS 1891	Two lalamohars required approval before slave transactions in Bajhang, Bajura, and Achham.
1839 CE	/
VS 1896 Bhādra	Royal decree banned sale of children into slavery nationwide.
1854 CE	/
VS 1910 Pauṣa Śukla 7	Promulgation of the Muluki Ain (civil code).
1863 CE	/
VS 1920 Kārtika	Rukka exempted Newar and Limbu castes from enslavement.
1885 CE	PM Bir Shamsher banned enslavement; however, no action taken for existing slaves.
1901 CE	/
VS 1957 Phālguna	PM Dev Shamsher and Queen Krishnakumari Devi emancipated 767 slaves during coronation.
1901 CE / VS 1958	PM Dev Shamsher attempted to free female slaves in Kaski and Lamjung; amended Ain to prohibit slave sale and pledging.
1924 CE	PM Chandra Shamsher delivered emancipation speech at Tundikhel.
1925 CE	/
VS 1982 Vaiśākha 1	Chandra Shamsher enacted a total ban on enslavement and enforced manumission through Ain amendment.
1925 CE	PM Chandra Shamsher established the Dasatvamocana Adda to enforce manumission.
1963 CE	Nepal signed the 1926 Slavery Convention.
2000 CE	Bonded Labour (Prohibition) Act enacted (2002).
2008 CE	Haliya bonded labor system abolished; Haruwa–Charuwa recognized as legally freed only in 2022 (Freedom Fund, 2022).
2023 CE	ILO & USDOL funded vocational training across 22 trades for over 1,100 beneficiaries; Felm (2023) reports many freed Haliyas in de facto bondage due to lack of IDs, housing, services.
2023 CE	ILO launched Phase II of the Bridge Project to continue addressing forced labor in Nepal (ILO, 2023).

Table 1. Historical Timeline of Forced Labour to Free Market in Nepal

Source: Bajracharya, 2022

The timeline shows that Nepal evolved gradually though not always uniformly from temple slavery and forced labor to law-based freedom and finally towards a market-based way of living for

peasants. From as early as the 7th century, slaves were given to temples by King Narendra Deva, and later forced labor systems like Jhārā, Begārā, Kamaiya, and Haliya dominated. They were totally integrated into Nepalese daily political and religious life. People especially women and lower caste member were often discarded as gifts, sold or used as loan sureties, a practice continuing well into the 1800s. The illustration demonstrates how gender- and caste-based discrimination worked under feudal labor practices.

Though some 18th and 19th century laws limited slavery and forced labor, real reform only took place in the 20th century such as emancipating the slaves with a law in 1925 and Nepal's accession to international conventions in 1963. More significant reforms came with systems of bonded labor formally abolished: Kamaiya in 2000, Haliya in 2008, and Haruwa Charuwa in 2022 (Freedom Fund, 2022). However, it also makes it clear that the abolition of forced labor did not equate to real freedom. The liberated workers are still tied in poverty because they were not properly helped, do not have property, lack certificates and continue to suffer from discrimination. It shows that law-based freedom means nothing without other changes in the system. It supports the argument that Nepal's move to abandon forced labor and adopt free markets leaves increasingly poor rural people behind and in a state of marginalization. The latest available data suggest that there are 69,738 released freed Haruwa-Charuwas, 27,570 released freed Kamaiyas, 16,953 released freed Haliyas and 9,490 released freed Kamlaris (ILO, 2023).

Discussion of Findings

This chapter looks at how Nepal progressed from running forced labor systems to establishing a market-based rural economy. It comes out that in spite of various legal reforms being made, meaningful progress for poor rural people has been restricted and slow. Systems like Kamaiya (abolished in 2000), Haliya (2008), and Haruwa-Charuwa (recognized in 2022) were legally abolished but the status of freed workers has not shifted significantly. Most of them remain landless, devoid of legal documents, and without permanent livelihood and many of them live in poor conditions. According to the International Labour Organization (2023), there are 69,738 Freed Haruwa-Charuwas, 27,570 Freed Kamaiyas, 16,953 Freed Haliyas, and 9,490 Freed Kamlaris, most of whom still face problems getting housing and employment. Debt waivers were granted and bonded laborers were freed when the Kamaiya Labour (Prohibition) Act of 2002 was passed. But landlords evicted the employees on most of the land they were working. Because there

was no concrete plan to allow them to start new lives, the majority opted for poorly paid, irregular work or traveled under hazardous conditions (IDSN,n.d.).

When Nepal switched to a new economy, former bonded laborers mainly Dalits and indigenous groups moved into foreign or informal labor forces, but they were still treated badly as attested to in the Sunam (2014) Marginalised dalits in international labour migration. Remittances (remitted funds by migrant workers) were important to all households, but the labor itself was dangerous, low-wage, and most straining on women (Shivakoti, 2022). Land reform was supposed to benefit freed laborers in acquiring land, but it did not work. Far too many did not get land, or got poor land far away from facilities, and legal ownership remained ambiguous (CBS, 2011). Land laws that usually preceded favoring to elites class, but not to poor farmers (Regmi, 1971). While Nepal's constitution has subsequently banned forced labor and promoted even land rights, poor enforcement and corruption have stymied actual change. Policies like the 2019 National Land Policy have failed to be implemented effectively, especially in poorer districts.

Caste, class and gender still define who has access to quality jobs, education, loans and land. Dalits, women and indigenous groups are usually excluded from the benefits of economic growth (Atreya et al., 2023). For example, Kamlaris, young Tharu girls who were traditionally bonded labor, still suffer even though their system was abolished in 2013. Social and economic restrictions still exist despite some training programs. Environmental problems are making things worse. Climate change, deforestation and limited access to natural resources have also exacerbated it by making it even harder for rural households to survive. Vulnerable people end up being in direct confrontation with forest conservation policies (Chalise et al., 2015).

Nepal passed stringent legislation, including the Kamaiya Prohibition Act in 2002 and abolition of Haliya in 2008 and the constitution forbids bonded labor. The legislation is not strictly enforced. In 2023, the ILO and USDOL launched the second stage of the Bridge Project, where 1,115 former bonded laborers gained new skills in 22 various professions (ILO, 2023). However, most of the freed workers fail to have accessible common shelter, education and equitable employment opportunities (Felm Nepal, 2023). The black economy of Nepal is very large, it comprises nearly 39percent of Nepal's GDP, according to The Kathmandu Post, 2024 and therefore many rural workers continue to be exploited regarding remuneration, dangerous work, and loans. Even with the ban on forced labor, most of the rural dwellers are still in very hard conditions.

Conclusion and Policy Implications

Nepal lawfully ended such bonded labor systems as Kamaiya, Haliya, Kamlari and Haruwa-Charuwa through path-breaking legislations like Kamaiya Labour Prohibition Act (2002) and constitutional ban on forced labor. But the journey towards replacing forced labor with genuine economic freedom has long to go. Most are the previous bonded laborers still do not have land, regular employment and even not being able to avail basic services as well. Most remain disadvantaged, without citizenship certificates or permanent residences. Although they are legally liberated, they remain vulnerable to exploitation and exclusion in every facet of life. Neo liberalization, inefficient land reforms and migrant labor have not touched deep-rooted inequalities of caste, class and gender.

To bring about this change truly inclusive, Nepal needs more than just legislation. Policies will also need to address structural changes like speeding up land reform giving women equal opportunity, offering training and shelter support and giving freed workers identity documents. Laws against bonded labor need to be enforced with zero tolerance. Combating caste and gender-based discrimination in employment, property and credit must be addressed with zero level tolerance. Informal labor markets need to be properly organized and migration guaranteed. Small farmers need to be supported through green agriculture and climate resilient policy. Nepal has to overcome the legacy of legal emancipation and to struggle for real dignity, justice and equal opportunity for rural people.

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