

**A CRITICAL ANALYSIS OF THE DE-PEASANTISATION
PROCESS IN NEPAL WITH SPECIFIC REFERENCE TO THE
ROLE OF STATE LAND POLICIES SINCE THE 1950S**

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**BY
JAGAT BAHADUR BASNET**

Department of Sociology

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Supervisors: Professor Kirk Helliker and Professor Praveen Jha

ABSTRACT

The principal objective of this thesis is to offer a critical analysis of the process of de-peasantisation in Nepal since 1950, with a particular focus on the capitalist neo-liberal restructuring of the economy beginning in the early 1990s. The analysis begins by tracing the legacy of feudal land practices and landholdings from the pre-1950 *Rana* and *Shah* dynasties. It was under these feudal dynasties that economic and political institutions of extraction first emerged, leading to a landlord-peasant agrarian economy in which peasants (often as tenants/sharecroppers and smallholders) were subordinate to the power nexus between feudal landlords and the ruling dynasties. After 1950, a window of democratic opening was soon interrupted by the formation of the party-less *Panchayat* system, which lasted from 1960 to 1990. In 1964, a major land reform measure was enacted under the Lands Act, with the goal of enhancing the security and livelihood of the peasantry. However, this process was met with significant resistance by feudal landlords, and actually led to deepening insecurity and the loss of land by peasants, with farmers belonging to lower castes and indigenous groups experiencing this with a greater degree of intensity. The overall result of this period was the beginnings of what is referred to in this study as de-peasantisation. This line of analysis shows that the institutions of extraction remained firmly in place even after the reforms of this period. Finally, the neo-liberal period, which was marked by land titling, the marketisation of land, and the commercialisation of agriculture, represents the late entry of capitalism into Nepal. This period saw the deepening and widening of the process of de-peasantisation, including further loss of peasants' access to land and a general turn to wage-labour. In this regard, despite propagating the slogan 'land to the tillers', the major political parties in Nepal (including the Maoist party) have failed to defend the interests of the peasantry. Some progressive civil society groups have recently sought to do better, but there is also evidence of peasant organisations themselves seeking to resist and oppose the de-peasantisation effects of neo-liberal restructuring.

This thesis thus considers the form and extent of de-peasantisation in Nepal, and some responses to it, over an extended period. A broad Marxist-based political economy perspective has been adopted in pursuing the principal thesis objective, but one which argues that there is a symbiotic relationship between economic and political power, such that the latter is not reducible to the

former. The thesis draws upon original fieldwork in twenty districts of Nepal, including through the use of a survey, interviews, observations, case studies, and focus group discussions, thus combining both quantitative and qualitative research methods. Based on this fieldwork, it becomes clear that (i) there are major social, economic, and political forces behind the processes of de-peasantisation in the studied districts (and in Nepal more broadly), and that (ii) the Nepali peasantry is becoming increasingly landless, or land-short, and subject to processes of proletarianisation.

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ACRONYMS/ABBREVIATIONS

ADB	Asian Development Bank
ADB,N	Agriculture Development Bank of Nepal
ADS	Agriculture Development Strategy
ANFA	All Nepal Farmers' Association
APP	Agriculture Perspective Plan
CA	Constituent Assembly
CBS	Central Bureau of Statistics
CDO	Chief District Officer
CPA	Comprehensive Peace Accord
CPN	Communist Party of Nepal
CPN-UML	Communist Party of Nepal-United Marxist-Leninist
CSO	Civil Society Organisation
CSRC	Community Self-Reliance Centre
DADO	District Agriculture Development Office
DAO	District Administration Office
DFID	Department for International Development
DLRF	District Land Rights Forum
DLRO	District Land Reform Office
FAO	Food and Agriculture Organisation
FGD	Focus Group Discussion
GDP	Gross Domestic Product
HLLRC	High Level Land Reform Commissions
IC	Interim Constitution
IFAD	International Fund for Agriculture Development
ILO	International Labour Organisation
IMF	International Monetary Fund
INGO	International Non-Government Organisation
IOM	International Organisation of Migration
LPSC	Landless Problem Solving Commissions
LSS	Living Standards Survey
LRO	Land Revenue Office
LRF	Land Rights Forum
MoLRM	Ministry of Land Reform and Management
MP	Member of Parliament
NC	Nepali Congress
NGO	Non-Governmental Organisation
NHRC	National Human Rights Commission
NLRF	National Land Rights Forum

NLSS	Nepal Living Standards Survey
PhD	Doctor of Philosophy
PMO	Prime Minister's Office
PRSP	Poverty Reduction Strategy Paper
RPP	<i>Rastriya Prajatantra</i> Party (Royalist)
SAP	Structural Adjustment Programmes
SEDP	Small Farmer Development Programme
SEZ	Special Economic Zone
SPA	Seven Party Alliance
SPSS	Statistical Package for the Social Sciences
UML	United Marxist and Leninist
UNDP	United Nations Development Programme
USA	United States of America
US	United States
UDMF	United Democratic <i>Madhesi</i> Front
UCPN-M	Unified Communist Party of Nepal-Maoist
USAID	United States Agency for International Development
VDC	Village Development Committee
WB	World Bank
WTO	World Trade Organisation
WWF	World Wildlife Fund

GLOSSARY

<i>Bataiya</i>	Sharecropping of any crops or sharecropping means 50/50 sharing of production between landlord and tiller
<i>Bhoo-mafia</i>	Land grabbers
<i>Bhote/Majhi</i>	A kind of indigenous people with a minority of population skilled in ferrying and fishing
<i>Bhupati</i>	Lord of the land.
<i>Bigha</i>	Predominant measure of land common in the Nepal <i>Tarai</i> and India. One bigha = 0.67 hectares.
<i>Birta</i>	Land grants made by the state to individuals usually on an inheritable and tax-exempt basis; abolished in 1959
<i>Brahmin</i>	Higher caste
<i>Castes in Tarai</i>	<i>Maithil Brahmin, Bhumihaar, Chhetri (Rajput), Vaisya (Yadav, Kayastha, Halwain, Hajam, Sonar, Lohar, Rajbhar and others) and Sudra or untouchable (Tatma, Bantar, Mushahar, Chamar, Dom and others).</i>
<i>Charawa</i>	Cattle herder
<i>Chamars</i>	<i>Dalit</i> community that resides throughout the eastern <i>Tarai</i> and north India
<i>Chaudhary</i>	<i>Tharu</i> tax collector and administrator in the pre-Rana years. The position was replaced with that of the <i>Jimidar</i> . Today <i>Chaudhary</i> is often used to refer generically to the members of the <i>Tharu</i> ethnic group, many of whom use the term as a sur-name alongside the name of their sub-caste
<i>Chepang</i>	Marginalized indigenous people (mostly residents of central hill part of Nepal)
<i>Chhetri</i>	Middle caste
<i>Dalit</i>	Untouchable
<i>Damais</i>	<i>Untouchable (dalits group mostly involved in tailoring)</i>
<i>Dhur</i>	Very small plot of land (20 <i>Dhur</i> = 1 <i>Katta</i> , 30 <i>Kattha</i> = 1 <i>ha</i>)
<i>Duniya guthi.</i>	Common religious trust including land
<i>Dware</i>	Headman of village
<i>Ex-Kamaiyas</i>	Liberated semi-bonded labour (Liberated <i>Kamaiyas</i>)
<i>Gaun</i>	Village/Community
<i>Gupti Samjhuta</i>	Collusive transfer of land
<i>Guthi</i>	A form of land ownership associated with religious institutions. This is the only form of non- <i>raikar</i> tenure which remained legal following the abolition of <i>birta</i> tenure.
<i>Haliya/Harawa</i>	A bonded labourer who works for a household for a set period of time System of hiring ploughmen (<i>haliya</i> in hills, <i>harawa</i> in <i>Tarai</i>); usually bonded arrangements with ploughman working for free to pay off debts
<i>Hatway</i>	Subordinate of <i>Munsi</i> who used to help <i>Munsi</i> for record keeping

<i>Jagir</i>	<i>Raikar</i> land assigned to government employees in lieu of salaries; abolished in 1952
<i>Jagirdar</i>	Government employee
<i>Jamindar</i>	Tax collector during the <i>Rana</i> years. They were generally residents in the community and were responsible for collecting tax from the peasantry. Farmers whose ancestors were <i>Jimidars</i> used to maintain a degree of political and economic power today.
<i>Jan</i>	Paid agricultural labourers
<i>Janajati</i>	Indigenous ethnic groups
<i>Janata Awash</i>	People's housing; it is government programme in Nepal for homeless poor
<i>Jhara</i>	Forced and unpaid labour exacted by government, pre-dating <i>Rakam</i>
<i>Jimidar</i>	Indian term for large landlord. Not to be confused with <i>Jimidar</i> , who was a <i>Rana</i> era land functionary and tax collector
<i>Jimidari</i>	The holding of a <i>Jimidar</i> (landlordism)
<i>Jirayat</i>	A plot of taxable land attached to a <i>Jimidari</i> holding as part of the <i>Jimidar</i> 's salary, cultivated with unpaid labour
<i>Kamaiya</i>	Bonded labourer of <i>Tharu</i> origin in five mid-western <i>Tarai</i> districts
<i>Kamis</i>	Untouchable (<i>dalit</i> group, mostly involved in iron work)
<i>Kamlari</i>	Girl child who works for landlord's house
<i>Kipat</i>	Customary land rights granted to indigenous groups such as the <i>Limbus</i> and <i>Rais</i> of eastern Nepal by recognising their communal rights to the land (mostly on the clan/lineage basis)
<i>Kut</i>	Rent in cash or kind paid by sharecropper/tenant to landlord or directly to the state in past under <i>Raikar</i> arrangements
<i>Laguwa</i>	Monitors of labourers of landlord
<i>Limbu</i>	Indigenous people of eastern part of Nepal
<i>Madeshi</i>	Inhabitants of <i>Tarai</i>
<i>Malik</i>	Respectful reference to somebody in a position of authority or power who is the owner of means of production
<i>Mestar</i>	Sweeper of landlord
<i>Mukhiya</i>	The headman or chief of a village; the leader of a <i>Panchayat</i>
<i>Muluki Ain</i>	National civil code
<i>Munsi</i>	Record keeper of landlord
<i>Mushahar</i>	Dalit community that resides throughout the eastern <i>Tarai</i> and north India
<i>Muslim</i>	A distinct social group with <i>Muslim</i> religious identity living in the <i>Tarai</i>
<i>Newar</i>	An indigenous group of people originally from Kathmandu
<i>Pahad</i>	Hill
<i>Pahadiya</i>	Inhabitants of the hills
<i>Panchayat</i>	Village council with nine administrative wards; also a partyless system introduced in Nepal in 1960 which continued till 1990.

<i>Pathi</i>	8 <i>manas</i> (Nepali measurement tool, around 3 kg = 1 pathi)
<i>Patuwari</i>	Person who used to maintain records of lands or homesteads and recover land-revenue or other tariff
<i>Pradhan Pancha</i>	Chief of the <i>Panchayat</i>
<i>Rai</i>	An indigenous ethnic group of eastern Nepal; also a headman of that community
<i>Raikar</i>	Lands on which taxes are collected from individual landowners, traditionally regarded as state owned land; it was recognised as private property by the Lands Act in 1964
<i>Raj guthi</i>	Religious endowment under the control of the <i>Guthi</i> Corporation
<i>Rajas</i>	Rulers
<i>Rakam</i>	Unpaid and compulsory labour services exacted by government; abolished in 1963
<i>Rana</i>	Series of feudal hereditary Prime Ministers who ruled Nepal from 1846 to 1950.
<i>Ropani</i>	1 ropani = 5,476 sq feet, or 0.05 ha or 4 <i>muris</i>
<i>Santhal</i>	Indigenous group of people in eastern <i>Tarai</i>
<i>Sarkis/</i>	Untouchable (<i>dalits</i> group mostly involved in leather work)
<i>Shah</i>	Surname of monarchs; a particular ruling dynasty
<i>Subba</i>	Community headman among the <i>Limbus</i>
<i>Sunuwar</i>	Indigenous people from the hills
<i>Tahalu</i>	Serving food to labourers
<i>Talukdar</i>	A village level revenue collector in the hill region
<i>Talukdar</i>	A landholder in the Mughal Empire and British Raj in India and Rana period in Nepal, responsible for collecting taxes from a district
<i>Tarai</i>	Plains area bordering India
<i>Thakuri</i>	Middle caste
<i>Thakuri/Shah</i>	Middle caste, ruling class before 1990
<i>Tharu</i>	Largest indigenous community of the <i>Tarai</i> ; they are traditionally forest dwellers but now live a largely sedentary life.
<i>Ukhada</i>	A form of <i>Jimidari</i> landownership in three districts in <i>Tarai</i> , namely, in Rupandehi, Kapilavastu and Nawalparasi districts; abolished in 1964.

LAND AREA MEASUREMENTS

<i>Kattha</i>	20 kattha = one bigha
<i>Bigha</i>	1 bigha = 0.67 ha, or 1.6 acres, or 8,100 sq yard, or 20 kattha or 13 ropani
<i>Hectare</i>	1 hectare (ha) = 1.5 bigha, 30 kattha, 20 ropani
<i>Ropani</i>	1 ropani = 5,476 sq feet, or 0.05 ha or 4 muris
<i>Muri</i>	1,369 sq feet; 4 muris = 1 ropani (conversion in local measurements)
<i>20 Dhur</i>	1 kattha
<i>20 Kathha</i>	1 bigha

Chapter One: Introduction

The peasants were born in fields, grew up with spades and died in the fields with almost nothing to show for it. This was generally the fate of all cultivators (Rahman, 1986, quoted in Thapa, 2000: 133)

1.1 Introduction

Sandwiched in between India and China, Nepal is a landlocked country in South Asia which extends about 800 kilometres from east to west and about 160 kilometres from north to south - tiny compared to its two gigantic neighbours. Geographically, the country is divided into three main regions: the Mountains, the Hills, and the *Tarai* (the plains). The history of land usage in Nepal is, in large part, rooted in feudalistic agrarian traditions, involving landlords and peasants. Historically, rulers of the *Shah* and *Rana* dynasties implemented land tenure policies and administrative structures that were highly extractive. Consequently, land in these periods was largely concentrated in the hands of a small ruling elite and its loyalists, while peasants were largely denied any meaningful rights to the land on which they worked. This extractive system sat in place more-or-less unchanged until the intervention of global capitalism, with significant changes to land policy taking place starting only in the 1990s. Around this time, Nepal adopted a liberal democratic order and began to pursue neo-liberal restructuring, which led to the private titling of land and to land becoming increasingly subject to market forces. The contemporary political economy of Nepal lies in the wake of these economic and political changes, marked by an uneasy mix of the feudal past and the capitalist present.

The shift from the feudal past to the capitalist present has thus been marked by significant economic and political restructuring of the control over land. These restructurings have had enormous implications for the lives and livelihoods of peasants, and indeed for the continued existence of the peasantry as a distinctive rural social grouping. In this context, the main objective of this thesis is to offer a critical analysis of the extent and form of 'de-peasantisation' in Nepal since 1950, with particular focus on the neo-liberal era. This involves tracing the history of the feudal system during the pre-*Panchayat* period (1951 to 1960), through the royally decreed land

reforms of the *Panchayat* political system (1960 to 1990), and into the contemporary period of democratic reforms and neo-liberal marketisation and commodification (post-1990).

This introductory chapter is divided into four sections. The next (second) section gives a brief historical background to this study, and then presents a formulation of the statement of the problem this thesis will tackle. The third section sets out the main objective of the study. The fourth section presents the rationale of the study. Finally, the fifth section provides the ensuing thesis outline.

1.2 Background of the Study

Since this study is contingent upon the conceptual clarity of the terms ‘peasants’, ‘de-peasantisation’, and ‘de-agrarianisation’, this section stipulates some usable definitions. For the purposes of this study, ‘peasants’ are people who have direct access to agricultural land, and who rely upon their own regular participation in agriculture for their livelihood and engagement with the market - regardless of the status of their *de facto* or *de jure* ownership of the land. This understanding of the term ‘peasants’ thus includes landholders (who are themselves engaged in regular agricultural labour), tenants, sharecroppers, and semi-bonded labourers who are involved in agriculture on a regular basis. The term ‘peasant’ does *not* include ‘corporate farmers’, landlords who are not involved in agricultural activities, and wage labourers who work in agriculture on an irregular basis, and are characterized by irregular access to land (more details in chapter 3).

Next, ‘de-peasantisation’ here refers to a process marked by a decline in the proportion of the peasant workforce over time; the conversion of independent or autonomous peasants into dependent ones (for example, by turning them into agricultural wage labourers through dispossession of land); and a decline in the proportion of the agricultural output by peasants in the total agricultural output of a country. In historical context, this may be seen as a feature of capitalism’s advent in an agricultural society, and the consequent shift from a traditional agrarian economy to one where commercial agricultural products make up the majority of agricultural output (more details in chapter 3).

Finally, ‘de-agrarianisation’ is defined as a decline in the proportion of the workforce in a country engaged in the primary sector (i.e. in agriculture and other natural resource-based economic activities). A period of de-agrarianisation thus sees increases in the proportion of the workforce engaged in the secondary (mainly manufacturing) and tertiary (i.e. service) sectors. Furthermore, de-agrarianisation is marked by a decline in the proportion of agricultural output which makes up the total gross domestic product (GDP) of the country. Given these conceptual stipulations, it is now important to consider how the historical conditions of agriculture, and the Nepali state’s land policies, acts, and agricultural development policies have shaped the phenomenon of de-peasantisation.

1.2.1 Land Reform Process in Pre-Panchayat Period (1951 to 1960)

Although this discussion is about land policy during the early years of the so-called democratic government in Nepal (1951-1960), it makes sense to begin with a note about the legacy of the *Rana* period (1846-1950) on land tenure and administration. In November 1950, against the political disarray caused by King Tribhuvan fleeing to India, the *Rana* government took the surprising and revolutionary step of declaring the end of *Bataiya* (sharecropping) and *Hunda* (contract farming), and distributing land in Western Nepal, that had previously been used for such practices, to peasant cultivators. Unfortunately, and ironically, this state of affairs lasted only as long as the autocratic *Rana* regime did. The conclusion of the tripartite agreement in New Delhi between the king, the Ranas, and the Nepali Congress (the party which had led the revolution) ushered in the dawn of democracy in 1951, and the democratic government formed thereafter immediately returned the land to the landlords (Shrivastav, 1955:117 quoted in Thapa, 2001:188-119).

This move by the newly-formed government triggered a conflict between landlords and peasants that eventually resulted in the displacement of many of the latter from the land. The *Bataiya* and *Hunda* systems were restored, and the disputed lands continued to be used for sharecropping and contractual farming. Indeed, even while democratic political innovations were taking place after the end of a century-old hereditary autocracy, when it came to land, there was only the continuation of old tenure systems, such as *Jagir* (land grants to government employees in lieu of emoluments),

Birta (tax-free land grants by the regime to the loyalists/priests), *Guthi* (trust lands), and *Rakam* (land grants made to the individual households which were then bound to provide labour for the rulers on demand), all of which were largely extractive in nature (Adhikari, 2008). The government did later abolish the *Jagir* system in 1953, but the legal provisions did not clearly state that the land previously used under the system would be returned to the peasants; consequently, *Jagirdars* (those who owned the land under the *Jagir* system) simply registered the lands in their own names. Subsequently, when many peasants, who up to that point had been the *de facto* tillers of the land, began claiming tenancy rights, they were legally evicted from the lands by the landlords, compelling them to become illegal squatters in public land (Thapa, 2000).

Despite the bleakness of the situation described above, it must be said that a number of land-related legal reform initiatives were undertaken in post-1950 Nepal; however, much like the story of the *Jagir* system, the implementation of reforms was often stopped short of delivering benefits to peasants. For instance, in 1953, two commissions were formed to investigate land tenure conditions and landlord-tenant relations in the *Tarai*. The recommendations of these commissions were broadly: (i) to abolish the *Jimidari* system (a form of extractive landlordism), and to replace it with a system where taxes were paid to the government, and (ii) to require landlords to issue receipts to their tenants for any payment of agricultural rents/shares (which could later be used as evidence of tenancy, giving peasants a legal basis for claiming land rights). Of these two recommendations, the first was passed into law in 1957, but remained entirely unimplemented; the reason cited was that the government's focus was on democratic elections, which were to be held soon. Similarly, the *Rakam* system was legally abolished in 1954, but went largely unimplemented due to the lack of any reliable monitoring mechanism (Adhikari, 2011).

Various other reform initiatives have similar stories. In 1954, the first phase of the US-funded Chitwan Rapti Valley Development Project was implemented in the central *Tarai* with the purpose of creating new settlements for people of all classes from the Hills; in practice, however, the project served only middle class and wealthier groups in search of new land (Willy et al., 2008:37). In 1957, the first Lands Act was formulated, which limited the agricultural rent of crops to a maximum of 50 percent (such that landlords could not demand more than half of agricultural output as rent), prohibited the exploitation of tenants' labour (such that landlords could not demand

any more than the agreed rental share), ensured the legal security of tenure for all tenants who had been tilling a piece of land for more than a year, and fixed the interest rates for loans to 10 percent. However, all of these legal clauses remained largely unimplemented; in part due to the simple continuation of existing land administration, and in part due to the lack of a programme for raising awareness amongst peasants about these legal provisions (Thapa, 2000, Willy et al., 2008:37). In 1959, the newly-elected government of the Nepali Congress Party (led by B.P. Koirala) enacted the *Birta* Abolition Act. This Act pushed for a number of land reforms, including: (i) nullifying the traditional *Birta* rights of aristocratic landlords, subjecting them to the standard taxation system; (ii) reverting all *Birta* forests and non-cultivated lands to the state, and (iii) prohibiting the exaction of unpaid labour and payments (which *Birta* landlords often demanded in addition to agricultural rents in cash or kind). This Act did in fact institute progressive changes with regard to the treatment of *Birta* landlords, especially by bringing them under the normal taxation system. However, it is notable that the changes enforced were all limitations focused on the landlords: the positive rights of the peasants continued to go unaddressed. Furthermore, historical records show that the formal conversion of *Birta* land to *Raiker* (state land managed privately, which is taxable) was not fully implemented until around 1990 (Adhikari, 2008; Willy et al., 2008).

Hence, despite provisions laid out in purported land reforms, like the *Birta* Abolition Act of 1959, the early years of democracy in Nepal saw only the continued legacy of extractive land tenure systems and state institutions. Peasants continued to have only a *de facto* relationship to the land, and despite continuing to be the ones working and farming on it, were not accorded substantial new rights; those who pushed for them were often penalised, as in the case of opposition to the *Jagir* system. Part of what this thesis does is to trace the historical connections between the conditions of the peasantry and traditional land tenure systems, and how these announced policies and acts did not ultimately displace the latter, or ameliorate the vulnerability of the peasants; this angle is explored in greater detail in chapter 4.

1.2.2 Royal Land Reform in *Panchayat* Period (1960 to 1990)

I now provide an analysis of the Royal Land Reforms of the *Panchayat* period. This will involve a critical examination of the various land acts and policies of this era, with attention paid to the

processes of their formulation, the important gaps in their contents, the ways in which they were implemented, who their beneficiaries ultimately were, and their impacts on the marginalisation of peasants.

In December 1960, King Mahendra dismissed Nepal's first ever democratically elected government, banned all political parties, and, in their place, declared into existence the *Panchayat* system, a council-based mode of governance where ultimate (and direct) power rested with the monarchy. In the immediate aftermath, the new government took upon itself the dual objectives of justifying the royal takeover as being for the greater good of the public (a kind of extreme political populism), and of weakening the democratic movements of the disgruntled factions of the society. As part of this drive to justify the absolute monarchy that had come into power, a number of land acts and policies were formulated and announced (Basnet, 2015). The first significant one of these came in 1964 with the Lands Act, which adopted a fairly moderate land reform programme. It is worth noting that the Lands Act had the significant support of international donors - and more specifically, of the US government, which was keen to persuade governments in the region to implement such measures, so as to deter the spread of communism in Asia. It was in this context that King Mahendra implemented the act, apparently opening the way to redistribute portions of land to landless peasants, sharecroppers, smallholders, and tenant families (Zaman, 1973).

Not surprisingly, the 1964 Lands Act did not, in fact, achieve very much of this kind of redistribution. At the time when the act was passed, 65 percent of the rural population (mainly agricultural labourers, smallholders, other tenants, and sharecroppers) owned 15 percent of the total land in Nepal, while 39.7 percent of the land was owned by just 3.7 percent of the population (which included former feudal landlords) (CBS, 1961; Bhattarai, 2003). As it turned out, the 1964 legislation affected a total of 9,136 landlords, with a total of 50,580 hectares of land recorded as being above the ceilings set for redistribution. Of this, 32,331 hectares of land was actually acquired; and of *that* actually acquired land, only 64 percent was, in fact, redistributed (Zaman, 1973). As a result, even after the reforms, 60.8 percent of the *actually cultivated* land was still owned by just 9.9 percent of the rural population, primarily by rich peasants and landlords (CBS, 1971; Bhattarai, 2003).

More specifically, the land reform measures of the 1964 Lands Act fell miserably short because of its weak implementation, and the *weakening* of its potential implementation, in three phases. Originally, the act ostensibly aimed to redistribute land to landless peasants, sitting tenants, smallholders, and sharecroppers: in short, the actual tillers of the land. However, it is clear in retrospect that the act was in fact tethered down by the needs of the King's political populism, the vested interests of the landed bureaucratic elites (who were entrusted with the implementation of the measure), and the obstacles to implementation laid down by the feudal landlords of the *Tarai*. During the *Panchayat* period, the Lands Act was amended three times: in 1966, 1968, and 1981. Each of these amendments largely benefitted landlords and middle-class peasants, whereas (or *because*) land redistribution in favour of smallholders, landless sharecroppers, and tenant families very rarely materialised. Even worse, the 1964 legislation actually included a number of loopholes landlords could use to ensure that even when land was redistributed, it was redistributed to their own family members (most significantly, each son above the age of 16 was considered to head a separate family, and hence could possess a piece of the land without breaking the ceiling), to agro-industrial companies (that they themselves controlled or had shares in), to fake educational institutions or religious institutions, and so on.

Apart from the failure to redistribute land, the reforms instituted by the 1964 Lands Act also failed to substantially reform the most exploitative remnants of the feudal land tenure systems. For example, neither the original legislation nor any of its amendments so much as touched upon the issues of *Kamaiyas* (semi-bonded labourers) in the middle and far-western *Tarai*, *Haliya* (ploughmen) in the far-western hills, and *Harawa* (ploughmen) and *Charawa* (cattle herders) in the central and eastern *Tarai*, where a strong *Jimidari* system still existed. Many such labourers were trapped in particularly extreme vicious cycles of poverty: already drawn into debts to their landlords, they were forced to work on the land of the latter; yet, their labour was deemed inadequate to pay the full loan amounts, and thus would the loans accumulate into perpetual debt. Since all of this was largely ignored by the reforms of the time (and many subsequent ones), the *Kamaiya* system continued until 2000, and the *Haliya* and *Harawa/Charawa* systems continued until 2008. On the other hand, the second amendment to the act, passed in 1968, did abolish the holding of land on a communal basis, as was held under the traditional *Kipat* system. While leaving the holdings of landlords intact, this significantly and negatively affected the property systems of

indigenous communities (particularly the *Limbus* and *Rais* of the eastern region), forcing them to convert communal land into *Raikar* land. When indigenous communities lost control of communal land ownership, they also lost a great deal of autonomy over how they organised their way of living, particularly since they were no longer able to make decisions about land cultivation and use. Instead, the traditional landholdings of these ethnic minorities passed into the hands of rich moneylenders (Rai, 1985). Caplan (2000) further explains how the abolition of the *Kipat* system led to a significant loss of land for the rural poor and further spurred a growing landlessness.

Reform measures with regard to other traditional systems were similarly ineffective at securing rights for the marginalised. In 1964, the *Ukhada* Land Act was enacted to bring an end to the *Ukhada* system, a form of *Jimidari* land-ownership that was present in three districts in the *Tarai*: Rupandehi, Kapilvastu, and Nawalparasi. Again, the initial aim of this piece of legislation seemed to be to transfer land ownership to the tillers themselves, and those implementing the act informed the tillers that they were to register the land in their names. Once again, the implementation did not match the aim of the act, with the obstacle coming in the form of the question of citizenship documentation: it turned out that most of the peasants - especially the poorer sharecroppers, smallholders and the landless - in the region were immigrants from India (or the descendants of such), who had only naturalised citizenship certificates, while the Land Act required citizenship of descent in order to grant right of ownership or inheritance. Thus, most of the *Ukhada* peasants' applications were rejected because they were not legally able to acquire full citizenship - and in their stead, most of the land to be redistributed was registered in the names of the landlords after all. Similarly, in 1964, the *Panchayat* government enacted the *Guthi* Land Act and established the *Guthi* Corporation. The upshot of this legislation was that the government handed over all authority over *Guthi* (trust) lands to the *Guthi* Corporation, which was an instrument of priests and religious officials. Unsurprisingly, the latter were not interested in establishing the rights of peasants who worked on *Guthi* land, and thus no restrictions were placed on the ongoing exploitation thereof (Basnet, 2013).

Another move towards some redistribution came in 1965, when the government established the Nepal Resettlement Company under the Nepal Company Act of 1964. The Company was tasked with redistributing land to facilitate the resettlement of certain groups; in particular, immigrants

(of Nepali heritage) from Myanmar and certain groups from the hills were given land to settle in the *Tarai* districts of Banke, Bardiya, Kailali, Kanchanpur, Rupandehi, and Nawalparasi. Once again, those left out of these arrangements included the local long-term tillers of the land in these districts, including members of the indigenous *Tharu* communities and poor peasants belonging to the *Dalit* caste group (Bhusal, 2006:6). One can read into this discrepancy the fact that it was part of the political objectives of the *Panchayat* regime to distribute lands to its loyalists and favourites, and in ways that strengthened the position of the royal government; it is to be noted that many of those who were beneficiaries of this redistribution had strong relationships with local politicians and Company officials.

Next, in the Nepali context, it is also important to turn attention to caste, and its relation to class in Nepal's agrarian structure. A long history of extractive relationships around the land have been compounded for many marginalised groups by further exploitation along the lines of caste. A quick survey reveals that it is mostly members of the 'lower castes', especially *Dalits* and indigenous people, who are the *de facto* tillers of the land, while at the same time most of them lack any *de jure* rights over the land (Adhikari, 2008). Among other kinds of discrimination, such a discrepancy has its roots in a long history of unequal land ownership, and is itself at the roots of the further marginalisation, injustice, and poverty amongst lower classes and castes, particularly in the case of the smallholding class of peasants (Adhikari, 2008). These legal inequalities and their links to further discrimination illustrate how caste and class have intersected in the production of land-based injustice.

There are numerous examples of how the land rights of the indigenous *Chepangs*, *Tharus*, *Limbus* and *Sunuwars* were undermined and taken over by influential local functionaries during the *Panchayat* period (Thapa, 2000), and how this led to further marginalisation. For instance, in the western *Tarai*, the influx of *Bramin* and *Chhetri* settlers in and around *Tharu* settlements - a direct result of one-sided land policies, as noted above - led to the destitution of 15,000 *Tharu* families in the Dang Valley alone. Similarly, in the central hills of the country, the indigenous *Chepangs* lost land rights at such a rate that today they face a major livelihood crisis, and are mainly represented by smallholders and the landless. The traditional form of livelihood for *Chepang* communities was centered on shifting (seasonal) cultivation and the collection of forest products,

both of which became unviable with the appropriation of land for private interests during the *Panchayat* era. In the central *Tarai*, the indigenous communities of *Bhote Majhis* in Nawalparasi district became mostly landless agricultural or wage labourers, as did the *Santhals* in Jhapa and Morang districts in the eastern *Tarai*; both of these groups are also mainly represented by the smallholding class (Basnet, 2013).

As a way of summarising all of this, data from Willy et al. (2008:35) show how skewed proportions of landlessness are for different caste groups: 44 percent of *Tarai Dalits* are landless, 37 percent of Muslims, 20 percent of *Tarai Janajatis* (indigenous groups), 15.32 percent of Hill *Dalits*, 11 percent of ‘middle castes’ (like *Chhetries*), and, finally, 6 percent of ‘high caste’ *Bramins*. It is clear in this data that landlessness is strongly linked to caste as well as class, with the highest incidence seen amongst the agricultural labourers of the *Tarai Dalits* and *Tarai Janajatis*, while the lowest incidence is in the ‘higher caste’ groups of *Bramins* and *Chhetries*. On the whole, the historical trajectory has seen both common and indigenous land fall into the control of the elite classes, castes, and nobility; and oftentimes, this dispossession has been facilitated by supposed land reforms themselves. Part of this thesis is therefore focused on analysing how caste has linked into the class structure, and how, in an agrarian context, this has affected de-peasantisation in Nepal.

Hence, a major part of this thesis is devoted to reviewing the royal land reforms of the *Panchayat* era, the practical upshot of this programme, and its effects on the lives of peasants. The review also includes analysis of the lasting effects of this programme after the restoration of democracy in 1990, and the continued vulnerability of the peasantry (details in chapter 5). In addition, the thesis analyses how the historical caste structure in the country has affected the rights of peasants during the *Panchayat*, and how the reforms of this and the subsequent neoliberal era have contributed to pushing them into the semi-proletariat or proletariat classes (details in chapter 6).

1.2.3 Neo-liberal Period: Commodification of Land (1991 to 2017)

This sub-section covers the different dimensions of neo-liberal restructuring in Nepal between 1990 and 2017, particularly as it pertains to land and agriculture. Particular attention will be paid

to the commodification of land, the effects of such restructuring on the different classes of peasants, and the changes to agriculture in the country per se. While the Neo-liberal Period proper began in 1990, it should be noted that the groundwork for this economic transition was actually laid in the final days of the *Panchayat*, when in 1987 Nepal adopted a Structural Adjustment Programme (SAP) with the aim of promoting economic growth and the private sector. In 1990, there was a major political shift to mirror this economic one, with the fall of the *Panchayat* and the restoration of democracy. In 1991, the first post-*Panchayat* elections were held, in which the Nepali Congress Party received a parliamentary majority and a mandate to form the government. Right after coming into power, the Nepali Congress government adopted and pursued a number of neo-liberal economic policies and sought to stimulate the private sectors, including by seeking international capital investments (Rokka, 2006). This set the tone for the economic strategies of the subsequent decades, and up to the present day. Part of what this and related sections of this thesis will show is that although the democratic transition of the 1990s pushed the upper-level governance system in Nepal away from absolute royalty and feudal systems, the economic restructuring along neo-liberal lines has tended to reproduce and even extend the kind of landlessness which existed prior to the mid-1980s. Most of the cultivable land in the country, along with most of its wealth and power, remains concentrated in the hands of an elite minority constituted by a small percentage of the upper classes and castes (Mikesell, 1999; Karki, 2002). By contrast, many of those who started out the era poor and as smallholders, especially members of ‘lower castes’ and ethnic minorities, continue to be forced to exist as exploited tenants, sharecroppers, and bonded labourers. Neo-liberal prescriptions, therefore, have not involved land reform in any authentic sense (Rokka, 2006).

As elsewhere, neo-liberal policies in Nepal were driven by a focus on privatisation and the individualisation of property rights, the commodification of land and other resources, and the promotion of land sales (Borras, 2006; Kumar, 2011). As a general global trend, there has also been a shift in many countries since the 1980s from a redistributive land reform model to a market-assisted one, in which land ownership is transferred through open land markets rather than reformist programmes. Such a shift is perhaps best-exemplified by the content of the World Bank’s SAPs. These programmes also received significant support from the International Monetary Fund (IMF), the Asian Development Bank (ADB), commercial banks, and aid-giving international

agencies (El-Ghonemy, 1999). This global alliance of influential institutions played a significant role in pushing nation-states in Africa, Latin America and Asia (including Nepal) to adopt market-friendly land reform programmes (Borras, 2007). Fraser Sugden (2009) has also made note of this global trend with an analysis of the expansion of the capitalist market following economic liberalisation; something quite apparent in the global south, including Nepal.

The programme that was the main driver of ‘commercialisation’ and ‘commodity production’ in the context of Nepali land was the Agriculture Perspective Plan (APP). This programme was crafted with the support of the ADB and adopted by the government of Nepal in 1995, running for a total of 20 years. The APP placed significant focus on a donor-sponsored state agricultural development plan, and on the integration of the rural population (especially in the *Tarai*) into the global market; particularly with regard to the commercialisation of agriculture and the privatisation of land (Sugden 2009 quoted Akram Lodi, 2008). The contents of the APP did not talk directly about agrarian capitalisation, but forwarded a strategy to expand commodity production and place a focus on the expanding middle class. The appropriation of surplus was diverted from a feudal mode of expansion to a capitalist one, shifting focus onto commodity production for the market (Sugden, 2009:50). Twenty years after the formulation of the APP, another programme, the Agriculture Development Strategy (ADS), was crafted with the support of multilateral and bilateral development agencies. The explicit focus this time around was on the ‘commercialisation of agriculture’ and ‘support for economic growth’; in fact, the growth in question was that pertaining to the middle and rich class of peasants. Agricultural labourers and smallholders/subsistence peasants who lacked the capital to invest in commercialisation in the first place were effectively forced to sell their land to the growing commercial/capitalist class.

The Nepali state’s policies and legislation regarding land, conducted under various programmes during both the pre-neo-liberal and neo-liberal periods, have clearly marginalised smallholder peasants in ways that have adversely affected their livelihoods. In addition, the majority of those who fall into this category, as noted earlier, are part of indigenous, *Dalit*, and poor communities (Regmi, 1999). After (and because of) the implementation of neo-liberal policies since 1991, land increasingly became a commodity subject to market forces, and increasingly became the property of the middle and elite business classes of Nepal’s agrarian society. As outlined in a media report

from early 2015¹, a total of 52 billion Nepali Rupees was invested in land plotting and housing construction in 2014 (and similar amounts in earlier years) by different commercial banks, leading to more and more agricultural land being converted either into non-agricultural property, or into sites of commercial agriculture. Smallholders (petty commodity producers), tenants/sharecroppers, and many others lost access to (and in cases were forcibly ejected from) land that they had been tilling, and the peasant economy dwindled. The main focus of this study is on the neo-liberal era and the de-peasantisation of this period; as will become clear in the chapters which follow, understanding the form and extent of this ‘de-peasantisation’ requires a deep analysis of Nepal’s agrarian history (more details in chapter 7).

Another theme that this part of the study analyses is the role of political parties, in the neo-liberal period, in the formulation and implementation of land policies and programmes. In keeping with the overarching concerns of the thesis, particular attention will be paid to the impact parties had on de-peasantisation (in more detail in chapter 8). Following the restoration of democracy in 1990, a number of landless commissions and High Level Land Reform Commissions (HLLRCs) were formed, specifically with the aim of resolving the problems of landlessness in Nepal. During this time, almost all of the political parties in Nepal adopted some variation of ‘land to the tillers’ as part of their political rhetoric. Similarly, when the Communist Party of Nepal (Maoist) embarked upon a 10 year-long armed conflict against the state between 1996 and 2006, they placed land issues amongst their main agenda initiatives; when a peace treaty was finally signed in the form of the Comprehensive Peace Accord (CPA) of 2006, land reform was a prominent point of the agreement. Hence, it is clear that there has always been a lot of *talk* about land reform amongst the political parties. Unfortunately, it is just as clear that the various successive governments of the democratic period - i.e. those very same parties, but after being elected into power - have not sought to defend the interests and rights of peasants, and neo-liberalisation has taken hold as a powerful countervailing tendency to any meaningful reform programmes. Even when the left parties controlled the portfolio of Land Reform and Management between 2008 and 2016, they failed to translate into practice their explicit commitments in the Comprehensive Peace Accord of 2006, the Interim Constitution of 2007, and their own election manifestos of 2007 and 2013.

¹*OnlineKhabar*, 11th February 2015 <http://www.onlinekhabar.com/2015/02/239789/>, accessed on 11th February 2015.

Indeed, they did not even amend the Lands Act of 1964; and in effect, the rights of land tenants have gone completely unaddressed by the government since 2008.

The final major theme this thesis studies is the forms and dimensions of ‘de-peasantisation’ itself. The process of de-peasantisation is explicated, analysed, and set into contemporary context. That there *is* a contemporary context for the process is clear when one examines the recent relevant statistics. Examined longitudinally, census data show a clear decline of the proportion of the economically active population involved in agriculture in Nepal (Table 1.1). For instance, in 1995/96, 83.1 percent of the population was engaged in agriculture; by 2011, the figure had fallen to 65.6 percent. Also representative is the gradual decline of the contribution of the agricultural sector to the national GDP over the years: from 39.6 percent in 1995/96 to 34.8 percent in 2011; a recent economic survey conducted by the government in 2018 shows that the numbers have continued to plummet, reaching 27.4 percent (CBS, 2018). These data clearly show that the Nepali economy has over the years been subject to the process of ‘de-agrarianisation’.

Table 1.1: Changes in the Agricultural Situation of Nepal (1995/96-2010/11)

Description	Years		
	1995/96 (%)	2003/2004 (%)	2010/11 (%)
Population involved in agriculture (in %)	83.1	77.5	65.6
Average size of agricultural land (in ha)	1.1	0.8	0.7
Number of agricultural parcels	3.8	3.1	2.9
Holdings operating less than 0.5 ha	40.1	44.8	52.7
Agriculture’s contribution to GDP	39.6.	35.45	34.8
Agriculture's Contribution to GDP in 2017			27.4

Source: Central Bureau of Statistics (CBS), 1996, 2004, and 2011.

Simultaneously, the census data show a decline in the number of agricultural parcels over the past fifteen years, with the average size of agricultural holdings also falling over time, from 1.1 hectares (ha) in 1995/96 to 0.7 ha in 2011. Further, the number of agricultural holdings that are smaller than 0.5 ha have increased, from 41.1 percent in 1995/96 to 52.7 percent in 2011, likely indicating that the scale of land ownership and access amongst the peasantries has been declining. Overall, these data suggest that the position of the Nepali peasantry in the economy has been weakened in the last couple of decades. Moving to the bottom of the economic ladder, Willy et al. (2008) have collected data to show that the number of the rural absolute landless - those who own no land at all, either to live or to work on - is 481,938 households: about 10% of total households. In Nepal as a whole, the total proportion of landless households - in this case, those who own no land to work on, but may own homesteads - is 24 percent. Taken together, this evidence tends to imply that both the landed and the landless peasantry in Nepal have seen their conditions worsen, and that they are both increasingly subject to the phenomenon of 'proletarianisation' - a function, as this study will argue, of the in-egalitarian and extractive land tenure institutions that evolved during the heyday of feudalism and continue into the present day.

One form of institution that has contributed to this condition, of course, is the state itself, and even after the restoration of parliamentary democracy in 1990, the economic effects of the monarchical system continued to be felt. A land investigation sub-committee was formed under the Parliamentary Committee on Natural Resources in 2007, following the outright abolition of the monarchy, to investigate the former king Gyanendra's property, especially his land. The report eventually produced by the sub-committee found that "over 50,926,810 *ropanis* of land is [still] under the name of the royals alone" (Parliament Committee on Natural Resources, 2007:12). This shows in the first place just how extractive the royal state had been with regard to monopolising *private* control over resources, and also the stunning extent to which the interests of its beneficiaries remain intact even after supposedly major political shifts. All of this is in the context of evidence that shows that the rural poor have access to only 18 percent of total agricultural land, while a mere 4 percent of the rural population (mostly large landowners) control over 22 percent of rural land (CBS/LSS, 2011:7). These cases show just how serious the extent of land inequality is in Nepal.

Apart from the structure of state control, a number of other older systems also persisted and left their legacies through the post-1990 period. For example, as noted earlier, there were until very recently very functional remnants of slavery in the agricultural labour practices of parts of rural Nepal. Even in the most recent surveys, government data show a total of 27,570 households of *Kamiayas*, followed by 16,953 households of *Haliyas*, and 78,000 households of *Harawas* and *Charawas* (Ministry of Land Management, 2012). Each of these are very traditional patron-client relations between local landlords and tenants, and amount to bonded or semi-bonded labour. Legally, of course, these practices are illegal, and the traditional form of agreements between these groups have broken down over time. In effect, however, all that has happened is the turning of semi-bonded labourers into independent wage labourers on the labour market - who end up working for the same landlords anyway, given their connection with the land and context of where they live. This sort of pressure has gradually eroded the peasants' connection with the land; a strong case study for the growing de-agrarianisation and de-peasantisation of the country.

Another particularly clear indication of de-peasantisation is the shrinking of the tenant worker population in Nepal over time. A 2006 report by the Ministry of Land Reform and Management showed that over a forty-year period, from 1961 to 2001 (incorporating the whole of the *Panchayat* period and 10 years of neo-liberalism), there was a massive reduction in the number of tenant farmers in the country; specifically, it shows that both the proportion of tenant households participating in cultivation, and the proportion of land used for this purpose, have fallen. In 1961, 40.4 percent of households cultivated 25.5 percent of the agricultural land area of Nepal; in 2001, only 12.2 percent of households cultivated just under 9 percent of the total agricultural land. A further survey from 2018 shows that the figures for tenant households have continued to fall, now reaching 7.07 percent (see Table 1.2). This very blatant manifestation of de-peasantisation in Nepal has a number of roots, but one of the explicit ways in which it manifests is through the (sometimes violent) eviction of tenants from the land by their landlords. Once access to the lands has been cut off, tenants become mere agricultural labourers, compelled to sell their labour power to secure household reproduction.

Table 2.2: Proportion of Tenants and Land Area Cultivated under Tenancy (1961-2001)

Description	Year					
	1961	1971	1981	1991	2001	2018
Tenant households	40.4	19.0	9.5	15.9	12.2	7.07
Area under tenancy	25.5	15.9	6.2	8.5	8.7	N.A

Source: Ministry of Land Reform and Management (MoLRM), 2006/2018.

While some measures exist in law ostensibly to protect tenants, their implementation, as seen earlier, often make them either ineffective or malicious. One of the key problems with erstwhile existing land reform measures was the requirement to file tenancy applications in the courts; for the majority of tenant farmers, the costs of the legal process was simply too high for them to attempt the applications (Gill, 2009: 31). This created conditions for further evictions of unregistered tenants, thus ending up becoming legal weapons against the already marginalised. According to the Badal High Level Commission report of 1995, tenants continued to be evicted at alarming rates even after the 1964 land reform. Out of the total of 9,953 eviction cases filed by landlords in the courts, 9,737 cases were decided within a year, and these were invariably decided in favour of landlords. Out of these 9,737 cases, 98.12 percent were in the *Tarai* districts, where landlessness amongst *Dalits* constitutes the highest for any ethnic demographic group in the country. There is thus a strong argument to be made that the legal system in Nepal is biased towards landowners, with most tillers simply unable to afford hiring lawyers to advocate on behalf of their rights. As a result, most tenants are compelled to accept any decisions made unilaterally by their landlords, or District Land Reform Offices, or District Land Revenue Offices (DLROs). On the whole, the lengthy and expensive legal process has utterly failed to provide an avenue towards justice for tenants and sharecroppers.

In brief, ‘de-peasantisation’ and ‘de-agrarianisation’ deserve serious consideration as analytically useful sociological concepts in the Nepali context, and ought to be examined through empirically grounded studies. The current state of the literature reveals a dearth of studies dealing with the

historical processes, trajectories, factors, extent, and consequences of these processes. In a traditionally peasant-based society transforming rapidly under the overarching neo-liberal development paradigm adopted by the successive governments, they would be useful concepts indeed.

This study, therefore, seeks to identify and analyse the complex process of ‘de-peasantisation’ which has taken place in Nepal over an extended period (since at least the 1950s), and particularly in relation to the shifting role of the state under neo-liberalism. Although there does exist a limited academic literature pertaining to the processes leading to ‘de-peasantisation’ in Nepal, the relevant references are so scattered that no overall and overarching analysis exists. Such an analysis requires contextualising ‘de-peasantisation’ within the broader political economy of Nepal historically (as shaped by global restructuring), including clarifying the convoluted power nexus existing in agrarian spaces. The questions around de-peasantisation connect to broader ones around democratic transition (from royalty to liberal democracy), the restructuring of the state, financial capitalism, market forces (including export-led agriculture), the caste system, and peasant strategies of resistance. In the case of the earlier period (prior to the mid-1980s), the focus in this study is on the royal state as a landlord under feudalism, and the exploitative and extractive land tenure systems in Nepal. In the later period, special consideration is given to the promotion of land markets and the increasing commodification of agriculture and agricultural labour. A broad, radical political economy approach (rooted in Marxism) is used in examining de-peasantisation, including salient usage of the concept of accumulation by dispossession (Harvey, 2003; McMichael, 2006; Wolf, 2010; Helliker, 2013). At the same time, it is important not to reduce de-peasantisation in some unmediated way to capital accumulation, or to reduce politics to economics in some simple manner. The nexus between the economic and the political in Nepal, both today and historically, is symbiotic and mutually-reinforcing, such that the state also has its own sets of rationalities irreducible to economic imperatives.

1.3 Objectives of the Study

The main objective of the study is to offer *a critical analysis of the process of de-peasantisation in Nepal since 1950, with a particular focus on the capitalist neo-liberal restructuring of the*

economy beginning in the early 1990s. This is done with particular focus on certain districts, but deep sensitivity to the general history of land and agriculture in Nepal. Specific secondary or subsidiary objectives include:

- a) to trace the legacy of land policies from the *Rana* and *Shah* dynasties (prior to the main periods of study);
- b) to understand the royal land reform programme from 1964, and the actual implementation of the programme in terms of its effects on the lives of peasants and de-peasantisation;
- c) to analyse the ways in which ‘de-peasantisation’ ties into the caste-system as the fundamental basis for the agrarian social structure;
- d) to unpack the different dimensions of neo-liberal restructuring and show how each dimension in its own way affected landholdings and peasant existence in agrarian areas;
- e) to review the role of political parties in the democratic period, as well as peasant opposition, in terms of how the democratic transition affected processes of ‘de-peasantisation’, and
- f) to identify and understand the ways in which ‘de-peasantisation’ has not been tied down to any linear trajectory, and to thus recognise the complex and diverse forms it has taken, as well as the ways in which it has been inhibited.

1.4 Rationale of the Study

This study has three major implications: *academic*, *policy*, and *advocacy*. First of all, this is the first sociological study conducted by an indigenous Nepali scholar on the subject of ‘de-peasantisation’ through a political-economy perspective. Hence, its primary importance is its contribution of a new perspective to the existing body of sociological knowledge, and specifically as a longitudinal analysis of de-peasantisation in Nepal. Secondly, the empirical findings of the study will have policy implications. Specifically, its findings may be useful for the Ministry of Land Reform and Management in amending the Lands Act to address issues of land reforms and agrarian rights (such as policies pertaining to the redistribution of lands, tenancy issues, landlessness, and other land-related concerns). Thirdly, given the activist background of the researcher and the institution with which he has been associated for more than two decades, its findings may be useful for strengthening national and international advocacy campaigns for equitable land and agrarian rights (i.e. strengthening the land and agrarian rights campaigns by

orienting the international, national, sub-national, and local level activists towards such issues as ‘de-peasantisation’, neo-liberal agenda of the government and its adverse effects on peasantry, government land acts/policies and their effects on accelerating the processes of ‘de-peasantisation’, tenancy issues, financial capitalism and commodification of land, landlessness, nature of the peasant resistance movement, measures for strengthening the peasant movement, etc.).

A number of scholars have used political economy perspectives in their study of Nepali society. For instance, Blaikie et al. (2005) carried out a study of peasant society, mostly focusing on the interrelationship between economics and politics. Ghimire (1998) studied the issue of landlessness in Nawalparasi district, and Shrestha (2001) studied ‘migration’ and ‘landlessness’, focusing on Chitwan district. Similarly, Sugden (2009) studied the pre-capitalist situation of Morang district in eastern *Tarai*, touching on some of the themes of this study but without a focus on de-peasantisation. Indeed, it has to be said that none of these studies have focused on the processes of de-peasantisation in Nepal in a way that recognises the historicity of the process. This is the academic contribution this study will make to the literature.

There is also an argument to be made that this study is particularly timely. After 2007, two elections were held to form the Constitutional Assembly in Nepal, a body tasked with drafting the new constitution. One of the expectations for the Assembly was for a constitution that adopted federalism, a document that finally materialised in September 2015. Since then, a host of changes have taken place in rural agriculture and its economic structure, because of the government’s increasing emphasis on ‘agricultural commercialisation’ and ‘commodity production’. Such an emphasis is of course dictated by the currently implemented ADS and the insistence on the development of ‘special economic zones’ (SEZs) in all seven provinces of Nepal under the new federal structure. Development of SEZs may create employment opportunities for rural unemployed/semi-employed youths, but it also at the same time facilitates the ‘dispossession’ of peasants’ lands, because of the need of vast swathes of agricultural lands cultivated by subsistence peasants for agro-industrialisation (or rural industrialisation). In this context, the findings and arguments of this study are thought to be especially salient.

1.5 Outline of the Study

This thesis has been divided into nine chapters. The first chapter presents a background of the study, a statement of the problem, the objectives of the study, and the rationale of the study. The second chapter presents the details of the methodology deployed for the generation and analysis of the necessary data. The third chapter provides the theoretical framing of the thesis, using a broad political economy perspective to understand the ‘peasantry’ and ‘de-peasantisation’ in the context of extractive political and economic institutions and more recent neo-liberal restructuring. The fourth chapter, based on available academic literature, provides a historical overview of land and land reform in Nepal, from before 1950 (when the main periods of study begin) and up to the present. The fifth chapter focuses more specifically on the 1964 Lands Act (often known as the royal land reform) and subsequent amendments and developments. In both chapters, attention is given to the extent and form of de-peasantisation. The sixth chapter examines the ‘peasantry’ and ‘de-peasantisation’ in relation to class and caste, given the centrality of the caste system to Nepal. The seventh chapter analyses neo-liberal restructuring in contemporary Nepal, and how this restructuring has affected the agrarian economy and peasants’ existence. The eighth chapter considers the empty slogan of ‘land to the tiller’ as propagated by a number of political parties over decades, as well as peasant resistance to processes of de-peasantisation. The final chapter provides an overall summary and the conclusions of the thesis.

Chapter Two: Research Methodology

2.1 Introduction

This chapter offers the research methodology underpinning the research for this thesis. First, I offer a brief overview of the agrarian economy and society of Nepal (vis-à-vis landholding, land tenure, land ownership patterns, and social structure) in order to contextualise the study sites. I then provide a detailed description and explanation of the research methodology, including the research sites, rationale of the selection of research sites, demographic profile of survey districts, sampling procedures, data collection methods, data analysis, and ethical considerations. With the main objectives of the study and its research questions in mind, it will be noted that nine districts were selected as research sites from which to generate primarily quantitative data via surveys. However, overall, a mix of methods has been used to generate both quantitative and qualitative data, as de-peasantisation can only be fully captured as a social process: hence the need for qualitative evidence.

2.2 Background of Study Area

While the research focus is on specific districts, Nepal as a whole has been considered a research site when it comes to the historical contextualisation and analysis of land and de-peasantisation. Hence, the process of de-peasantisation in the thesis is analysed with reference to state land tenure systems over time, from the heyday of feudalism (pre-1950), through the royal reforms of the *Panchayat* (up to the 1990s), to the agricultural policies and programmes that have been implemented since 1990 (including under neo-liberalism).

In this regard, I briefly note the overall situation in terms of landholdings, by tenure and size, after the implementation of the land reform programme of 1964. For this, I rely on government statistics, since they are the only available credible sources. As seen in Table 2.1 below, 5.3 percent of landlords owned 36 percent of agricultural land in 1981 when King Mahendra's land reform programme had already been implemented. At the time, the proportion of totally landless

agricultural households was 0.4 percent (8,224 out of 2,193,956). But by 2006, the proportion of landless agricultural households had increased to 33.7 percent (see Table 2.2). The agricultural economy had changed vastly between 1980 and 2006. Despite a reduction in the number of landlords over the years, the proportion of peasant households turning into landless and agricultural labourers had shot up (see Table 2.2).

Table 2.1: Number and Area of Landholdings by Tenure and Size in 1981/2

Size of land holding in hectares	Number of households	% of households	Area covered in hectares	% of area cover	Average households' land-holding in hectares
No land	8224	0.4	-	-	-
0.0-0.5	1099677	50.1	161999	6.6	0.15
0.5-1.0	355420	16.2	264930	10.8	0.74
1.0-2.0	379051	17.3	490413	19.9	1.29
2.0-3.0	156961	7.2	379590	15.4	2.41
3.0-4.0	77228	3.5	266513	10.8	3.45
4.0-5.0	42441	1.9	189159	7.7	4.45
5.0-10.0	60082	2.7	388679	15.8	6.46
Above 10	14872	0.7	322434	13.0	21.68
Total	2193956	100	2463717	100	-

Source: CBS, National Census of Agriculture 1981/2 (Kathmandu, CBS 1985a, p. 2), Krishna Ghimire. (1998): *Forest or Farm? The Politics of Poverty and Land Hunger in Nepal*, Manohar, Publication, New Delhi, p. 15 and Table 1).

Table 2.2, below, shows relatively recent land ownership in Nepal, by area size per household. Agricultural households have been categorised into three groups: (i) landless and agricultural labourers; (ii) small and medium class farmers, and (iii) large farmers. It is seen that nearly two-thirds of households belong to the 'small and medium class', followed by slightly more than one-third falling into the landless/agricultural labour category. The proportion of 'large landholders' is, significantly, small (see Table 2.2).

Table 2.2: Land Ownership Size as Per Family

Category of families	No. of families	Percentage	Size (land-ownership)
Landless and agricultural labourers	997,100	33.7	0 – 0.3 ha
Small and medium class farmers	1779560	62.8	0.3-3.0 ha
Large farmers	97,500	3.5	3.0 – 10.0 ha

Source: Central Bureau of Statistics 2006, Agriculture Development Strategy (ADS) Current Situation and Future Direction Table 1, p. 26, Forest Action (2016). Note: HH= Household.

In Nepal, decennial censuses have been held since 1911. The first census recorded a total population of 5,638,749; since then, the population has multiplied five-fold. The Living Standards Survey conducted in 2011 shows that a total of 36 percent of people in the *Tarai* are working as peasants on rented land for their livelihood, followed by 28 percent each in the Hills and the Mountains. These peasants have been compelled to take land on rent due to either a lack of land registered in their names or, at best, insufficient land of their own. At the same time, 10.6 percent of the landowners of the *Tarai*, followed by 9.7 percent in the Hills and 10.6 percent in the Mountains, were found to have rented out their agricultural land, with the majority of these landlords being absentee owners (CBS, 2011). The *Tarai* region has the largest proportion of the population, due to continued migration from the Hills and Mountains since the mid-1950s. Such migration was encouraged by the availability of agricultural land, transport, health and educational facilities, and opportunities for business and agricultural labour.

As per the Agriculture Census of 2011, Nepal is still a firmly agrarian country; two-thirds of the population is engaged in agriculture, and relies on it to make a livelihood. This agrarian part of the population is mostly comprised of smallholders and middle class peasants. For the present study, the rural class structure can be classified into four categories: (i) large landowners (semi-feudal landlords, capitalist/commercial farmers) and rich peasants (mostly involved in commodity production/service sectors); (ii) the middle class (moderately involved in petty-commodity production or service sectors despite their main focus on subsistence); (iii) smallholders (mostly subsistence farmers who have some insignificant involvement in petty-commodity production and seasonally involved in wage laboring in free time); and (iv) agricultural wage labourers. This is discussed more fully later, notably in chapters 3 and 6.

Regarding the factors of production, land, labour, capital and technology are still under the control of a small portion of powerful or rich landlords (or corporate farmers), while smallholders, sharecroppers and tenants operate in subservient positions in the agrarian economy. Overall, large landowners have significant influence on state governance, government institutions, policy makers, laws and state programmes. By comparison, tenants, sharecroppers, smallholders, and even some of the middle class peasants, have never had significant power or influence due the prevailing power nexus between large landowners and state institutions, which has existed historically (Pyakurel and Upreti, 2011:7). In Nepal, land ownership and a high level of surplus through agricultural production has long been a symbol of wealth, social prestige, and local power.

During the *Panchayat* period, rural social institutions, bureaucracies, and the legal system all supported feudal landlords and *Panchayat* officials. Most smallholders, tenants, and sharecroppers at the time served feudal landlords, all the while tilling the land as *de facto* peasants; during this period, their tenure security was always tenuous and they were subject to displacement. Following the restoration of democracy in 1990, they were increasingly displaced from land due to the adoption of neo-liberal policies by the government. It followed as a corollary that those who had no or insecure legal rights to land were more easily converted into agricultural labourers. In 2000 and 2008, successive democratic governments declared the abolition of the semi-bonded labour system in Nepal, a remnant of feudalism. But these legally freed semi-bonded labourers continue to work as exploited agricultural labourers due to their lack of land ownership.

Up to 1990, smallholders and middle class peasants were clearly focused on pursuing livelihoods by way of agricultural activities, since it was the only the option for subsistence for most Nepali peasants. When the government implemented neo-liberal policies, however, the private sector opened up and expanded, and all manners of private institutions appeared: colleges, hospitals, schools, housing estates, service sector industries, and commercial and corporate farming. As a result, significant numbers of smallholders, tenants, and sharecroppers were displaced from the land on which they had long been tilling, and many were compelled to work in the service sector and other sectors of the economy due to the lack of security of livelihood in agriculture (Pyakurel and Upreti, 2011). As well, nearly 4 million youths opt to emigrate out of Nepal and work for

remittance money, which is a consequence of the decline and destabilisation of the peasant economy. These trends speak to the deepening of de-peasantisation.

2.3 Rationale of the Research Site Selection

In order to collect data via household surveys to ensure a more detailed understanding of de-peasantisation, the researcher selected the following research sites: Dang, Banke, and Bardiya districts from the western *Tarai*; Sarlahi and Mahottari from the central *Tarai*; Saptari and Siraha from the eastern *Tarai*; and Udayapur (Hills and inner *Tarai*) and Okhaldhunga (Hills) from the eastern part of the country. Both quantitative and qualitative data were collected from each of these districts through the survey. Further, the researcher visited other districts to gather additional qualitative information. These additional districts included Rasuwa, Sindhupalanchok, Chitwan, and Makwanpur in central Nepal (Rasuwa and Sindhupalanchok located in the Mountains and Hills, Chitwan in the *Tarai*, and Makwanpur in the Hills and inner *Tarai*); Morang and Sunsari districts from the eastern *Tarai*; Nawalparasi, Rupandehi and Kapilvastu districts from the western *Tarai*; Surkhet (inner *Tarai*) district from the mid-western region; and Kailali and Kanchanpur districts from the far-western *Tarai* (see Figure 2.1).

In brief, the reasons for the selection of these districts in particular are as follows: (a) the researcher has been visiting all of these districts since 2004 and is well aware of the land situation, caste/ethnic system and economic situation in them; (b) the *Tarai* districts are characterised by landlordism, such that there is a sizable population of tenants, landless peasants, sharecroppers and agricultural labourers; (c) *Kamaiya* (bonded labour system) existed in Dang, Banke, and Bardiya until 2000, and *Harawa/Charawa* (a kind of semi-bonded labour system) exists in Sarlahi, Mahottari, Siraha, and Saptari districts; (d) caste/ethnic diversity is also very high all across the *Tarai*; (e) prior to 1964, most of the districts were controlled by the *Jimidars* (local landlords working as revenue collection functionaries for the state by bringing in settlers for land reclamation), and exploitation by the same was very high; (f) in each of these districts, most people's livelihoods are dependent on agriculture (in part because the population is mostly illiterate or semi-literate); (g) a large number of people from these districts work as migrant workers, mostly in India, the Gulf countries, and Malaysia, and so have been subject to de-peasantisation; (h) migration from the Hills to the

Tarai had left the latter with a high concentration of the national population; (i) a high number of industries have been established in the *Tarai* districts; (j) high levels of caste and class exploitation have been observed in these *Tarai* and Hill/Mountain districts; (k) Okhaldhunga (being a Hill district) is characterised by a concentration of smallholdings and food scarcity; (l) the influence of market forces has been strong in these districts, facilitated by the establishment of branches of commercial banks (both government and private); and (m) the organisation with which the researcher is affiliated has been involved, in these districts, in facilitating and coordinating a land rights campaign since 1993. Therefore, it has been easy for the researcher to build rapport in the local communities, generate data, and to quickly verify information.



Figure 2.1: Map of Nepal Showing the Research Area

2.4 Demographic Profile of Study Districts

As per the census of 2011, there are 876,643 households and a total population of 4,609,909 in the nine main survey districts. Of this total population, 2,253,512 (48.8%) are males and 2,356,797 (51.2%) are females. A total of 85,454 (9.7%) households have reported that women legally hold the land (i.e. house and agricultural land) in their names. There are more than 40 caste/ethnic groups within these surveyed districts (see Table 2.3).

Table 2.3: Demographic Status of Study Districts

Districts	Total households	Total population	Male Population	Female Population	Women with land ownership
Bardiya	83176	426576	205080	221496	9023
Banke	94773	491313	244255	247058	10523
Dang	116415	552583	261059	291524	14322
Sarlahi	132844	769729	389756	379973	13311
Mahotatri	111316	627580	311016	316564	9479
Siraha	117962	637328	310101	327227	8933
Sapatri	121098	639284	313846	325838	9159
Udayapur	66557	317532	149712	167820	6652
Okhaldunga	32502	147984	68687	79297	4052
Total	876643	4609909	2253512 (48.8%)	2356797 (51.2%)	85454 (9.7)

Source: District and VDC Profile of Nepal 2014/2015, A Socio-economic Development Database of Nepal, Published by BookArt Nepal, 2014.

Table 2.4, below, shows that there are a total of 477,304 landowning households (54.4% of the total), and 2,190,620 land plots which make up a total of 1,034,635 ha of agricultural land. On the whole, there are a total of 107,148 (12.2%) tenants/sharecropping households. This data shows that there are still a large number of people living as tenants in these *Tarai* districts. For example, in the Siraha district alone there was recorded a total of 49,916 tenants/sharecroppers, where the majority of the population is constituted by *Dalits* (untouchables) and *Janajatis* (indigenous ethnic groups).

Table 2.4: Households and Land Area of the Surveyed Districts

District	Total households	Total population	Total land owners (hhs)	Total no. of plots	Total cultivated land in ha	Total tenants/sharecroppers (hhs.)
Bardiya	83176	426576	37347	90755	521965	11093
Banke	94773	491313	45673	156227	51445	5067
Dang	116415	552583	51917	256636	52682	3602
Sarlahi	132844	769729	54507	271129	74894	17178
Mahotatri	111316	627580	70460	293827	67352	8244
Siraha	117962	637328	75431	378254	81516	49916
Sapatri	121098	639284	41876	348678	92817	11876
Udhayapur	66557	317532	44555	103385	30693	172
Okhaldunga	32502	147984	55538	291729	61271	-
Total	876643	4609909	477304 (54.44%)	2190620	1034635	107,148 (12.2%)

Source: District and VDC Profile of Nepal 2014/2015, A Socio-economic Development Database of Nepal, Published by BookArt Nepal, 2014 & Ministry of Land Reform and Management, 2018.

2.5 Study Design

Principally, this thesis is structured around a case study design. The thesis seeks to offer an overarching analysis of de-peasantisation in Nepal; but as indicated above, it focuses more specifically on nine sample districts, in which household surveys have been conducted. The ultimate goal is to deepen our understanding of the complexities of de-peasantisation, and the surveys were used to gather in the main relevant quantitative data in this regard. To gain a broad understanding, necessary qualitative data were also generated to supplement the main quantitative points. In addition to the main sites of study, as noted in the preceding section, further districts were also visited to collect qualitative data, so as to develop a more representative and comprehensive case analysis of de-peasantisation.

2.6 Sampling Procedure

Sampling is the act of selecting a sub-unit of a larger population or universe, and may involve either a random (representative) sample (Wilumila, 2002) or a purposive sample. Given the extreme difficulty of studying the larger population as a whole directly and completely, selecting a sample becomes critical, as in the case of this study. The study's nine sample districts (plus the 11 additional districts for supplementary qualitative information) were selected with specific reasons in mind, as noted in the section 2.3. These study districts, deliberately selected on the basis of certain criteria, generally illustrate broader social processes beyond the sample.

2.6.1 Multi-Stage Sampling Procedure for the Survey

In the first stage of the sampling process, a reconnaissance survey was conducted to gain an understanding of the general socio-economic condition of the village development committees (VDCs) and municipalities in the nine sample districts. This was done in consultation with district-level key informants (political leaders, farmer leaders, movement activists, and government

officials). Once this preliminary survey had been completed, one VDC or municipality was picked out from each district. Next, a further reconnaissance survey was conducted in each of these local government units, again with the support of similar key informants (community leaders, farmer leaders, local politicians, local activists), in order to identify and select appropriate community clusters within these local units. Upon the selection of the community cluster in each local unit, a ‘social mapping’ exercise was conducted for the enumeration of the total households in each unit, so that the representative sample could be drawn from that universe. The social mapping exercise enumerated a total of 13,926 households, which is the universe of the study (see Table 2.5).

Table 2.5: Households Enumerated by Caste/Ethnicity through the Social Mapping

Caste/ethnic groups in sample districts	No. of households	% of households	Total population	Female population	Male population	Third gender	% of population of caste and ethnic groups
<i>Pahadi Brahmin-Chhetri</i>	1867	13.4	10144	4996	5146	2	12.32
<i>Tarai Brahmin-Chhetri</i>	181	1.3	1140	535	605	0	1.38
<i>Pahadi Janajati (indig.)</i>	1335	9.6	7276	3627	3644	5	8.83
<i>Tarai Janajati (indig.)</i>	5562	39.9	33145	16491	16652	2	40.27
<i>Pahadi Dalit</i>	1074	7.7	5783	2866	2916	1	7.03
<i>Tarai Dalit</i>	1808	13.0	10768	5155	5610	3	13.08
<i>Muslim</i>	459	3.3	3322	1638	1684	0	4.04
<i>Madhesi (Core Madeshi)</i>	1640	11.8	10744	5131	5613	0	13.05
Total	13,926	100	82,322	40,439 (49.1%)	41,870 (50.9%)	13	100

Source: Field Survey, 2016. Note: ‘*Pahadi*’ means ‘inhabitants originally from the Hills’.

This was followed by a second stage of sampling. Hence, based on the household enumeration of each selected community cluster of each local unit of each sampled district, a total sample of 2,677 households (nearly 20%) was drawn using the probability sampling framework. More specifically, an approximately 20 percent sample was selected by way of systematic random sampling from the 13,926 households, in order to allow for an in-depth study of the processes of de-peasantisation (as well as de-agrarianisation). This entailed selecting every fifth household – at equal intervals – from the list of 13,926 households, which amounted to 2,677 households (19.2%). Hence, the main unit of analysis for this study was the household. The reason for adopting this particular sampling method was to represent a cross-section of the population, i.e. various caste/ethnic/class groups. Since the approach of the study involves a political economy framework, selecting an appropriate cross-section of the population to represent the socio-economic characteristics of social groups under investigation was vital.

Table 2.6, below, gives the caste/ethnic details of the sampled households. The largest number of households are from the *Tarai Janajatis* followed by *Tarai Dalits*. It might also be noted that the occupants of the households were mostly comprised of registered tenants, informal tenants, sharecroppers, smallholders, and agricultural labourers. The average size of the households is 5.87 and the standard deviation is 2.72.

Table 2.6: Distribution of Sample Households by Caste/Ethnicity in the Study Districts

Caste/ ethnicity	Total sample households	Minimum size (Households)	Maximum size (Households)	Total population	Mean	Std. Deviation
<i>Pahadi Brahmin/ Chhetri</i>	216	1	17	1163	5.38	2.562
<i>Tarai Brahmin/ Chhetri</i>	21	2	31	170	8.10	6.180
<i>Pahadi Janajati</i>	237	1	15	1300	5.49	2.626
<i>Tarai Janajati</i>	1046	1	20	6097	5.83	2.667
<i>Pahadi Dalit</i>	277	1	17	1498	5.41	2.154
<i>Tarai Dalit</i>	426	1	24	2626	6.16	2.937
<i>Muslim</i>	81	2	18	588	7.26	3.660
<i>Madhesi</i>	373	1	22	2260	6.06	2.729
Overall	2677	1	31	15702	5.87	2.766

Source: Field Survey, 2016.

2.6.2 Purposive Sampling for Qualitative Study

Purposive (i.e. deliberate) sampling was used to select informants for in-depth interviews, household-based case studies, and focus group discussions (FDGs). The main objective of the purposive sample was to identify particular groupings of people from which individuals would be selected to gather qualitative evidence (Battaglia, 2011), including key informants. This included sharecroppers, registered and unregistered tenants, smallholders, agricultural labourers and migrant workers, middle class peasants, commercial farmers in all 20 districts studied, as well as local and national stakeholders from government and non-governmental entities.

A total of 30 key informants including policy-makers and community-level peasant leaders were purposively selected. The researcher also selected 10 peasant households for detailed case studies. Additionally, both male and female participants were purposively selected for 20 focus group discussions (FGDs). Finally, about 30 community people of all walks of life who the researcher happened to meet while travelling, spending nights in the communities/hotels, and participating in community meetings, were selected. This group of non-purposively selected participants were included to generate general information about the communities vis-à-vis de-peasantisation and associated factors, and to triangulate the information generated from other informants.

2.7 Data Collection Methods

This section discusses the data collection methods used during the research, which included survey questionnaires, key informant interviews, FDGs, household-based case studies, participant observation, informal discussions/conversations, and the review of documents. The quantitative data were collected from January to March 2016, and the qualitative research was undertaken throughout 2016 and 2017. Since the researcher is part of a land and agrarian rights movement (including facilitating land policy debates), he has made use of qualitative notes since 2015. As a further note in this regard, he has worked for the Community Self-Reliance Centre (CSRC) since 1993.

A survey questionnaire was used to generate basic quantitative details relevant to the land tenure systems and depeasantisation in Nepal. Thus, the survey sought to integrate these two themes in the thesis. The survey was led by the researcher and one of his colleagues. Since the survey was carried out across nine districts, research assistants were used in each district, consisting of local individuals who were facilitating the land and agrarian rights movement in their respective districts. For each district, there were between five and seven research assistants. Before carrying out the survey, there was a written consensual arrangement between CSRC and the researcher, with specification that all evidence collected could be used for thesis purposes (see Appendix A).

The quantitative evidence collected included information on, amongst other matters, land ownership, types of land, kinds of debt, kinds of land occupation, caste/ethnic groups, types of

land tenure, women's access to land, access to development services, work status (as labourers, tenants, sharecroppers, smallholders or rich farmers), investments of banks, households involved in commercial farming, and land and agrarian policies and programmes (see Appendix B for survey questionnaire).

A number of *semi-structured interviews* were conducted, which included key informant interviews and FGDs. Key informant interviews involved individual interviews with key people within local communities or those who had expert or rich knowledge on the topic of the research (Kumar, 1989). A significant amount of qualitative data was generated from key informants, who included people from the central state-level to the community-level with significant perspectives on land and changes in the status of the peasantry. Using a semi-structured interview guide (see Appendix C), interviews in 20 districts were conducted with national-level policymakers, politicians, NGO leaders, land revenue and land survey officers, heads of land departments, district level government officials and land plotters.

Additionally, the researcher interviewed other key people, including women leaders, farmers, local leaders of smallholders and landlords, and community leaders of tenants, landless peasants and agricultural labourers. Such interviews lasted between 45 minutes and 2 hours, and most of them were conducted in Nepali languages (including in *Maithali* and *Tharu* in the *Tarai*). The main focus of such interviews was the role of state land policies and programmes, de-agrarianisation, class relations, diversification of livelihood options, migration, and neo-liberal restructuring in altering the conditions of peasants in Nepal (including de-peasantisation more specifically).

A *FGD* is a type of in-depth interview with small groups of people who are representatives from the 'targeted' communities, groups, or stakeholders. These discussions often entail dialogue amongst group members as they bounce their thoughts and feelings off each other, while the researcher seeks to guide the discussion around pertinent matters (Krueger, 2002). A semi-structured FGD guideline was used for facilitating the discussion process (see Appendix D). There were 20 groups in total (in which the representative participants included between 6 at the minimum and 12 at the maximum). The members of the groups consisted mainly of sharecroppers, tenants (including registered and unregistered), *Guthi* land tillers, smallholders, agricultural

labourers, middle class peasants, political leaders, civil society organisation (CSO) representatives and land rights activists.

The discussions were mainly undertaken in the *Nepali* language, but some of the members of the *Tarai* communities (from Siraha, Saptari, Mahottari and Sarlahi districts) spoke in *Maithali* (a local language). Similarly, some of the participants of FGDs in Dang, Banke and Bardiya spoke in *Tharu* (local language), and local friends of the researcher (land rights activists and coordinators) translated the languages for him. Since he was part of the land and agrarian rights movement, he was familiar with most of the community people involved in these groups. He wrote notes in his field-note book during the FGDs and shared the content of his notes with the group participants at the end of the discussion for verification/confirmation.

The researcher also conducted several *unstructured interviews* (informal discussions/conversations without the use of checklists) with various types of community people of both sexes and all ages (including tenants, sharecroppers, smallholders, landlords, government officials, people of development organisations, etc.) during the fieldwork while walking in the local community, spending nights at local residences, eating/drinking in the community settlements, participating in informal/family gatherings, and social occasions/festivities, etc. The focus of such discussions was on local histories, traditional patron-client relations, petty/commodity production, depeasantisation at the local levels, land rights and agrarian change, and so forth.

Connected to this method was a process of *observation*, which consists of gathering narratives through observation about the local context and the surrounding world as well as focusing on actually-existing practices (Denzin and Lincoln, 1998). In this regard, the researcher participated in the daily life of villagers/community people in the *Tarai* and some Hill districts especially at homes, in the fields, at land revenue offices, bank offices, cooperatives, local shops, markets, foreign employment offices, and community meetings and discussions. He became immersed in the dialogues and interactions of their everyday lives. This involved both participant and non-participant observations revolving around their daily work schedule and activities in a natural setting. The researcher visited representative communities of the *Tarai* and Hill districts, Land

Revenue Offices, and settlement areas with land plotting (in the process of his regular work with the National Land Rights Forum, a people's organisation which has been leading land rights movements in 59 districts of Nepal). These observations were important in ensuring that everyday realities and social practices were reasonably consistent with viewpoints and perspectives gathered through, for instance, interviews and FGDs.

During his field visit, he also conducted 10 household-based short case studies, involving comprehensive *life histories* of households (Denzin and Lincoln, 1998). These included registered and unregistered tenants, agricultural labourers, sharecroppers and smallholder households. This enabled him to delve more fully into the historical processes of de-peasantisation at household and community levels. Typical cases were selected for these detailed studies to corroborate generalisations emerging from the other research methods, with a focus on factors leading to de-peasantisation at household levels, unjust socio-economic and political relationships, local socio-economic and political systems, and marginalisation from land.

Finally, the researcher made use of *primary documentation* for the study of de-peasantisation in Nepal (Levy and Ellis, 2006). This involved the collection of documents from government and especially reports and records from the ministries of Land Reform and Management and Agriculture, but also media reports as well as documents from civil society organisations and bilateral/multilateral financial institutions. This also included reports around land and agrarian rights campaigns produced by the organisation for which the researcher works. While the information contained in these documents are in the main narrative (and thus qualitative), some of the documents provided useful quantitative data on land issues in Nepal, such as those from government ministries, departments and offices, civil society groups and foreign employment offices (see Appendix E for list of primary documents).

Overall, the fieldwork for this thesis involved processes of triangulation. Triangulation is normally seen to have three dimensions: namely, theories, sources and methods (Nesbitt and Flores, 2008). In this regard, as the discussion shows, the researcher used a diversity of sources and methods to maximise the validity of the fieldwork evidence and research findings. This involved, for instance,

verifying information through multiple informants, and validating information through multiple methods.

In a nutshell, the identity of the researcher as a land rights campaigner (a lead facilitator of land and agrarian campaigns) for more than two decades actually influenced the research process through the capitalisation of the long-established institutional relationships with communities, which helped to generate rich information through extensive debates/discussions. The research process also empowered new communities (i.e. ones with whom the researcher had no pre-existing relationship), since participants – in particular, tenants, women, *Dalits*, and indigenous peasants – came away from the process more aware of their legal rights.

2.8 Data Analysis

Generally, data analysis in the social research process refers to the systematic process of classifying, organising, categorising and summarising the data accumulated from the fieldwork process (Brewer, 2010; Uprety, 2015). Because both quantitative and qualitative methods were involved in the fieldwork, two forms of data analysis were used for this thesis. In terms of quantitative analysis, the ‘Statistical Package for the Social Sciences’ (SPSS) was used to process and organise the quantitative data gathered through the survey. Data were organised and presented by the use of descriptive statistics such as frequency distributions, means/averages, percentages and measures of central tendency. But limited co-relational analysis was also conducted (association between caste/ethnicity and landholdings as well as tenancy status, caste/ethnicity and landlessness, caste/ethnicity and household occupation, women and landholdings, etc.).

In relation to qualitative analysis, the evidence collected was thematically arranged, coded and organized/classified by perusing all relevant and substantive field-notes of the interviews, life histories and FGDs. This entailed repeatedly sifting through the fieldwork-generated documentation in order to separate out and coalesce themes and sub-themes, such that different dimensions of peasant existence and de-peasantisation became noticeable. In doing so, the researcher was sensitive to both commonality and variation within the qualitative evidence, but

this did not prevent him from recognising and analysing prevailing trends and trajectories (Uprety, 2015; Richardson and St. Pierre, 2005; Geertz, 2005).

2.9 Ethical Considerations

Research ethics is critical to any sociological inquiry because of the human subjects involved (Koulouriotis, 2011). Because of this, the relationship between the researcher and the human subjects under study forms the crux of ethical social research, including how evidence is collected (for example, based on “informed consent”) and the ways in which the researcher acts in the field (for instance, not consciously deceiving subjects about the topic of inquiry). Questions also arise about who benefits from the research and who has ‘ownership’, so to speak, of the research findings. This is crucial because research is often an extractive process in which evidence is extracted from research subjects solely for the benefit of the researcher (Akaranga and Makau, 2016).

The researcher has been facilitating and coordinating land and agrarian rights movements in Nepal since the early 1990s. In other words, he is a land activist. Undertaking a PhD thesis was never even remotely considered as a possibility throughout the over fifteen years of land activism. Given though the depth of my practical understanding of land and land-related issues in contemporary Nepal, the researcher felt almost compelled to go beyond his activism and try to make some sort of scholarly contribution to land, peasants and de-peasantisation. This, needless to say, has been a difficult transition and road, but it was made much easier by the significant support received throughout the fieldwork. In this regard, the researcher is recognised as a land rights facilitator in many rural spaces in the country, including in the districts studied and by national stakeholders; and this enhanced entry into rural spaces which others might find difficult to penetrate.

At the same time, it was important for him to make clear to his research subjects during the fieldwork that he had taken on this new role as a postgraduate student. In this context, any evidence which was collected specifically for purposes of his research was done so on the basis of verbal “informed consent” on the part of research subjects, which included ensuring privacy and confidentiality of all data collected (Christians, 2005). Also through this process, the research

subjects agreed to their names being used in the research. At times, the research involved explicitly distinguishing between his two roles (land rights facilitator and academic). For instance, when he worked as the facilitator of any doctoral fieldwork session, he introduced himself as a PhD scholar attached to Rhodes University in South Africa, and explained to people about the purpose of the research and the use of data. This was particularly important in areas where he was easily recognised because of his land rights work. In this respect, he has been frequently travelling and visiting most of the studied districts since 2004, when the land and agrarian rights movement expanded in *Tarai* districts.

For the places where people did not recognise him, he had help from his affiliated local land rights activists or community leaders who were aware of his activist work. Currently, he is heavily involved in supporting the Ministry of Land Reform and Management, and the National Reconstruction Authority with reference to drafting the land policy formulation process in Nepal, such as the Reconstruction Guideline (regarding displaced peoples, relocations, and land transfers), Land Use Act, National Land Policy, and *Guthi* (trust) Land Act, as well as reconstruction policies for the resettlement of earthquake-affected communities. The evidence collected through this process is relevant to his doctoral research work, and it also relates to his advocacy work for CSRC and the land movement more broadly. Thus, the doctoral research is part of action research for both land movements and policy formulation processes.

Chapter Three: Theoretical Framing of De-peasantisation

3.1 Introduction

This chapter provides the theoretical framing of the thesis, with a particular focus on examining the process of de-peasantisation. This framework is based, broadly speaking, on a Marxist political economy perspective. In this context, the political economy perspective is outlined, with three particular themes addressed: political and economic institutions of extraction, neo-liberalism and commodification, and peasant mobilisation. A discussion of these themes facilitates an understanding of the process of de-peasantisation with reference to Nepal as the specific focus of the thesis. In order to understand the character of de-peasantisation, it is necessary to discuss the notion of the peasantry (or the peasant) as well as how de-peasantisation is to be distinguished from de-agrarianisation. After this, the chapter details the genesis, development and consequences of de-peasantisation in Nepal.

3.2 Political Economy Perspective

Broadly speaking, this thesis examines ‘de-peasantisation’ from a political economy perspective rooted in Marxism. Since class analysis is central to the political economy perspective, this section will begin with a review of class differentiation, and resource control and distribution.

The word ‘class’ is used both as a noun and as an adjective. As a noun, one might ask the question “which class do you think you belong to?” to which the answer might be “the working class”. As an adjective, the word ‘class’ modifies a range of concepts: class relations, class structure, class formation, class locations, class interests, class conflict, class-consciousness, etc. (Wright, 2005:4). In class analysis, class structure and class relations are important. A variety of people participate in the process of production, but they will have different kinds of rights and powers over the use of inputs and the results of production. How the inputs are combined and used in production depends as much on how these rights and powers are wielded as it does on the strictly technical features of a production function. The sum total of these rights and powers constitute the

social relations of production (Wright, 2005:5). Class relations should then be considered as forms of relations including with regard to production (and distribution), including the distribution of power. When rights and powers over productive resources are unequally distributed, relations can be described as class relations. To have rights and powers with respect to land defines one's relationship to other people with respect to the use of the land and appropriation of the fruits of using the land. This means that the power relations involved in the social relations of production concern the ways in which the activities of people are regulated and controlled, not simply the distribution of a range of valuable assets or products. In other words, what is at stake is the distribution of power (especially over production), not just the distribution of wealth. Indeed, class relations can be described as a form of relations of production (Béteille, 2007, Wright, 2005:5-6). The different kinds of classes and class relations are thus defined by the rights and powers that are embedded in the relations of production.

The political economy perspective focuses primarily on the process of economic production, reproduction, capital accumulation, and the politics of ownership, access, control, and distribution of economic resources and property (Shanin, 1973). When capitalists control and own the means of production, smallholders, sharecroppers, and tenants are first dispossessed of any independent access to the means of production (most notably, through land expropriation), and then are compelled to enter the labour market as proletarians for their own livelihood purposes (Wang, 2010). In doing so, they act as the source of wealth, creating both surpluses and profit for property-owners (Wolf, 2010). Property ownership also implies the function of control within the production process, i.e. capitalists or those to whom they delegate this function, are responsible for overseeing and managing labour in terms of a labour-control regime (Cleaver, 1997). As well, the centralised state is generally supportive of landed property-owners (rich and commercial farmers/commodity producers), but state functions are not reducible to economic interests nor is the state merely manipulated by property-owners.

The emphasis on relations of production is meant to reveal a deep relationship between economic and political relations of power. Productive forces are composed of people and materials (the means of production). Capitalists pay for the value of labour power, and the remaining value produced by labourers is the source of surplus value and profit. Over time, changes in these

economic systems become emblematic of significantly different political periods. Hence, the method of receiving the surplus product under the *corvee* economy and the capitalist economy are diametrically opposite. The former was based on the producer being provided with land and the latter on the producer being disposed of the land (Patnaik, 2011:106). Those who are denied access to the means of production are compelled to sell their labour power, especially in capitalism (Wolf, 2010:78). In the end, Marx argues that the mode of production is the most powerful factor in the social system. Hence, a framework from political economy begins with the relationship between economic relations and political ones, and seeks to describe the ways in which political-historical changes depend on shifts in the mode of production.

At the same time, the development of capitalism (as an economic and political system) on a worldwide basis has not been uniform. Typically, with the development of capitalist agriculture, one might expect an increase in large-scale farming, facilitated by technological advancement and mechanisation (thus allowing for the extraction of relative surplus value), along with land concentration and centralisation of ownership (Shrestha, 2001). One might also expect a modern bureaucratic state to emerge which, based on formal policies, legislation and programmes, would provide an enabling environment for growth within capitalist agriculture. However, the reality is less predictable, including in the case of Nepali history. The unevenness of capitalism's development arises in part due to a country's own peculiar history of pre-capitalist forms of production, which are not necessarily displaced by capitalism in an immediate, direct and linear fashion. Different forms of economic production (capitalist and non-capitalist) may become articulated and intertwined in diverse ways, with implications as well for the form of the state. In addition, more factors come into play when examining specific phenomena, and the process of 'de-peasantisation' occurs in a complex way so that class, race, religion and politics all are inextricably interwoven in the structure of any given society (Roxborough, 1970). Hence, this study traces back to Nepal's pre-capitalist land and social systems in order to better understand the contemporary complexities of production and distribution as they relate to de-peasantisation.

Inequality is closely linked with the inequality of distribution of income. In traditional society, large landowners appropriated huge incomes in the form of rents, taxes, or rewards of land. This process has kept peasants at a subsistence level, and facilitated gradual de-peasantisation (Béteille,

2007:106). An example of this in Nepali society would be of *Jimidars*, who were local landlords appointed as revenue collection functionaries. They were indeed tasked with land reclamation for increased settlement, which would trigger increased revenue collection for the predatory state. This *Jimidar* system did not develop homogeneous classes; rather it created more inequality among the cultivating class and landholding class. In traditional society, landlords were the main decision-makers in the society and they were regarded as the superiors while tillers were the inferiors. This kind of understanding prevailed in pre-capitalist society. Due to political changes, a new type of inequality has emerged in land ownership and, as a result, a new form of agriculture (capitalistic) has also appeared which also de-peasantises the lower-class peasants (Béteille, 2007: 108).

In South Asia, historically, there has been a strong relationship between tenants or sharecroppers and traditional landlords. When peasants and sharecroppers ran into trouble, their close supporters were often landlords (even if under normal circumstances relations were exploitative and hierarchical). If the landlords were satisfied with the work of tenants and sharecroppers, the latter would receive regular financial support. This kind of relationship was broken by the advent of commercial farming and the monetisation of agriculture (Patnaik, 2008). Personal ties and relationships are superseded by impersonal and exploitative behaviour (Béteille, 2007:130). Wages become a key instrument to divide and weaken the working class. Working class labourers are compelled to sell their labour power as a commodity just to survive and sustain their social relationships with community members (Clever, 1997: 75, 82). To avoid starvation, people are compelled to accept the low rate of wages and high rate of rent of tilling the land (as per the rules framed by richer families). The very concept of rent, of course, came out of landed property, with the concentration of land ownership and the inheritance rights of landlords (Patnaik, 2007:21). The minority of landlords, or the ruling class, did not invest in land but had inheritance rights, and hence collected rent from the actual tillers (Patnaik, 2007:16). The rent was therefore ultimately controlled by non-peasants and re-invested in the service of further accumulation and control of land resources. Due to high rates of rent, the working peasants always remained surplus-less.

In the context of Nepal, too, the rich classes (traditional landlords) and the peasant classes (tillers) have historically coexisted. Landlords, of course, need sharecroppers to cultivate the lands, whereas sharecropper have often relied on support from landlords during times of household crises

(Adhikari, 2008). The levels of reliance are not, however, equal, especially in the context of landlords setting rent rates that many peasants never manage to meet, causing the latter to fall into perpetual debt. In 2000, the government of Nepal declared the abolition of the *Kamaiya* system (semi-bonded labour), considering it as a remnant of slavery. However, relationships of dependency and exploitation between landlords and *Kamaiya* and sharecroppers continue to persist. These are often compounded by the complex arrangement of social hierarchies along lines of caste and ethnicity.

The legacy of the feudal land policies in Nepal, then, is that of systems where absolute surplus was extracted from (non-proletarian) tenants and sharecroppers by reducing to a minimum the cost of labour. This was based on a class-caste system involving patrimonialism, in which landlord-state relationships were deeply informal and personalised, without being subjected in any strong sense to bureaucratic institutional arrangements on an on-going basis (Béteille, 2007). More modern institutional apparatuses within the state might have arisen over time, but these were often prepared to accommodate feudal landlord machinations. Indeed, any attempt to ‘modernise’ the system of agricultural production and the form of state along capitalist lines would end up being in tension with this legacy, such that an ambiguous mix of the past and present might exist for some while longer. It is only in recent years that the neo-liberal restructuring of Nepal’s economy has replaced some of the feudal relationships with more typical capitalist ones, at least in part. The particular form of capitalist development nationally, and even sub-nationally, shapes the presence and form of the peasantry as well as the processes of ‘de-peasantisation’.

Within this political economy perspective, I consider three key themes relevant to the study of Nepal, and specifically ‘de-peasantisation’ in Nepal. This includes the historical and lasting presence of extractive economic and political institutions under feudal rule (including extractive land ownership and tenure systems); neo-liberal restructuring and the process of land and labour commoditisation; and peasant resistance and mobilisation. In the case of the last theme, it is important to reiterate that the peasantry is not passive but an active agent in the era of capitalist development and change. Under both the feudal and capitalist neo-liberal systems, peasants have been mobilised to protect their land rights and to ensure a more equitable distribution of land in Nepal. Despite this, the process of de-peasantisation so far continues to pick up steam.

3.2.1 Extractive Political and Economic Institutions

A focus on the form and history of extractive political and economic institutions makes clear the systematic nature of unequal landholdings in Nepal, and the ways in which peasants have become gradually *de facto* tillers, and later proletarianised under capitalism. This subsection presents an outline of such institutions at a general level from a political economy point of view, notes their connection to the process of ‘de-peasantisation’, and finally highlights some specificities of their workings in South Asia and Nepal.

With reference to feudalism, Acemoglu and Robinson (2013) highlight the role of extractive economic and political institutions in the development of exploitative land tenure and labour control regimes, and show how these institutions facilitate skewed land distribution and the ‘de-peasantisation’ process. The historical expropriation of land and land-based resources reveals a strong connection between state (political institutions) and landlords (economic institutions). Political elites, through extractive political institutions, fostered the conditions for concentrating resources and power into the hands of economic elites, thereby nurturing a symbiotic relationship between these two groups of elites. In this sense, the presence of extractive economic institutions, including feudalistic labour systems, was an offshoot of extractive political institutions: the former historically depended on the latter for their genesis and persistence. Landed elites would not have been able to control and sustain the tenancy and sharecropping systems without the support of extractive political institutions (Béteille, 2007). Thus, institutions such as ministries, departments, police, army, land reform offices, local government units, and the judiciary functioned to further consolidate the position of the landed elites (Acemoglu and Robinson, 2013). Driven by this alliance of institutions, many peasants who had previously had independent access to (and even ownership of) land were dispossessed, and became tenants, sharecroppers, and semi-bonded or bonded labourers on expropriated land. Private wealth, power, and security were privileges experienced by the political and economic elites, and strongly endorsed by both the state and international interests. Even very recently in Nepal, donor institutions such as the World Bank (WB) have been promoting the “willing buyer - willing seller” model, with a focus on property rights, land plotting, and urbanisation.

In India, Pakistan, and Nepal (Béteille, 2007, Basnet, 2013), the landowner is known as *Malik* or *Manib*: literally 'owner' or 'master'. Traditionally, they controlled not only the land but also the men and women who lived and worked on it. This tradition is, in many ways, still the lived reality in South Asia, based often on verbal and informal agreements that are kept private between landlord and tiller/peasant. This state of privacy and informality is clearly to the benefit of the former, since it means landlords cannot be held accountable for their promises. Indeed, secret documents written by landlords themselves reveal how, in the face of unfulfilled promises, peasants have been compelled to follow duplicitous directions and demands, which had a paralysing effect on the already-weakened peasant household economy (Roy, 2006: 141-143). The exorbitant demands placed on tenants and sharecroppers by landlords include extraordinarily high rates of rent, taxes and interest, and the arbitrary nature of their collection (i.e. on the whim of landlords). When state officials visit rural villages, the *Maliks* are their 'natural' hosts, and this proximity to power also reinforces the landlords' overall control of land and labour (Béteille, 2007). In a number of areas, land taxes and rents are also controlled by this very class. Peasants, especially the smallholder class, are forced to show an explicit reverence for the extractive system, since they are well aware that they would otherwise not be allowed to till the land, nor obtain loans from landlords, both of which are crucial for them to making ends meet. As will be laid out over the course of this thesis, this extractive system in South Asia has facilitated the process of 'de-peasantisation' of smallholders, tenants and sharecroppers.

Close attention to these historically specific institutions is also important because 'de-peasantisation' in Nepal has its own specific qualities, and is not reducible to a global 'de-peasantisation' template - although the ultimate effects of the process might be similar. Under the *Rana* regime, the rulers established different kinds of extractive and exploitative land tenure systems, such as *Jagir* (land grants for emoluments to government officials), *Guthi* (land transfer in the name of a temple or monastery for religious purposes), and *Birta* (tax-free land given to members of the ruling family, nobility, and loyalists). These land tenure systems were developed with the support of extractive political and economic institutions (Adhikari, 2011). In 1951, the *Rana* regime was overthrown and there emerged a democratic system which continued up to 1960. Next, the *Panchayat* (party-less political system) regime, effectively an absolute monarchy, was introduced, which stifled the fledgling democracy and left extractive institutions intact. The Lands

Act of 1964 introduced a land reform measure which was meant to facilitate the redistribution of land (for landholdings above a set ceiling) amongst marginalised peasants, but this reform was ultimately rendered toothless by landlords through various means (Uprety et al., 2018). Until 1990, peasants in Nepal were confronted with high interest rates on loans, regular (almost annual) food deficits, free labour owed to landlords, high rates of rent (more than 50% of the share of production), abusive village chiefs and moneylenders, and corruption by extractive administration institutions like the land registration offices. Local merchants, in turn, exploited the peasants' need for cash (to pay taxes and loans in order to produce exportable crops) by setting the terms of contract such that crops were sold exclusively to the creditors at prices clearly unfavourable to the producers (Patnaik, 2007:14). All these factors placed significant pressures on the lives and livelihoods of peasants, often compelling them to leave the land they cultivated.

3.2.2 Neo-liberalism and Commoditisation

The second key theme, which relates more specifically to the post-1990 period, is 'neo-liberalism'. This subsection will present an overview of neo-liberalism in general, and with a particular focus on the commoditisation of land, labour and agriculture under neo-liberal regimes. A brief look at the relationship between neo-liberalism and agriculture will be followed by an overview of the effect of neo-liberalism on land reform worldwide, and then on South Asia and Nepal in particular.

Historically, before the rise of capitalism, there was no concept or practice of daily wages, rents, and profits in peasant economies. The rise of capitalist agriculture began to dismantle the rural economy through the 'accumulation by dispossession' (Harvey, 2003), thus setting off the process of proletarianisation (Neocosmos, 1986). While the beginnings of this process largely coincide with the stage of capitalist development labelled 'primitive accumulation' by Marx, 'accumulation by dispossession' was not a project completed during 'primitive accumulation'. It continued unabated as worldwide capitalism sought more and more to dispossess and accumulate, and gained both speed and intensity in the era of neo-liberal restructuring. Thus, under neo-liberalisation, small producers continue to be separated from any independent access to land, possibly accelerating the process of 'de-peasantisation'. In this regard, neo-liberalism involves the intensifying influence and domination of capital, thereby reconstituting and strengthening the

landed class in the service of capital accumulation (Thomson, 2005; Harvey, 2003). Another mark of agricultural capitalism, related to neo-liberal interventions, is the dual process of introducing wage labour along with machines (Patnaik, 2011:135). The spread of the agricultural machines means the elimination of an agricultural manual labour regime; concomitantly, smallholders and traditional agricultural labourers are compelled to be converted into non-agricultural labourers.

Neo-liberalism, as a worldwide phenomenon, thus provided an enabling environment for the establishment of typical forms of capitalist development. In the realm of agriculture, this environment is characterised by the commercialisation of land and labour, privatisation (private titling) and marketisation of land, increasing social importance of ownership, financialisation of agriculture, and foreign investment from national and multinational corporations. Although this is often said to involve deregulation, it is in effect a form of re-regulation, in which the state intervenes in a manner supportive of the market mechanism. This presents a major challenge to remaining peasants, as it entails a new round of ‘accumulation by dispossession’ (Fair, 2011) in which smallholder peasants, tenants, and sharecroppers are converted into rural proletarians; in some cases, even sections of the middle class of peasants become dependent upon capitalist farmers, or simply become landless. When the latter is the case, rural peasants are often left without any viable alternative livelihoods or ways to access formal employment in the capitalist economy (Harvey, 2003). Ultimately, access to food products is increasingly reliant on the agricultural commodity market. This is not, however, to claim that ‘de-peasantisation’ always takes this specific form or follows this pattern; neoliberal restructuring is a variegated process with variegated outcomes across the globe. In part, this is because such restructuring invariably takes place under a specific agrarian political economy context. Thus, the form of neo-liberalisation taking place in Nepal is contingent on how it became embedded in (and is shaped by) the long-entrenched feudal oligarchy.

Next, it is striking to examine how deeply neo-liberal attitudes affected land reform initiatives the world over. Land reform was not a high priority on the agendas of most countries in the 1980s, and with the spread of neo-liberalism, even existing efforts changed focus. Beginning in the late 1970s and up to the early 1980s, there was a gradual shift from a redistributive to a market-assisted land reform approach, through formal credit and open markets. The WB was at the forefront of

this market-led approach and its propagation. Major advocates included other multilateral and bilateral financial institutions, multinationals, and large agricultural capital owners, supported by policy advisors in developed countries (El-Ghonemy, 1999). One consequence of this shift was that any meaningful land reform was put on the back-burner, with agricultural modernisation being the primary emphasis under structural adjustment and, later, neo-liberal programmes (Borras, 2007). This involved simultaneously prioritising large-scale farming and de-emphasising land reform and peasant farming (Borras, 2006), with a focus on agro-exports and agro-processing (Araghi and Karidesh 2012). Agricultural land became first and foremost a commodity for profit (through production, investment or speculation), and contemporary land grabs or seizures serve only to displace the peasantry and deepen 'de-peasantisation' (Hu et al., 2009; Kumar, 2011; McMichael, 2006:4). Indeed, modern land reform as such has increasingly been understood and practiced as the establishment of commercial farms, or of industrial land rights in the countryside; the upshot is often the destruction of the peasant economy or family farming. All in all, the consequence was that the market, rather than the state, began to control the land (Borras, 2007).

Since 1990, the global economic system has prioritised large-scale farming and market-led land reform by de-emphasising the protection of peasants' rights and land distribution (Borras, 2006: 99). Capitalist farmers need more land for profit and accumulation, and smallholders, and in some cases middle class peasants, are compelled to sell their land to commercial farms; through this process, they are gradually de-peasantised (Patnaik, 2011:120). Special Economic Zones (SEZs), which typically push for privatisation in the service of urbanisation, also treat land as a commodity to be freely bought and sold in the marketplace (Kumar, 2011). Another related development has been that of land banking, which promotes land markets and triggers the removal of peasants from the land, especially smallholders and in some cases middle class peasants. It too has emerged as a tool to control land and make it a commodity, determining who can buy, sell and make a profit, and displace the farmers (Hu et al., 2009). Seizing land from the peasants and handing it over to private owners, especially land plotters or industrialists, escalates 'de-peasantisation' (Kumar, 2011). In most cases, neo-liberalism's attacks on rural and urban public land are marked by the following attributes: (i) liberalisation of land markets; (ii) expansion of price of assets/land; (iii) drastic cuts in peasants' subsidies in agriculture; (iv) commoditisation of seeds and seed production; (v) increasing dependence on hydrocarbon farm inputs, and (vi) promotion of agro-

exports and market competitions (Araghi, 2012:3).

Hence, neo-liberalism had a huge effect on agrarian forms of livelihood the world over in the late 20th century, through the commodification of land, changes to the markets for food, and the reorientation of land and agrarian reform initiatives. The way these changes have been borne out in South Asia is worth a more specific look in the context of this thesis. Neo-liberal restructuring in South Asia has been deeply shaped by the history of its feudal oligarchies (Ramachandran and Swainathan, 2002). V.K Ramachandran and Madhura Swainathan (2002) stated that landlords and the rich have historically controlled the state apparatus and have succeeded in transforming people into capitalist farmers. This was often done by providing land through the market, on contracts or rent. This contributed to increased control (and sometimes eviction) of existing tenants, since sharecroppers were compelled to work as wage labourers for rich farmers; this has been called mediated capitalism (Ramachandran and Swainathan, 2002:63). Once global and national capital transformed feudal land tracts into contract or lease farming, contracted land became liable to be transferred as property to national and multinational companies (which it often was). These capitalists invested more on means of production and machines rather than on labour, since reducing the size of labour and the labour surplus helps accelerate accumulation (Wolf, 2010: 356). This rendered many local people resource-less, and forced them into low-paying jobs for the same national and multinational companies (Ramachandran and Swainathan, 202:76).

In the case of Nepal, the macro-agricultural policies of the government (such as APP and ADS), crafted with the assistance of donor agencies, largely favoured commodity production and the commercialisation of agriculture. The support of both the state and of donors, therefore, fell upon rich and middle class peasants who had the motivation (and the capital) to invest in a way that would produce mainly for the markets. The commercialised farms that resulted from these policies, then, worked on the basis of wage labour. In 2017, the Government finalised the feasibility study for the establishment of SEZs in seven provinces of Nepal: namely, Biratnagar, Simara, Panchkhal, Gorkha, Bhairawha, Jumla, and Dhangadhi. While this proposed policy, too, is aimed at agro-based industrialisation, its full implementation requires the acquisition of substantial amounts of arable lands, displacing peasants and leading the process of area-specific ‘depeasantisation’.

With the adoption of neo-liberalism as a 'development paradigm' for the transformation of Nepali society, land, capital, and labour have been transformed into commodities and institutional initiatives have been set up to aim for profit maximisation over anything else. The traditional relationship between landlords and peasants - already in itself exploitative - has been transformed into a commoditised relationship for capital reproduction. Ultimately, the smallholders, agricultural labourers, the landless, and indebted peasants (such as *Harawa*, *Charawa*, *Haliya*, *ex-Kamaiya*, etc.) have been compelled to sell their labour power to the rich in order to sustain their livelihood. Peasants have been forced to abandon the traditional farming of cereal crops, and transform themselves instead into cash mono-crop producers for the market; in other words, peasants became 'farmers'. The onset of commodity-centred marketisation has therefore triggered these differentiations within peasants, and dissolutions of large parts of the peasantry; in other words, de-peasantisation.

3.2.3 Peasant Mobilisation

The third theme relates to the mobilisation of peasants. Peasant politics has of course varied across both time and space, and is marked by significant ups and downs. This subsection will present a short description of the attempts to theorise the difficulties of peasant mobilisation, the framing of some of these difficulties in a Marxist context, and a brief note about peasant mobilisation in Nepal.

By its very character, the mobilisation of peasants is a difficult prospect, particularly under undemocratic state regimes and in places where the rich class have direct control over local agrarian spaces. From the 1980s, initially under the banner of neo-liberal restructuring and a call for entrenching property and civil rights, non-governmental organisations (NGOs) became increasingly prominent in the Nepali development scene (Helliker, 2006). For various reasons, many of these organisations became instrumental in mobilising peasants to claim and exercise their rights. While initially, the agenda for peasant upliftment was through land reform or land distribution, over time the agenda shifted to focus on democracy and identity as a basis for ensuring land equity.

Eric Wolf is of the view that it is mostly sharecroppers, tenants and smallholder peasants who are involved in mobilisation. Rich or higher-class peasants do not need to be mobilised, because they already have secure rights over land and profits (Skocpol, 1982:354). Most of the sharecroppers, tenants and smallholder peasants, on the other hand, depend on landowners for their livelihoods. However, this also means, according to Wolf, that they cannot be mobilised directly: these peasants need external support to be mobilised. The power of this dependence on landlords also becomes clear when considering the local politics of mobilisation: if a landlord is an absentee landowner, i.e. if they live in some other village or city, it can be easy to mobilise lower class peasants. However, if the landlord lives in the same village, the mobilisation of peasants against the landlords becomes close to impossible, due to the daily attachment of peasants to the landowner for their livelihood (Skocpol, 1982:354). Sometimes, however, peasants in these situations can mobilise against the state rather than local landlords, which can also alleviate existing exploitation. In either case, mobilisation requires the coming together of a large and recognisable peasant organisation. Hence, for mobilisation, political awareness and organisation is needed as much as mere conditions of exploitation (Skocpol, 1982:354).

Marxists have at times disregarded the significance of rural peasant mobilisation, and have sometimes insisted upon the inevitability of a linear process of proletarianisation, which entails the equally inevitable death of the peasantry. Marx and Engels, for instance, tended to be dismissive in this regard, arguing that the urban proletariat was the source of all anti-capitalist revolutionary energy. Stalin, too, used bulldozers to suppress peasants when they mobilised against the collectivisation of agriculture in Russia. The main agenda of the Russian state was nationalisation of land, rather than distribution to the working peasants (Roy, 2006:29). However, other Marxists - most prominently Mao - argued differently, claiming that the endurance of peasants under capitalism suggested the possibility of peasant mobilisation of an emancipatory kind (Roy, 2006:26-31). Such Marxists have also stressed the importance of a peasant-proletariat alliance (though usually in the presence of a guiding revolutionary party or external leadership).

There has also been significant debate about what strata of peasants are likely to mobilise. Some scholars, as noted earlier, have argued that it is sharecroppers, tenants and smallholders - the most exploited - that are most likely to be involved in mobilisation, since middle-class and rich peasants

have greater security in land and prosperity. For others, blockages around accumulation from below might lead to ‘middle class’ peasant activism (Skocpol, 1982). In most Asian, African and Latin American countries, NGOs (with donor funding) perform a crucial role in mobilising peasants, but it is not unusual for emerging peasant movements to become subordinate to (or captured by) these organisations, or have their agenda reconfigured by them. Nevertheless, peasant mobilisation globally (with or without the assistance of NGOs) has now been a feature of the political landscape for decades, and indeed existed prior to neo-liberal restructuring (Edelman, 2013; Seddon et al., 2002; Helliker, 2006). This is particularly the case in Asia.

The current mobilisation of peasants in Nepal is diverse and multifaceted. Until 1990, political parties organised and mobilised peasants politically by using the slogan ‘land to the tiller’. Subsequently, NGOs became more involved and started to work with peasants. Many such (mainly international) NGOs, with foreign financial resources and backing, entered the country with capitalist agendas, which actually served to undermine the political peasant movements, by diverting attention to short-term livelihood-enhancing activities in the name of poverty alleviation (Upreti et al., 2008). Within NGO-facilitated peasant movements, there has been considerable fragmentation based on the different agendas of different donors. Thus, some have mobilised only for the land rights of indigenous people; others for women; and others still for *Dalits*. At the same time, NGOs have tended to depoliticise peasant movements, leading to a very technocratic discourse and understanding of land reform. The form that peasant mobilisation takes, and the kinds of issues mobilised around, have had repercussions on the process of de-peasantisation in Nepal.

3.3 Understanding the Peasantry

Developing conceptual clarity on the sociological terms ‘peasants’ and ‘peasantry’ is a challenging task. While the terms may be defined along a number of dimensions (such as social, cultural, political, and historical), the political economy framework used in this study takes two conditions to be central: (i) a peasant has regular access to land, regardless of legal relationship to it; and (ii) a peasant is directly involved in agricultural operations on a regular basis, and depends on the same for their livelihood. When these two essential conditions are met, tenants and sharecroppers who

can be landless but have regular access to land may also be identified as ‘peasants’. Conversely, a rural resident who owns land but does not meet both of these conditions cannot be called a ‘peasant’.

Our definition aside, it is worth noting that there is no unanimity amongst sociologists, agricultural economists, and other scholars on the definition of the term ‘peasantry’ or ‘peasant’. For instance, the word ‘peasant’ was used during the English medieval period in a manner synonymous with ‘rural people’, ‘rural residents’, ‘agricultural people’ and ‘common and simple people’ (Edelman, 2013:3). However, political economists do not follow in this antediluvian notion of equating ‘peasants’ with ‘rural people’, ‘rural residents’ and ‘common and simple people’, as clearly specified above. In this political economic sense, ‘the peasantry’, broadly speaking, often refers to a form of agricultural production on a small-scale, using predominantly family labour and household consumption (Araghi, 1995), or “people involved in agriculture that had direct access to the production of their means of subsistence especially in land” (Johnson, 2004:56; Roberts, 1990; Fair, 2011). As per Marx, peasants are to some degree workers in farms, and to some degree owners of the means of production (Duggett, 2005). In this sense, ‘peasant’ is a regular proprietor and worker on agricultural land.

To straighten out ambiguities, a few further points are important to define ‘peasant’. First of all, the peasantry exists as “an underdog position in society and is exploited by non-farm or higher-class people” (Mintz, 2008:3). Similar politically inclined points are made by Shanin (1973) and Wolf (2010). Roy (2006) argues that peasants are “socially and economically marginalised, culturally subjugated and politically disempowered” (Roy, 2006:25; Shrestha, 2001). In many parts of the world, ‘peasants’ are still second-class citizens with legal and *de facto* restrictions on their geographical mobility, limited access to social services, insufficient access to land and absence of human rights protection.

Secondly, in the light of historical and spatial variation, peasants either work their own land or work on the land of others or of the state (Edelman, 2013). In the former kind of case, the family farm is the basic unit of agricultural production and social organisation (Shanin, 1973; Roberts, 1990), and while this kind of peasant agriculture under capitalism sometimes gets involved in

market sales, it is often in a way that is subordinate to various intermediate mechanisms. With regard to the latter, there are peasants working on the land of others - for instance, tenants and sharecroppers - who are more directly and immediately subordinate to economic and political elites (which was also central to the feudal agrarian structure).

Thirdly, the peasant 'class' is internally differentiated. Thus, Edelman (2013) notes that within the peasantry, there is 'social differentiation' if not 'class differentiation'. In this regard, Lenin divided the peasantry into three classes: namely, 'rich', 'middle' and 'poor' peasants (Roy, 2006:4). This distinction in large part relates to the extent to which the peasant family relies only on household labour (often exclusively 'middle' peasants), hires *in* labour ('middle' peasants engaged in 'accumulation from below'), or hires *out* labour ('poor' peasants who are dependent upon off-farm labour earnings as well). The 'rich' peasants – whom Lenin refers to as *kulaks* – are often commodity producers, and so are sometimes considered capitalists-in-the making, while the 'poor' peasants (already with a semi-proletarian status) are sometimes identified as 'disguised' wage workers or proletarians, and are considered particularly liable to full proletarianisation.

Fourthly, peasants are constantly subject to processes of 'de-peasantisation' under capitalism. This is perhaps particularly evident under current neo-liberal restructuring. This restructuring has promoted commercial corporate farming or non-farm industries in rural areas, and had put peasants' way of life under constant threat. For instance, in many cases, this process has led to the loss of land and livelihood for peasant agriculture, and the further proletarianisation of the peasantry, as former peasants (regularly 'poor' peasants, agricultural labourers, and landless wage labourers) become full-time labourers in rural or urban spaces. On the other hand, neo-liberalisation has also had the 'positive' effect of facilitating the entry of 'rich' peasants into corporate farming, along a pathway of accumulation.

In this context, a feudal-like agrarian system has prevailed for centuries in Nepal, with elements of it still remaining. Most productive land, wealth and power was concentrated in the hands of a ruling class constituted by a small percentage of the upper castes and class (Mikesell, 1999; Karki, 2002) and most 'lower caste' people, untouchables, and ethnic minorities were forced to work as smallholders, tenants, sharecroppers and bonded labourers. If, as per Lenin, there is differentiation

among peasants (Sugden, 2009), in Nepal, too, peasant differentiation has existed.

As regards the structure of the Nepali agrarian economy in the 1970s, Blaikie et al. (2005:46) divided Nepali farmers into four categories as follows: (i) larger landowners (1.8%); (ii) owner cultivators (62.0%); (iii) owners-cum-tenants (19.1%), and (iv) tenant cultivators (9.3%). They also identified peasants without land, which included micro-landowners (with 0.12 hectares or less), as constituting a small minority of those involved in farming (7.8%). The four categories are further developed as class categories, taking into consideration relations of production and exchange, and the extent to which they rely on the sale of produce and/or the sale of labour. They also, by implication, identify the relative importance of market exchange, and thus of merchants and traders. In a specific section of their book *Nepal in Crisis* (2005), they discuss the importance of the role of merchant capital (of merchants and traders) and of finance capital (money-lenders) in the rural political economy. Similarly, Ghimire (1998:36) provides a broader class analysis of Nepal's political economy as consisting of four major classes/group types, as follows: (i) the most dominant groups (monarchy/members of the royal family and their kin); (ii) dominant groups (*Brahmin*, *Chhetri* and *Newar* social groups; large landowners and rich peasants in the rural area and proprietors of large concerns/industries, hotels, tourist agencies and export-import businesses in the urban area); (iii) middle groups (middle castes and tribal/*Mongoloid* people which included middle land-owners, and petty bourgeoisie such as the merchants, traders, government officials, etc.), and (iv) low groups (low castes such as *Kamis*, *Sarkis*, *Damais* which are traditionally treated as 'untouchables' despite the legal abolition of the caste system, and also petty traders, urban regular/skilled wage workers, landless/agricultural labourers, and casual/unskilled urban wage workers, etc.). Based on the above analysis, in the case of Nepal, the term 'peasantry' can be differentiated and understood as explained below:

- (i) *'Disguised' agricultural wage labourers, or daily wage labourers (Semi-proletariat):* People who fall under this category have either no land or less than 0.2 hectares of land. In Nepal, in addition to the absolute landless, people who are or have been subject to *Harawa*, *Charawa*, *Kamaiya*, *Haliya*, and other bonded-labour systems are often major constituents of this category. '*Harawa*' and '*Charawa*' literally mean 'ploughman' and 'cattle- herder' respectively, and are categories used in the eastern *Tarai*; '*Haliaya*' literally means

‘ploughman’, and is a category used in the far-western hills. The *kamaiya* (bonded labourers in the mid-western and far-western *Tarai*) system was abolished only in 2000.

- (ii) *Smallholders*: People who fall into this category are largely subsistence peasants. These peasants try to eke out livelihoods by cultivating just enough for themselves and their families. This may be on their own limited lands, but it may also be through tenancy, sharecropping, or by selling their labour on a regular basis. Some of them produce food commodities for sale in local markets, and others barter their produce for daily consumption. Generally, ‘smallholders’ own between 0.2 and 0.5 hectares. Sharecroppers who till land for landlords are generally not recognised as ‘registered or certified’ tenants, and hence cannot claim tenancy rights. They are socially accorded the status of ‘informal tenants’. It is often the case that contractually, part (up to half) of their produce, and sometimes the by-product as well, is to be given to landlords as rent. At times, landlords may also demand their labour services, a practice that was widespread in Nepal before 1990. In cases where the tenants are registered, they are able to legally claim tenancy rights. In those cases, tenants are required to pay as rent 50% of the principal crop only. They are also legally entitled to claim 50% of tilled land after a sufficient period of tenancy.

In times of financial or agricultural crisis, smallholders are often compelled to either rent land from landlords, or to take loans at exorbitant rates (up to 36 percent per annum). Due to these rates, some are required to hand over their limited lands to the moneylenders as part the loan repayment, at which point they become wage labourers or semi-proletariat. Some smallholders, especially in the *Tarai*, also have a system of working on ‘contract farming’, under which the peasant leasing-in the land works on it for a specified period of time, often set by verbal agreement. This kind of contract usually requires a fixed amount of cash to be paid annually, either at the beginning of the year or at the end of the harvest. A small section of smallholders are also petty commodity producers, and must face the challenges of ‘monopsony’ when they put their fares on the market. Finally, a large number of the youths of these peasant households migrate abroad, mainly to the Gulf countries and Malaysia, due to the lack of livelihood security in agriculture. Hence, the smallholding category of subsistence peasants comprises a fairly diverse group of workers.

- (iii) *Middle peasants/petty commodity producers*: Those who fall in this category produce enough for family consumption; but at the same time, they also produce goods for exchange in the markets. These middle class people hold between 0.5 and 2 hectares of land, and mostly produce both home consumption and cash crops. Some of these peasants also work as sharecroppers or contract farmers for part of the year. As per the needs of households, they occasionally employ wage labourers. The youths of such households generally migrate abroad for overseas employment as semi-skilled labourers; a small proportion of these go to European countries and the USA. A few middle peasants become successful comprador bourgeoisie (small-scale merchants and traders) when they engage in the buying and selling of foreign goods and commodities in Nepal; these people typically quit traditional peasant work. While many in this category are set on the path of 'accumulation from below', petty commodity producers have also to face the challenges of 'monopsony'.
- (iv) *Rich peasants/commercial farmers/corporate or commodity producers*: Those who fall into this category basically use hired wage labourers, and have surplus production of agricultural commodities. These farmers generally own more than 2 hectares of land. Recently in Nepal, there has been a rising trend of rich farmers leasing in land from smallholders/middle peasants to expand their enterprise. Succinctly put, such farmers produce agricultural commodities primarily for exchange in the markets (i.e. not for subsistence at all). Upon the sale of their commodities, they buy other non-farm products through the direct payment of cash (i.e. this is not a bartering class). In cases where they lease in lands from smallholders/subsistence peasants, they may often end up buying such land outright. Of course, in so doing, the original land owners may become landless, and turn into labourers - often for these rich farmers themselves. The majority of the youths of these rich peasant households migrate abroad, and such households have a tendency to 'accumulate from above'.

Finally, as of late, the term 'corporate farmers' has begun to gain currency in the Nepali political economy discourse. This has not been set out as a separate category here, but includes farmers who have established their agricultural companies and taken on agriculture as a full-time corporate profession, but not one in which they are *directly* involved. Such farmers are increasingly active

in the production of food-grains, livestock, and fruits. These farmers produce for markets (both national and international). There has been a noticeable growth of ‘corporate farming’ in Nepal - a function of the adoption of neo-liberalism as a development paradigm by Nepali rulers and their policy makers. Of late, some traditional big landowners (who account for less than 4% of the farming population) have become ‘commercial farmers’ or ‘corporate farmers’. Hence, farmers who employ agricultural wage labour to do their work may be identified as ‘corporate’, ‘commercial’, or ‘capitalist farmers’.

A further note about terms: the terms ‘peasant’ and ‘farmer’ are often used synonymously in Nepal, but this study is concerned to differentiate these terms as indicated above. For instance, the Nepali word ‘*Kishan*’ is used to refer to both ‘peasants’ and ‘farmers’, regardless of their statuses of “smallholders”, or “middle” or “rich” peasants - which makes local analysis difficult. As before, a ‘peasant’ is a member of an agricultural household which has regular access to land and direct involvement in agricultural operations, on which they rely for their livelihoods. This term thus includes ‘smallholders’, ‘middle class peasants’, and even ‘rich peasants’, but only those who are directly involved in the process of farming. More specifically, a ‘peasant’ works on the land, whether as a regular tenant, a regular sharecropper, a smallholder, or a rich class person involved in “family farms”. The term ‘farmer’, on the other hand, may be used to denote those who are involved in the agrarian *business*, without being directly involved in agricultural work; for instance, commercial farmers, who own land and employ labour to work on it, but do not work on it themselves.

The classic Marxist analysis of the peasantry identifies a process of the transformation of the peasantry under capitalism, in which it becomes increasingly differentiated: initially into rich, middle and poor, and subsequently into the rural bourgeoisie (land owners and employers of wage labour) and the rural proletariat or working class (owning no land but selling their labour for wages). Thus, Lenin, in ‘The Development of Capitalism in Russia’ charts this process as he sees it in Russia at the beginning of the 20th century. Of late in Nepal, neo-liberal policies have contributed to the promotion of commercial and corporate farming, resulting in a changing mode of production which is geared towards transforming peasants into workers through a form of ‘dispossession by accumulation’ from above. Hence, one might trace similarities between the

Marxist prediction and what is happening in Nepal.

3.4 Understanding De-peasantisation and De-agrarianisation

This section discusses ‘de-peasantisation’ in more detail, including its genesis, development, and consequences. In doing so, it distinguishes between ‘de-peasantisation’ and ‘de-agrarianisation’, and also notes the linkages between them. ‘De-peasantisation’, in this study, refers to a process involving the following essential conditions: (i) a decline in the proportion of the peasant workforce over time; (ii) the conversion of independent or autonomous peasants into dependent ones (for example, the conversion of landholding peasants into agricultural labourers through the dispossession of land), and (iii) a decline in the share of the total production output from peasants in the total agricultural output of the country.

While not an essential condition, based on historical experiences, one might also expect to see an increase in ‘commercial’ agricultural production when de-peasantisation occurs. More specifically, there would be a higher share of the output of commercial agriculture in the total agricultural production. In other words, the decline of one set of agrarian relations would be replaced by another, one mode of production by another. But it is in principle possible for de-peasantisation to take place without the development of capitalist agriculture, and instead be replaced by other kinds of development projects and non-agricultural industries.

De-peasantisation involves the undercutting of the peasantry as a distinctive kind of agricultural production. Based on arguments by Bryceson (1999), Johnson (2004) thus notes that ‘de-peasantisation’ involves “the erosion of an agrarian way of life that combines subsistence and petty-commodity agricultural production with an internal social organisation based on family labour” (Johnson, 2004: 55). As mentioned by Singh and Bhogal (2014), the process of de-peasantisation involves diminishing peasant-based farming, and diverting labour from an agricultural way of life to non-farming pursuits as the basis for livelihoods (Singh and Bhogal, 2014:1364); this can involve converting peasants into agricultural wage labourers on commercial farms, or it can mean pushing erstwhile peasants into other economic sectors. Utsa Patnaik (2008) takes a classic ‘evolutionist’ Marxist line when she asserts that “peasants as representatives do not

exist outside feudalism and there is the “inevitable doom of peasant economy” with the emergence of commercial farming (Patnaik, 2008:415). This is echoed both in Johnson’s statement to the effect that ‘de-peasantisation’ is not only the diversification of survival and income strategies, but also the process of the death of the peasantry and the rise of urbanisation and service sectors (Johnson, 2004:56), and in Shanin’s argument that with the advance of urbanisation and industrialisation, the peasantry loses its position as a mainstay in the national economy (Shanin, 1973:77).

The word ‘de-agrarianisation’ is complex and contextual as well. Falling back again on the political economy framework, this study defines ‘de-agrarianisation’ as a process characterised by two main features: (i) a decline in the proportion of the total workforce of a country involved in the primary sector (such as agriculture and other natural resource-based economic activities) due to the involvement of people in other sectors, and (ii) a decline of the weight of the agricultural output in the gross domestic product (GDP). Again, it is worth noting that different scholars of the social sciences have attempted to define and explain ‘de-agrarianisation’ in different ways. For Deborah Bryceson (1999:178), ‘de-agrarianisation’ is defined as the “long-term process of occupational adjustment, income earning reorientation, social identification and special relocation of rural dwellers away from strictly agriculture-based mode of production”. In this regard, with the restructuring of the national economy, ‘de-agrarianisation’ often undercuts peasant producers because of the decreasing relevance of the agricultural economy.

However, as already noted, ‘de-peasantisation’ can, and does, take place without any noticeable ‘de-agrarianisation’. For instance, if there is a concentration and centralisation in the ownership of land along with the commercialisation of the agrarian economy, peasants may suffer a loss of access to land and become, as noted above, agricultural labourers (for instance, if previously they were tenants or sharecroppers). In this kind of case, the agricultural economy does not necessarily become less important or less productive, but peasants lose their place in it. Thus, restructuring within the agrarian economy itself, without ‘de-agrarianisation’, can also contribute to ‘de-peasantisation’ (Roy, 2006:18-19). In either case, however, the social organisation underpinning the peasant way of life (which is often village-based) is subjected to erosion and disintegration (Vanhaute, 2010:6). In the USA, for example, there has been a long-term process of decline in

smaller-scale family farming and a concomitant rise in the importance of commercial agriculture dominated by large corporations.

Under capitalism, the commercialisation of agriculture, along with the enhanced significance of the urban non-farm economy (and urbanisation/de-ruralisation through de-agrarianisation), combine to become key indicators for the supposed decline and ultimate death of the peasantry. Over time, beginning with the rise of capitalism in Europe, there is no doubt that a significant portion of the rural population dependent upon agriculture for livelihoods worldwide has been transformed (most often against their will) into agricultural and non-agricultural labourers due to land dispossession and expropriation. In many cases, even when they were not forcefully removed from their historical lands, peasants abandoned them due to an inability to engage productively in agriculture in the new capitalist landscape, giving away their land through distress sales and becoming labourers in the service sectors (Peemans, 2013:53). Hence, with the advance of capitalist urbanisation and industrialisation, peasants suffered the loss of their position as crucial agricultural producers, and the peasantry as an agrarian class became undermined (Shanin, 1973:77). The differentiation within the peasantry, dissolution of the traditional peasantry as such, and the creation of rural commodity production in its stead are therefore historical markers of ‘de-peasantisation’ (Patnaik, 2011:81).

Under conditions of ‘de-peasantisation’ and the accompanying restructuring of the economy, peasants sometimes seek to maintain a foothold in agricultural production while engaging in some form of wage-labour to supplement their livelihoods. This strategy generally leads to a kind of semi-proletarianisation, and the emergence of the so-called peasant-worker. If the loss of land is complete, they become fully proletarianised, a condition marked by the commoditisation of land and labour (Zhang and Donaldson, 2010:461). In Nepal, the widespread ‘de-peasantisation’ that has occurred recently, in the context of neo-liberal policies and programmes (since the 1990s), has been coupled with massive land grabs (in the service of urbanisation, ‘development’ projects, the establishment of special economic zones, and real estate entrepreneurship and speculation). This has often led to exactly this kind of semi-proletarianisation, and sometimes full proletarianisation.

However, the extent and form of ‘de-peasantisation’ is not uniform, but varies over time and space.

In this regard, only minimal scholarly work has been done on ‘de-peasantisation’ in South Asia; this study hopes to rectify this situation somewhat with reference to ‘de-peasantisation’ in Nepal. In Nepal itself, as this thesis hopefully demonstrates, the characteristics of ‘de-peasantisation’ during the pre-1990 period differ from the more contemporary characteristics. During the pre-1990 period, land grants were made by the government to the privileged at the cost of the bulk of the peasantry; but in the post-1990 period, the changes to the structure of landownership and thus the peasantry have been more fundamental, driven by the increasing commoditisation of arable land under the adoption of neo-liberal economic policies and the Agriculture Perspective Plan (APP). This shows that the process of ‘de-peasantisation’ is not a linear process but is marked by diversity, contingency and tension. Because of this, claims about the inevitable ‘displacement of peasants from the land’ and ‘the death of the peasantry’ seem to be premature, as evidence of a continuing peasant way of life remains abundant in Asia, Africa and Latin America. Therefore, ‘de-peasantisation’ is characterised by contradictory tendencies and trajectories, and also by deep contingencies.

However, with even a relative decline in the agrarian economy and the increasing difficulty of engaging in sustainable agricultural livelihood - a painstaking and labour-intensive even at the best of times - it is not unusual to see peasants partially or fully abandoning their peasant way of life and migrating to urban centres for wage-employment and other urban-based livelihood options (such as in the informal economy) (Peemans, 2013; Béteille, 2007; Byres, 2002; Singh and Bhogal, 2014). In the meantime, and notably under neo-liberalism, the rapid growth of financial, manufacturing, and agricultural capital has led to agricultural landholdings in some areas becoming increasingly concentrated and centralised in terms of ownership structures; and this process has been strongly assisted by investments from foreign multinational companies (Ghimire, 1998:38). A portion of the land these days is held simply for speculative purposes, and is not actually used by the landowners. In cases such as these, peasants sometimes have the opportunity to live on the land as informal tenants or sharecroppers; but this form of existence is normally very precarious and subject to the whims of the market (or the landlord). On the whole, it is difficult to deny that the ‘peasantry’, both conceptually and ontologically, is on the decline, and so is the role of peasants in the country. The concept of de-peasantisation, one of the major indices of the process of societal modernisation, is a multi-layered process regarding the erosion of an agrarian life

(Vanhaute, 2010: 6). In the case of Nepal, agrarian life is shifting towards a more diverse workforce both within the country (and outside the country).

It should be noted that this study's definition of 'peasant' diverges from legal ones. The Nepal Agriculture Census of 2011/2012 states that 'the peasant is a household with one cow or buffalo, or five goats, or 20 chickens, with four *anna* land (0.0127 square feet) of land in the Hill or high Hill and eight *dhur* of (0.01355 square feet) of land in the *Tarai*'. But this definition actually encompasses the category of *semi-proletariat* or almost proletariat; and it does not capture the significant changes taking place in the Nepali agrarian economy.

In this regard, the average holding of land in 1981 was 1.13 hectares, but this went down to 0.68 hectares in 2011 (CBS 2012/17). The Living Standards Survey of 2010/2011 (CBS) showed that between 1995/96 and 2010/2011, the number of households that operate with less than 0.5 hectares of land has increased by 13%, while the number of households with 2 or more hectares has decreased from 12% in 1995/96 to 4% in 2010/11. Data from the same Agriculture Census of 2011/2012 show that 66% of the population was involved in agriculture in 2011, which is a significant reduction from 76% in the 2001 Agriculture Census - only ten years earlier. The contribution of agriculture to Gross Domestic Product (GDP) was recorded as 35% in 2011, but had fallen to 27% by 2017, while service sector contribution to GDP was recorded as 45% in 2011 and 51% in 2017.

Between 1995/1996 and 2010/2011, there was a decrease in the output of cereal crops by 9%, including in paddy by 6 %, wheat by 6%, maize by 12%, and buckwheat by 35%. During the same period, there was an increase in the production of vegetables (as cash crops) by 41 %. Between 1995/1996 and 2010/11, the proportion of households operating non-farm enterprises has increased from 24 % to 35%. Percentage of households receiving remittance has increased from 23% in 1995/96 to 56% in 2010/2011 (CBS 1995/2012). The proportion of agriculture sector wage labourers has decreased from 53% in 1995/96 to 35% in 2010/2011, while the share in the non-agriculture sector has increased from 47% in 1995/96 to 65% in 2010/2011. All of these changes to the agricultural landscape require a change in the specific understanding of a peasant; something that the Census' definition simply fails to take into account.

These statistical data are also demonstrative of the fact that ‘commercial agricultural production’ has grown sharply in recent times, even against the context of the promotion of service sectors and urbanisation on the one hand and ‘de-agrarianisation’ on the other hand. Specifically, the decrease in the cultivation of cereals on the one hand and the increase in the cultivation of cash crops on the other demonstrate that the agriculture that remains is increasingly aimed at production of market commodities, not communal subsistence. Taken together with rapid urbanisation and the growth of the service sector at the expense of the primary sector, it becomes clear that there is strong evidence of de-peasantisation in Nepal.

3.5 Genesis and Development of De-peasantisation

The previous section provided a definition and outline of the theoretical workings of ‘de-peasantisation’. Building upon this sketch, this next section will lay out in more concrete terms the development of ‘de-peasantisation’ in various parts of the world - albeit with references back to the theoretical issues - eventually settling on a focus upon the process in Nepal. The section will begin with an overview of ‘de-peasantisation’ in the context of the development and spread of global capitalism. Next, the focus will be narrowed to explore what this spread entailed in South Asian (particularly Indian and Nepali) agrarian practices, with some attention to commoditisation. Finally, the section will talk about how ‘de-peasantisation’ in the region was accelerated by the onset of ‘development’ projects, and how this move affected specific agrarian policies in Nepal.

Globally, early ‘de-peasantisation’ began with the genesis and evolution of certain extractive political and economic institutions, where the objects of extraction had to do with land and agriculture. Such institutions undercut the lives and livelihoods of peasants who might previously have had independent access to land, and led to the emergence of peasants who worked on the land of others (i.e. rulers/ landlords in Asia and Europe and colonisers, rulers, or corporate farmers in Latin America). These institutions, in different forms, continue to exist in many parts of Europe, Asia, Africa and Latin America, including in feudalistic or absolutist form. Further ‘de-peasantisation’ under capitalism began around five centuries ago, and continues into the current neo-liberal age of globalisation, with peasants now being deprived of access even to the land of landlords. Under ‘primitive accumulation’, the capitalist system facilitated the introduction of new

exploitative methodologies of commodity production (including in agriculture), alongside wage-labour; all of this was conditioned, in turn, by the emergence of the modern nation state. A salient trend under capitalism was ‘accumulation by dispossession’, which led to the large-scale expropriation of land in Europe and beyond, and consequently the replacement of small-scale agricultural production by petty commodity and commodity production (Harvey, 2003). Thus, over the course of capitalistic development, smallholders and some middle-class peasants, including tenants and sharecroppers, lost access to independent means of production (especially land) and were incorporated directly or indirectly into the market mechanism as wage labourers.

‘De-peasantisation’ is not, as indicated, a linear and inevitable process, and it is not driven solely by the logic of economic accumulation. To argue this would be to ignore the politics of ‘de-peasantisation’ under diverse spatial and historical circumstances, and how the form of ‘de-peasantisation’ has occurred in different ways and to different extents (or at different rates) (Vaddiraju, 2013). In Nepal, for example, the feudal system (with tenants and sharecroppers) has existed over an extended period, despite the prevalence of the surrounding global capitalist system. Even elsewhere, such as the case of South Africa, capitalist farms in the 20th century retained labour tenancies and sharecropping arrangements for lengthy periods, and farmers in the Native Reserves retained access to (admittedly unviable) land plots for agriculture. This likewise means that the process of proletarianisation is subject to non-linear tendencies.

As capitalist farmers are often heavily supported by the state, making use of economies of scale, small-scale production becomes uncompetitive with regard to agricultural commodity markets, hence also undercutting peasant existence. This undercutting often entails the effective forcing of peasants to abandon farming, and subsequently gain employment as agricultural workers. Even at the onset of capitalism in Europe, arable lands cultivated by peasants in England were transformed into large pasture fields for sheep, with sheep-rearing under the control of the nobility (Roy, 2006:53). Miguel Carter (2013) shows that commercial growers and the middle class have also been the prime beneficiaries of government investments in agricultural extension services and large infrastructure projects. Smallholder peasants, especially local petty commodity producers, have found themselves unable to compete with the high input costs and low market prices. For instance, in 2008, a mere five companies operated 90% of the world grain trade; unsurprisingly,

rural peasants are unable to compete with that kind of capital (Faire, 2011:4-5). Peasants lack the capacity to invest in technology, fertiliser, irrigation, and land management and collateral for credit and productivity, and are gradually de-peasantised (Bhaduri and Skarstein, 1997:23).

‘Accumulation by dispossession’ is not simply a historical phenomenon, but one that continues to prevail under global capitalism today. During the 1980s, under neo-liberal restructuring, states pursued and implemented Structural Adjustment Programmes (SAPs). These programmes tended to downplay the importance of land reform in ensuring redistributive justice for peasants. Instead, SAPs mostly promoted agricultural modernisation and commercial farming at the expense of peasant farming. A large number of multilateral and bilateral financial institutions facilitated this increasing capitalisation of the agrarian economy. Even land reform, where it prevailed, emphasised agricultural productivity - which meant that ‘rich’ and ‘middle’ peasants tended to be targeted as beneficiaries under SAPs. While this may have transformed some ‘rich’ peasants into proto-capitalists, other peasants found their access to land made even more precarious, and often ended up being converted into wage-labourers (McWilliams and Piotrowski, 2009:256-258; Johnson, 2004:57). As Lenin predicted, a minority of the middle peasants were upgraded into the commodity producer class, while the majority became smallholders or agricultural labourers, i.e. part of the proletariat (Bernstein, 2009:58). Thus, the state and economy were being further restructured in a manner which continued to threaten the very presence of peasant households and organisation in agrarian spaces (Wolf, 2010:358).

In South Asia, apart from certain tribal societies, agriculture is not a collective enterprise and peasants are not a ‘unitary mass’. Thus, an appropriate date for the arrival of ‘modernity’ among farmers, pastoralists, and forest dwellers might be the day when land was surveyed plot by plot, drawn into survey maps, and printed in books to regulate and allocate property rights; that is to say, a ‘modernity’ that was established from the outside. All this started from the 1850s in India and expanded across South Asia, including Nepal (Bazon-Baitista, 1983:181). The state had demarcated all land that it could claim under national territory, which was in turn later mostly claimed by middle and rich class people as their property. In this early period, the state was focused on setting and collecting taxes, and paid little attention to either agricultural development or the welfare of the smallholder and agricultural labourers. Later, governments in the region began to

make investments in irrigation techniques and such, but this benefited mostly rich and middle class people. For instance, in India, along the Krishna-Godawari basin, Ganga canals mostly benefited *Zamindars* and middle class people (Banzon-Baitista, 1983:167).

In both Nepal and India, the state used the agrarian economy in the service of rational centralised management. In this respect, agrarian regions in South Asia acquired exports, like opium from Bengal and Bihar, due to which India became the linchpin of trade with China. Agrarian South Asia exported labour, raw materials and processed goods for the world market. But state bureaucracies defined 'entitlements to land, labour and capital', and, generally speaking, they did not consider local complexities, and refused to attend to local rights, problems, and the variability of entitlements. Instead they enforced crude codes and property ownership that separated individual rights from collective rights (Banzon-Baitista, 1983:168-170). In Nepal and India, land ownership came as a qualification for a peculiar kind of imperial citizenship whose character derived from the political position of property rights, with property owners actively participating in state institutions (Banzon-Baitista, 1983:1171). The property holders were thus able to codify law based on their own interests, and middle and rich class peasants were invariably the ones who benefited. The smallholding peasants became sandwiched in between state officials, and the rich and middle classes. The importance of money also increased, as it was increasingly used to pay taxes and control land: money could essentially buy power independently of family rank. In India, the British did codify private property and induce commodity production, and eventually these institutions were also transferred to Nepal (Banzon-Baitista, 1983:177- 178). In both countries, routine revenue collections provoked struggles and often dislocations of peasants (Banzon-Baitista, 1983:167). Through such control over land and land resources, indigenous peasants were gradually converted into *de facto* workers of the land, and agricultural wage-earners. The genesis of 'de-peasantisation' in Nepal can therefore be traced historically in the South Asian context.

Although the process of 'de-peasantisation' really spread in many places with European colonisation, the term has really come into currency since the crafting and implementation of neo-liberal policies, and the emergence and dominance of multinational companies since the 1980s. As noted above, the specific characteristics of 'de-peasantisation' have varied across different periods of history. For instance, in India, there were different characteristics of 'de-peasantisation' during

its British colonial period than there are in its contemporary process of ‘de-peasantisation’. The focus in the past was on creating a context in which peasants could be transitioned into non-agricultural work (and especially into manufacturing wage-earners); more recently, however, the emphasis has shifted to the commodification of land and real estate entrepreneurship. In Nepal too, the characteristics of ‘de-peasantisation’ in the pre-1990 period are different from those of the contemporary context. During the pre-1990 period, land grants were patronisingly made by rulers to their favorites/loyalists, at the cost of the bulk of the peasantry. Now, like in India, the process of ‘de-peasantisation’ has become a function of increasing land commodification and the adoption of neoliberal economic policies, the combination of which has resulted in the de-peasantising trends noted earlier.

In addition to the commoditisation of land in the plains and Hills of Nepal, which has been the focus of the study so far, it is worth briefly considering the different way in which de-peasantisation has proceeded in the Mountains. In Nepal, communal pasture lands used by indigenous peasants in the Mountains first came under the control of the state in the late 1950s, and was later largely converted into community forestry in the early 1990s. Now, however, the land is largely controlled by a small minority of people belonging to the rich or middle classes of those communities². In these areas, poorer peasants have often been forced to reduce their livestock population (such as cows, sheep and goats) due to the grazing restrictions imposed by the users’ committees. This has had similar outcomes as those discussed earlier: peasants have been forced into wage-labour, or into non-agricultural sectors.

In much of South Asia, ‘development’ has been regarded as synonymous with the growth of big cities and the construction of infrastructural facilities (such as roads, irrigation canals, etc.) (Hu et al., 2009); this kind of ‘development’ also largely benefitted only middle and rich farmers. On the whole, the predominant trajectory of capitalist development is marked by the commoditisation of labour and the conversion of peasant family labour into wage-labour with wage-labour purchased by capitalist owners for profit-maximisation, whether as agricultural or non-agricultural proletarians (Zhang and Donaldson, 2010:461). Thus, as indicated already, ‘de-peasantisation’ can

² View of Pema Lama expressed on the ‘Indigenous People’ during the meeting organized by ILC and CSRC at Kathmandu, Nepal on 7th of September 2017.

be defined along a number of different dimensions, including political context, geography, ideology and economic policy.

As noted earlier, the APP, which was drawn up with the support of the Asian Development Bank (ADB), was implemented in Nepal in 1995, for a period of 20 years. The contents of this plan emphasised the development of groundwater irrigation; an emphasis which mostly benefited the *Jimidars* and middle class of the *Tarai*. Indeed, much of the support for agriculture under these development plans focused on ‘commodity production’ - a way of working that of course requires land ownership in the first place. Ghimire (1998:43) details how large landowners who owned large tracts of land benefitted the most from this ‘development’; in terms of irrigation, water distribution systems tend to have returns to scale with the increasing size of plots, so it was for large landowners that the systems were most efficient. This uneven distribution of state support has persisted: even today in Nepal, people need land certificates for more than 0.2 hectares to receive discount rates for chemical fertilisers. *De facto* tillers, of course, do not have such land certificates. To add to the situation, local political power in rural areas is mostly controlled by middle or rich class commodity producers, who are able to influence development policy in these areas. For instance, in certain areas, local politicians who belong to the local middle class have collaborated with Government Irrigation Development Officials (who are also from the landlord class) to develop irrigation facilities in their areas where they have their lands, not in other areas where people of low castes/classes work.

Policies adopted after 1950 have also facilitated new kinds of mobility, opening up new possibilities for migration. In part, this was necessitated by the acceleration of population growth rates, which caused land scarcity in the Hills and Mountains. Since the 1950s, therefore, people from these regions have been compelled to migrate either to the *Tarai* or urban/semi-urban areas where livelihood options are more available. Of course, the phenomenon of migration is not new in the country: Andrew Nelson (2013:3-6) mentions that in the 19th century, feudal land policy under the *Ranas* or *Shahs* precipitated a massive migration of Nepalese people into northeast India, to escape the enslavement and indebtedness to the ruling class that they faced at home. In 1886, Prime Minister Bir Shamsheer Jung Bahadur Rana opened the way for young Nepali males to join a foreign army, and roughly 200 thousand adults (around 20 % of the male population of Nepal)

worked in the Indian British Army from 1886 to 1904, with a similar number of youths serving in the Second World War (between 1939 to 1944). In the Second World War, the Nepali army received more than NRs. 250 million for fighting under the British. Much of this return was re-invested in land and commodity production in Nepal, which figures, in this study, as a contribution to the de-peasantisation process (Mishra, 1987). Similarly, Nepali merchants began to create markets for products imported from China, India, East Asia, and Europe, which crowded out indigenous products made by peasants, and eventually led to the appropriation of land where the latter were produced.

Regarding ecological concerns, it may be noted that Nepal's agriculture still depends on (sometimes unreliable) rainfall, since only 54% of land is irrigated (CBS, 2012). In this context, studies have shown that many small farmers tend to possess inferior types of land (e.g. stony patches of hill, sandy riverbank areas). The construction of irrigation canals in the Hills is made difficult by the terrain, and is therefore expensive and technically burdensome (Blaikie, 1983 cited in Ghimire, 1998:45). Ghimire (1998) further notes that due to these ecological factors, a vast majority of small farmers do not have the choice of introducing double cropping or benefitting from the new higher yielding varieties (HYVs), since these practices require more water (or better land). Since poorer peasants are comparatively disadvantaged in this way, they become ever likelier to have to give up their agrarian livelihoods: 'de-agrarianisation' as well as 'de-peasantisation'.

Oppressive tax policies have also been a driver of 'de-peasantisation' in Nepal. Prior to 1950, four-fifths of the total state revenue comprised of land revenue (Mishra, 1987), showing how heavily land was taxed. For the toiling peasantry, this would surely act as a disincentive to continue farming as an occupation. After the integration of Nepal in 1768, there was a policy to distribute the land to land-poor people, under the condition that they pay a tax to the state. But most tillers were unable to pay the high rates of tax, and as a result, were evicted and alienated from the land. This shows that the government was mostly interested in collecting taxes, not in distributing land to tenant farmers or regularising land access to peasants (Adhikari, 2008:53).

Caste and ethnicity, too, play a role in how taxes have functioned to restructure land ownership.

In the year 1912, *Tharus*, the indigenous peasants of the *Tarai*, were recorded to be especially high land-tax taxpayers. But in 1960, *Pahadiyas* (Hill migrants) were the first to pay land taxes on lands in the region, resulting in 80% of *Tharus* being turned into tenants. Now 90% of all agricultural land originally owned and tilled by the *Tharus* has fallen under the control of *Pahadiyas* (Fusikura, 2006:189). Fraser Sugden (2013) also notes that taxation had developed into the primary mechanism of surplus appropriation by the twentieth century. The surplus accumulation strategy was compulsory for citizenship documentation and for land rights. Most people lost their land because they lacked citizenship cards or legal documents of tenancy (Sugden, 2013:3-5). In Nepal, 29% of agricultural land was tenanted and the rent varied from 25% to 67%. On average, there is a high rate in the Hills and a low rate in the *Tarai*, but for the most part, it is dependent on the power of local landlords (Koirala, 1987:5). Tenancy rights require two documents: the contract between landlords and tenants, and an agricultural rent payment receipt. Most tenants are never even made aware of these requirements.

Moreover, agricultural policies are unfavourable towards marginal producers and smallholders. Ghimire (1998:44) writes that the top 5% of landowning households receive state support in agriculture to enhance their land productivity and production, whereas 66% of marginal and smallholders, who cultivate just 17% of the land, receive no significant support. This is indicative of the fact that state policy and the distribution of its support weakens the peasantry and disincentivises the poor. Similarly, the bulk of policy emphasis has been on the cultivation of cash crop farming, while cereal crop farming, the traditional focus of the peasant economy, has been ignored because it does not figure in capitalist ‘development’. Finally, peasants continue to be exploited by moneylenders, who are able to force high interest rates on their loans during crises, often compelling peasants to sell their small plots of land in order to repay the loan (Shrestha, 2001:197).

Succinctly put, triggers of ‘de-peasantisation’ in Nepal include the “extractive economic and political institutions”, “land tenurial insecurity of the real cultivators”, “unfavourable state agricultural policies to the smallholders/subsistence peasants”, “penetration of capitalism into the traditional peasant economy in the rural sector” (by making it non-competitive in the market), “monopsony”, “commodification of agricultural land” (triggered by financial capitalism), “failure

of the peasant organisations to successfully fight against the injustice and inequity of land resources' (due to weak mobilisation and organisation of the movements), etc. In a nutshell, the traditional peasantry has been considerably weakened by the process of agricultural modernisation on the one hand and 'de-peasantisation' on the other. No less important is the process of 'de-agrarianisation', which promotes the growth of the non-agricultural sector and triggers the diminishment of the agriculture sector's contribution to the GDP.

3.6 Consequences of De-peasantisation

There is a significant and growing body of quantitative evidence detailing some of the consequences of 'de-peasantisation' (often in the context of 'de-agrarianisation') on the lives of rural people, and, of course, on peasants in particular. This is to be understood with reference to what was discussed earlier: commercial agricultural restructuring, export-led agriculture, multinational corporatisation, growth of the market economy, commoditisation of land, de-ruralisation, and the formal credit system supporting agrarian capital (Araghi, 1995:338; Harvey, 2003:156-166). It should also be contextualised against global trends, which have seen an estimated 8.5 million people evicted from agricultural land, in the name of protected areas like national parks and conservation areas, globally since the 1990s (Fair, 2014:23).

Due to the 'green revolution' and commercialization in India, it is estimated that 3.5 million peasants lost access to land in Punjab, with 89 percent of Punjab peasants going under heavy debt between 2000 to 2008. Additionally, 1,757 Punjab peasants committed suicide due to difficulties in paying back loans (Singh and Bhogal, 2014:1364). Similarly, Bharati (2011:35) cites records from the National Crime Records Bureau of India which indicated that, between 1997 and 2008, a total of 199,132 peasants committed suicide due to debt and the green revolution. It is now estimated that anywhere between 500 million to 1 billion rural peasants are either landless or land-short and are being compelled to work as agricultural or urban labourers (Fair, 2014: 4). This has, of course, contributed to the large number of squatters and informal settlements in urban centres, with Mexico City being a classic example of former peasants escaping to cities without any livelihood prospects there (McWilliams and Piotrowski, 2009:254). Export-led agriculture eventually transforms peasants into wage-workers for capitalist farmers or industrialists (Araghi,

1995:338). Similarly, family farming in many places has been taken over by commercial agriculture business. The formal credit system and commercial banks supported commercial farming, facilitated the undermining of the peasant economy, and established a market economy (Harvey, 2003:156-166).

The urban system is the combination of two processes: the centralisation of productivity, and the detachment of the labour supply from geographic and social context (Nelson, 2013:4). The strong emphasis on urbanisation for economic growth in the past couple of decades has generated significant state support for industrialisation, but at the same time neglected land reform on behalf of smallholders, tenants and sharecroppers. Neither governments nor global institutions, for the most part, have considered agriculture and land reform particularly important for (and in some cases, compatible with) industrialisation and economic growth (McWilliams and Piotrowski, 2009:259). Dwelling on the impact of the 'de-peasantisation', Johnson (2004:55) argues that the second half of the 20th century witnessed the death of the peasantry, not just physically but also emotionally as they disappeared from rural areas. Thus the practice of commoditising land and agriculture caused the ongoing disappearance of peasants from the rural area/countryside (Araghi, 1995:338). In this regard, studies have shown a global decline in the agricultural population. For example, during the 1950s, almost half of the population of Spain and Portugal was engaged in farming. Due to the expansion of capitalism, including land concentration, over the subsequent 30 years, the figures dwindled to only 14.5% and 17.6 %, respectively. One of the most extreme cases is that of Japan, where the peasant population has effectively disappeared due to urbanisation and the commercialisation of agriculture (Roy, 2006:28). In Latin America, the percentage of peasants was halved within 20 years in both Colombia (between 1951 and 1973) and Mexico (between 1960 and 1980). In Brazil, the peasant population fell by two-thirds between 1960 and 1980. Similarly, the Jamaican population involved in agriculture declined from 75% to 20% in the same period. Also during the same period, the Tunisian population involved in agriculture went down from 68% to 33% (Roy, 2006:28). These data amply demonstrate the unprecedented growth of 'de-agrarianisation' around the world, in a way that seems to also involve 'de-peasantisation'.

In the case of Nepal, as noted in pervious sections, de-agrarianisation and de-peasantisation have also been the norm. The 1971 census showed that the population involved in agriculture was

94.37%; by 2011, the figure had plummeted to 65.6% (CBS, 1971/ 2012). Foreign scholars such as Seddon et al. (2002:77) have also written of ‘non-farm accumulation’ in Nepal. Amongst those who continue to practice agriculture, 53% own less than 0.5 hectares of land, a clear constraint on both their potential productivity and their livelihoods. Similarly, 2,222 peasant households have been formally displaced by two national parks; around 3.2 million hectares of land was nationalised and announced as protected areas, with large numbers of agricultural households being dispossessed in the process (Bhattari et al. 2017). There are more than 11 national parks and their establishment process has resulted in the displacement of peasants of all categories (be they small or large in terms of holdings). As well, there are currently around 3.5 million people living and working in foreign countries, many of them pushed to move abroad due to the inadequacy of economic returns from agriculture (Acharya, 2014:6). Further, there is increasing uncertainty in the market environment, with the growth of commercial farming that has seen a minority becoming capitalists and the majority remaining landless or petty producers (Johnson, 2004:57). For smallholders and other peasants, accumulation is difficult due to their traditional reliance on a subsistence economy; since they depend on the domestic or subsistence economy, they cannot generate surplus for additional accumulation of land or assets (Seddon et al., 2002:86).

Furthermore, the few moves that were ostensibly towards land reform - most obviously the 1964 Lands Act - did not actually address the concerns of smallholders and tenants, and indeed in many cases actually led to their eviction from the cultivable lands (see a detailed analysis in chapter five). The traditional system of tenancy was based on verbal agreements between landlords and tenants, meaning that the majority of tenants lacked the written documents to make legal tenancy claims. A period of heavy investments in cash crops and commercial farming followed, and many peasants left their lands and started working as wage labourers (Seddon et al., 2002:70). What was once reciprocal labour exchange was transformed into daily wage labour (Blaikie et al., 2005:228).

Hence, in the context of Nepal, the process of ‘de-peasantisation’ was accelerated by a number of significant transitions: the shift from cereals to cash crops; from the peasant economy to a capitalist mode of production; the expansion of the urban centres; and the growth of the private sector. More broadly, I have shown that ‘de-peasantisation’ is taking place on a global scale, facilitated by: extractive political economic institutions; the adoption of neo-liberal economic policies by

governments under the dictates of the IMF, WB and ADB; and the weak mobilisation of peasants against the neo-liberal agenda. Both globally and in Nepal, these processes have basically converted peasants into resource-less dependents of capitalist farmers and markets. The values of family farming and independent farming are also disappearing, with people becoming highly dependent on markets for their subsistence and food. In the name of economic growth and poverty alleviation, smallholders, tenants and sharecropper peasants are being pushed into the proletariat class.

3.7 Conclusion

In attempting to provide a theoretical framework for ‘de-peasantisation’, this chapter has shown how the process is complex and fluid, with significant variations in form and impact across time and place, and with a range of factors animating it. Even at one point in time and in the same spatial context, there may be contradictory pressures at work. In the Nepali context, ‘de-peasantisation’ originally involved a process of converting the owner-tillers of land (peasants with independent access to land) into tenants and sharecroppers on the land of landlords (as a different category of peasants), in the context of a feudal system favouring the privileged high castes/classes (which nurtured extractive socio-political and economic institutions). It might be argued that this feudal landlord-oligarchical system simply involved the conversion of rural people from one category of peasant to another category, and that the extended existence of the feudal land system in Nepal allowed for the continuation of some kind of peasantry, thereby inhibiting the potential effects of capitalist expansion. However, the lives of smallholders, tenants and sharecroppers on the land of feudal landlords were always precarious, such that they could – at the whim and will of the landlord – be displaced from the land and become landless, and thus proletarianised. Adding to the complexity of the story has been the more recent neo-liberal restructuring of the country’s economy, which has brought significant changes to the way that the peasant smallholding class is proletarianised. More specifically, there has been increasing differentiation within the peasantry with the onset and intensification of commodity production. There has been a corresponding transformation of class relations within the framework of the political economy, with commodity producers increasingly required to buy wage labour, and agricultural labourers compelled to sell their labour. Finally, in Nepal as elsewhere, the issues of ‘de-peasantisation’ and ‘de-

agrarianisation' are interrelated but different. All these themes are further examined and clarified in the chapters which follow.

Chapter Four: Land History and Peasants in Nepal

4.1 Introduction

This chapter examines the ownership of land, land reform, peasants and ‘de-peasantisation’ over three periods of Nepali history: (i) the pre-*Panchayat* era (i.e. prior to 1960), which involved extractive land tenure systems and land concentration amongst the ruling classes; (ii) the *Panchayat* era (1960-1990), which involved problematic land reform initiatives and the further marginalisation of peasants; and (iii) the neo-liberal period (1991 to the present), which involves market-friendly land reform policies and the commodification of land. The *Panchayat* specifically refers to a non-party political system imposed by King Mahendra in 1960, which was overthrown by a popular movement in 1990. All three periods had significant implications for ‘peasants’ and ‘de-peasantisation’. The various terms used in this chapter to describe the marginalised, like ‘tenants’, ‘sharecroppers’, and ‘smallholders’, all fall within the domain of ‘smallholders and subsistence peasants’. The term ‘landowning elite’ is used to describe *rajas* (the ruling classes under *Shah* and *Rana* dynasties), large *birta* owners, absentee landlords, and *Jagirdars* (government employees).

4.2 Land Reform History: Pre-*Panchayat*

This section examines pre-*Panchayat* land tenure systems, and the conditions under which peasants lived and worked during this period. At an institutional level, this involved the establishment of various kinds of extractive land tenure, labour and land administration systems by the ruling classes in Nepal. While the land was made cultivable and productive by rural peasants, they had little actual control over it, since political and economic control was monopolised by the ruling classes. In and through these systems, the processes of extractive ‘de-peasantisation’ began and took place in the pre-*Panchayat* era.

4.2.1 Creation of Extractive Land Tenure and Administration Systems

At a broad level of analysis, two categories of land tenure systems existed in Nepal during the pre-*Panchayat* era. The first was *raikar*, which involved state-owned taxable lands which could be granted as *birta*, *jagir*, *rakam* and *guthi* by the ruling classes; each of these forms of land grants is explained below. The second was *kipat*, which entailed systems of communal landholding amongst certain indigenous groups.

The grant types under *raikar* each represent a way to parcel out land to maintain political power. For instance, the *birta* land tenure system involved land grants made by the state directly to individuals, usually on an inheritable and tax-exempt basis. According to Regmi (1976), the *Ranas* utilised their political power to enrich their own extended families by distributing *birta* land grants to privileged non-farmers. In this regard, *Rana* rulers had two objectives: (i) to control the political and economic power of the state, and (ii) to develop extractive political and economic institutions to control the land and land-related resources. *Birta* lands were thus recognised as totally private, free from government taxes and with inheritance rights granted on the discretion of the rulers (Regmi, 1976: 20-21). These grants were invariably given only to the Indo-Aryan *Bahun* and *Chhetri* castes (mostly members of the extended *Rana* and *Shah* families). Members of indigenous groups and *Dalit* (untouchable) communities, which constituted almost half of the population of Nepal, were excluded. The *birta* system thus helped to create a feudalistic landed class of state loyalists, which gave tremendous social and political support to the *Shah* and *Rana* rulers. It might therefore be said that *birta* land was distributed primarily with the objective of protecting the *Rana* and *Shah* regime (Adhikari, 2008). More specifically, the emphasis of state land policy was on land concentration to the benefit of the supporters of *Rana* and *Shah* families, the promotion of the *Hindu* religion, revenue collection from the land, and, ultimately, protecting the vested interests of the political and economic power of *Rana* and *Shah* families (Regmi, 1976: 20-21).

Similarly, *jagir* denotes *raikar* lands assigned to government employees and functionaries in lieu of their emoluments. The *jagir* tenure system hence enabled the government to fund an administrative structure without the use of cash. During the *Rana* period (1846-1951), there was a shortage of cash to pay government officials, and so *raikar* land was sometimes doled out to

officials in lieu of a salary (Regmi, 1976: 21-23). This entailed the transfer of authority over state lands to the *jagirdars* (those who received land under this system). The *jagir* system therefore created absentee owners with property rights over lands they did not work on, who often exploited the peasants who had been tilling the lands by imposing harsh terms and conditions of cultivation favourable to the *jagirdars* only (such as requiring advance payments in cash or kind before the harvesting of the crops planted). This, again, created a group of loyalists in whose interests it was to keep the *Rana* regime alive. The *jagir* system was officially abolished in 1953, shortly after the fall of the regime.

A third type of feudal tenure system was *rakam*, under which the government extracted unpaid and compulsory labour from peasants cultivating *raikar* lands. Unlike the two previous systems, the dealings here were directly between the state and the peasantry, and the benefits to the state were also of a direct material nature, rather than via the enriching of intermediaries. The *rakam* system continued to be practiced across the country even after the fall of the *Rana* regime, until 1963 when it was finally abolished.

Finally, the term *guthi* refers to an endowment of land made for any religious or philanthropic purpose, and which is thereby tax-exempt. *Guthi* lands are given by the state or individuals for the purpose of financial support to religious or charitable institutions (Regmi, 1976: 20-21). In 1356, a royal edict stated that any person who bequeaths land to the *Brahmin* would dwell in heaven for 60,000 years, and those who confiscate land from the *Bramin* would become a worm living in human excrement for the same period (Regmi, 1976:23). Nepal had long been considered a *Hindu* state, and the royal *Rana* and *Shah* families wanted to promote *Hinduism* and protect its power structure at different levels, making the *guthi* system important to their designs. Temples and monasteries were often built on *guthi* land, giving the state credibility with the deeply religious population. There were two kinds of *guthi* tenures: *raj guthi* and *duniya guthi*. *Raj guthi* was an endowment given by the ruling classes, and *duniya guthi* was an endowment provided by the general people. While *birta*, *rakam*, and *jagir* were all abolished soon after the political upheavals of 1950, the *guthi* system is still in existence, for religious reasons (Nepal was a Hindu state until the promulgation of a new constitution in September 2015). As a Hindu state, Nepal protected *guthi* land under the control of priests or the *Guthi* Corporation (Basnet, 2016). This feudalistic

institutional arrangement exploited the peasants working on the land, as they cultivated on terms favourable only to the *Guthi* Corporation. The *Guthi* land tillers are mostly smallholders and middle class peasants who still struggle for their rights.

The second category of land tenure systems is *kipat*, which entailed a system of communal land ownership prevalent amongst the ‘*Mongoloid*’ indigenous communities (such as the *Limbus* and *Rais*) in the Hills of eastern Nepal. Under a *kipat* land tenure system, each person belonging to a particular clan/lineage group had rights to the exclusive use of a particular piece of land; but the actual ownership rights were traditionally vested in the chief of the village (Caplan, 2000). The land was controlled by the chief of the community, not by the state or central government. Sometimes, this also meant that rights were unquestioningly granted to the relatives, supporters, and loyalists of the chief, resulting in a skewed distribution of land within the system. The *kipat* system was finally abolished by the state in 1968 (Regmi, 1976:87).

By the end of 1950, at least one third of the total cultivated land in Nepal was under the *birta* system, and approximately three-fourths of the total *birta* land belonged to members of *Rana* families (Regmi, 1999:49). More broadly, *Rajas*³, *birta*-owners and *jagirdars* continued to play the role of parasitic landlords, whose income from rents in kind or cash arose neither from investment nor from mobilisation of tax (Regmi, 1999:54). As per the claim made by Regmi (1977:19), by 1950, about half of the land in Nepal was *raikar* land: 36% was *birta* (mostly controlled by *Rana*, *Shah* and the ruling classes) and around 4% was *guthi* land (mainly controlled by priests and *Brahmins*). A further 7.7% was *jagir* land controlled by government staff (Adhikari, 2008:24). Thus, the land tenure systems facilitated a quite extreme concentration of land, which favoured elites who never farmed the lands but were the major beneficiaries of government land policy. By 1960, two-thirds of arable land and forest was in the control or name of *Rana* or *Shah* families (despite the fall of the *Rana* regime in 1950), and the remaining one-third was with the general population (Adhikari 2008:29; Regmi, 1978). Given that ethnic minorities, indigenous people, *Dalits*⁴ and marginal peasants were excluded from such land grants, these groups were

³ The chief of the vassal principality of the western region of Nepal (*Raja* means king – and *rajya* means kingdom – but here it is used as a chief of vassal principality).

⁴ Untouchable, which is in the lowest rung in the traditional caste hierarchy from whom water cannot traditionally be accepted by the high caste people.

often attached to the landlords in various bonded and semi-bonded relationships. Gradually, these groups were converted into, for example, *Haliya* (ploughmen in the Hills), *Harawa* and *Charawa* (ploughmen and cattle herders in eastern *Tarai*) and *Kamaiya* (bonded labourers in western *Tarai* especially among the *Tharus* and agricultural labourers) (Ahdikari, 2008:29).

Land administration in pre-1960 Nepal was largely handled by the *Shah* kings and their families, large *birta* owners, *jagirdars* and the *Rana* rulers and their families. The king was accorded the status of *Bhupati* (or lord of the land). Kings and *Rana* rulers had unlimited power to administer the land, and could do anything with the land as per their needs or fancies (Paudel, 2015: 68). They could give an unlimited amount of land to anyone they so wished, and they could also make decisions to mete out punishment to anyone as they wanted to, including by the confiscation of land and forcible removal of peasants from the land. Peasants had to survive under conditions of serfdom, or as *de facto* tillers, who had to submit a significant proportion of the agricultural produce to landlords, *birta* owners, *jagirdars*, or *Hindu* priests. During the pre-1960 period, under a tributary mode of production, taxes were extracted from the people, in either cash or kind, to cover the expenses of the central state's administration (Adhikari, 2011). Peasants, generally *de facto* tillers within feudalism, remained mostly subsistence-oriented with no secure legal land tenure.

4.2.2 Transfer of the *Rana* Legacy (Land Reform Process 1951 to 1960)

The democratic revolutionary movement against the 104-year old autocratic hereditary *Rana* rulership culminated in a tripartite agreement in Delhi, India in 1951, between the *Ranas*, the king (at the time, King Tribhuvan), and the Nepali Congress (a political party which had led the democratic efforts to overthrow the *Rana* regime). This marked the end of the *Rana* regime in Nepal and, for a short time, the dawn of parliamentary democracy. Following the conclusion of the tripartite agreement, it was so arranged that the lands granted to landlords by *Rana* Prime Ministers over the years was to be returned to sharecroppers in Banke, a mid-western *Tarai* district (Thapa, 2000: 118-119). Despite such revolutionary positions on land reform, successive democratic governments ended up continuing the extractive land tenure systems and institutions of the past in one way or another (and simply abolished them on paper only). The first elected government was

established in 1951 with some facilitation by the Indian government, and included five ministers from the *Ranas*. In the same year, the Acquisition of Tenancy Rights Act was enacted to facilitate the identification and recording of the numbers of tenants in Nepal. However, conflicts amongst the ministers thwarted its implementation. In 1952, a Land Review Commission was formed in order to settle disputes between landowners and peasants, but this did not function either, due to political conflict between the Nepali Congress (political party) and Tribhuvan Bir Bikram Shah, the then king (Paudel, 2015). Next, in 1953, a Land Reform Commission was formed under the chairmanship of Naradmuni Thuling, which recommended making the *Mukhiyas*, *Talukdars*, *Patuwaris* and *Jimidars* (those who had landowner status under the traditional tenure systems) key local entities for land administration. This recommendation was certainly not in line with the concerns of peasants, including tenants and sharecroppers. Rather, the recommendation for appointing the *Mukhiyas* and *Talukdars* in the Hills and *Patwaris* and *Jimidars* in the *Tarai* as land administrators was a clear manifestation of the overriding aim of maintaining the status quo that had come to be during the *Rana* regime.⁵ In reality, despite seemingly important political changes in the country, land administration remained under the control of ruling elites of the *Rana* regime, even under the democratic dispensation. The commission of 1953 was virtually silent on the interests of the peasantry and peasants' rights.

In 1953, the *jagir* system was officially abolished. This involved a provision whereby government employees would now be paid by way of cash salaries rather than through land grants. However, most government officials had already registered the landholdings granted to them in their names and, as landowners, continued to collect agricultural rents from peasants. The *jagirdars* legally controlled the land and, even after subsequent reforms in 1965, peasants could not claim legal rights due to the inheritance rights of *jagirdars*. In 1953, two further Land Commissions were formed and the commissioners were sent to the *Tarai* to study the land situation (Adhikari, 2011). As per the terms of reference, the Commissions proposed two main recommendations to enable the provision of land to the peasants: (i) the abolition of the *Jimidari* system, with tax collection to be enforced on *jagirdars*, and (ii) the recognition of land tenancy rights of cultivating farmers,

⁵ Yuba Raj Bhusal, Joint Secretary, Office of the Prime Minister and Council of Ministers, Government of Nepal. 'Land Issues and the Role of Land Bank in the Context of Agriculture Perspective Plan and Poverty Reduction Strategy in Nepal'. Paper Presented on the Workshop Jointly Organised by National Planning Commission and World Bank, Nepal, November 22-23, 2006, Kathmandu Nepal, p. 5.

with a legal provision for the payment of agricultural rents through receipts (from the landlords). The first recommendation was implemented after four years in 1957, but the second recommendation was not, thus disregarding the concerns and expectations of middle class peasants, smallholders, tenants and sharecroppers to receive rights on tilled pieces of land (Basnet, 2013).

The *rakam* system was abolished in 1954 but, without a monitoring mechanism, the abolition was effectively only on paper. That same year, the first phase of the US-funded *Chitawan Rapti Valley Development Project* was implemented, with the aim of creating new settlements for Hill people of all classes; in practice, however, it served only groups of the middle and wealthier classes that were in search of new land (Willy et al., 2008:37). In 1957, the government made a provision forbidding landlords from demanding more than 50% agricultural rents from the tillers; yet, this remained virtually unimplemented, and tenants continued to be forced to pay at least 60% as demanded by the landlords. Landlords in effect continued rent collection as before, benefitting from tillers' lack of knowledge about the new government provision. The government also nationalised traditionally community-managed forests, which curtailed the rights of indigenous peoples to their sources of their livelihood. This policy initiative transferred the responsibility of the overall management of such forests to the Department of Forests (Soussan et al., 1995).

During this period, two political parties, namely, the Nepali Congress and the Nepal Communist Party, articulated the slogan, "Land to the Tillers", seeking to attract the peasants and other rural people to their respective parties. Land reform on behalf of peasants, especially smallholders, tenants and sharecroppers, was the main agenda of both parties during the first ever democratic election of 1959 (Adhikari, 2008). Though these political parties spoke of the 'rights of peasants', this seemed to be mere lip-service, as the *Rana* legacy of extractive economic institutions continued unabated despite the apparent change in political system. This was a function of the continuation of the power and influence of the traditional economic elite class in the so-called democratic dispensation.

4.2.3 Fiscalisation rather than Abolition of *Birta* Land (1959)

Upon securing a two-thirds majority in the first parliamentary election of 1959, the Nepali Congress government enacted the *Birta* Abolition Act, promising to abolish the *birta* system. The Act contained a provision to hand over *birta* land to the genuine tillers through the payment of prevailing taxes to the state. However, barely any tillers succeeded in actually obtaining the transfer of ownership, due to the power nexus of *birta*-holders and government officials, and the way the official registration system was stacked in favour of the former. In Kathmandu alone, 14,000 out of 67,000 *birta*-owners (Regmi, 1976:207) registered their holdings in their own names, and *birta* peasants were excluded from legal tenancy rights on the tilled pieces of land. In rural areas, genuine tillers (who were largely illiterate) remained under the control of well-established *birta*-owners. Since *birta*-owners commanded much influence and had family members and relatives in the land administration offices, *birta* tillers were unable to register land in their names (Regmi, 1999).

Eventually, *birta*-owners threatened to challenge and protest the first democratically-elected government if it continued in its efforts to abolish the *birta* system. A heated debate on the abolition of *birta* land ensued within the Nepali Congress party, with some of its senior leaders opposing the government move. In reality, the so-called abolition of *birta* tenure under the Nepali Congress government only involved the imposition of taxes on the *birta*-owners; it was not an effort to actually transfer *birta* land to the peasants. According to Gill (2009), *birta* land was historically free from government tax and the Congress government only made an effort at fiscalisation, or imposing a normal tax on all *birta* landowners as *raikar* land owners. Furthermore, the government did not have any clear programme of getting peasants to register land in their names or handling the logistics thereof. Within two years of the installation of the Congress-led government, Mahendra (the then king) dismissed both the government and the parliament, and introduced the *Panchayat*, a non-party political system which banned the democratic freedoms of assembly, organisation and speech. In this changed political context, most *birta* tillers did not dare try to register cultivated land, due to continuing threats from the *birta*-owners, who could easily accuse *birta* tillers of being opponents of the *Panchayat* regime and get them indicted on such charges (Gill, 2009:4).

Hence, due to the lack of will and commitment of the sitting government, the *Birta* Abolition Act of 1959 never actually materialised from the perspective of the genuine *birta* tillers (or peasants). As it happened, most *birta*-owners were supporters of the king's rule and of the *Panchayat* system. To register *birta* land in the names of peasants, it was compulsory for the peasants to first obtain receipts of grain payments from the *birta*-owners (Gill, 2009). However, the owners refused to show proof of payment to peasants, fearing that this would lay the grounds for registration by tillers. The owners, as indicated, simply registered the *birta* land in their names and legalised it as their own property. This land comprised around 36% of total agricultural land and incorporated more than 40% of peasant households (*birta* land tillers), so it had significant stakes (Adhikari, 2011:22). This led to the displacement of a great many peasant families from *birta* land, even though they had been tilling the land for many years, or even generations. Since political parties were banned in 1960, the peasants were easily threatened by the *Panchayat* government and could not be mobilised to try and register *birta* land. Ultimately, the peasants remained *de facto* tillers and sharecroppers, while *birta* landlords gained new legal rights over their newly registered lands.

During the democratic period from 1951 to 1960, the *jagir*, *birta* and *rakam* tenure systems were legally abolished; but, due to the legacy of *Rana* rule, peasants did not make many genuine gains regarding rights over the tilled lands. Put succinctly, despite the abolition of such inequalitarian land tenure systems, peasants remained in a vulnerable economic situation because their land rights were never truly secured. Until 1960, the Nepali social structure largely consisted of four categories of people or classes. These were: (i) landlords who were absentee owners, who actually controlled the *de jure* rights on land; (ii) owner-cultivators-cum-tillers of others' land, i.e. peasants who were owners of their own limited lands, who also tilled some land of *birta*-holders or landlords as well under multiple tenure systems; (iii) *de facto* tillers of others' land only, who had no land of their own but who tilled the land belonging to *birta*-holders, *jagirdars*, *guthis*, landlords, and the government; and (iv) *Haliya*, *Kamaiya*, and *Harawa/Charawa*, who were in effect bonded labourers. Until 1960, tenancy rights were neither legally established, nor was there any land distribution programme for the landless, smallholders, sharecroppers, and tenant households. Hence, even in this period, de-peasantisation was on the rise in a predominantly feudal society which ignored the protection of peasants' tenure security.

4.3 Panchayat Period: Royal Land Reform from 1960 to 1990

A number of land reform policies and programmes were pursued during the *Panchayat* period. Most significantly, a major land reform programme, announced by the then-King Mahendra Bir Bikram Shahdev, came into existence in 1964 under the Lands Act, and underwent a number of amendments in subsequent years. More specifically, King Mahendra adopted a moderate type of land reform programme in 1964, which was promoted by foreign donors (in particular, the US government, which had been eager to encourage governments all over Asia to implement such programmes in order to counteract the influence of communism in the region) and which was to show that the new *Panchayat* government was concerned with the issues of peasants and rural inhabitants. Ostensibly, the goal of the Lands Act was to facilitate the redistribution of rural land.

However, the land reform measures of the 1964 Lands Act ended up proving entirely ineffective, and the apparent goal of land redistribution to the peasants was not carried out. Among the reasons for this failure include weak implementation, numerous loopholes left in for landlords to exploit, a lack of legal awareness on the part of the peasants (and the negligence of the government to do anything to change this), the continuation of a close relationship between landlords and government officials, the lack of a strong monitoring system within the government, the vested interests of the landed bureaucratic elites who were entrusted to implement the measure, and obstacles created by the feudal landlords of the *Tarai* (Willy et al., 2008).

4.3.1 Land Reform in 1964: Instrument Used by Landlords to Retain Their Lands

A review of the literature shows that the land reform measure under the 1964 Lands Act was explicitly designed to address the land rights of peasants, tenants and sharecroppers. Some of the specific measures included setting land size ceilings, redistributing surplus land (above the ceiling) to the tilling peasants, and initiating grain-saving projects for the food security of rural people. Table 4.1 helps evaluate the core objectives of the programme (see below).

Table 4.1 demonstrates that a total of 1,819,054 sitting tenants had applied for tenancy rights between 1964 and 1967. Out of this number, 1,555,910 (85.5%) had their documents accepted by

the land reform offices; and out of *this* reduced number, only 469,917 (30%) were eventually legally recognised/approved as “tenants”. By 1993, government records show that the number of people who were tenants in this year was only 370,217. This reduction in the number of tenants between 1967 and 1993 indicates that many tenant families were evicted, or otherwise dispossessed off the land, during this time: the beginning of the *acceleration* of the process of de-peasantisation. Over the same period, there had been a concomitant reduction in the amount of agrarian land available to tenants. Between 1964 and 1967, the tenants recognised by the land reform offices claimed 513,214 *bighas* (342,142 ha) of land. Between 1967 and 1993, however, that figure went down to 275,384 *bighas* (183,599 ha), a reduction of 47% of the tenanted (tilled) land. It has also been revealed that the ranks of those who succeeded in receiving tenancy certificates was often restricted to those who claimed to be supporters of the new *Panchayat* regime, as well as those who were literate; the applications of many of the others were rejected on the grounds of insufficient documentation (Basnet, 2013).

Table 4.1: Distribution of Sitting Tenants Applying for Tenancy Rights and the Number of Tenants Recognized/Certified by the Government (1964-1993)

Region	No. Of Districts	No. of tenants who applied for tenancy rights during 1964-1967	No of tenants whose full documents were accepted by the land reform offices	No. tenants recognized/ approved as tenants by the land reform offices	Area of land claimed by tenants from 1964-1967 (in <i>bighas</i> *)	No. of cumulative tenants until 1993	Area tilled by tenants as recorded in 1993 (in <i>bighas</i> *)
Eastern	16	390277	355050	150789	243718	108912	110315
Central	19	693051	544278	224086	128064	217173	97485
Western	16	406678	363956	40324	21969	10643	10612
Mid-West	15	186462	179049	31715	85432	28667	45569
Far - West	9	142617	113577	23003	34031	4822	11401
Total	75	1819054	1555910	469917	513214	370217	275384

Source: Department of Land Reform and Management, Government of Nepal, Babarmahal, Data Generated and Compiled by Jagat B. Basnet for the ‘Study of Marginalisation from Land in Nepal’ in 2013.

Note: * 1.5 *Bighas*= 1 ha

Furthermore, the reform measures on land ceilings provided loopholes, which landlords were able to use to ensure that their land was distributed largely to their own family members, as well as to other elite individuals. For example, the law allowed existing landowners to distribute land exceeding the ceiling to any children over the age of 16 (since such children could legally be counted as being of a different household); this prevented government officials from confiscating land that clearly fell above the ceiling. With respect to the regularisation of land ceilings, the Act was implemented in three consecutive phases: 16 districts in phase one, 25 districts in phase two, and 34 districts in phase three. The third phase was implemented two years after the enactment of the Act, which provided ample time and opportunity for numerous landowners to register their excess land in the names of family members (Upreti et al., 2008). Interestingly, landlordism was particularly prevalent in the mid- and far-western regions of Nepal, but the land reform programme started in the eastern *Tarai* district of Jhapa, where there was a far smaller concentration of land in the control of landlords. Furthermore, even after the commencement of the implementation of the ceiling clauses, excess land was being ‘donated’ to public educational institutes (which fell under the control of local elites anyway), or *guthis*, or transferred to industries (in which landlords often held stakes). This kind of redistribution evasion was pervasive even through the post-1990 democratic period, but began in response to the 1964 Lands Act (Sharma, 2012).

Apart from the evasive measures afforded to landlords, there were also clauses in the legislation that made it difficult for peasants to make use of it in the first place. In order to claim tenancy rights, for instance, the Act required that applicants submit their citizenship certificates to local land administration offices; most peasants, however, had never needed citizenship certificates in the past, and therefore did not possess them. Furthermore, in order to acquire citizenship certificates, peasants would need to receive recommendations from, firstly, the Chairperson of the *Panchayats* (Village Councils, the lowest level of political-administrative units), and secondly, from the local police. Thousands of peasants were unable to receive these recommendations because the Chairpersons tended to represent the views and interests of local landlords, who in any case were closely aligned to police officials (Kattel, 2006). And while the tillers were unable to acquire necessary documentation to file claims, some of the landlords were registering their family members or relatives as tenants on their land; since double-tenancy was not allowed by the law,

this effectively blocked the claims of genuine tenants. Table 4.2 below shows landownership status after the implementation of this land reform initiative.

In 1973, with the support of the United Nation’s Food and Agriculture Organisation (FAO), the government carried out a review of the land reform programme. It was found that, after the land reform, 63.1% of households owned only 10.6% of agricultural land, and 63% of peasants owned less than one hectare of land. On the other end, 2.1% (in Table 4.2, 0.9+0.5+0.7 = 2.1) of landlords owned 27.7 % of land above the ceiling (in Table 4.2, 7.0 + 5.5 +15.2 = 27.7). The land ceiling was 16.6 hectares (for agricultural land) in the *Tarai*, 3.7 hectares in Kathmandu valley, and 4.1 hectares in the Hills.

Table 4.2: Land Ownership Records in 1973 (%) After Land Reform

Size of holding class	Landlords		Owner-cultivator		Owner-cum tenant		Tenant		Total	
	H	A	H	A	H	A	H	A	H	A
Less than 1 hectare	15.0	0.3	66.6	12.5	70.0	21.5	50.0	9.0	63.1	10.6
1-3 hectares	6.4	0.6	18.5	20.0	17.4	26.2	32.6	40.0	19.4	17.9
3-5 hectares	16.0	3.7	6.0	13.2	7.6	20.4	10.5	22.1	7.1	11.0
5-10 hectares	7.4	2.8	6.4	35.3	3.5	15.6	5.5	20.3	5.8	21.4
10-15 hectares	6.4	4.5	2.1	15.0	1.5	12.3	1.4	8.6	2.5	11.4
15 -20 hectares	16.0	16.0	0.4	3.5	-	4.0	-	-	0.9	7.0
20-30 hectares	13.8	18.0	-	0.5	-	-	-	-	0.5	5.5
30 & above	19.4	54.1	-	-	-	-	-	-	0.7	15.2
Total	100	100	100	100	100	100	100	100	100	100

Source: Zaman, 1973, p. 29, computed from table 10, annex III.

Notes: Review of land reform of 1964; the percentage was calculated on the basis of the sample survey result; H=households and A= area.

4.3.2 Land, Class and Caste

Before the *Panchayat* era began in 1960, there were two broad socio-economic classes in Nepal (albeit with differentiations within classes): the privileged class, which included the ruling elites,

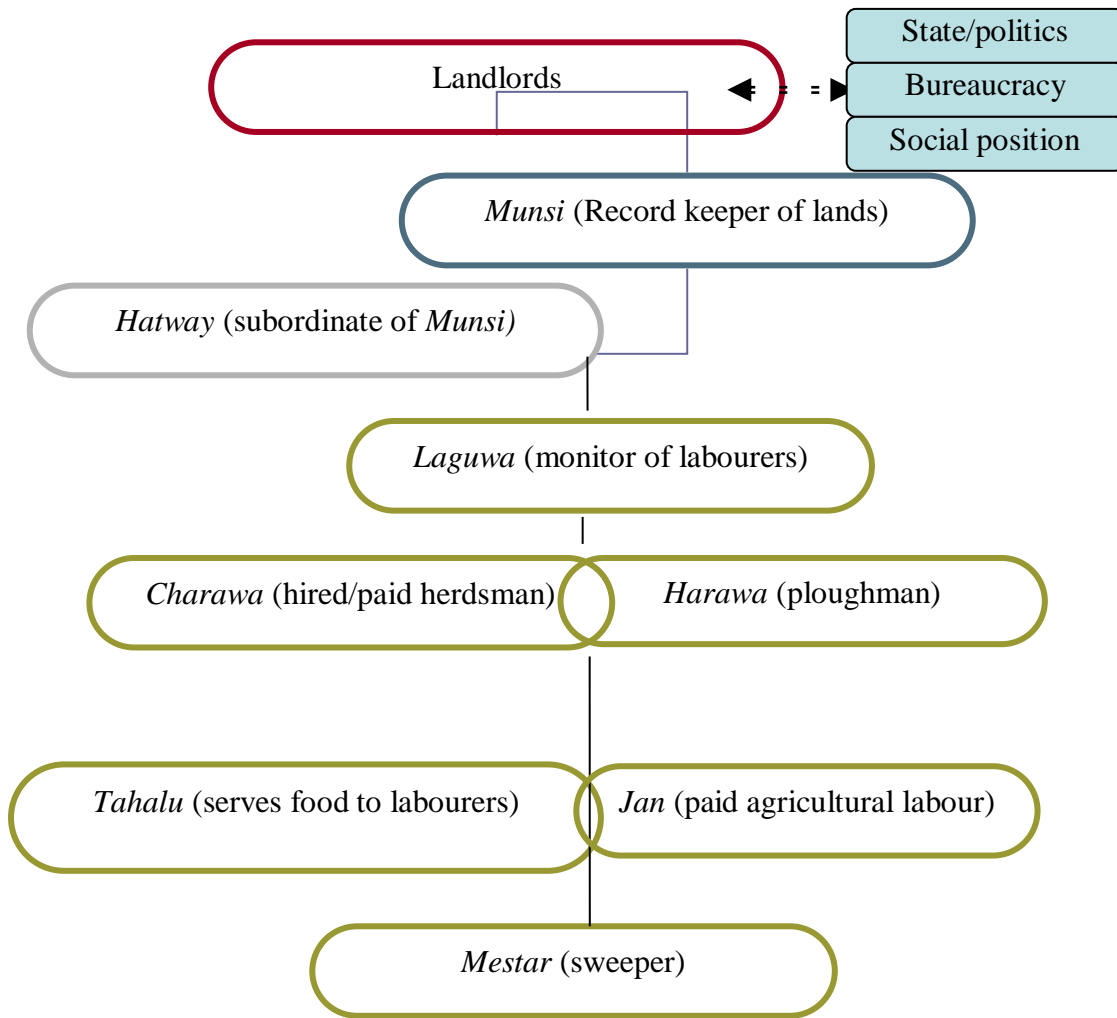
landlords, and educated gentry; and the non-privileged class, which mainly comprised of peasants and tillers, including non-literate marginalised people (Thapa 2000). After 1960, a number of different classes emerged with changes in the political economy and political system. Following the dissolution of the *Rana* regime and the emergence of the *Panchayat* system, a number of different political and economic policies and programmes were announced and, as a result, Nepali rural society became further stratified into different political, social, and economic groups.

Seddon et al. (2002) have noted that landlords were traditionally involved in politics and the bureaucracy (and were thus involved in key decision-making positions) at both the local and state levels, which was a function of their economic prosperity based on the possession of large swathes of land. The land-based privilege of the ruling classes gave them both public and private control over various institutions throughout Nepal, including the judiciary and the universities (Seddon et al., 2002). The state bureaucracy was also largely composed of elite (landlord) households with solid educational opportunities, deriving once again from their land-based economic strength (Upreti et al., 2008). These elite bureaucrats were often appointed by the absentee landlords who controlled the political institutions of the state. Without the approval of this elite group, it was not possible for peasants, tenants, and sharecroppers to maintain access to land or procure land registration. Emerging middle classes also included doctors, lawyers, engineers and other professionals, most of whom were often quite vocal about their own rights - but not of the marginalised. By generally ignoring the predicament and rights of marginalised peasant groups, they tended to align themselves with the landed classes (Seddon, Blaikie and Cameron, 2002:81-87).

The class-caste structure of the landlord system of the *Tarai* region, as well as the differentiation between the privileged and non-privileged classes, is presented in Figure 4.1. This was the agricultural structure in the *Tarai* during the *Rana* and *Panchayat* periods. After the emergence of the Maoist movement in the 1990s, this rigid social dynamic was almost eradicated, though it still exists in certain instances. The landlords clearly had a strong relationship with the state, politicians, and bureaucrats (Dhakal, 2007). At the same time, they hired record keepers (for all loans, production and exchanges) called *Munsi*, as well as subordinates of *Munsi*, called *Hatway*. Under

the *Hatway*, there were *Laguwas* (monitors of daily labourers) as well as ploughmen, cattle herders, cooks and sweepers.

Figure 4.1: Past Structure of Landlord System in the Tarai



Source: Author.

The discussion so far shows that the peasantry is a marginalised group in Nepal, economically and politically, and therefore is generally part of the lower (or lowest) class. It should also be noted at

the same time that ‘class’ and ‘caste’ are closely intertwined in Nepal. For instance, lower class groups are predominant among the lower caste groupings - a function of limited and marginalised land holdings across all ecological zones. As per the 2011 census conducted by the Central Bureau of Statistics (2012), there are 125 castes and ethnic groups in Nepal. As per government definition and categorisation, these can be categorised into privileged, non-privileged, marginalised, and highly marginalised segments. Although caste and ethnicity overlap considerably, it should be noted that indigenous people are particularly sensitive about labelling themselves as a distinct ethnicity compared to all other groups in the country. Overall, Hindu society has traditionally been stratified into four caste categories: (i) *Brahmans* – mostly priests, absentee landlords/owners and scholars; (ii) *Chhetris* – warriors, rulers, and middle and large/rich peasants; (iii) *Vaishyas* – indigenous commoners, indigenous people, lower class peasants, and skilled labourers; and (iv) *Sudras* (untouchables) – agricultural or non-agricultural labourers and semi-skilled/unskilled labourers (Saunders, 1990, 2001). The Hindu social system has entailed a caste hierarchy based on differentiated and specialised occupations, which ultimately laid the foundation for the genesis and evolution of a social class system as well. In other words, ‘caste’ and ‘class’ are positively correlated variables. This indicates that generally speaking, poor peasants and labourers tend to be *Vaishyas* and *Sudras*, whereas *Brahmins* and *Chhetris* (as the higher class) comprise most of the landlords/owners and scholars.

According to a 2004 UNDP Human Development report of Nepal, 43.98 percent of *Tarai Dalits* and 15 percent of Hill *Dalits* were totally landless, 9.89 percent and 15.24 percent respectively were semi-landless, and 26.19 percent and 44.55 percent respectively were marginalised in terms of land ownership. In the case of the *Tarai* region, “a few large and rich farmers owned substantial areas of land and the vast number of small peasants possessed very little” land (Ghimire, 1998:54; Karki, 2002:3-4). Most *Tarai Dalits*, especially *Mushahars* and *Chamars*, became landless. The livelihoods of *Mushahars* and *Chamars* thus depended entirely on the mercy of local landlords. In the past, landlords treated them as serfs or slaves. In line with this caste-based discrimination, the rules and laws of the state were used for purposes of socio-economic exploitation by the higher castes and classes; hence, the *Dalits* were generally both socially and legally impeded from escaping the vicious circle of poverty (Chaudhary, 2008:2). Overall, past land policies and legislations did not address any issues of landlessness or land tenure faced by the indigenous

peoples (who constitute 37% of the total population) and *Dalits* (who constitute 13% of the total population).

4.3.3 Monopolised Labour Service and Peasant Indebtedness

Since the Nepali economy is predominantly based on agriculture, poor and marginalised farmers in Nepal historically had no alternative but to work on the land of landlords under tenancy and sharecropping arrangements, in which they were informally required to contribute (as an exploitative practice) unpaid labour to the landlords (Thapa, 2000) in addition to standard landlord-peasant arrangements. Thus, peasants would cultivate portions of the landlords' land without receiving any compensation or returns. For peasants, there was always an uncertainty about their access to lands, and about whether or not they would be allowed to cultivate for another year without the contribution of illegal free labour to the landlords (Pyakurel and Upreti, 2011). Since one of the few alternatives was bonded labour, peasants preferred the tenancy and sharecropping system because it was an important livelihood option available to them. The manifestation of different kinds of bonded labour systems was the function of the informal money-lending systems developed by the landlords, with exorbitant interest rates which compelled land-poor people to abandon their own lands to money-lenders and become virtual bonded labourers, especially during the *Panchayat* period (Dhakal, 2007).

The rich (landlord) class provided loans to peasants, but the usurious interest rates made it difficult for peasants to pay back their loans. Conventionally, if tenants or sharecroppers obtained loans from moneylenders or landlords, the former had to provide free labour to agricultural operations as demanded by the latter (Sugden, 2009, Basnet, 2013). In the *Tarai*, therefore, landlords also worked as 'agricultural financiers' who charged high rates of interest, including the free labour from peasants in the form of loan repayment. The moneylenders, through dispossession, accumulated land in the event of the failure of peasants to pay the loan back, and, eventually, the debtors became semi-bonded or bonded agricultural labourers (Regmi, 1978: 144). For landlords and moneylenders, bonded and semi-bonded labourers were a source of cheap (and sometimes free) labour. Landlords had a propensity to use land as collateral for different kinds of business purposes, including using 'land certificates' to obtain cheap loans from banks by pledging them as

hypothecations. At the same time, genuine tillers without land certificates were compelled to turn to the informal sector (that is, moneylenders or even landlords) to obtain usurious loans. Most landlords, in fact, took loans from the Agriculture Development Bank, Nepal (ADB,N) at low interest rates and then lent money to poor cultivators at exorbitant interest rates (Basnet, 2013). While landlords used cash to lend at high interest rates, tenants, sharecroppers and smallholders spent any available cash on managing food deficits. This reproduced the unequal distribution of wealth among different castes and classes in Nepal (Sharma and Domini, 2012:11). On the whole, the surplus produced by the peasants and extracted by the landowning class turned peasants into *de facto* tillers, bonded labourers, or agricultural labourers; indeed, forming the bedrock for sustaining the economic and political power of landlords. Smallholders, tenants, and sharecroppers were thus victims of high interest loans and debt bondage, and forced and unpaid labour as demanded by landlords, and this pushed them into vicious circles of poverty (Regmi, 1999: 105; Karki, 2002:2).

4.3.4 Ongoing Power Nexus and Land Concentration

It becomes evident that a well-established national and rural power nexus remained in place amongst the landowning elites despite the 1964 land reform. In fact, the *Tarai* landlords had an informal army (thugs or hooligans) that would take violent action against peasants to deprive them of their tenancy rights. Since the landlords were in alliance with state bureaucrats and higher-level politicians, they could almost at will incite violence against smallholders, tenants, and sharecroppers (Khanal, 1995). During the *Panchayat* period, there were many infamous killings of tenants and sharecroppers who had simply requested to the landlords and government officials that they be granted tenancy rights over the lands they tilled (Adhikari, 2008: 11-13).

In the end, most of the administrative decisions and actions (including those around land) were directed by the Royal Palace during the *Panchayat* regime. How the Royal Palace worked during the heyday of the *Panchayat* is clear from the description given below:

Despite the past decades, the crown has become the pivot around which traditional interest groups, the sacred elite, the military and landowning aristocracy still revolves. These groups gain access to the Royal Palace through their supporters and representatives on the staff of the Palace Secretariat. The Palace Secretariat has become the nerve centre for the administrative and the political structure of Nepal, even though its dominant policy and decision-making is not defined via law or the

constitution of this country. The function of the Palace Secretariat can be closely compared to the previous, all-powerful function of the hereditary Rana Prime Minister's Office. That is, the Secretariat today functions not only as relay-station between the king and the government, but also as a decision-making component, frequently Central Government's Secretariat as an instrument for the implementation of decisions (Beenhakker, 1973:23, quoted by Blaikie et al., 2005:88).

The royal family, along with the upper classes, formed a power nexus when it came to any decision-making around land, leaving the rural poor at a distinct disadvantage. In one extreme example, it became known that the royal family itself was considered a tenant on around 22 hectares (445 *ropanis*) of land in Kathmandu Valley. Yet, according to the official government definition of tenants, only those who till the lands of landlords are known as 'tenants' (Progress Report of Parliament Committee on Natural Resource and Means, 2007). From the perspective of Henry Bernstein (2016), this would be an extreme version of accumulation by dispossession. Landowning elites needed the local elites such as *jimidars* to control the peasantry. Simultaneously, these local elites needed – and had – the political backing provided by the landowning members of the aristocracy and bureaucracy (Regmi, 2002:177). Those who controlled the land (landowners, involving both the economic and political elites) were able to influence the political process, and the policy-making and decision-making processes. Redistributing land and related resources on a significant scale would change the political and economic power structure of any society (Dorner, 1971), hence the concerted attempts by landowners to forestall and block any meaningful land reform. Almost all senior government officials were, in fact, part of the elite groups owning huge amounts of land. They were able to control peasants by mobilising them on behalf of the *Panchayat* (Adhikari, 2010:15) and providing marginal lands to those peasants who showed support for the regime.

This ongoing power nexus is expressed through forms of land concentration. Given the power of the landlords during the *Panchayat* period, large plots of lands were distributed to (or retained for) the core cadres/supporters of the *Panchayat* system. Concessions were also given to them with reference to existing land above the ceiling, to protect the regime and consolidate the power of the King (Upreti et al., 2008). Many cadres of the *Panchayat* regime and of prevailing political parties received land during this period. Due to the overriding power nexus in agrarian spaces, the *Panchayat* regime was able to distribute land to the elites over and above the land ceiling (notably between 1980 and 1990), while tillers and sharecroppers, who had been tilling the land for generations, were being evicted. Smallholders and indigenous people lost their land while, through

the *Panchayat* regime, powerful individuals and companies were allowed to occupy state lands often beyond the ceilings set by the land reform measure. In some cases, land ceilings were waived and, in others, lands were allowed to be retained beyond the set ceilings. This led to the further concentration of land ownership in Nepal.

As analysed above, the domains of ‘ownership’ and ‘cultivation’ have historically been kept separate in Nepal. More specifically, land was not the property of the cultivators, as they were producers of food rather than owners of the land or its resources. The landowners were mostly absentee landholders with intermediaries between the owners and cultivators, and this historically nurtured, as indicated earlier, a culture of ‘sub-infeudation’. In fact, landowners’ power and privileges were a basic form of political or socio-economic authority and control (Regmi, 1976; Basnet, 2013). The extractive political and economic institutions continued until 1990, and their legacy has now been transferred to a democratic regime. But, even under the newest democratic dispensation, old problems for peasants remain.

In addition, the government also waived the usual regulations regarding excess land above the household ceiling for some influential landowning families and permitted them to retain the same land in the name of existing and new company industries (see Table 4.3). A review of records shows that industries were not actually opened in the case of many of these large plots, and the land was merely retained as private property. This lends support to the claim that the land reform measure was a fiasco and, arguably, a sham.

Following the royal land reform and the various related decisions of the autocratic government, a number of *Tarai* peasants were deprived of land to till or live on, and compelled to squat on public lands or in forests. In particular, many indigenous *Tharus* of the mid and far-western *Tarai* districts were compelled by local landlords to work as *Kamaiyas* (bonded-labourers) for them. There was also a general increase in the number of agricultural labourers among the *Tarai Dalits* who were compelled to work as *Harawas/Charawas*. Put succinctly, capitalising on the loopholes of the 1964 land reform measure, landlords evicted the peasants from the land and forced them into even more precarious arrangements of subsistence. For instance, out of the 1,819,054 peasants recorded initially in 1968/69, only 469,917 tenants were recognised and, in 1991, this number declined to

370,217 (Basnet, 2013). Despite claims that the government's land reform was progressive, there was no redistribution of land that was seized for falling above the land ceilings. Instead, peasants were required to buy such land. The argument was that the prices for these lands were only nominal; for instance, they were required to buy land at the cost of between NRs 180 and NRs 240 per *Bigha* (0.67 ha) of land (the price would vary according to the quality of the land). However, without savings of any kind, peasants could not buy government land even at such 'nominal' prices. As a result, government officials and some middle class people went ahead and bought the land, leaving peasants and former tenants completely dispossessed (Adhikari, 2008).

Table 4.3: Names of the Industries Receiving Land above Land Ceilings

S.N	Name of the Industry	Districts	Ceiling Waived (in bigha*)	Land occupied (<i>in bigha*</i>)	Beyond given ceiling (<i>in* bigha*</i>)
1.	Bahumukhi Krishi Farm Pvt. Ltd.	Morang	60-0-0	73-2-8	13-2-8
2.	Morang Cyaning Company Pvt. Ltd.	Jhapa	106-6-12	106-6-12	
3.	Morang Sugar Mills Ltd.	Morang	546-17-16	546-10-2	
4.	Gijara Khadsari Mills Pvt. Ltd.	Nepalgunj	180-0-0	180-0-0	
5.	Sughafal Ras Karyalaya	Jhapa	116-3-12	116-3-12	
6.	Mahabir Krishi Udhyog	Dhankuta	323-0-3	323-0-3	
7.	Radhepur Farm	Nepalgunj	74-18-16	75-2-16	4 <i>Kattha</i>
8.	Himali Krishi Udhyog	Dhankuta	468-6-9-0	468-6-9-0	
9.	Rijal Kyaning Company Pvt. Ltd.	Sunsari	56-6-12	55-2-7	
10.	Kanchanjunga Alaichi Farm Pvt. Ltd.	Taplejung	658-5-1-1	658-5-1-1	
11.	Geeta Falodhan Farm Pvt. Ltd.	Nuwakot	1161-11-2-2	1257-12-2-1	96-0-0-0
12.	Uttar Bahini Agley Thumki Falful Udhyog	Dhankuta	500-0-0-0	466-12-2	
13.	Uttarpani Bahu Udhesya Krisi Farm	Dhankuta	1159-11-0	1159-11-0	
14.	Shangrila Bahu Udhesya Krisi Farm	Tehrathum	367-6-3	367-6-3	
15.	Himalaya Tea Garden and Farming Pvt. Ltd.	Jhapa	600 <i>Bigha</i>	576-6-7	
16.	Giribandhu Tea Estate	Jhapa	500 <i>Bigha</i>	381-14-10	
17.	Khatighatta Tea Estate	Jhapa	500 <i>Bigha</i>	255-18-8	
18.	Sanjiwani Byabasaya Pvt. Ltd.	Jhapa	74-15-5	78-5-5	4-10-0
19.	Budhkaran and Son's Tea Company Pvt. Ltd.	Jhapa	500 <i>Bigha</i>	266-8-2	
20.	Mittal Tea Estate Pvt. Ltd.	Jhapa	500 <i>Bigha</i>	455-17-4	

Source: High Level Commission on Review of Land above Ceiling of Agricultural Industry, 1992, Government of Nepal. Jagat Basnet compiled the data from the reports and developed the table for the 'Study on Marginalisation from Land and Its Implications for Education', March 2013.

Note: * 1.5 *Bighas*= 1 ha

In earlier times, peasants were always expected to fulfill the expectations of rulers and landlords. In more recent times, little has changed, and land and agriculture-related policies and programmes were developed largely to benefit the interests of rulers and the landlord class; rarely have these served to increase peasants' access to land. Right up to 1990, the agrarian class structure was

almost the same as what it was in 1960, with a few changes. A couple of these changes were that: (i) landlords (absentee landowners) became involved in businesses and the industrial sector, while some also joined national politics; (ii) while some of the middle class remained in agriculture, others joined various governmental and non-governmental services, including local-level politics; (iii) smallholders remained owner-tillers of some land, but many additionally became tenants and sharecroppers who tilled both on their own and on others' land; and (iv) bonded/semi-bonded labourers, such as *Kamaiyas*, *Haliyas*, *Harawas/Charawas*, and other regular agricultural labourers became legally as well as socially excluded from ownership provisions. One thing that did not change until 1990 was that labourers in general were mostly involved in agriculture; their involvement in the non-agricultural sectors was negligible.

4.4 Land Reform (Neo-Liberal Period) from 1991 to 2017

Since the royal coup of 1960, the Nepali Congress and the Nepal Communist Party had organised themselves around peasant groups in the name of democracy, with the slogan 'land to the tillers', and continued with this until the successful overthrow of the *Panchayat* in 1990. Peasants in turn came to trust the political parties which had mobilised them for 30 years, and it can be argued that this relationship played a significant part in the restoration of democracy in 1990. This section analyses the commitments and promises of the major political parties around land reform, and their eventual adoption of neo-liberal policies and programmes.

4.4.1 Failed Commitments of Political Parties

Following restoration of democracy in Nepal in 1990, an Interim Government was formed in 1991 to facilitate the framing of a new constitution, which was quickly promulgated that same year. The constitution specifically mentioned the need to restructure the agricultural sector to ameliorate the economic conditions of the majority of the Nepali people, but it failed to make explicit commitments around land reform and the socio-economic security of peasants. These very commitments had formed part of the main agenda of people's movements in 1990.

In 1992, Jagannath Acharya, a Nepali Congress leader and the Minister of Land Reform and

Management, made a proposal to initiate a pro-tiller land reform programme. His proposal involved seizing any land portions above the ceiling, taking control of any misutilised and *Guthi* lands, securing protection of the tillers' ownership of land, creating a computerised database of all land portions in the country, establishing a 'one family-one land' policy with regard to land certificates, revising the land ceilings based on the quality of land, and exercising more control over the fragmentation of land (Upreti et al., 2008). Unfortunately, he was sacked from his ministerial position by the Congress government that same year, within six months of his proposal, to foil this administrative and legal move.⁶ Commentators have regarded it as unambiguous that the main reason for his sacking was his proposal for land reform on behalf of smallholders, tenants, and sharecroppers. His successors never attempted to implement his plan.

The 1992 general election - the first of the post-*Panchayat* era - saw the Nepali Congress Party win a parliamentary majority and form the first democratic government in Nepal since 1960. This government swiftly adopted a neo-liberal outlook in its policy-making, which placed any land reform agenda at the control of the market mechanism; already, the promises of swift and direct action on this issue, made to the people's movement of 1990, were being revised. Within three years of being in power, the Congress government called for a midterm election due to infighting amongst its leaders. The election ended with the Communist Party of Nepal-United Marxist-Leninist (CPN-UML) securing the most seats, though it fell short of a parliamentary majority. Thus, in 1994, the CPN-UML formed a minority government, which set up a High-Level Land Reform Commission (under the chairmanship of Mr. Keshav Badal) to identify the major land issues facing Nepal, and to thereby make recommendations for land reform (Basnet, 2016). The Commission submitted its report within the stipulated time (September 1995), but the CPN-UML government itself was toppled due to its minority status, and a new coalition government was formed in 1995 under the leadership of the Nepali Congress. The coalition government never officially published, let alone implemented, the recommendations of the Badal Commission report (Adhikari, 2011:25). In fact, as coalition partners, none of the major political parties even seemed willing to prioritise the Land Reform Ministry as a significant ministry.

⁶ Yuba Raj Bhusal, Joint Secretary, Office of the Prime Minister and Council of Ministers, Government of Nepal. Land Issues and the Role of Land Bank in the Context of Agriculture Perspective Plan and Poverty Reduction Strategy in Nepal. Paper Presented at the Workshop Jointly Organised by National Planning Commission and World Bank Nepal, November 22-23, 2006, Kathmandu Nepal.

In 1996, the Nepali Congress-led government amended the 1964 Lands Act for the fourth time. This amendment moderately favoured already-registered tenants - those who had tenancy certificates were to be given an equal 50% share of the tilled land - but it did not make any interventions on behalf of unregistered tenants, even though they too had been tilling the land for generations without justice. Further, this amendment repealed an important provision in the third amendment which had declared a one-year grain payment receipt (along with a contract between landlord and tenant) as sufficient documentation for tenancy rights; this provision had been important in securing some tenancy rights for previously unregistered tenants, and could have been an important tool for still-unregistered tenants (Sharma, 2012). Because of this new amendment, many unregistered tenants became ineligible to claim tenancy rights. As per the Badal High Level Land Reform Commission report of 1995 (which the commission chair released unofficially), more than 450,000 tenants and smallholders were consequently deprived of their registered tenancy rights. In this way, the 1996 amendment ended up being even more regressive than the King's land reform measure of 1964 and the 1981 third amendment of the 1964 Lands Act (Basnet, 2013). Around this time, in 1993, there were a reported 370,127 registered tenants, of which 72% were from the *Tarai*, 24% from the Kathmandu Valley, and 4% from the Hill areas. According to the Nepal Living Standards Survey of 2003/2004, 31% of all peasants (about one million farm peasant families) still worked as tenants or sharecroppers on others' land for their daily subsistence, but their tenancy was insecure and unregistered; such families are very much under constant threat of sudden dispossession and gradual de-peasantisation (Adhikari, 2008).

In 2001, the Nepali Congress-led government amended the 1964 Lands Act for the fifth time, this time promulgating a new land ceiling. According to this new amendment, a family could hold up to 11 *Bighas* (7.3 hectares) of cultivated land in the *Tarai* and the inner *Tarai*, 75 *Ropanis* (3.75 hectares) in the Hills, and 30 *Ropanis* (1.50 hectares) in the Kathmandu Valley. However, a group of landlords filed a case in the Supreme Court, claiming that the amendment violated their property rights (Basnet, 2016). The Supreme Court took almost ten years to make a decision on the case - in favour of passing the amendment - and it was not implemented until 2016. Over that ten-year period, most landlords sub-divided their land amongst their family members, bringing officially registered land under the ceilings once again, even though nothing had changed in terms of actual ownership or control. Politically speaking, the main objective of reducing the land ceiling was to

pacify the Maoist movement (which at this time was geared toward confiscating land in zones of Maoist control and redistributing it to tenants and sharecroppers), and to guarantee the legitimacy of the then-parliamentary form of government (by demonstrating its capacity to bring about transformative land reform). The fifth amendment also contained a legal provision to ensure the full implementation of the law such that registered tenant-farmers were to be given 50% of shares over the land they had tilled (within two years); this did not, however, address the cases of the 450,000 unregistered tenants and smallholders. Pointing to the Maoist armed conflict and instability in rural areas, the government of Nepal claimed that it was simply unable to implement this latest amendment in rural areas at this time. Commentators have since noted that if the land ceiling set by the legislative amendment was implemented as per the letter of the amendment, it is likely that there would be sufficient land to distribute among tenants, landless peasants, and smallholders (Adhikari, 2008:6).

In 2004, the government of Nepal sought to form a '*Land Bank*', more-or-less explicitly to support the interest of landlords. This was because during the conflict period, many landlords had demanded that the state should buy their land which had been seized by the Maoists. The World Bank was prepared to support this initiative, and requested that the government develop a concept note relating to the proposed bank. Accordingly, the government developed a concept note, centred on the purpose of purchasing the land of landlords and distributing this land amongst tenants and landless families on the basis of loans (Upreti et al., 2008). The bank, however, was opposed by farmers' organisations and civil society groups because the programme intended to support landlords rather than peasants; as a result of this opposition, the WB eventually withdrew this proposal (Adhikari, 2008:31-33).

These facts clearly demonstrate that the agenda of land reform in Nepal has been a heavily political agenda, but one with no genuine commitments for its implementation. As a consequence, the traditional power of the class of landlords (whether they are politicians or bureaucrats at the moment) has been preserved at the cost of the peasant class. As far as trends go, it is notable that throughout this period, there has always been reductions in the numbers of tenants claiming their tenancy rights (as per the government statistics).

4.4.2 Unsuccessful Commitment in Comprehensive Peace Agreement and Interim Constitution

In 2006, the Maoists, up to this point the instigators of a decade-long armed insurrection in the rural parts of the country, entered a national peace process and signed a Comprehensive Peace Accord (CPA), which eventually culminated in the promulgation of the interim constitution (IC) in 2007. The CPA and IC both expressed commitments to adopting a policy for managing land as well as economic and social security for the landless, *Kamaiyas*, *Haliyas*, *Harawas* and *Charawas*, and including all marginalised farmers and landless people (NHRC, 2009:13). The CPA and subsequent political agreements also made demands for commitments by the Maoists to return the lands which they had seized during the insurrection, and emphasised the new government's commitment to promoting a more equitable distribution of land by implementing land reform policies on behalf of land-short and landless people (The Carter Centre, 2015:56).

The subsequent agreements included general principles about land reform, the abolition of feudalism, economic policy, employment, and socio-economic security. These principles were nearly identical to those included in the CPA, and it was suggested that the government of Nepal, the Communist Party of Nepal-Maoist (CPN-Maoist), and the Seven Party Alliance (SPA) should develop a common action plan and policy to translate the commitments of the CPA into actions (Wennmann, 2009:15). Agreements between the CPN-Maoist and the government of Nepal in December 2007 and June 2008⁷ reiterated these commitments. However, in the end, the focus of subsequent implementations was almost exclusively on returning the land which was seized by the Maoists and organising land reform commissions to study land reform policies and practices (and not necessarily the land rights of tenants or sharecroppers).⁸ More than 150,000 families were compelled to go on the market as wage labourers due to the return of seized land (Basnet, 2013).

⁷ Both agreements can be found in '*From Conflict to Peace in Nepal: Peace Agreements 2005-2010*', Asian Study Centre for Peace and Conflict Transformation, Kathmandu, 2011, pp. 106-110 and pp. 124-129. <http://www.aspect.org.np/uploads/pubdoc/document/Peace%20Agreements%20Compilation%20%20English%20.pdf>.

⁸ A high-level land reform commission was established under the Maoist-led government in December, 2008. Its report was released in 2011. A second commission was formed under the UML-government in October, 2009. In May, 2010, the commission submitted its report to the government for consideration. The 2008 report is available online at: http://www.molrm.gov.np/downloadfile/Report%20Final_1317547371.pdf.

From April 2008, the period for filing applications for tenancy rights by unregistered tenants was over (as per the fifth amendment of Land Reform Act 1964). At the same time, already-registered tenants were still struggling to secure the 50% share of the land that they were, in theory, legally entitled to (as per the fourth and fifth amendments). This was despite the fact that the National Land Rights Forum (NLRF), a people's organisation (including tenants, sharecroppers and landless people amongst its members) had been mobilising its members strenuously around these issues. In September 2015, under a coalition government of the Nepali Congress and CPN-UML, parliament endorsed a sixth amendment to the 1964 Lands Act, and extended the period for filing applications for tenancy rights for another two years; however, in practice, this amendment has not truly been recognised, and no major changes have been seen even over the course of successive republican governments after 2006 (Upreti et al., 2018). Despite the intensity of the struggles of the NLRF, the Ministry of Land Reform and Management (MoLRM) did not prepare a working procedure for filing cases for tenancy rights until June 2016, by which point a number of tenants had already been evicted.

After 2008, representatives of the communist parties usually held the ministerial portfolio for the MoLRM, but they too failed to extend the period for claiming tenancy rights to 2015. In addition, they failed to guarantee that registered tenants were provided with 50% of the land they cultivate, even though this had been part of the legislation for years at this point (Adhikari, 2011). Such inaction turned their slogan of 'land to the tillers' into mere ostentation. The failings of the communist parties also became evident with regard to the return of land seized during the decade-long armed conflict. In this regard, it was found that local Maoists from some districts were benefiting financially from the transactions of seized land, including purchasing land at low rates from landowners and then reselling it at higher market prices to the land plotters, smallholders, tenants, and sharecroppers (The Carter Center, 2012:7).

To date, all political parties have lacked the political will to reach an agreement on principles, design, and enforcement mechanisms for land redistribution. Steps by the government and some district administration offices (DAOs) to collect data on alleged cases of land capture and concentration have been encouraging, but these were not accompanied by policies and procedures, or indeed by political consensus, to move forward with the resolution of the many outstanding

cases (The Carter Centre, 2012:14). Most of the Maoist-seized lands which had been returned took place through informal local negotiations between the Maoists, landowners and tillers, rather than through a formal, state-led process, and these (ongoing) negotiations resulted in a variety of outcomes, ranging from the landowners regaining all powers over their lands, to a conditional return in which landowners were able to continue to collect shares of the harvests from tenants (and continue their traditional relations with both registered and unregistered tenants) (The Carter Centre, 2015:57). In this context, the failure of land reform in Nepal to create opportunities for employment and livelihoods for the rural poor has compelled thousands of Nepali labourers to go abroad as migrant workers, or as seasonal workers in India and daily wage labourers in Nepali urban centres (NHRC, 2009:13).

Furthermore, although the government had formed two High-Level Land Reform Commissions (HLLRCs) and four Landless Problem Solving Commissions (LPSCs) within a ten-year period from 2006 to 2016, ongoing political disputes meant that coordinated action to distribute land to the genuine landless and marginalised people was simply not forthcoming (NHRC, 2009:45). After the Maoist-led government, the Nepali Congress Party came into power in April 2009 and, while it constantly raised the issue of the return of land seized by the Maoists, it never discussed broader land reform issues around justice for the peasant tillers and landless people.

All these points show the marginalisation of peasants by the parties and government. In November 2006, the Maoists and SPA agreed that all land seized during the decade-long conflict would be returned while steps would be taken to develop policies for ‘scientific land reforms’. Specifically, both sides agreed to: (i) adopt a policy to introduce scientific land reforms by ending feudal land ownership; (ii) adopt a policy to provide land and other economic and social security to the ‘economically backward’ classes, including the landless, bonded labourers, and pastoral farmers; and (iii) create an inventory of governmental, public and private buildings, land and other properties occupied, locked up, or not allowed for use in the course of armed conflict, and to return them immediately.⁹ The Interim Constitution of 2007 then mandated that the Nepali government adopt a policy to implement scientific land reform¹⁰ to minimise the widespread inequality in

⁹ Comprehensive Peace Agreement, Nov. 21, 2006. http://www.peace.gov.np/admin/doc/CPA_eng-ver-corrected.pdf.

¹⁰ Interim Constitution – 33(1) (f).

access to land through the abolition of feudal systems of landholding (NHRC, 2009). Though the CPA and Interim Constitution stated the need for land reform, of ending feudal land ownership, and ensure the rights of peasants in practice, no significant land changes have taken place up to now.

The earlier Nepali constitution of 1991 and the Interim Constitution of 2007 protected the extractive *Guthi* institutions. Both constitutions protected the land property of the elite/rich class, which they had bequeathed for themselves and, on their own terms, received as a reward for and by themselves. Indeed, the right to landed property by the ruling class was made central to the peace accord (Basnet, 2016). Despite the government's announcement that it would lower the land ceiling from 18 hectares (which was set in 1964) to 7.6 hectares in the *Tarai* in 2001, this remains unimplemented. Ultimately, middle and rich class people benefited in the aftermath of the Maoist armed conflict and people's movement, and most of the sharecroppers, tenants and smallholders were dispossessed after the comprehensive peace process. For example, the government brought about the *Janata Awash* (people's housing) programme - but only for those who already had land certificates. It should stand to reason that such programmes should be focused first on landless people, but the very first criterion of the *Janata Awash* programme was the possession of the often-unavailable land certificates.¹¹

For the last 17 years, the MoLRM has discussed the *Kamaiya* and *Harawa/Charawa*, and *Haliya* issues, but these issues have yet to be meaningfully addressed. A programme for the rehabilitation of *Kamaiyas* started in 2001, but the Ministry is still working on it. In 2008, the Maoist-led government announced - to much popular support - the elimination of the *Haliya* system, but both that government and subsequent governments have failed to rehabilitate the *Haliyas* with land. The economic condition of *Haliyas* is very poor, and they continue to struggle to access land. The government also did not address the *Harawa* and *Charawa* issues, which are even worse than *Haliya* and *Kamaiya* (NHRC, 2009:13). A serious problem for the CPA's implementation of land reform clearly was the sheer lack of its priority amongst the political parties and government of Nepal.

¹¹ Radha Bhattarai, PBM, CPM Sanyuta, Land Dialogue Programme Organised by COLARP and UNDP at Hotel Himalaya on 19 September, 2016.

4.4.3 Peasants and Migration

A discussion on the migration trends of peasants is also contextually relevant for analysing the issues in the history of land and peasants in Nepal. A useful point of departure in considering this is that, in recent history, people from parts of the Hills have faced a chronic condition of agricultural underdevelopment. Generally speaking, the situation of the Hills was particularly difficult compared to other parts of the country, due in large part to rapid population growth. Because of this, migration from the Hills to the *Tarai*, or other parts of the country, has long been a survival strategy for the poor households of that region (Maharjan et al., 2012).

However, external migration is not only an economic phenomenon or source of income, but has also become a social and economic status symbol in many communities (Shrestha, 2001:93, Gartaula et al., 2012). The recent history of Nepal's emigration is generally traced back to employment in the Indian and British armies; this was often seen as an option for lower-income families to supplement their income to pay family debts, and to meet other households' expenses, especially for cultural and social activities (Shrestha, 2001:93). The Indian and British armies were the most prized sources of foreign employment for largely unskilled/semi-skilled youths after 1816. Prior to 1990, more than 100,000 Nepali youths were in the Indian armies (Shrestha, 2001:94). Shrestha (2001:93) has further noted that currently, more than 70% of emigrants look for employment in India, the Gulf Countries, and Malaysia.

It is clear that emigration has had some positive effects. Firstly, migration contributed to the reduction of population pressures, deforestation, and environmental degradation across Nepal. Secondly, it contributed to an increase in employment and remittance money for the country. However, Shrestha (2001:94) has argued that the income itself from migration has not thus far been a productive or sustainable variable for the poor. Specifically, it can be argued that most of the positive repercussions of migration have been on the middle and rich classes who, relatively speaking, have derived significant benefits from the migration of their family members. Remittance has also enabled them to develop and expand their economic influence in less transparent ways. For instance, a number of local elites, in conjunction with commercial banks, impose exorbitant rates of interest, ranging from 36% to 60%, on loans drawn by agricultural

labourers and smallholders whom they do not consider credit-worthy. Consequently, labourers and smallholders cannot invest in the transaction costs of overseas migration (Pyakurel and Upreti, 2011).

Migration is thus merely a temporary escape from the eco-demographic problem facing the economy and its citizens. Migration represents the transfer of productive surplus labour value to the capitalist sector at the expense of the domestic economy (Shrestha 2001:95-96).

4.4.4 Adoption of Neo-liberal Policy and Promotion of Land Markets

Prior to 1992, land was controlled by state rulers and local elites; but under neo-liberalisation, land became subject to market forces. The neo-liberal position, in the case of Nepal, was that there is no land for direct redistribution, and the only way to ensure food security is through the commercialisation of agriculture. Hence, the emphasis was on economic growth rather than redistribution. The WB and ADB were highly influential in this regard. Other aid and financial donor institutions involved in pushing for market-led land reform in Nepal under neo-liberal restructuring were the International Monetary Fund (IMF) and the United States Agency for International Development (USAID). Thus, land redistribution ceased to even be visualised as part of Nepal's development agenda and trajectory (Adhikari, 2008:9). The focus of what, to policymakers, 'rural development' entailed shifted radically in this period. Further, as per the neo-liberal paradigm, the Nepali government gave a tax holiday of 10 years for new industrialisation projects, but did not provide any subsidies for smallholders and landless people (Whelpton, 2005:136, 146).

Of late, the main areas of investment for commercial banks have been around the plotting of land and real estate, with most land plotting elites (for housing and speculation) taking loans from commercial banks. As per a report of the National Bank of Nepal for 2013/2014, NRs 50 billion has been spent on this kind of enterprise, and its report of 2014/2015 shows similar levels of investment.¹² The land plotters have a strong nexus with cadres/leaders of political parties which

¹² Puspa Dulal (2015). 'Banks Increased the Loan in Land and Housing', OnlineKhawar, 11Feb 2015 (28 Magha 2071), www.onlinekhabar.com/2015/02/239789/.

together have formed local land development companies. These companies buy land at cheap prices from the peasants, and sell it at higher prices after plotting the land. Barely surprisingly, a few of the land plotters have even been appointed by the political parties as members of parliament (MPs), including in constitutional assemblies between 2008 and 2016; this shows how close these landowning elites are to the political elite. Land plotting (often for speculation) and transactions thereof represent a quickly expanding business, as a result of which sharecroppers and tenants have been losing their land and livelihoods. Some have gone as far as to term these profit-multiplying companies the *bhoo-mafia* (land-*mafia*), whose propensity to resell cheap land at much higher prices has led to an increase in the real value of land in some areas from NRs 100,000 to NRs 1,000,000 per 0.1 hectares (Basnet, 2015).

The current trend of land grabbing via the market has further concentrated property and capital in the hands of a few elites, and has thereby widened the gap between the rich and the poor. In addition, what was once productive agricultural land is being increasingly filled in by sand, gravel, stones, and concrete, as land-use changes are brought about. The expansion of land grabbing has also undermined investment in productive sectors like agriculture and service sectors, as more and more investments focus on unproductive speculative gains which do not generate employment or regenerate capital. For instance, until the 1980s, Nepal was a net exporter of rice (CSRC/Oxfam, 2013). Since the introduction of neo-liberalism, it has started to import rice from India, and now has a more-than a 6 trillion-rupee trade deficit and more than 1.5 trillion rupees' worth in agricultural imports.

Apart from sovereignty over the land, food sovereignty for peasants has also become a major casualty of the neo-liberal trends of land transactions. Under these trends, small farmers who grow food are rapidly being alienated from land and agriculture (CSRC and NGO Federation, 2010). Overall, because of the expansion of commodity markets into rural areas, agriculture has been rendered an increasingly unpredictable economic activity for smallholders. Peasant farmers have increasingly little market incentive to cultivate their land, even as it remains their only source of income; hence, rising numbers of peasants intend to sell the land. Under such depressed conditions, most youths from rural areas migrate to urban areas in Nepal, and even beyond to the Gulf countries for work, selling their small plots of land (CSRC and NGO Federation, 2010).

Finally, the commoditisation of land has been heavily facilitated by the expansion of real estate companies, which in turn has been backed by the accompanying investment of commercial banks in land and housing development. Recent banking statistics (National Bank of Nepal, 2015) show that around NRs 51 billion was invested in rural areas by commercial banks in the fiscal year 2013/2014. Out of this total, NRs 15 billion was invested in Kathmandu Valley alone, which is not a place suitable for agricultural farming by smallholders. Mostly, commercial farmers (along with political cadres) are taking out loans at cheap rates to invest cash in land and housing in rural areas. Ideally, of course, commercial banks should invest in rural areas for agricultural promotion, but this is not what is happening. In fact, most of the investment is concentrated in city centres and is benefiting richer people rather than rural peasants. Thus, 18.2% of commercial bank investment has been in the major city of Birgunj. Other recorded investments: 14.6% in Biratnagar, 10.5% in Pokhara, 9.7 % in Sidharthanagar, 8.4 % in Janakur, 4.2 % in Nepalgunj and 4.1% in Dhangadi¹³. Thus, commercial banks have focused their investments in urban cities rather than in rural areas.

4.4.5 Peasants and Commercialisation of Agriculture

‘Commodity production’ has been an increasingly prominent component in plans regarding the agricultural development of rural Nepal ever since the government's formal approval of the Agriculture Perspective Plan (APP) in 1996, which basically emphasised commodity expansion in the name of poverty alleviation. Given the fact that the APP was formulated by the support of the ADB, it is unsurprising that its priority was the integration of rural peasants into the global market system through the commercialisation of agriculture (Sugden, 2009:3). APP played a role in transforming middle class peasants into petty commodity producers, especially in the *Tarai*, while rich peasants in the same region were given opportunities by the agricultural policies to become commercial farmers producing for markets.

In the past, the commodity producers of the *Tarai* used to employ Indian labourers. This trend may have been due to: (i) the cheapness of their labour cost (because there was a higher proportion of unemployed labourers in Indian states such as Bihar and Uttar Pradesh); and (ii) the relative ease

¹³ Online Khawar (2014). 30% Agriculture Loan in Kathmandu and Mostly in Urban Centre in the Name of Peasants- 26 December 2014.

in the mobilisation of Indian labourers (they were less likely to have to take care of household responsibilities due to the distance, and could thus spend more time by working). As a result, the commodities Nepali producers produced was often cheaper than those of their Indian counterparts. Today, however, the opposite is true. The number of commodity producers in the *Tarai* has been increasing since the adoption of neo-liberal policies and the APP in 1990; and yet, they have been struggling to compete with the heavily subsidised agricultural commodities produced in India.

Nepal's rich and landed class had engaged in a form of 'accumulation' before 1990 primarily through the extraction of agricultural rents from the toiling peasantry, and through the exploitation of compulsory labour. After the reforms of the 1990s, however, the price of land went up and the price of bank collaterals also went up - a function of the commodification of land. As a result, the rich began to invest heavily into the real estate industry, while a few also invested in agrobusinesses and other kinds of businesses geared toward 'expanded reproduction'. The middle class remained mostly involved in simple production (or simple reproduction) but, as indicated above, they were forced to face high competition from Indian agricultural markets on the one hand and larger commodity producers (rich class-commercial farmers) within Nepal on the other. In the process, the class of smallholders was squeezed out in the process of reproduction, leading to their dispossession and semi-proletarianisation (Bernstein, 2009).

Under neo-liberalism, the focus is on agricultural productivity through commercialisation; in Nepal, this was manifest first in the APP, and currently in the ADS. Nevertheless, the main workforce in agriculture even today is the community of middle class peasants, sharecroppers/tenants, smallholders, and agricultural labourers (Chakravorty, 2013). Not surprisingly, smallholders, tenants, and sharecroppers do not have the kinds of capital resources required for investment in modern technology, innovation, and irrigation: their production is barely enough for their household survival, and hence they possess only a marginal surplus. Oftentimes, they are heavily indebted and highly vulnerable, and they are forced to sell off their remaining small plots of land (Sugden, 2009:21). Hence, the neo-liberal focus of the government on commercialisation of agriculture and commodity production has often resulted in: the dispossession of smallholders; the change of the mutual labour exchange system into a wage labour

hiring system; and the demise of indigenous peasant production, food exchange, and seed exchange systems in rural Nepal.

The peasants' movement was largely independent and recognised as such until 1990, which also contributed to the restoration of democracy in 1990. Following the fall of the *Panchayat* regime, a large number of international NGOs (INGOs) entered the scene in Nepal and, in the name of empowerment and poverty alleviation, supported and facilitated the commercialisation of agriculture and commodity production, benefitting mostly the middle class (Basnet, 2015; Uprety et al., 2018). Due to the financial resources of INGOs and their indirect agenda for the promotion of capitalism, the peasants' agenda on land reform and tenure security was sidelined. Ultimately, the peasant movement itself was redirected towards goals set by the INGOs programmes, geared toward the promotion of petty commodity production (especially for cash cropping). As a result, most of the tenants, sharecroppers and smallholders started losing their lands and livelihoods, abandoned by their own political movements.

In this neo-liberal period, the rights of peasants were continually squeezed, and smallholders (including sharecroppers and tenants) continue to be evicted due to the lack of legal rights on tilled land. The third amendment of the Lands Act had granted unregistered tenants certain rights based on the contract between landlord and tenant, and grain payment receipts. But, as noted earlier, the subsequent amendment promptly retracted these provisions, and thereby violated the rights of 450,000 peasants; many of these were later converted into wage labourers or semi-proletariats. As well, the freed bonded/semi-bonded agricultural labourers were not supported in their rehabilitation into society, as promised by successive governments (Dhakal, 2007). Meanwhile, government policies facilitating the commercialisation of agriculture have triggered an increase in commodity producers, but not to the benefit of their competitiveness, not to the service of modernising the agriculture sector and not in creating employment for the rural youths. Instead, while emigration has increased the remittance economy, more than 30% of agricultural land has fallen fallow due to de-agrarianisation (Paudel et al., 2012). The commodification of land and the investments of commercial banks into land plotting and real estate businesses have only promoted 'land speculation' by the nexus of landlords/politicians/businessmen/bankers, which has further facilitated the dispossession of peasants.

4.5 Conclusion

This chapter reviewed the academic literature, using relevant primary documents and workshop reports, to provide a comprehensive examination of land and peasant history and land reform in Nepal dating back to the feudalistic system and moving into the neo-liberal era, drawing upon a political economy perspective in doing so.

The overview of the pre-1960 pre-*Panchayat* era focused on the extractive economic and political system, including land tenure arrangements like *birta*, *jagir* and *guthi*. Peasants under feudal tenure were subjected to the imposition of multiple taxes, and high interest rates on loans and free labour services. They were also often forced to work for the personal benefit of politically-connected landlords. For political and administrative reasons, large areas of state-owned lands were granted on freehold tenure (or at least legal, formal property rights) to members of the aristocracy and the bureaucratic, religious, and charitable institutions which created absentee landlordism. As per Bernstein, this is largely a ‘tributary mode of production’ and ‘expropriation from above’.

The chapter went on to examine the post-1950 period in Nepal. Up until 1990, the *Rana* legacy was – in large part – simply transferred to, and embedded in, the *Panchayat* system, including the fundamentals of the extractive political and economic institutions. The major land reform measure of 1964 and post-1964 developments did not significantly alter the conditions of existence for the peasantry, or at least in a positive fashion. The abolition of *birta* land, the promulgation of land ceilings, and the redistribution of excess land, amongst other measures, did not facilitate land security for peasants, tenants, and sharecroppers including smallholders, with *birta* land and excess land often redistributed amongst the landed elite. This is because the power nexus between feudal landowners and the government under the *Panchayat* system remained intact. Furthermore, the Palace Secretariat (a continuation of the hereditary *Rana* Prime Minister’s Office) remained the nerve centre for the administrative and the political structure of Nepal, despite the fact that it was constitutionally supposed to be sidelined. The *Panchayat* system developed multiple mechanisms of appropriation, like debt at high interest rates, high rent of land, free labour to landowners, voting as per the request of landlords, and support for their control of means of production. The period is characterised by a largely feudal mode of production and appropriation from both below and

above.

Following the restoration of democracy in 1990, it initially seemed as though there might be significant land reforms and distribution of land to the peasants; but once again, due to the political nexus, such hopes were quickly dashed. A minister proposing such measures was dismissed soon after making his proposal, and this, in effect, epitomises the post-1990 period. Widespread calls by the political parties for 'land to the tillers' were never pursued vigorously, with neo-liberal restructuring becoming central to the period of democratic rule in Nepal. Because of this, privatisation and commercialisation of landholdings took place, and continue to do so, while peasants are still not able to enhance their rights to the land, including tenants, who remain unregistered and thus insecure. Peasants are increasingly turning to other forms of livelihoods, including in many instances becoming fully proletarianised.

Neo-liberalism has been implemented in Nepal in the context of a well-established feudal-like system, including within agrarian spaces. This means that currently, Nepal is marked by a shifting combination and flux of feudalistic and capitalist systems, leading to an uneasy transition away from feudalism. Certainly, significant changes are taking place because of the unleashing of market forces and the consequent commodification of land and labour, with a pronounced commercial agricultural sector arising (as exemplified by the surge in commodity production). Out-migration of peasant household members has been on the rise since 1990, triggered by the labour demands in the regional capitalist centres of Asia and the lack of employment opportunities within the country's domestic labour market, exacerbated by the decade-long conflict after 1996, and the prolonged political transition geared toward discouraging investments in agro-industrialisation and infrastructural development (such as hydropower). AAP and ADS focused largely on middle class-led agriculture and supported middle and large agriculture commodity production farms. Despite these changes, and indeed because of them, the everyday lives of the peasantry are marked by marginalisation and insecurity. In other words, the significant changes that have occurred do not hide the continuities which cut across the pre-1950s and post-1990s when it comes to the peasantry. This refers to the largely commercial mode of production and appropriation from mostly above and some cases below as well. Evidence in this chapter highlights these continuities and their implications for peasant existence and de-peasantisation, which is further explored and analysed

in the chapters that follow.

Chapter Five: Royal Land Reform Initiative and Dispossession of Peasants

5.1 Introduction

The 1964 Lands Act contained a comprehensive land reform programme that was implemented throughout the country in three stages (including amendments) from 1964 to 1967. The programme aimed at remolding agrarian relations (Regmi, 1976). As of the time of writing, the Act has been amended six times, supposedly with the objective of addressing challenges within the land programme. Despite its reputation as a ‘royal land reform measure’ (so-named because king Mahendra introduced it as a royally-sanctioned directive after dissolving the democratically elected government in 1960), the Act has been recognised by all political parties (rightist, centrist and leftist) even after the resurgence of democracy in 1990. As such, some of these amendments were enacted after the end of the *Panchayat* period. More importantly, a number of these amendments were retrogressive with regard to the interests and livelihoods of peasants. Based on original fieldwork, review and analysis of land reform initiatives, and study reports, this chapter analyses in great detail the royal land reform, including the amendments made during the democratic period (post-1990) and what is often called the republican period (2006 to the present). In doing so, it considers a diverse range of themes related directly or indirectly to de-peasantisation, such as land ceilings, land sales, land evictions and court cases. All in all, it shows the ongoing power of landlords vis-à-vis the peasantry in Nepal.

5.2 Promulgation of Lands Act 1964 and Its Subsequent Amendments

In 1964, the then-king Mahendra Bir Bikram Shah Dev enacted and promulgated the new Lands Act involving a comprehensive land reform programme. The Lands Act of 1964 had a provision for land ceilings, whose imposition was to be guided by two main objectives: (i) to acquire land from the landlords and redistribute it to bonded labourers, the downtrodden (such as *Dalits*), *Janajatis* (indigenous ethnic groups), tenants, the landless, and actual peasant cultivators; and (ii) to increase the productivity of land by providing it to those who actually cultivated the land.¹⁴

¹⁴ Chapter 4 and 6 of the Lands Act 1964.

However, the objectives of the Act were not fulfilled. This was due to various reasons, but in particular because of the lack of political will, and the power nexus between the rulers, landlords and the centralised land administration system, which was predominantly led by the educated offspring of the landlords (Adhikari, 2008).

When the king promulgated this Act, a delegation of landlords from the *Tarai* (plains) met with and threatened the king, asking him whether or not he wanted his newly-introduced *Panchayat* system to survive. They insinuated that the implementation of his land reform measure would make this survival unfeasible. They even made a mockery of his land ceiling of 28 *bighas* (1 *bigha*=0.67 hectares) in the *Tarai*, saying that this ceiling was insufficient to even feed their elephants, which they had domesticated for social prestige and adventure purposes (Upreti et al., 2008). In response, the king assured them that there would in fact be no comprehensive implementation of the land reform programme. Hence, in historical context, the proposed land reform of the 1964 Act should be seen primarily as a propaganda tool to attract the masses towards the *Panchayat* system, which could then eventually work against the banned political parties which were propagating a liberal democratic system.¹⁵ As per the book *Nepal's Rajnitik Darpan* (Nepal's Political Mirror), Tulsi Giri (a former Prime Minister in the *Panchayat* regime) said that the *Panchayat* regime had pursued a 'land reform' programme without the loss of landlords' land, and that such land reform had not happened anywhere else in the world. A typical case might be that of Yadhav Prasad Pant, a leader of the *Panchayat*, who possessed around 1000 *bighas* (667 ha) of land in one of the *Tarai* districts, Nawalparasi, a district in the western region; his land was not confiscated on the direction of the royal secretariat, because Pant was a strong advocate of the monarchy and *Panchayat* system. Pressure against the land reform also came from India: when king Mahendra announced the land reform programme in 1964, the Indian government sent a message to the king saying that India objected to the confiscation of land from landlords in *Tarai* (Gaze, 1975, 2009: 172).

The land reform measure of 1964 allowed for the registration of tenancy of peasants. In order to acquire official tenancy rights, a peasant had to be cultivating land that belonged to any landowner

¹⁵ Plenary discussion during interaction with political leaders/Members of the Parliament (MPs) on land reform in *Madesh* organised by UNDP on 24th August, 2014, Park Village Resort Budhanilkantha in Kathmandu.

at the date of the commencement of the tenancy clause, with the date of commencement varying between regions in Nepal. Under this clause, 1,547,000 peasants filed applications by 1967 for tenancy rights, of which 469,935 became officially recognised as tenants (these were mostly supporters of the *Panchayat* system). Of the total successful applicants, 271,202 (57.71 %) were peasants who also already owned their own plots of land, with the remaining 198,733 (42.29 %) living and working exclusively on others' land as tenants.¹⁶ The Lands Act of 1964 thus acknowledged the tenancy system¹⁷ and provided legal rights to take ownership of land under given conditions.¹⁸ The Lands Act also introduced the concepts of cooperative farming¹⁹, land zoning and plotting²⁰, compulsory savings and credit provisions,²¹ and peasants' cooperatives.²² All of these concepts, as described in the Act, were never implemented.

Various clauses in the Act also allowed landlords some leeway in evicting tenant peasants. In this regard, the voluntary disclosure clause (Sec. 26 C-1) stipulated that tenancy rights should not be granted to naturalised citizens or non-citizens (Sec. 25-3). Those who migrated from India or had naturalised citizenship were thus not allowed to claim tenancy rights or land rights. This made it easy for landlords to submit fake documents pertaining to the citizenship of the people tilling their land, especially in the *Tarai* districts (Koirala, 1987), thus denying tenants Nepali citizenship. The 1964 Act's Sec. 25 (4) also mentioned that if any legitimate tenant had leased-out the land to other tillers, he/she would be disqualified from claiming tenancy rights. In other words, tenants were legally required to give up tenancy rights if they were found to be leasing out any tenanted piece of land to other tillers (Koirala, 1987).

The land reform programme was implemented throughout the country in three stages (from 1964 to 1967), which provided enough time for landlords to evict their tenants whenever possible. Since peasants were illiterate, they did not know the details of the phases of land reform and the legal

¹⁶ Supra Note 17 and Report of High Level Land Reform Commission's Report 2051, pp. 29-30.

¹⁷ Lands Act 1964 Sec. 25 (1). The system of tenancy was one of the bases of political movement in 2007. The rights of tenants began to be recognized after 2013. Cf. Badal Commission's report.

¹⁸ Lands Act (sec. 26).

¹⁹ Lands Act 1964 Sec. 51I.

²⁰ Lands Act 1964 Sec. 51E.

²¹ Lands Act 1964 Sec. 40.

²² Lands Act 1964 Sec. 60.

provisions for tenancy. Landlords prepared legal documents for retaining their excess land above the ceilings on a permanent basis, without granting any tenancy rights to the actual peasants. Some of the landlords registered tenancy in the names of their relatives, and others even forged the documents (pertaining to excess land above the ceiling) in their own names. According to the Lands Act, there was no possibility of bringing another tenant onto the land if there was one already present, such that the transfer of tenancy was not possible. But landlords circumvented this to retain absolute control over their lands. For example, in Surkhet, the District Land Revenue Office records of 2013 show that more than 20 landlords (out of 203) registered tenancy in their own and their relatives' names by forging documents surreptitiously (Basnet, 2013). Even government staff have said that the Act was very biased, as it provided many opportunities and loopholes for the landlords to undermine the legislation (Koirala, 1987).

The first three amendments to the Act allowed peasants to claim 25 percent of tilled land if they had two documents: a tenancy contract between landlord and tenant, and receipt of grain payment, even if the name of the tenant did not appear on the landlord's land certificate. The fourth amendment, in 1997, repealed this in the name of eliminating dual ownership, and only recognised tenants who were recorded in the land certificate of landlords, or if the tenant had a legal tenancy certificate from the Land Reform Office. Thus, the fourth amendment's section 26 (d) aimed to end dual ownership (ownership by both tenant and landlord) and ensure that ownership was in the name of one person only (Sharma, 2012). Because many tenants were not recorded on the landlords' certificates or did not have tenancy certificates, they could not claim any legal right to land after this amendment. More than 450,000 unregistered peasants were thus deprived of tenancy rights by the fourth amendment, the outcome of which was their de-peasantisation (High Level Land Reform Commission, 1995). The amendment did also give tenants with the relevant certificates the right to 50 percent of the land they had tilled, which was at least a step forward. However, the amendment has never been fully implemented, which has meant that even registered tenants have been deprived of their tenancy rights. All the while, landlords have continued evicting tenants on different pretexts.

On the whole, the 1964 Act failed to produce any substantial and lasting positive reforms and ensure the rights of peasants who had tilled land for generations. By its fifth amendment in 2001,

the Act contained time-bound provisions for ending dual ownership and a new ceiling provision of 7.33 ha (the highest being 11 *bighas*). This new ceiling was never actually implemented, even after the Supreme Court ordered that it be implemented.²³ Hence, despite the fact that the government had proposed the amendment to the Act so as to end dual ownership (legally 50 percent ownership for registered tenant and 50 percent ownership for landowner) by distributing land equally between landowners and tenants, it remained unimplemented (Sharma, 2012). Similarly, the Fifth Amendment required the government to collect an inventory of the landholders with excess land above the ceiling, with the objective of redistributing it; this too was never implemented.

Other provisions also favoured landlords. For instance, regarding the transfer of tenancy rights, the Lands Act stated that land could be transferred to any person as stipulated by the landlords after the death of the sitting tenants. The Act was also replete with ambiguities in the domain of dispensing justice to the tenants by giving discretionary powers to the officials of District Land Revenue Office (DLRO), who generally made administrative decisions supporting the landlords, with whom they often had close connections (the DLRO officials also often had landlord backgrounds). This led to the creation of ‘evidence’ which allowed for district, appellate and supreme courts to make verdicts in the interests of landlords who filed cases against tillers claiming land (Uprety et al., 2018). In some cases, the siblings of landlords produced fraudulent documentation pertaining to the ownership of tenanted lands, so that land was distributed among them within the ceiling as defined in the Act. This forced tenants to abandon their tenancy claims. In the majority of cases, marginalised tenant farmers could not even pursue legal cases, owing to financial problems and a lack of legal support mechanisms for ensuring that justice was delivered by the court systems.

5.3 Sharing of Land among Family Members

Encouraged by the King’s assurance that the land reform would not be totally implemented or involve confiscating land from the landlords, landlords proceeded to divide land amongst their

²³ Madhav Basnet, Advocate of Supreme Court (2066/05/02 BS) at his chamber in Bhaktapur on the discussion of land tenancy and land ceiling.

family members, making use of the legal loopholes and ambiguities of the Act. Factors that could be attributed to the legal fiasco of the land reform measure were as follows: (i) anyone over the age of 16 within a family could count as a separate household, allowing for qualification of land in his/her name (thus fixing the ceiling to the individual only and not the family, which permitted all persons above 16 years to become landowners); and (ii) the power nexus between landlords and the officials of DLROs helped the former to prepare fake landownership documents in the names of their relatives to retain the excess land above the ceiling and thereby forestall land confiscation (Sharma, 2012). In reality, during the *Panchayat*, former intermediaries of the *Jimidars* (such as *Jimmawals/Tharis* in the Hills/mountains and *Patwaris* in the plains) were the same people who were now government officials in the land reform and revenue offices.²⁴ On the one hand, many peasants were deprived of their right to register themselves as tenants simply because there had been no programme to educate them about the application process for claiming tenancy. On the other hand, availing themselves of such a situation, landlords evicted peasants indiscriminately (fearing the possibility that they might claim tenancy rights), and distributed land amongst the members of their own families and relatives (including distant ones).²⁵ A few empirical references ascertained by the researcher during the course of the fieldwork amply demonstrate how landlord families retained the excess land above the ceiling amongst family members through fake citizenship certificates. In this regard, in August 2015, a participant informant of an FGD in Kapilbastu (one of the western *Tarai* districts) remarked:

I obtained my citizenship certificate at the age of 13 years simply to allow for the division of excess land possessed by my grandfather among the members of our joint-extended family. Later I knew that acquisition of the citizenship certificate could only take place from the age of 16 as defined by the Citizenship Act. Due to the power nexus between my grandfather and government officials, acquisition of citizenship certificates from the district administration office on the recommendation from the local *Panchayats* (the lowest level of self-governing administrative units) took place easily as these were largely dominated by landlords and their cronies, thus allowing under-age members of landlord families like mine to obtain the certificates without any administrative hassle.

Such a phenomenon was ubiquitously reported during the fieldwork. Further, while the researcher was visiting the office of the Chief District Officer (CDO) of Rupandehi (an adjoining *Tarai*

²⁴ Plenary discussion/interaction with political leaders and Members of the Parliament (MPs) of various political parties in a programme organised by the UNDP on 8th November 2015, Pokhara, Kaski.

²⁵ Plenary discussion/interaction with political leaders and Members of the Parliament (MPs) of various political parties in a programme organised by the UNDP on 8th November 2015, Pokhara, Kaski.

district) in March 2015, he encountered a meeting between a landlord and one of his servants. It was revealed that the landlord had kept 4.66 ha (7 *bighas*) of land in the name of the servant surreptitiously in the very same year when it became apparent that the land reform measure was beginning to be implemented. For more than 50 years, the servant had not even an iota of knowledge of the landlord's shenanigan. The land was worth NRs 11 million in 2015/16. When the landlord wanted to sell the land, he required the support of the servant at the DLRO, with the servant's approval and signature needed for the land transaction in front of the officials. When the servant realised what was taking place, he refused to cooperate with the landlord until he was paid a fraction of the income to be accrued from the disposal. This eventually required the intervention of the CDO. The CDO's intervention facilitated a consensus between the landlord and the servant, asking the former to pay NRs 1 million to the latter. Although the settlement was significant for a poor servant, given the amount that the land was sold for, the payment was actually very nominal.

Similarly, in 2016, the researcher was informed during an interview with the Secretary of Uttarganaga Village Development Committee (VDC) in Surkhet district (mid-western Nepal) that there was a longstanding trend amongst local landlords visiting his office, in which they asked for recommendation letters for 'fake land certificates' and citizenship certificates in their pseudonyms, so that they could continue possessing land above the official ceiling. He also shared that in Surkhet valley (which has two VDCs and one municipality), more than 10 percent of women had land certificates for excess land under their family holdings transferred and retained in their names. He added that these transferences had not been properly done or followed all legal processes. Though he did not specify reasons for this, again it seems as though local power relations played a significant role in it.

These three anecdotal cases are demonstrative of the fact that there was considerable political space which allowed for the machinations of landlords in retaining excess land, and such moves undercut the much-vaunted land reform measure. Guided by the objective of making the land reform measure unsuccessful, many landowners resorted to *Gupti Samjhuta* (collusive transfer) and paper transactions amongst their 'faithfuls' and relatives. In this respect, Table 5.1 shows the inequitable pattern of landholding in Nepal after the land reform programme of 1964, and until 1985. It shows that 88.10 percent of households held 44.96 percent of the total land area (with an

average of 0.72 hectares of land) but, astonishingly, only 0.24 percent of households held 6.8 percent of the land area (with an of average of 39.30 hectares of land). Similarly, 1.27 percent of households held 12.0 percent of the land with 13.30 hectares of land on average (see Table 5.1 for details).

Table 5.1: Pattern of Landholding after the Land Reform Measure of 1964

Size of holding (ha)	No. of households	% of households	Land area in hectares.	% of land area	Average holding (in hectares)
0-2.5	676661	88.10	202351.8	44.96	0.72
2.5-6.8	66996	8.66	278088.9	25.56	4.10
6.8-10.2	13288	1.73	116249.9	10.68	8.70
10.2-15.4	9778	1.27	130624.0	12.00	13.30
15.04-above	1878	0.24	73982.0	6.80	39.30

Source: KC, Ram Bahadur (1986), Land Reform Progress and Prospect in Nepal, Research Report Series No.2 July 1986, HMG-USAID-GTZ-WINROC Capacity Building Project, Table 6, p. 8.

During the course of fieldwork in Banke district (a *Tarai* district of mid-western Nepal) in 2016, a group of autochthonous ethnic peasants remarked: “*An elephant has two kinds of teeth. One is used for ‘chewing’, and another for ‘showing’.*” The land reform measure of 1964 can be understood with reference to this elephant metaphor. The ‘showing of a tooth’ is the land reform itself as a seemingly progressive programme, while the ‘chewing tooth’ relates to the fact that the implementers of the act had no intention of providing land to smallholder peasants and tenants. This is amply clear from the sordid economic conditions of the *Tharu* tenants and peasants (who are from the autochthonous ethnic group of the *Tarai*) who have hitherto been denied any access to excess land. Their metaphor about land reform is consistent with the broader argument that the King’s land reform did not distribute land to marginalised peasants in Nepal, as the excess land above ceilings was either safely distributed amongst members and relatives of landlords’ families, or transferred in the name of companies or public institutions in which landlords had a stake.

5.4 Transfer of Land to Companies and Public Institutions

The 1964 Lands Act allowed landlords to keep excess land in the names of companies or public institutions, such as educational institutions (Sharma, 2012).²⁶ As a corollary of this, many landlords created fake companies and transferred their land in the names of these companies, which were often owned and controlled by members of the royal families, royal relatives, and royal supporters.²⁷ As one specific example, a tea estate company in Jhapa (a district in the eastern *Tarai*) was controlled by the royal family. This was a marked trend, as giving shares in these companies to royal families (and others linked to them) was a key way of facilitating the approval of transfers of large plots of land to these companies. Thus, again, instead of distributing excess land to peasants and *Dalits* or tenants for social equity purposes, the land reform measure was used by large landlords as a weapon to maintain access to large swathes of land in their own companies' names, turning the land reform measure into a 'sham political campaign'.²⁸

In the most bizarre way, the 1964 Lands Act also allowed large landlords to contribute land (as donations) to public educational institutions after the commencement of the implementation of the ceiling clause. In so doing, some of them created fake public institutions to retain the excess land and avert confiscation. However, some actually did transfer land for real philanthropic purposes (for schools, colleges, temples or monasteries) and, as a result, most of the public schools and colleges in the *Tarai* were established with these land grants (including transferring the public land in their names). Even in these cases, though, it is notable that landlords essentially retained control over the land. While land donations to such causes can be a noble philanthropic act leading to the improvement of education infrastructure, it may also be posited that the main intention of the landlords may have been to control the poor people in the rural feudal society by earning prestige due to the land donations to such social institutions. In this way, they could reinforce their social power nexus with the political power structure (including political parties) and the administrative system. If landlords gave the land to the peasants or landless people, the latter would be freed from

²⁶ Land Reform Act Sec. 7 (5).

²⁷ Interview with Ganendra Basnet, UNL Leader and Chair of the High Level Scientific Land Reform Commission on land reform and de-peasantisation in Nepal on 10 November 2015, Kathmandu.

²⁸ Dr. Biswa Paudel's remarks during the interaction programme on six decades of land reform during a book launching programme organised by Public Policy Pathasala, January 22, 2016.

the clutches of the former. In a more convoluted process, landowners did not establish new schools or colleges but registered the land in their own names to strengthen their social prestige and power by becoming philanthropists.

Regardless of whether or not the public land transfer (for educational or religious purposes) was a sham, it is clear that tenants, sharecroppers and agricultural labourers do not have access to the public land now. In this context, a land-poor peasant in Dang, a *Tarai* district in mid-western Nepal, remarked:

We smallholder peasants have become the monkeys and everybody has been pushing us and making us resource-less and landless. Even today, we have not been given the land belonging to the public institutions for cultivating the land for our bare survival on sharecropping arrangements. Conversely, these institutions [schools] are giving the sharecropping contracts to the rich or middle class people who, in turn, subcontract with us and take the profit from it. We are unlettered and we do not have any alternative occupation except farming which feeds us only a quarter of the year. Without our own land, we cannot provide the food to our family ... but we have always to be dependent on others' land.²⁹

5.5 Fiasco of Implementation of Land Ceilings under the Land Reform Measure

There are good reasons for thinking that the skewed distribution of land after the reform measures can be traced in part back to the government's formulation of the legislation itself. For instance, it is significant that the land ceilings proposed by the government for the *Tarai* region sat at 2.7 hectares for tenants and 18.4 hectares for landlords. This meant that if tenants had at least 2.7 hectares, then they could not even claim tenancy. The land ceiling of the *Tarai* was particularly inequitable in character (compared to other regions) because only one crop could be grown in the high Hills whereas, in the *Tarai*, people can potentially harvest three times a year (Uprety et al., 2018). Table 5.2 below shows the unjust character of the 1964 land reform measure for tenant peasants.

These land ceiling restrictions, however, were not applicable in the case of public land possessions; for medical, educational, and religious organisations; and for industrial firms and cooperative farming (Zaman, 1973:12). In this light, and because of the local power of the landlords, landlords were able to 'convert' their excess land on a regular basis for purposes which fell outside the

²⁹ Field visit note by Jagat B. Basnet.

ceiling restrictions, such as for agricultural cooperatives or industrial firms. Some big landlords, for instance, transferred excess land above the ceiling by creating a private *guthi* (trust) instead of distributing the land to the peasants, *Dalits*, and tenants. Later, the same private *guthi*-owners transferred the land to their family members, enabled by the nexus of landlords with the government's land administration. In this way, priests and some powerful people converted the *guthi* land into their private lands.³⁰ According to the Badal High Level Land Reform Commission in 1995, less than 2 percent of the total available land was acquired through the excess ceiling process and only 1.5 percent was actually distributed because of the ceiling provision.

Table 5.2: Land Ceilings Set by the 1964 Land Reform Measure

Area	Ceiling for agricultural land	Ceiling for homestead land	Total land ceiling for landlords	Total land ceiling for tenants
<i>Tarai</i> and Inner <i>Tarai</i>	16.4 hectares	2.0 hectares	18.4 hectares	2.7 hectares
Kathmandu Valley	2.7 hectares	0.4 hectares	3.7 hectares	0.5 hectares
Hill region and other regions	4.1 hectares	0.8 hectares	4.1 hectares	1.0 hectares

Source: The 1964 Lands Act, Government of Nepal.

Legally speaking, landowners were asked to submit the inventory of their owned land within the specified time³¹, but they did not comply with this. In any case, the government had merely ordered landlords to fill in the forms pertaining to excess land without necessarily requiring the documents (which allowed for outright control of the excess land above ceiling).³² Given the fact that there was no criminal sanction on the failure to furnish declaration of excess land owned by landlords, this inventory provision was generally neglected by landowners, causing delays in the implementation of the ceiling provision. Though the relevant authorities were authorised to confiscate the excess land in question, particularly if landowners failed to submit an inventory, submitted an incomplete inventory, or deliberately submitted a false inventory, in most cases the

³⁰ Plenary discussion with *Madesh*-based political parties' leaders and community members from the *Tarai* on land reform issues in *Madesh* organised by the UNDP on 3rd April 2016 in Birgaunj, one of the *Tarai* cities of central Nepal.

³¹ Lands Act sec 13.

³² Madhav Basnet on discussion on tenancy and land ceiling in his home, Kausaltar on 20th July 2013.

authorities did not exercise this entrusted power (Sharma, 2012). The local authorities were, in fact, required to ensure that final inventories were compiled. But the legal provisions did not exist to penalise the relevant officers for failure to discharge these assigned responsibilities. Had there been a penal clause in the Lands Act for punishing non-performing officers (responsible in the end for intentional lapses), the process of finalising the inventory of excess land and redistributing land through confiscation would have been expedited.

It seems clear that the redistribution of inequitably controlled land was not the prime motivation of the royal government in setting a land ceiling. Rather, the land measure had significant political overtones. Ultimately, it ended up having the effect of attracting peasants and tenants away from the party-less political system (through what was a half-baked land reform programme), and thereby orienting them towards the multi-party system. But even though the political parties (including the communist parties) of Nepal have been clamouring for the redistribution of land and the reduction of land ceilings, whenever they came into power (after 1990), no concrete action was taken in the domain of land reform; the only notable exceptions have been the organising of three land reform commissions led by Badal, Gajurel and Basnet - whose recommendations remain unimplemented. Concrete achievements in this regard have been far-fetched dreams. A current communist party cadre, present at an interaction programme in Kathmandu (which was also attended by this researcher), remarked “*We communist party members have been mobilising the land-poor people but we have not done anything [useful] in this regard*”.³³

Nepal’s Land, Survey and Measurement Act (1963) categorically states that “land should be surveyed and land data be updated in every 10 years”; such a survey is called a “cadastral survey”. Without updating the land data through such surveys, it is not possible to identify land owners with land above the government ceiling. But in Nepal, the cadastral survey of rural land has not taken place over the last 30 years, and there is no possibility of determining the exact amount of excess land above the ceiling (without the cadastral survey). At present, in fact, an individual would be able to acquire formal land certificates through many different Village Development Committees (VDCs), which means the existence of multiple holdings by landlords which may far exceed any

³³ Yogendra Shahi, UML cadre on “Land Issues in Nepal and Way Forward” in a programme organised by the UML’s Land and Agriculture Department on 15th Sep. 2016 at Hotel Himalaya, Lalitpur, Nepal.

nationally-set land ceilings. There simply is no government institution and mechanism in place to know the exact statistics of land held by landlords and other land owners. To emphasise: it is possible to bypass the land ceiling simply by possessing multiple land certificates for lands in different areas of Nepal, with several lands held by one landowner, each possibly over the land ceiling. One person may have more than 20 land certificates, but the state asks for only one land certificate under the land reform measures.³⁴

In summary, the distribution of land in Nepal remains skewed after even the sixth amendment of the 1964 Lands Act, made in 2015. Despite land ceilings, landlords have been able to sell or divide the tenanted land among family members, relatives, companies, public institutions or political connections, and this has had the effect of continuing the process of de-peasantisation.

5.6 Land Sale Instead of Redistribution

As per the provisions of the 1964 Lands Act, eligible persons could file applications in front of a Land Reform Officer to acquire land. In reality, the government could have taken the initiative to prioritise the distribution of land to those who did not own land on the basis of lists of landless peasants prepared by the government from time to time, thereby imposing restrictions on the sale of excess land above the ceiling. Though the redistribution was officially articulated as making land available to smallholders or landless peasants, the Act still assumed that smallholders or landless peasants would be able to pay the minimum cost of the land prescribed by the price fixation committee.³⁵ Thus, excess land confiscated by the state could be sold, but paying the minimum price set by the government was beyond the reach of smallholders and landless peasants. The Act did not make any special loans available for them to make such purchases, and it only provided an arrangement whereby payment could be made to the government within 10 years and with a nominal interest rate.³⁶ Insofar as the smallholders or landless peasants were required to purchase the land, the objective of the Lands Act was already, in a way, defeated. It was certainly

³⁴ Views expressed by Ram Prasand Thapalia (Joint Secretary, Reconstruction Commission) in a workshop on “Implementation of VGGT” organised by FAO, LWF, DCA and Ministry of Land Reform and Management on 17th July 2016 at Hotel Park Village.

³⁵ Lands Act Sec. 22.

³⁶ Lands Act Sec. 22.

not very likely that smallholders or landless peasants would be able to make land purchases without governmental support (Sharma, 2012).

Officially, when land was to be sold to smallholders or tenants and landless peasants, it was to be done at comparatively cheaper prices. Landlords used this as a pretext to sell land to other local elites or to family members. Hence, land was officially sold to relatives, for instance, by using fake documents (with the support of government staff of DLROs) or even sold to the relatives of the DLRO's staff. Additionally, landlords often purchased excess land in different parts of the country at prices meant exclusively for smallholders, landless peasants and tenants, and these were recorded by land offices as purchases made by smallholders, landless peasants and tenants (with the government using such fraudulent statistics as the basis for claiming significant land redistribution). Hence, people from Jhapa, an easternmost *Tarai* district, bought land at cheap prices in Bardiya, Banke and Kailai in mid-western and far-western Nepal. Astonishingly, the price for buying land was only nominal for the people who were economically better-off or middle or rich class peasants. More specifically, the price ranged between Rs. 140 and Rs. 280 per *bigha* depending upon the quality of land. But there was no possibility of buying land for the smallholder peasants or landless peasants who were already buried in debts to landlords (characterised by usury) till 1970.

Under such unfavourable conditions, the excess land was bought by landlords themselves in the names of smallholders, tenants and landless peasants. The land reform measure of 1964 ended up contributing to middle-level landlords becoming big landlords through the purchase of land, as witnessed in the fieldwork districts of the researcher. It was estimated that 600,000 hectares of above-ceiling land would be available for redistribution (KC, 1986). But contrary to expectations, the land available for redistribution was only three percent of the cultivated area (66,380 hectares); less than one and a half percent (33,825 hectares) was actually legally appropriated; and only one percent was ultimately sold or redistributed (see Table 5.3). It has since been revealed that neither were smallholder peasants properly informed about the land redistribution process, nor did they have the financial resources to buy the land available anyway. The most bizarre policy omission was the non-existence of the government's plan and mechanism to support the smallholder peasants in purchasing such confiscated land. Since the imposition of ceilings and redistribution

of land were not very effective, it is not surprising that the disparity in landholdings remains quite significant.³⁷

Table 5.3: Land Confiscated and Sold under 1964 Land Reform (in hectares)

Region	Cultivated area	Above ceiling	Confiscated	Area sold
<i>Tarai</i> -Eastern	167247	9153	4746	3380
<i>Tarai</i> –Central	364879	6645	943	377
<i>Tarai</i> -Western	133382	25173	23880	18723
Inner <i>Tarai</i>	658560	6221	1053	559
Subtotal	1518785	58913	33676	23524
Kathmandu Valley	42577	7062	149	54
Other Hill Districts	764638	405	6	-
Total	2326000	66380	33825	23588

Source: KC, Ram Bahadur (1986), Land Reform Progress and Prospect in Nepal, Research Report Series No.2 July 1986, HMG-USAID-GTZ-WINROC Capacity Building Project, Table 3, p. 7.

Those who received land from the government’s land reform programme did not have to pay in one instalment. It could be in 10 instalments, but the interest rate was 10 percent. The rate was calculated on a daily basis and smallholders who purchased land would often take loans from landlords. But more often than not, they were unable to repay the loans with interest so that, eventually, land received provisionally under the land reform programme was handed over, or reverted back, to landlords. This is indicative of the failure of the whole programme. Additionally, as indicated, the phase-wise implementation of the programme allowed landlords to engage in dubious anticipatory transfers of excess land (Zaman 1973).³⁸

³⁷At the bottom, 44 percent of the agricultural households operate only 14 % of the total agricultural land area, while at the top 5 percent occupy 27 percent of the land. The concentration index for agricultural land is 0.54 reflecting a highly uneven distribution of farm land (Shiva Sharma, “Land Tenure and Poverty in Nepal”). Paper presented in WDR-2000 consultation meeting organised by the World Bank, April 4-6, 1999, Dhaka.

³⁸ High Level Land Reform Commission (Badal Commission) Report 2051 p. 86, see also High Level Scientific Land Reform Commission 2067, p.13.

There is often a connection between rejection of tenancy claims, evictions and sales of land, as the following example from the field indicates. The researcher learned from *Tharu* informants of Bardiya district (in mid-western *Tarai*) that they were unable to acquire land under the land reform programme. In fact, thousands of *Tharu* peasants were evicted during the land reform programme from the land they had tilled for generations in Dang (a *Tarai* district in the same region); as a result, they went to Banke and Bardiya (both *Tarai* districts in the same region), and Kailali and Kanchanpur (*Tarai* districts in the far-western region) to become *Kamaiyas* (agricultural labourers contractually bound to large landlords). They had originally moved there because there was a cornucopia of forested land for reclamation and settlement but only the early migrant peasants succeeded in capitalising on this opportunity (until the early 1980s). *Tharu* informants claimed that the fear that peasants might be given tenancy rights was the main trigger for their eviction by *Tharu* landlords.³⁹ Given the fact that the receipt of agricultural rent payments (which had information on the plot number of the land and the names of the peasants across three generations) was required to claim tenancy rights at the DLRO in Dang district (which the landlords flatly denied having in their possession), peasants could not file tenancy rights claims. FGD informants also shared that landlords even resorted to having police personnel arrest tenant peasants and put them into custody, albeit for short durations. This was largely done as a well-concerted intimidation strategy. Once the tenant peasants were evicted, landlords started selling land freely due to their connections with officials of DLRO.

5.7 Lands Act and Exclusion from Tenancy Rights

The 1964 Lands Act provided certain protections to peasants who had registered themselves as tenants at DLROs prior to the enforcement of it. It also stipulated conditions for acquiring tenancy rights. Regarding the first point, the Act stated that if any person had been cultivating another's land until and at the date of the commencement of the Act, he/she was the *bona fide* peasant for acquiring the tenancy rights. Similarly, in terms of the second point, if any person had cultivated a landowner's land and produced a major annual crop, he/she would qualify to become a registered tenant. These provisions, however, did not necessarily assist tenants and led in many cases to the

³⁹ View of Raj Kumar Tharu, CSRC District Coordinator during the field discussion on process of community land rights, August 10, 2016.

loss of their rights insofar as they could not produce receipts (for the payment of agricultural rents) from landowners to claim such rights. None of the landowners who rented out their land on an informal basis could be expected to have entered into a contractual agreement with a tenant and, because of this, tenants, in effect, surrendered their rights as registered tenants. Those in charge of designing the legal system clearly did not understand the hardships experienced by cultivators in seeking to acquire legal right of tenancy (Pyakurel and Upreti, 2011).

The legislature attempted to correct this non-enforcement of the land reform measure by introducing a third amendment in 1981 but, unfortunately, this amendment also turned out to be futile.⁴⁰ Though 1,547,000 peasants filed applications at the DLROs, the lack of supportive legal documents, like citizenship certificates, contract papers between landlord and tenant, and receipt of grain payments, meant that only 469,935 (30%) peasants were recognised as legitimate tenants. This clearly shows that a majority of tenant peasants were pushed toward the process of de-peasantisation (see Table 5.4).

Table 5.4: Record of Tenant Families Recognised by the Royal Government for Tenancy Rights

Region	Number of districts	Number of tenant HHs		Area of land in <i>Bigha</i> 1.5 <i>bigha</i> =1 hectares	
		Number	Percentage	<i>Bigha</i>	Percentage
High Hill (Mountain districts)	16	28249	6.01	6686	1.31
Hill	36	114344	24.33	59609	11.64
Kathmandu valley	3	58245	12.40	28698	5.60
Tarai	20	269097	57.26	417221	81.45
Nepal	75	469935	100.00	512294	100.00

Source: High Level Land Reform Badal Commission, 1995, p.27, adopted from Table 3.2, Pairabi Prakashan.

⁴⁰ Badal High Level Land Reform Commission, 1995.

As noted above, no cultivator could establish their rights to tenancy in the absence of written receipts of payment of agricultural rents from landowners⁴¹. A special process had been incorporated by way of the third amendment, which involved recognising and granting tenancy rights to cultivators on the basis of neighbourhood observation and local authority recommendation.⁴² The legislature introduced this amendment in order to achieve the (officially-articulated) original intent of the land reform measure, namely, granting tenancy rights to cultivators. It thus allowed for the granting of such rights even if the peasants did not have written receipts from landlords after the payment of agricultural rents. The amendment required the executive to appoint a committee to carry out field investigations and award certifications of tenancy to peasants if they had been actually cultivating the land as per the amendment. This provision, however, was only piloted in Dang district in the mid-western region, and was never expanded into other districts. Even in Dang, this was not effectively implemented: only 2,396 peasants were granted tenancy rights, and these were mostly supporters of the *Panchayat* system. This amendment was later repealed altogether by the fourth amendment (Sharma, 2012).

As per the Lands Act of 1964,⁴³ registered tenants with legal recognition were to get a half share of the crops produced by the tenant, and eventually, they were to be provided – at least officially – ownership over half of the land they were cultivating, as per the fourth and fifth amendments in 1997 and 2001 respectively. If the tenants were forced by a landlord to pay more than 50 percent of production, there was a legal mechanism to listen to their grievances. Unfortunately, unregistered tenants had no legal recognition and these amendments did not assist them.⁴⁴ Those among the peasants who were illiterate and firmly under the control of landlords, in fact, did not even try to register their tenancy, and the fourth amendment of the Act did not therefore recognise them as tenants. Unregistered tenants therefore did not have access to any legal mechanisms to seek redress as tenants. For them, landowners were their ultimate masters and they had to surrender themselves to the landowners' terms and conditions. The fourth amendment of the Act, which went into effect in January 1997, thus completely abolished the tenancy system for many, in that, for those tenants who were unregistered following the fourth amendment, there is no longer any

⁴¹ Lands Act.1964 at p.11.

⁴² The third amendment of Lands Act 1964.

⁴³ Lands Act Sec. 33.

⁴⁴ Lands Act Sec. 36 and 38.

provision to be registered (Sharma, 2012). This amendment took away all the prevailing terms and conditions through which one could acquire new tenancy rights, thus undermining the hopes of tenants who had been cultivating other's land for generations prior to the land measure. The fourth amendment created a safe haven for landowners through which to exploit tenant peasants. This particular legal scheme impoverished tenants and virtually converted them into agricultural labourers, sharecroppers or informal tenants.

In terms of the fifth amendment of the 1964 Lands Act, made in 2001, DLROs were required to finalise the distribution of land between landowners and tenants within two years of the commencement of its implementation. Unfortunately, this task has not been completed yet.⁴⁵ In this respect, the researcher identified a total of 81,390 registered tenants in nine districts (eight from *Tarai* district and calculated based on the quantitative survey data) during the fieldwork process in 2015/16, who are still waiting to be granted their tenancy rights. Table 5.5 also shows that 9.3 percent of total households are still registered tenants, but the government has no planned programme on how or when to provide them 50 percent of the land tilled by them that they are due (as stipulated in the fourth amendment), and which is subject to legal recognition. Landlords have been bargaining with tenants to accept only 20 to 30 percent of the tilled land, even though the Act clearly provides for 50 percent.

The 1964 Lands Act was amended for a sixth time in 2015 to extend the deadline for filing applications by another two years,⁴⁶ but not even registered tenants were able to benefit from this, due to the power nexus between landlords and bureaucrats. In this context, landlords continued to threaten tenants instead of giving them their rights over the land. They made concerted efforts to deny peasants these tenancy rights under different pretexts, and also used hooligans to evict them.⁴⁷ When a landlord is so powerful (almost like a government officer or political party leader), it becomes very difficult for tenants to claim what is rightfully theirs.

⁴⁵ Lands Act Section 26 (d).

⁴⁶ View of Min Bahadur Bam, Nepali Congress cadre from Doti during the discussion on "Six Decades of Land Reform in Nepal" at an interaction programme in Doti organised by Public Policy Pathasala.

⁴⁷ View of Kamal Chaudhary, Sanyukta Central Member of CPN during the interaction on the "contemporary transformation of land and agriculture over mid-eastern Tarai" at Hotel Hardik, Bagbazaar, Kathmandu organised by FACT and CSRC Nepal, 20 December 2014.

Table 5.5: Number of Households and Tenants by Survey Districts

Districts	Total no. of hhs*	No. of households in surveyed communities**	
		Total no. hhs	% Registered/formal tenants identified from the survey
Okhaldhunga	32,502 3.7%	1,347 9.7%	1 0.1%
Udayapur	65,557 7.5%	724 5.2%	55 7.6%
Saptari	121,098 13.8%	1,727 12.4%	280 16.2%
Siraha	117,562 13.4%	1,198 8.6%	177 14.8%
Sarlahi	132,844 15.2%	1,299 9.3%	129 9.9%
Mahottari	111,316 12.7%	619 4.4%	311 50.2%
Banke	94,773 10.8%	1,948 14.0%	137 7.0%
Dang	116,415 13.3%	1,725 12.4%	179 10.4%
Bardiya	83,176 9.5%	3,339 24.0%	26 0.8%
Total	875,243 100.0%	13,926 100.0%	1,295 9.3%

Source: Survey 2016

Note: hhs= households.

During the FGD in Dang, it was revealed that there was also a local culture of landlords playing a manipulative role in writing off tenancy rights upon the death of a tenant. Generally, the notice of the death of the tenant is posted at the DLROs and VDC office only. Emboldened by their close connection with officials of Land Reform Offices (LROs), and for the purpose of writing-off a tenancy, landlords have taken to preparing a notice of death when the tenant dies and filing it without notifying family members or relatives of the deceased, who may be living elsewhere. Such cases were recorded in research districts like Banke, Bardiya, Dang, Saptari and Morang, where mostly marginalised indigenous and poor people become deprived of tenancy rights in this way.

It has been revealed from FGDs held during fieldwork in the *Madeshi* community (who are the inhabitants of the plains) in Bardiya district of the mid-western *Tarai* that the problem of tenancy claims is also associated with the issue of citizenship. Some of the inhabitants of this community

are legally regarded as migrants from India, and are therefore denied full citizenship. Among them, those who belong to ‘high’ castes are better-off due to their relatively large holdings, and those who belong to ‘low’ castes are mostly landless and smallholder peasants. These landless and smallholders had tenancy in the past because there was labour scarcity for land cultivation (people of the Hills were afraid to settle permanently due to malaria in the 1960s), but the migrants cultivating lands did not have citizenship cards. As a result, the landlords labelled them as Indians and, on this pretext, they wrote-off their tenancy rights⁴⁸ in collaboration with the officials of LRO.

At times, messengers from the DLRO go to the landlords’ house and hand over a request letter to attend the DLRO. These messengers are given “hush-money” by landlords, to ensure that no further notifications reach anyone else. According to the Land Act, if tenants failed to pay agricultural rents and had no receipts for their payments, they were not eligible to claim tenancy rights, which are then automatically written-off based on the report of the landowner.⁴⁹ To claim the tenancy right, tenants should have each year’s grain payment receipt with details of plot number and the amount of grain submission, as signed by the genuine landowner (and not by his/her agent). In the case of Nepal, most of the landlords have, in fact, assigned a bailiff in the village to collect the grain, but not to give the receipt. The bailiff collects the grain from the tenants insofar as the landlord lives elsewhere; however, if a bailiff issues a receipt, it is not legally recognised. Hence, while peasants are able to pay their rents in cases of absentee landlords, they cannot collect the receipts they need. Because landlords are politically and economically powerful and have strong relationships with the bureaucrats (for example, in the DLRO), they adopt strategies in such ways to deny tenancy rights. At the same time, because tenants are poor, uneducated, and powerless, and depend upon landlords for their survival, they do not dare to claim their tenancy rights. Thus, the provision of tenancy is often only on paper, not in practice. Gradually, tenants and smallholders are being converted into wage labourers in Nepal.⁵⁰

⁴⁸ Field note of Jagat B. Basnet of 7 March, 2016 in Bardiya of the FGD with tenants.

⁴⁹ Field note of Jagat B. Basnet on March 7, 2016 in Banke during FGD discussion with the tenants and sharecroppers.

⁵⁰ View of Rajkishor Yadhav, central committee member of Sanghiya Samajbadi Forum Nepal, during the discussion on “Land Reform Issues in *Madesh*” organized by UNDP on 3rd April 2016.

5.8 Expensive Legal System

Before the 1964 land reforms, the government land management system had long and heavily relied upon *Jimidars* - that is, local landlords who were appointed as land revenue functionaries to collect revenue and transmit it to the government after deducting their proceeds (Adhikari, 2011). They were responsible for keeping records of land, tax and tenancy prior to 1964. When measures were announced to change land systems in 1964, the measures did not include the necessary provisions to verify the soundness of the *Jimidars'* records, and the government did not have the institutional backing to conduct such checks anyway. Therefore, when the landlords and *Jimidars* became united in their goals of denying peasants tenancy rights, they had a huge upper hand because the consolidated records on tenancy were kept exclusively by *Jimidars*, who could alter them any time to evict or remove a tenant. Once again, it becomes evident that the 1964 Lands Act completely ignored the highly-imbalanced power relations between tenants and landlords (Pyakurel and Upreti, 2011). In recent years, many peasants (tenants) have been visiting courts to respond to the petitions filed by landlords to deny them tenancy. For instance, a *Tharu* tenant peasant from Bankatti community in Banke (a *Tarai* district from the mid-western region) remarked:

I have been visiting the courts for the last 13 years. My female landowner is powerful because her husband is a lawyer at the district headquarters in Bardiya, a neighbouring *Tarai* district, who has cordial relationships with local and district level government officials and politicians. For the tenant like me, having the decision made in my favour has been a herculean task.

In the process of implementing the tenancy provisions of the 1964 Lands Act, numerous conflicts arose between landlords (or their family members) and tenants. The provisions of the land reform measures did not enable cases of conflict to be fully addressed and resolved. In this light, such cases poured into the courts in the past and they are still pouring in. This is particularly so in the *Tarai* districts of Nepal, where the concentration of land has always been higher and recent case courses have been significant in number. The access to wealth by landowners enhances their capacity to hire lawyers to defend their cases in court, such that they tend to be successful in court. Conversely, tenants lose whatever remaining land they have by selling it to pay for the fees of

lawyers.⁵¹ The costs of lawyers are exorbitant for poorer tenants (Koirala 1987:9) and they refrain from engaging in tenancy court cases, cognisant of the fact that they will likely not win.⁵²

Tenant peasants in FGDs during the fieldwork highlighted that it was not beneficial for them to engage in court cases or even contest tenancy rights at DLROs, particularly given that the plots of land tilled by them was of an extremely limited size. In this respect, they stressed that these small plots are granted by the landlord for one year only, in order to prevent claims to tenancy rights, which become legally recognised when a tenant has been engaged in the cultivation of a particular piece of land for three consecutive years (so to circumvent this, each year, landlords allocate a different plot to the tenant). In Hill districts, it takes more than three days to visit the DLROs. Tenant peasants do not know the officials at DLROs (whereas the landlords do) and even the scribes outside the DLRO building tend to swindle them. Tenant peasants who filed cases at DLROs or in the courts sometimes have to wait for up to 10 years for the case to be resolved, and almost all cases take a minimum of 18 months. It is very difficult for tenants to sustain such lengthy legal procedures.

Given the large number of court cases, it seems that land is the livelihood of lawyers rather than of tenant peasants. In India, due to the court cases, loans and displacement from the special economic zones, every 30 minutes one farmer commits suicide.⁵³ Table 4.6 shows the massive number of land court cases in Nepal over three recent fiscal periods, with a minimum of 40,000 each year. The fact that slightly more than a quarter of all court cases every year are land-related is demonstrative of the fact that the right of land ownership is a highly contested issue in Nepal (see Table 5.6).

⁵¹ View of Shekha Jung Shetha, Sadbawana Party leader, expressed during the interaction program on “Land Issues in Madesh” organised by UNDP, IOM on 3rd April 2016, Birgunj, Parsa.

⁵² Interaction programme on “Land Issues in Madesh” organised by UNDP, IOM on 3rd April 2016, Birgunj, Parsa.

⁵³ View of Anish, Convener, Ektaparaisahd India, shared at the workshop on “Land and Human Rights” from 24-25 November 2016 Phonm Penh, Cambodia, Programme organised by ANGOC, Star Compuchea and ILC Asia.

Table 5.6: Land- Related Cases at Supreme, Appellate and District Courts

Fiscal year	Court case subject	Supreme court		Appellate court		District court		All courts	
		No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%
2012/2013	Land	4694	29.92	9465	34.72	26157	25.78	40316	27.92
2013/2014	Land	5840	28.69	9564	32.98	17506	25.15	42910	27.04
2014/2015	Land	6398	27.97	10468	29.53	24725	21.81	41591	24.22
Total	Land	16932	28.86	29497	32.41	68388	24.24	124817	26.39

Source: Supreme Court Annual Progress Reports, 2012/2013, 2013/2014, 2014/2015, Kathmandu, Nepal.

The *Madesh* (the plains region in the southern part of Nepal) has a social structure based historically around caste. The caste system is broadly similar to *Hindu* hierarchies in other places, but at a more specific level is complex, reflecting the four *Varna* groups with distinct hierarchical structures within them: *Brahmin* (*Maithil Brahmin*, *Bhumihar*), *Chhetri* (*Rajput*), *Vaisya* (*Yadav*, *Kayastha*, *Halwari*, *Hajam*, *Sonar*, *Lohar*, *Rajbhar* and others) and *Sudra* or untouchable (*Tatma*, *Bantar*, *Mushahar*, *Chamar*, *Dom* and others). These various cultural groups belong to four distinct language groups: *Maithili*, *Bajika*, *Bhojpuri*, and *Awadhi* (Dahal 2003). There are indigenous groups in the plains, such as the *Rajbansi*, *Satar/Santhali*, and *Tharu*. Besides these, *Muslims* also constitute a distinct social group in the plains.

The fieldwork revealed that tenant peasants have experienced countless instances of suffering in the process of claiming tenancy rights through the justice system. This can be seen from the following case. An octogenarian tenant peasant with a *Tharu* surname (an indigenous ethnic group) lives in ward no.3 of Ganapur VDC of Banke district. He has a family of 12 members (his wife, four sons, two daughters-in-laws, two grandsons and two granddaughters). His landlord, *Shrestha* (indigenous hill migrant) by caste, is powerful. The area of the tenanted land is less than half a *Bigha*. He had applied for tenancy rights in 2005 at the DLRO of Banke, mid-western *Tarai*

district. Now it is 10 years since he filed the case, but his landlord also filed a case against him at the district court on the pretext of non-payment of rent. The tenant has been attending the court for non-payment and the tenancy case at the DLRO, as he is summoned by it on a regular basis. In addition, each year he was paying an equivalent amount in cash of the landlord's share of production to the landlord, via a bank at DLRO, because the landlord refused to provide the rent-payment receipt. Again in 2011, the landlord filed a similar case against the tenant. The tenant had submitted the receipt in 2012 of Rs. 3515.66 (with the voucher no. 606895) to the DLRO. Not surprisingly, in 2010, the district court gave its verdict on the rent non-payment case in favour of the landlord. His tenancy case remains undecided, but he is still paying the cash via the bank at DLRO as the payment of agricultural rent. The landlord has been intimidating the tenant who has also not yet received any justice from the DLRO. Additionally, the landlord often ridicules him by saying: "*Even if you spend money from district court to Supreme Court, you won't get the justice.*" Expectedly, the tenant was asked by the DLRO to reach an agreement to accept only 25-30 percent share of the tenanted land. Overall, the tenant has lost more than he has gained from these legal processes. He is already heavily indebted to the landlord. But the octogenarian tenant has not lost his hope of receiving his land rights, despite his debilitating health condition. Notwithstanding the changes in the political system of Nepal (from *Rana* -- a hereditary autocracy to multiparty-democracy to party-less dictatorial *Panchayat* system to a resurgence of multi-party democracy to republicanism), tenant farmers like this one still do not receive redress and justice from the Nepalese administrative and judicial system.

5.9 Monopolised Agricultural Rents and Evictions

The 1964 Lands Act promoted exploitative tenancy relationships, as it authorised the landowners to charge agricultural rents of up to 50 percent of the main annual agricultural crop yielded from the land.⁵⁴ The 50 percent crop sharing, even if implemented, was not a fair provision, even in the South Asian regional context. The land reform initiatives in different states of India show that crop-sharing was limited to one third of the annual main crops at the maximum.⁵⁵

⁵⁴ Lands Act 1964 Sec. 33.

⁵⁵ High Level Badal Land Reform Commission 1995.

The provision for agricultural rents is connected with the eviction of tenants. The Act permitted landowners to file petitions to evict tenants on the grounds that s/he had not paid the rents. The designated authority, in such a situation, might issue an order to evict such tenants.⁵⁶ The Act specified two other conditions on the basis of which tenants could be evicted. These were: (i) if a tenant had knowingly committed any act to degrade the land or had failed to take reasonable care of the land so as to lead to a decrease in the value of the crop and land; and (ii) if the tenant had not cultivated under circumstances within the tenant's control or had neglected to cultivate for a year.⁵⁷ In terms of these different reasons for eviction, the first one was particularly easy for the landowner to 'prove' by simply refusing to issue a receipt of the payment of rent.

There were 80,719 complaints lodged in 1994 at DLROs by landowners to evict tenants purely on the basis of allegations of rent-related obligations specified by the Act.⁵⁸ Such cases have also been taken to the courts, with tenants liable to be incarcerated for non-payment. Eventually, tillers, being unable to afford the litigation cases, abandon the land forever. In isolated cases, such tenant families have resorted to committing suicide due to their sordid poverty, as in the case of the *Chaurasia* family in Parsa district of central *Tarai* in 2004. While the rents were fixed generally at high rates, landowners had no obligation to care for the welfare of tenants (Zaman 1973, Regmi 1977). Even when there was no agricultural production, such as during natural calamities, tenants were required to pay the rent. With the evictions taking place in this context, landowners claim back lands from their tenants and sharecroppers for self-cultivation, thus ensuring widespread expulsion of tenants and sharecroppers.

The provisions of the 1964 Lands Act also had ramifications for the deepening exploitation of labour. These ramifications, for example, were evident until about a decade ago in western Nepal, particularly in five districts; namely, Dang, Banke, and Bardiya in the mid-western region, and Kailali and Kanchanpur in the far-western region. In the case of impoverished landless sharecroppers or tenant peasants in the *Tharu* community in these districts, some families were forced to give away their daughters to the landlords in return for the permission to till some land

⁵⁶ Lands Act 1964 Section 29 (1).

⁵⁷ Lands Act 1964 Section 29 (2).

⁵⁸ *Supra* Note 17 at 36.

for survival. These domestic labour girls were called *Kamlaris* (girl child labourers), and this practice became illegal only in 2012. Over time, this system became so pervasive that even rich and powerful families from urban centres began visiting villages in the five districts to lure *Tharu* girls with payments, and use them as domestic child labourers in slave-like conditions. Every year even until now, an estimated 5,000 girls are trafficked from these rural areas to towns and cities where they labour at private homes and hotels. Poor *Tharu* families had access to meagre amounts of rural land and were unable to feed their children, which facilitated this child-girl labour arrangement.⁵⁹ Under sharecropping arrangements in the five *Tarai* districts, sharecroppers were also expected to provide *Jirayat*, which was unpaid free-labour contributions by tilling the extra land of landlords and helping with their domestic chores. Additionally, it was expected that peasants would contribute labour to the cleaning of irrigation canals in the five *Tarai* districts under the sharecropping arrangements, with the landlords making no contributions.⁶⁰

This kind of free-labour system (known as *corvee*) has historically existed in the *Tarai*, and originated during the heyday of feudalism as a draconian form of labour exploitation. It continued to exist under the *Rana* regime from 1846 to 1951 and the *Panchayat* regime from 1960 to 1990. But most surprisingly, it has been allowed to persist even in the sharecropping and tenancy arrangements under the contemporary democratic dispensation⁶¹. This is exploitative in the sense that tenant peasants (including owner-farmers) are generally required to contribute arduous labour to repair and maintain irrigation systems until the work is complete. It is particularly inequitable because the labour requirement is extremely disproportionate given the size of tenants' cultivated landholdings. *Tharu* tenant peasants are disinclined to voice opposition against the *Jirayat* in Bardiya, since they (very reasonably) fear eviction from their tilled pieces of land.⁶²

5.10 Oral Systems of Agreement and Denial of State Services

In general, landlords adopted a culture of writing (in the form of documents) with regard to the understandings reached between them and tenants/sharecroppers on specific matters such as loans.

⁵⁹ Parajuli, Anjita (17th May 2013, Modern Day Slavery, Kathmandu Post. Kantipur Publications, P. 6.

⁶⁰ Field visit note, Bardiya, CLR review May 2016.

⁶¹ FGD on CLR review, CSRC in Maharagadi, Bardiya 15 March 2016.

⁶² FGD with male members of CLR Committee, CLR mid-term review, 16 March, 2016, Magaragadi, Bardiya.

Landlords had a proclivity to use these documents in promoting their interests. In most cases, tenants/sharecroppers (who were illiterate) actually had no idea what was written in the documents. Landlords could use the police, government offices, and courts against tenants on the basis of these documents, since written documentation was what was recognised by government. Landlords used their own scribes to prepare the documents as per the landlords' specific directions. This system was ubiquitous when it came to issuing loans to the *Haliyas*, *Kamaiyas*, *Harawas* and *Charawas*.

However, when it came to the actual tenancy/sharecropping arrangements, landlords did not prepare any written documents of understanding. Thus, the key arrangement, including all the terms and conditions, was established and settled orally. As a corollary to this, landlords were always hesitant in issuing receipts pertaining to payments of agricultural rents, in order to discourage tenants/sharecroppers from claiming tenancy rights. When landlords were asked by the tenants/sharecroppers to issue such receipts, the former would simply advise the latter to trust them. Distrust by tenants/sharecroppers would sometimes lead to circumstances - brought about by the landlords - that would compel them to abandon the land. As indicated earlier, the lack of the receipt of payment of rents would often trigger the deprivation of tenancy rights because the receipt of the grain payment is the main document proving the tilling of land. In a significant number of cases, tenants were also given a small amount of money as an incentive to leave the land, so that the landowners could profit from the skyrocketing prices of the tenanted/sharecropped land, which is a function of the burgeoning commodification of land for urban sprawl. In the present, in most of the *Tarai* districts, landlords are still giving out these financial incentives, even to registered tenants, even though this goes contrary to the Lands Act.⁶³

In a programme organised by the International Labour Organisation (ILO) and the Ministry of Land Reform and Management (MoLRM) (on 28 February, 2013) on rights of indigenous people regarding land, Dr. Chaitanya Subba said that, in terms of the 1964 Lands Act, indigenous people were not made aware as to whether they had to register land in their names and whether they needed citizenship certificates for registration. *Santhal*, a highly marginalised indigenous group residing in Jhapa (eastern part of *Tarai* district, bordering with India), had long worked to ensure that their land is cultivable and fertile. Because they were unfamiliar with the process of acquiring

⁶³ Interaction with tenants in Rajbiraj on 26th December 2016.

tenancy rights, the *Santhal* did not acquire the citizenship certificates necessary for receiving tenancy rights. This is because indigenous societies in Nepal have a culture of regulating their affairs and arrangements through verbal decisions, based on their oral traditions.

All this has great significance for the rural poor in Nepal. The state of Nepal supports those who have land certificates (and hence are registered) because land is regarded as individual property, which can be pledged as collateral for bank loans. People with land are provided (at least officially) with government services, such as water, electricity and citizenship certificates. But landless peasants, indigenous peasants, and landless agricultural workers are denied these services. They are regarded as second-class citizens⁶⁴.

5.11 Extractive Land Reform Offices and Dominance of Feudal Culture

During the fieldwork process, the DLROs were found to have indulged in extractive practices in the course of discharging their assigned responsibilities. For instance, a male tenant from Ganapur, Banke (a *Tarai* district of mid-western region) said that his family had tenancy claims in the name of his grandfather. His grandfather had, however, died. When he learned about the details of tenancy rights, he made a request to that landlord to transfer his grandfather's rights to him. The landlord said, "*I had given the tenancy to your grandfather, not to you*". He then visited the DLRO, and there the officer said, "*If the landlord were willing, then it would be possible for a transfer in your name; otherwise, it would not be*". In a feudalistic social structure, speaking either publicly or privately to a powerful landlord about the transfer of tenancy rights could have disastrous consequences for a tenant; this seems to have largely carried over into the present day. Landlords have close relationships with state bureaucrats, including within the DLROs. In the case of this tenant from Ganapur, bribing the official at the DLRO to facilitate tenancy was a possibility for the landlord, but not for the tenant, who had no financial resources to do so; hence, he was, in effect, denied tenancy rights.

⁶⁴ Plenary discussion on "Land Settlement and Land Security Programme" organised by COLARP and UNDP on 19th Sep. 2016 at Hotel Himalaya, Lalitpur.

In Nepal, landlords became affiliated with political parties after the democratic resurgence of the 1990, and they formed solid relationships with state officials at the national and local levels (who themselves are often from landlord backgrounds). When political leaders and officials of DLROs and LROs visited the villages, they were typically lodged at the landlords' houses and shown a high level of hospitality, because of the commodiousness of the residential space of the landlords (Upreti et al., 2008). These arrangements led to decisions by state officials in favour of landlords and against tenants. The officials would transfer or register land in the names of persons as they deemed fit. In capitalising on the close relationship, landlords would visit the DLROs/LROs to register the land in their names only, and this was made possible by bribing officials (even if the land was ploughed by tenants for several years, such that tenants had legal right to some land). And generally, the value of the land was set by landlords at exorbitant rates (in conjunction with state officials) such that the sitting tenants would not be able to afford to buy excess land even if the landlords were ready to return land to tenants.⁶⁵

For tenants, benefiting from the work of the land reform and revenue offices is difficult because of the disproportionate bureaucratic hassle, and their inability to pay bribes to officials in these extractive institutions upon demand. Thus, DLROs and VDCs seemingly worked constantly on behalf of landlords, if not at their behest. Landowners needed local agents to collect the rents and control the peasantry, while local elites needed the political backing provided by the landowning members of the aristocracy and the bureaucracy (Regmi, 2002:177). In other words, the peasants of Nepal shared their agricultural production not only with the government, the landowning aristocrats and bureaucrats, but also with the functionaries employed to collect rents (Regmi, 2002:177).

Even today, landlords, along with local state officials, control and dominate rural politics and the agrarian economy. Considering the significance of land to the agrarian economy and for rural power, feudal landlords find ways and means of denying tenancy to smallholders. For instance, sharecroppers of Thehari, Uttarganaga, of Surkhet (a Hill district of mid-western Nepal which has also some physical characteristics of inner *Tarai*), brought to the fore that:

⁶⁵ Jyotilal Ban, an independent researcher, who carried out the baseline study of tenanted land in three VDCs in Banke at CSDR, a region- based NGO.

Landlords do not want to give tenancy to them. They have even started to write documents at the outset of the understanding reached with tenants/sharecroppers asking them not to claim any tenancy rights for sharecropping and get them signed/thumb-printed. Recently, one Karki landlord family has done the same to his illiterate tenants.

Landlords, in trying to retain their feudal-style power, also discourage smallholding peasants from joining the land rights campaign in Nepal. For example, a tenant farmer from Haripur VDC, Saptari (a *Tarai* district from eastern Nepal) shared this following experience:

My landlord threatens me not to take part in a land rights campaign. Otherwise, he would file the petition at the court in Kathmandu to deny me the tenancy rights. I wonder what Kathmandu (capital of Nepal) looks like? Is it black, white or red? Or big or small? I have a big family. Sometimes, I cannot sleep the whole night and do not like to listen to these words. If he evicts, there is no place for me to live in.

Hence, discouraging tenants from political activism often turns to threats which, if carried out, undercut the security and livelihood of land-short farmers.

Anonymous key informants from the field study districts claimed that bribery was common in the district administrations. For instance, when the Ministers or officials of MoLRM visit districts, all the expenses are borne by district officials, including hotel accommodation, food, and drinks. Under such circumstances, land-related district-level offices take bribes from landlords to meet such expenses, because of deficiencies in the official budget. Landlords, as noted, give these bribes to land administration staff for the purposes of ensuring cordial and beneficial land transactions. Implementing these transactions entail the support of land-brokers, who are responsible for evicting tenants and sharecroppers. For services rendered, land-brokers (middle men or agents) earn commissions from landlords, who sometimes use hooligans to ensure evictions. Oddly enough, some landlords are not aware of their full landholdings and, in this context, they make use of lawyers to determine their landholdings from land revenue and survey offices. Lawyers bargain with landlords in terms of the income to be earned for these services, and any income received is also shared with officials who process the landholding request. These officials maintain the records of landlords very safely once they are bribed. Conversely, the files of tenant farmers are said to be lost, since they fail to pay bribes to officials.⁶⁶

⁶⁶ View of Krishna Raj BC, General Director, Survey Department on “CSO Land Monitoring Discussion” organised by CSRC on 17th Feb 2016.

In this context, in all of Nepal, more than 40,000 tenants filed tenancy rights cases at the DLROs before 2008. Between 2008 and 2016, the process of filing such cases and making decisions on filed cases was halted due to the end of the period specified by the fifth amendment of the 1964 Act in 2001. This compelled tenants, who had filed their cases by 2008, to forego their quest for tenancy rights as DLROs discontinued working on pending tenancy cases. As a corollary to this, landlords stopped providing land on a tenancy and sharecropping basis, and often sold their land to businessmen or commercial farmers, with these new landlords starting to evict informal tenants or sharecroppers (Basnet, 2016).

In the meantime, as was demonstrated during the fieldwork, many tenants were being evicted on the pretext of non-payment of agricultural rents, and based on supposed disloyalty of tenants to the *Panchayat* political system. Tenant peasants who were alleged to be guilty of these practices were incarcerated for a minimum of two months and up to five years; as a result, they lost the lands cultivated under their tenancy arrangements. In fact, many ultimately had to resort to resuming dependence upon the same landlords who had had them incarcerated. This entailed being released from incarceration in exchange for surrendering their tilled land. These kinds of actions went contrary to the spirit of a particular provision in the 1964 Lands Act, which reads as follows: “If a landlord evicts a tenant unlawfully, he would be liable to suffer six month's jail and pay a fine not exceeding NRs. 1,000. The affected tenant would have his tenancy rights restored and be paid compensation according to the share of the crop”. This clause, as my discussion shows, was never implemented. Rather, tenants were subjected to incarceration on the grounds of the non-payment of agricultural rents.

5.12 Citizenship Certificates - Chicken and Egg

The relationship between land and citizenship certificates has remained an important issue in Nepal over the past sixty years or so, and, in effect, it is a chicken-and-egg dilemma. If an individual asks for a citizenship certificate from the Chief District Officer (CDO), the officer first asks for a land certificate; and, if the same individual asks for a land certificate from the DLRO, the Land Reform officer first asks for a citizenship certificate. Typically, poor rural people (including most tenants and sharecroppers) do not have both. As a result, although they may have the capacity to buy land,

they are deprived of the opportunity of buying the land insofar as they lack a citizenship certificate. To give one example from the field visits, a *Tharu* woman recalled that her family had given money to a landlord for 5 *Katthas* of land (20 *katthas* = one *bigha*), but the landlord said that he would only transfer the land later when she received the relevant citizenship certificate. However, this did not materialise and the landlord (who lives in Kathmandu) is not easily contactable by the woman's family. As a result, the price of the land has gone up and the landlord is asking for extra money to register the land in the name of the *Tharu* woman, which is not possible for her.

Until 1990, there was a system for receiving citizenship certificates involving the recommendations of the police and the *Pradhanpancha* (Chief of the village administrative unit). Later, this required a recommendation letter from the VDC or Municipality. Most of the chairs of VDCs and Municipalities, because of their close ties with landlords, rarely provided such recommendations. It is also notable that the police were often subject to the hospitality of landlords: whenever the police visited these areas, landlords would provide them with delicious food. For any police report, the police would go first to the *Pradhanpancha*. Being himself a landlord, he would typically recommend against the granting of a certificate. He would claim that if the land-poor farmers (tenants, sharecroppers and agricultural labourers) were given citizenship certificates, they would not work in the fields and homes of landlords, and would ask for tenancy or land rights; alternatively, they would look for work elsewhere. In this way, they would no longer be under the authority of landlords. They would no longer be the *Kamaiyas*, *Haliyas*, *Harawas* and *Charawas* at the landlord's home if they received the recommendation letter for citizenship, as they would be free to work elsewhere and in other economic sectors. This regrettable situation is corroborated by a newspaper snippet published in 2003.

Eighty-five percent of *Chepangs* are deprived of their citizenship cards. According to the newspaper, *Mangale*, a 70-year-old *Chepang* living in Bharta VDC of Makawanpur district had been visiting the CDO Office for the last five years in order to obtain his citizenship certificate but he did not have a land certificate. Actually, he went to obtain the citizenship certificate to make the land certificate for tilling land. Then, he was asked to show his citizenship certificate which he did not have. He was asked to obtain the citizenship certificate first and then the land certificate. Another 37 *Chepang* families of Kankada VDC had been facing the same problem and had been deprived of land and other kinds of government services. Altogether 85 percent of *Chepang* people from 19 VDCs of Makawanpur were deprived of their citizenship certificates and land certificates although they had been tilling the land for generations (*Kantipur Daily*, 30th September 2003, Kantipur Publication, Kathmandu Nepal).

This shows how tenants and sharecroppers remain trapped within an exploitative and extractive political economy. Since tenant and sharecropper parents do not have citizenship certificates, the children are also deprived of their birth registrations and citizenship certificates. As a result, finding alternative means of livelihoods (outside the control of the prevailing landlord) is made completely unviable for them. Fieldwork informants emphasised that the non-provisioning of citizenship certificates for tenants contributed massively to the landlord's ability to control the land and evict tenants, with landlords going so far as to label tenants as Indian nationals, or at least as opponents of the *Panchayat* political system. The end result is that tenant farmers are evicted, lose their tenancy rights, and become landless agricultural labourers.

5.13 Caste, Ethnicity and Tenants

It is also important to consider the relationship between caste/ethnicity and tenancy. The fieldwork survey of the nine districts (that were the main sites of investigation) shows that that the highest number of tenants are *Madeshis* and *Tarai Dalits*, including *Tarai Janajatis*, which together constitute about 80 percent of tenants in the *Tarai*. In addition, the incidence of tenancy is lower amongst the 'high' caste people, since they themselves tend to be the landowners in the *Tarai* social structure (see Table 5.7). The fact that some landowners are listed as tenants is because of landowners nominating family members as tenants in order to acquire land through legal loopholes, as discussed earlier. As per Table 5.7, only 4.2 percent of *Pahadi Brahmin-Chhetris* were recorded as tenants, whereas 76.2 percent of *Tarai Brahmin-Chhetris* were so recorded. The other percentages for tenants amongst certain castes are as follows: *Pahadi Janajatis* (21.5%), *Tarai Janajatis* (35.4%) and *Madhesis* (82.3%). This shows that those who were educated and clever were able to register tenancy rights, while those who were illiterate and without legal knowledge were not able to do so. In the case of *Tarai Dalits*, there were peasants' movements in the *Tarai* which helped make them aware of the need to register and the process for doing so, with some of them migrating from India for this purpose.

Also significant is that the Minister of Land Reform and Management tabled, at the Council of Ministers, an amendment to the 1964 Lands Act in 2012-2013 to re-open the giving of tenancy rights to registered tenants (i.e. provisions to transfer 50 percent of land tilled by registered tenants

to the tenants themselves; a provision which had been out of effect since 15th May 2008). But the *Madesh*-based parties rejected this amendment to the Lands Act, because their leaders from the *Tarai* represent the landed classes, and they would lose their power to control tenants if it was enacted.⁶⁷ An in-depth study conducted by the researcher has shown that out of the 2,677 households surveyed, nearly 40 percent were found to be tenant households. It has also been found that the distribution of tenant households has been highest among the *Madeshis* (82.3%), followed by *Tarai Brahmin/Chhetris* (76.2%), *Tarai Dalits* (62%), *Muslims* (48%), and *Tarai Janajatis* (35.4%) (see Table 5.7). Qualitative interviews and observations have shown that the *Tarai Janajatis*, *Tarai Dalits*, *Pahadi Janajatis*, and *Pahadi Dalits* are mostly smallholders, sharecroppers, tenants, and landless labourers. However, class differences also exist within the *Tarai Brahmins/Chhetris* (because there are both rich landlords and smallholders).

The survey also found that only a small number of tenancy cases were filed at the DLROs. Tenants do not dare file cases at the DLROs or LROs because, as argued previously, landlords and government officials are supportive of each other. It was learned that landlords ‘speak sweetly’ to the sitting tenants with the promise of giving tenancy rights to them, but this is generally done to forestall their tenancy claims. In Nepali culture, it is also considered disrespectful and insulting to file a claim against another person. Tenants though are generally forced to surrender their tenancy claims primarily because their economic status does not allow them to bear the costs incurred in pursuing legal cases. Further, for the landless peasants, landlords are considered as on-the-ground local service providers as they at times assist peasants in times of extreme crisis for their households, though these crises emanate from their sordid conditions as tenant farmers. Therefore, these poor people do not necessarily think that landlords are exploiting them.

⁶⁷ View of Mr. Dipendra Bahadur Chhetri, Former Planning Commission Member on “Land Dialogue” organised by FACT Nepal at Hotel Paradise, Jamal, Kathmandu on 23rd Sep. 2015.

Table 5.7: Tenancy by Caste/Ethnicity in the Survey Districts

Caste/ethnicity		Number of households: tenants		Total
		Yes	No	
<i>Pahadi Brahmin/Chhetri</i>	Count	9	207	216
	%	4.2%	95.8%	100.0%
<i>Tarai Brahmin/Chhetri</i>	Count	16	5	21
	%	76.2%	23.8%	100.0%
<i>Pahadi Janajati</i>	Count	51	186	237
	%	21.5%	78.5%	100.0%
<i>Tarai Janajati</i>	Count	370	676	1046
	%	35.4%	64.6%	100.0%
<i>Pahadi Dalit</i>	Count	6	271	277
	%	2.2%	97.8%	100.0%
<i>Tarai Dalit</i>	Count	264	162	426
	%	62.0%	38.0%	100.0%
<i>Muslim</i>	Count	37	44	81
	%	45.7%	54.3%	100.0%
<i>Madhesi (middle caste)</i>	Count	307	66	373
	%	82.3%	17.7%	100.0%
Total	Count	1060	1617	2677
	%	39.6%	60.4%	100.0%

Source: Field Survey, 2016.

In this context, based on the fieldwork, Table 5.8 details tenancy cases in terms of caste/ethnicity. There were no cases of *Bramins/Chetris* at the courts, primarily because of their power nexus in the administration, but there are cases of *Janajtis* and *Dalits* of both the *Tarai* and Hills who traditionally do not have similar close connections with those in power. For economic reasons, tenants are regularly compelled to abandon the cases once in the court system. Out of 1,060 peasant households, only 91 applications were submitted at the DLROs/LROs. The table also shows that only 26 percent of *Tarai Dalits* were able to file cases, due to high costs and intimidation from landlords. Of the total 1,060 tenant households surveyed, 118 (13.13%) were found to have been expelled, leading them towards the process of proletarianisation. Survey data have also shown that 14 percent of the tenant households do not have the receipts of the payment of the agricultural rents which are to be issued by the landlords (see Table 5.8). These tenants without the receipts will not be given tenancy rights, and will likely also be subject to proletarianisation.

Table 5.8: Status of Tenants' Land Ownership Claims by Caste/Ethnicity of the Surveyed Households

Caste/ethnicity		No. of tenant hhs	Case filed at land reform office	Case filed at court	Expelled from tilling	Land owner - tenant	Tenants without receipts	Proof of tenancy with others
<i>Pahadi Brahmin/Chhetri</i>	Count	9	1	0	0	7	0	0
	%	0.8%	1.1%	0.0%	0.0%	1.5%	0.0%	0.0%
<i>Tarai Brahmin/Chhetri</i>	Count	16	0	0	1	12	1	0
	%	1.5%	0.0%	0.0%	0.8%	2.6%	0.7%	0.0%
<i>Pahadi Janajati</i>	Count	51	0	0	35	5	0	2
	%	4.8%	0.0%	0.0%	29.7%	1.1%	0.0%	5.6%
<i>Tarai Janajati</i>	Count	370	44	2	52	221	41	17
	%	34.9%	48.4%	28.6%	44.1%	47.7%	27.3%	47.2%
<i>Pahadi Dalit</i>	Count	6	0	0	0	6	0	0
	%	0.6%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%
<i>Tarai Dalit</i>	Count	264	24	4	21	63	53	12
	%	24.9%	26.4%	57.1%	17.8%	13.6%	35.3%	33.3%
<i>Muslim</i>	Count	37	5	0	0	9	11	1
	%	3.5%	5.5%	0.0%	0.0%	1.9%	7.3%	2.8%
<i>Madhesi</i>	Count	307	17	1	9	140	44	4
	%	29.0%	18.7%	14.3%	7.6%	30.2%	29.3%	11.1%
Total	Count	1060	91	7	118	463	150	36
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Tenants can have multiple statuses of land ownership claims.

Source: Field Survey, 2016.

At the national level, the government has recently made new data available on registered tenants since 1964. Succinctly put, the government's recent records show that there are a total of 270,951 tenant households; but in 1964, the government had recognised a total of 469,935 tenant households. Surprisingly, a total of 198,984 tenant households have been deleted from the government record, which means that their tenancy rights have been denied or retracted, resulting

in the dispossession of lands. Out of the total of 270,951 tenant households, a total of 119,352 (44%) applied for tenancy rights, but only 57,544 (48%) cases were settled. Even more bizarre is the fact that a total of 108,494 tenant households have been reported to have ‘disappeared’ from the government records; these were likely evicted or expelled by the landlords, rendering them part of the proletariat. In summary, over the course of 50 years, a total of 307,478 tenant households (65% of the tenants recognised by the government itself) seem to have been proletarianised (MoLRM, 2018).

5.14 Conclusion

This chapter focused in a critical manner on the 1964 land reform measure and subsequent developments relevant to it (including various amendments), as well as the implications of this for peasants and de-peasantisation. The chapter argued that the 1964 land reform was primarily designed and implemented with political motives in mind; namely, those of sustaining the partyless dictatorial *Panchayat* system guided by the absolute monarchy with the support of large landlords. In the end, only an insignificant amount of excess land above the stipulated ceiling was confiscated and distributed to the sitting tenants in the name of land reform. In fact, such excess land often found its way into the hands of the landlords themselves and supporters of the *Panchayat* political system. Capitalising on the legal loopholes in the 1964 Lands Act, potential excess land was divided within landlord families, and transferred in the names of educational institutions, private *guthis*, companies, and agricultural industries. Local and national bureaucrats in land offices, in alliance with landowners, regularly facilitated such processes.

The extractive agricultural rent system, lack of grain payment receipts, indebtedness of tenants, expensive legal systems, bureaucratic hassle (red-tapism), lack of citizenship certificates among tenants, and the overall nexus of landlords with government officials, together had the synergistic effect of preventing tenancy rights being granted to tillers. Tenants were deprived of their rights to register, with the fourth amendment of the 1964 Lands Act even repealing existing tenants’ rights in the name of elimination of dual ownership. The Act permitted landowners to file petitions to evict tenants on the grounds that they had not paid their rents. Tenants from the *Tarai* were evicted from the tilled land and others were forced to leave the forest areas and public lands due

to the unviability of remaining on it. Landlords evicted tenants indiscriminately (fearing at times the possibility that they might claim tenancy rights) and thereafter distributed land amongst members of their families and other relatives (including distant ones). Despite the bold claims about the genuineness of the 1964 legislation, peasants remained marginalised and were subjected to further processes of de-peasantisation, in part due to the lack of political will and the faulty and corrupt implementation of the land reform measure (given the ongoing presence of the centralised and extractive land administration system). In the end, the insecurity of peasants increased, with some peasants entering into the realm of wage-labour and the process of proletarianisation. On the whole, the process of de-peasantisation has been on the rise, as demonstrated by the government's recent data on tenancy and households involved in agriculture.

Chapter Six: Marginalisation of Peasants by Class and Caste

6.1 Introduction

Nepal is still recognised as an agricultural country because two-thirds of its economically productive population is engaged in agriculture for their livelihoods. Notwithstanding this fact, the contribution of the agricultural sector to the Gross Domestic Product (GDP) has been steadily decreasing year after year. For instance, its contribution to the GDP was 57 percent in 1990, but only 31.2 percent in 2016. This trend of the decreasing contribution of the agricultural sector to the GDP has triggered a debate amongst political parties and academics as to whether Nepal remains a semi-feudal country or is transitioning to a capitalist one. Together with this, a debate about whether the peasantry is mainly a homogeneous or heterogeneous group is ongoing in Nepali politics: most peasants are from ‘lower’ (such as *Dalits*) and ‘middle’ (such as *Chhetris*) caste groups and *Janajatis* (indigenous ethnic groups), but there is a certain kind of heterogeneity along the lines of caste, ethnicity, class, gender, and geography. This existed under the feudalistic system and continues to do so today. Caste is particularly significant in Nepal. As per Hindu religion and the caste system, *Brahmins*, the ‘higher’ caste of people, are not meant to plough agricultural land; hence, they hire people from poorer ‘lower’ castes and classes to do so for them. Within the feudal system, this caste system was embedded in the exploitative and extractive agrarian economy, and the caste system continues in Nepal to this day, even though legally it is abolished (as noted in the preceding chapter). Against this backdrop, this chapter analyses the relationship between class and caste within agrarian Nepalese society and the process of de-peasantisation in this context. In highlighting the relationship between class and caste, the chapter examines practices which further marginalise the peasantry as a class in rural Nepal, including around state subsidies, loans and agricultural rents. It also focuses more specifically on caste and the ways in which ‘lower’ castes are particularly vulnerable to processes of de-peasantisation.

6.2 Class Structure in Rural Nepal: An Analysis

Based on field discussions and interviews, this study concludes that there are now four categories of agrarian people in Nepali society, with each category based on a distinct form of landownership. These categories are as follows: (i) landless people and agricultural wage labourers (those who have no land or own less than 0.2 ha of land); (ii) smallholders (those who own more than 0.2 ha and less than 0.5 ha of land, including tenants and sharecroppers); (iii) the middle class (who own more than 0.5 and less than 2 ha of land), and (iv) the rich class (who own land more than 2 ha of land). Regarding the organisation of labour, agricultural labourers and landless households tend to sell their labour in both the agricultural and non-agricultural sectors; smallholders use household labour and exchange labour mutually during the peak period of agricultural operations; middle class peasants (who produce for both household consumption and the market, from a limited to a moderate scale) use household labour and exchange labour mutually (if there are working hands), and they also hire agricultural labourers as per their needs. Finally, unlike the other three categories, the rich class of peasants (capitalist farmers/commodity producers) almost exclusively employ agricultural labourers of other classes, and mainly produce for both domestic and international markets (after meeting their domestic needs). Other characteristic features of the different categories of people (such as livelihood diversification, sources of working capital, access to government service, approaches to production, political relationships, and other assets and capital) are summarily presented in Table 6.1 below.

Table 6.1: Characteristics of Class in Rural Nepal

Indicators	Class Structure			
	Landless people and agricultural labourers	Smallholders (including tenants and sharecroppers)	Middle class (including tenanted status in some cases)	Rich class (Commercial farmers/commodity producers)
Organisation of labour for farming	Use family	Use family and exchange labour mutually	Use own family labour, exchange labour and occasionally hire labour	Hire labourers

Ownership of land	No land or own less than 0.2 ha of land	Own more than 0.2 ha and less than 0.5 ha of land	Own more than 0.5 and less than 2 ha and also lease-in land for petty commodity production from limited to moderate scale	Own more than 2 ha of land and also lease-in land for commercial/ corporate farming or commodity production
Livelihood diversification	Daily wage/ seasonal migration for labour work both in Nepal and India	Diversification of economic activities such as agriculture, livestock, jobs in non-agricultural sector including in government, petty traders, foreign employment in unskilled works, etc.	Diversification of economic activities such as agriculture, livestock-raising, salaried jobs in non-agricultural sector (including in the government, I/NGOs), petty traders, foreign employment in semi-skilled jobs, etc.	Diversification of economic activities such as production for domestic and international markets, lucrative businesses, shares in different private institutions, salaried jobs in the government and non-government sectors, foreign employment in skilled jobs, etc.
Commodity production	Work for others for eking out family livelihood	Petty commodity production (in extremely limited scale)	Petty commodity production in moderate scale	Commercial farming / commodity production for national and international markets on expanded scale
Sources of working capital	Wage labour, Monthly savings Loans from relatives	Own savings, local cooperative loans, and loans from moneylenders Limited remittance Loans from savings groups (supported by NGOs) Local finance companies	Own savings, Loans from banks/cooperatives /moneylenders Remittance Loans from finance companies	Own savings and profits, Loans from banks and cooperative Remittance Collaboration from multinational or national companies Loans from finance companies

Access to government services	No use	Use of NGO support (in isolated cases) and extremely limited government support	Limited state support and NGO support	State support and own investment/ Collaboration with national and multinational companies
Approach of production	Wage labour	Petty production	Petty commodity production for local level	Commercial production for national and international levels
Political relationship	Voters only	Voters plus elected ward members of local government units	Political cadres/elected members in local government units	Local/provincial/national leaders of political parties and elected members of local government units, provincial and national parliaments/assemblies
Other assets	Chicken/goats/pigs	Chicken/goats/buffaloes/ cattle/pigs	Power-tillers, tractors/oxen/buffaloes/cattle	Tractors, factories, means of transport such as buses/trucks/pick-ups

Source: Fieldwork, 2016/17.

Landowners (who are members of the rich class) have been paying nominal taxes to the local government and simultaneously receiving two types of benefits. Firstly, as absentee landowners, they are reaping the benefits of agricultural production without any major investment and effort. Secondly, the price of land is increasing day-by-day due to the commodification of land, and thus landowners are benefiting from the higher prices and rents. At the same time, there are shortages of land for marginalised peasants because most land is owned by absentee landlords or outsiders (Béteille, 2007). Focus group discussions revealed that rich class mostly-absentee landlords control more than 50 percent of land, and peasants submit the cultivated produce to the landlords living mostly outside of the locale. As a result of this arrangement, there are food deficits in the villages even though peasants produce more food than their household need for purposes of subsistence. Rich class landowners are increasingly residents of urban areas who are uninterested

in investing in their agricultural lands. Thus, Sugden (2013) shows that 23 percent of rich class landlords never visit their land. Additionally, rich class landlords are not interested in developing and using new agricultural technology, or investing in agriculture in general. The absence of landlord investment is substituted in part by government and NGO investments, but this tends to only protect and preserve the rich class landlords' land rather than support the economic upliftment of local peasants.⁶⁸

As per the Agriculture Census of Nepal 2011/12, there are 5,423,297 households in the country, out of which 3,831,093 are mostly dependent upon subsistence farming. Agriculture remains the predominant source of living for 65.6 percent of the total population (CBS, 2011). A considerable percentage of peasant farmers are actually smallholders (as officially defined), each having ownership of less than 0.5 hectare of land (CBS, 2011). There is a handful (4 percent) of rich farmers who control 22 percent of the total arable agricultural land while peasants categorised specifically as smallholders have access to only 18 percent of the land (CBS/NLSS, 2011:7). Besides their own land, 32 percent of smallholders lease-in land from landowners. But what they produce on their own and leased-in land is barely sufficient for household-based food security. The stark irony is that those marginalised rural (including low-caste) people who do not own any land have to farm somehow, as this is their only means of survival. Therefore, they have no choice but to cultivate land owned by others, for instance on a sharecropping basis, usually agreeing to the terms and conditions imposed by the landowner (CBS/NLSS, 2011:7). The unfortunate and bitter reality of engaging in farming activities in the context of Nepal then is that most of the gains are accrued by the legal landowners rather than the actual farmers working in the fields. These actual farmers (mostly landless, smallholders, sharecroppers or tenants) are the ones who expend blood and sweat to cultivate the land, but are deprived of land ownership and the fruits of their labour (Basnet, 2013). Certainly, there remains a serious problem with regard to land resource inequity in Nepali society, arising from the feudal history of the country.

Table 6.2 shows the uneven distribution of land in Nepal. Thus, we see that 9.1 percent of households hold only 0.6 percent of agricultural land, whereas 0.1 percent of households hold more

⁶⁸ View of Teeka Bhattari, an independent researcher, expressed during discussion on “Contract Farming” on 26 March, 2014 at Shap Phalcha, organised by CSRC and Oxfam.

than 10 hectares of land each (which is around 1.9 percent of land and 3.4 percent of the more productive irrigated land). Additionally, a total of 0.3 percent of households hold 3.3 percent of land. A total of 80.1 percent of households have less than one hectare each of land, and in total hold only 45 percent of agricultural land. At the same time, 19.9 percent of households hold 55 percent of agricultural land in Nepal. Households having less than one hectare of land tend to be directly involved in agricultural production, while households holding more than one hectare of land often have been found to be part-time agriculturalists or even absentee owners. The propertied rich within Nepali society have been able to pursue non-agricultural occupations, but the poor and marginalised people have had no choice but to engage in agriculture as their main livelihood strategy by working on lands either through sharecropping, tenancy, or lease arrangements (managed through informal social agreements). In Nepal, agriculture is increasingly turning into a part-time occupation for landlords, with absentee ownership burgeoning. Additionally, as per informal records, around 28% of the 2014 gross domestic production for Nepal is now generated from foreign remittance. All this leads some to conclude that Nepal is no longer really an agrarian country; yet, 65.6 percent of households in the country are still dependent upon agriculture.⁶⁹

⁶⁹ View of Dr. Jaganath Adhikari, an independent researcher, expressed at the interaction programme on “Land Dialogue” organised by joint COIARP and UNDP at Hotel Himalaya, Lalitpur on 19th September, 2016.

Table 6.2: Distribution of Agricultural Households and Area of Land in Nepal

Size of land in hectares	No. of agricultural households in %	Areas of agricultural land in %	Areas of low land (paddy land) in %	Areas of irrigated land in %
Under 0.1	9.1	0.6	0.4	0.4
0.1 to 0.2	12.1	2.5	2.2	2.0
0.2 to 0.5	31.5	15.4	13.2	12.7
0.5 to 1.0	27.4	28.3	26.6	27.0
1.0 to 2.0	15.5	31.1	32.4	31.6
2.0 to 3.0	2.8	9.9	11.5	10.5
3.0 to 4.0	0.7	3.7	4.3	4.4
4.0 to 5.0	0.5	3.4	3.9	4.0
5.0 to 10.0	0.3	3.3	3.2	3.9
10 hectares above	0.1	1.9	2.3	3.4
Total	100	100	100	100

Source: Nepal Living Standards Survey 2011/2012, Central Bureau of Statistics, National Planning Commission, Part Two, Table 9.3 p.12.

Table 6.2 also shows that ‘middle class peasants’ (42.9% of the peasant population) belong to an ‘intermediate layer’ of households between the two extremes of very small landholdings (<0.5 ha, with 52.7 % of households) and larger landholdings (2 ha or more, with 4.4 % households). These peasants of the ‘intermediate layer’ thus own between 0.5 and 2 ha of land, which comprises 59.4 percent of all agricultural lands in Nepal. Additionally, Table 6.2 shows that less than one third of households (27.4%) own 0.5 to 1.0 ha, and hold a total of 28.3 percent of agricultural lands (see Table 6.2). Therefore, the class identity of the peasants of the ‘intermediate layer’ is very pronounced in the context of Nepal, due to their sizable numerical strength and the amount of agricultural land they hold. Significantly, this is the class of peasants which comprises most of the simple/petty commodity producers in Nepal (made such because of the government’s adoption of neo-liberalism as the overarching development paradigm, including in the management of the agrarian economy of Nepal). In this context I consider cases from the fieldwork in relation to

accumulation from below and above.

First of all, in the case of the middle class peasants, qualitative interviews taken with households in the sites of study revealed that a small number of “middle class” peasants have managed to benefit to a degree from land reform, and have become relatively successful in commodity production. For instance, in 2009, a *Chhetri* smallholder peasant from Ichok rural municipality of Sindhupalchowk, a district in the central Hill of Nepal, had less than half a hectare of irrigated land, and later received slightly more than half a hectare of paddy land from his landlord, as part of the tenancy rights provided by the fourth amendment of the 1964 Lands Act. Thus, the land reform measure helped him to become the owner of one hectare of land (i.e. a peasant of the intermediate layer). Subsequently, he succeeded in obtaining agricultural loans amounting to NRs.100, 000.00 from the Agricultural Development Bank by pledging the land as his collateral. He utilised the loans to buy a milch buffalo for NRs.52, 000.00 and established a small water-operated mill for husking the paddy. Milk was sold as a commodity in the local dairy managed by the cooperative of farmers. On average, he sold four litres of milk every day for 18 months (547 days) during 2012/13 and earned NRs. 218,800.00, which easily helped him repay the loans before the stipulated deadline. In addition, he earns NRs 500.00 per day from the operation of the water-operated mill. He has now started to produce vegetables, such as tomatoes in the tunnels, cauliflowers, chili, beans, etc. for the market, and on an average, he earns approximately NRs 100,000.00 annually as his net income. He has started educating his three children at the English medium school in the vicinity of the village. Thus, land reform has helped the smallholder to become a peasant of the ‘intermediate layer’ and a petty commodity producer in his village.

Secondly, there is the case of smallholders benefitting from the land reform measure and becoming middle class peasants who are now engaged in petty commodity production. A *Brahmin* smallholder from Naukunda rural municipality of Rasuwa district, in the central Hills of Nepal, owned 0.8 hectares of *Bari* (un-irrigated agricultural land where maize, millet, and barley are grown). But he was cultivating another two hectares of *Khet* land (irrigated agricultural land where paddy and wheat are predominantly grown) as an informal tenant. His landlord had registered the land in his (the landlord’s) own name when the government abolished the *Birta* (tax-free) system in 1959. Initially, the smallholder’s father was the tenant, and after the latter’s death, the

smallholder continued his tenancy (albeit informally). For many years, the landlord declined to issue the receipts of agricultural rents to avert the possibility of recognising the smallholder's tenancy rights. But with the advocacy and support of the Community Self-Reliance Centre (CSRC) and National Land Rights Form (NLR - an association of land poor peasants, established for land rights), which worked to facilitate the official process of granting the tenancy rights, he succeeded in obtaining 50 percent of the *Khet* land cultivated (i.e. one hectare). This helped him move into the 'intermediate layer', and gave him possession of land and capital. Then, with four members of his household, he started cultivating the *Khet* land intensively. Besides producing cereals such as paddy and wheat, he also started producing vegetables (cauliflowers, tomatoes, cabbages, beans, chilies, onions, spinaches, garlies, etc.), because taking these products to the market had been eased by new transport linkages. He started earning more than NRs. 200,000.00 per year from the seasonal vegetable production. Over these endeavours, he was supported by the government's agricultural unit, which helped in training him and providing seed inputs for vegetable cultivation. With the change of his economic condition, he also started to hire agricultural labourers during the peak times of agricultural operations (this was in addition to the utilisation of domestic labour and mutual labour exchange).

These qualitative observations support the fact that the land reform measures helped this smallholder peasant to become a petty commodity producer. Gradually, the story of his success with vegetable production for the markets spread far and wide in the village. He was eventually given the status of a 'lead farmer', whose role is to train other willing peasants in the rural municipality in vegetable production, by the local government agricultural unit. He also now coordinates between the local government agricultural unit and interested peasants in provisioning technical advice. Of late, this smallholder has also taken a lead role in establishing a 'vegetable collection centre' where the local vegetable producers can bring their products. He collects all the vegetable products and plays a coordinating role in selling to the wholesalers (who could also be middle men), and ensures that fair prices are paid to the producers (since he receives information about the market prices in the semi-urban and urban centres on a daily basis). He charges a small amount from the local producers' sales income (i.e. up to 5 %) as his transaction cost. This is a clear example of 'accumulation from below'. In the past, individual farmers were flagrantly cheated by middle men, who would demand minimal floor or farm-gate prices and would pocket

a substantial amount of profits (at times 100%) from the sale of vegetables. This has now changed in this particular village.

Thirdly, the case of emerging capitalist farmers is important. A *Brahmin* rich peasant from Ward number five of Itahari sub-metropolitan city, Sunsari district, in the eastern *Tarai*, had around 5 hectares of land and two houses in the core city area. He has rented-out one house to a big NGO and a local cooperative, and earns around NRs. 75,000 per month from the rental business. He has a share at the private hospital close to the city and a cooperative amounting to NRs 1500,000.00. In 2008, he established a private company called “Koshi Agriculture Research Farm” and bought 12 hectares of land in Prakashpur, a sub-urban area of the vicinity. The land had belonged to smallholders and local indigenous people (such as the *Tharus*, *Rais*, and *Limbus*). Each of these people had less than 0.5 ha of land. He paid nominal prices to these smallholders. For instance, the price for one *Bigha* of land (which is 0.67 ha) ranged from NRs. 140,000 to NRs. 180,000. He also owns a land plotting business worth more than NRs. 2 million, which is financially supported by private commercial banks in the name of real estate development. Since he already has ‘accumulation’ from his house rent and land plotting business, he possesses a considerable amount of surplus. It is useful to note how he managed to acquire so much land for low prices.

Given the fact that the land is close to a major river (the Koshi), he created trepidation amongst smallholders by claiming that their land was liable to be swept away by floods at any time. Believing him, the smallholders thought that it was good for them to get a minimum price for the land, rather than being in perennial danger of potential land damage. After the rich farmer bought these lands at cheap prices, he constructed a strong embankment at the river, so as to protect the land. Since he is also a political cadre and has close connections with government officials, he got the money for the embankment from a government-supported river training programme of the disaster management sector. Given the proximity of the river and the abundance of public lands for grazing, he started a livestock-raising business on a commercial basis (a function of the appropriateness of the place). So he raised cows and buffaloes by hiring the same local people who had sold their land to him. After this alienation from their land, these ex-smallholders began living near the local urban market and working as daily wage labourers. This is a glaring example of proletarianisation in the process of commercialisation of agro-livestock production under

capitalism, and also a clear case of de-peasantisation. The only property the ex-smallholders now own is their labour power. Meanwhile, the rich farmer took a loan worth NRs. 1 million from a commercial bank, by pledging the same land as collateral, which he spent buying 50 cows and 50 buffaloes. Now these indigenous *Tharu*, *Rai* and *Limbu* people are working as his livestock farm labourers on a salary basis, which is hardly NRs 10,000 per month. This is an example of agricultural labourers being brought under the employment of the capitalist farmer. The farmer has also started vegetable farming, fish farming, and poultry farming with his loan support. He employs more than 20 staff members, including a ‘manager’ of the farm.

The price of land has already gone up more than 500 times by now - a function of land development for real estate businesses and commodification. The farmer earns NRs. 100,000 per day by selling 1,000 litres of milk. He also earns another NRs.100,000 per day from the fish, livestock, and vegetable production. He hesitantly revealed to the researcher that his net profit is more than NRs. 50,000.00 per day from his commercial farm production. Due to this good financial status, his son was able to secure a visa to study in the USA. The farmer has already bought land and a house in Kathmandu by investing a hefty sum of his income. He has also secured partnerships with many other businesses in Itahari. His case is the clear example of the ‘accumulation from above’. Since the promotion of commercial agriculture has been accorded a top priority in the current agriculture development strategy, the government regards these kinds of changes a ‘modernisation of agriculture’, with clear implications for de-peasantisation.

Regarding the production of cash crops in the context of class analysis, both middle class peasants and rich peasants (along with commercial farmers/commodity producers) in the study districts produce mostly cash crops, such as tobacco, sugarcane, jute, coffee, cotton, potatoes, vegetables, etc. for the domestic and international markets. To a lesser extent, smallholders (including sharecroppers and tenants) have also been found to be engaged in producing these cash crops for the local markets on a very limited scale, so that they can utilise the income accrued from the sale to meet their household needs, and bear the cost of general expenses such as the children’s schooling, medical expenses, the repayment of loans, and so on. More often, commercial farmers of the *Tarai* have been heavily involved in producing cash crops and livestock products on an

‘expanded scale’ (as commodities) through the utilisation of agricultural labourers (including the seasonal labourers from India, employed due to the local labour scarcity triggered by emigration).

While the majority of these farmers are rich peasants or landholders, the role of middle class peasants in the production of such cash crops is no less important to consider. This is clear in the case of sugarcane in the study districts of the central *Tarai*. There, many middle class peasants have given up cereal production, which is very labour intensive and oriented towards subsistence. Due to the perennial household cash-crunch situation and the labour-intensive nature of the production, such peasants thought that switching to sugarcane cultivation would be economically remunerative to them. Sugarcane production would also be less labour-intensive, since the *ratoons* of the sugarcane yield crops for a minimum of three years. The income from the sale of sugarcane would then be used for meeting household needs. A small number of successful middle peasants of the *Tarai* have begun such production on a commercial scale. Coffee and potatoes are basically produced by all types of peasants in the Hills, but the scale of production by middle class and rich peasants is proportionately higher.

In the process of furnishing this analysis on the class structure of rural Nepal, an effort has also been made to present a succinct analysis of the farming status of surveyed households having agriculture as the major occupation. The field survey shows that the highest number of tenant households is in the *Tarai*. Though *Tarai Brahmins and Chhetris* are not usually the actual tillers, they comprise 16.1 percent of formally registered tenants, followed by *Tarai Dalits* (16 %), *Tarai Janajatis* (13 %), *Madeshis* (12.3 %), and *Muslims* (9.2 %); these groups are the main cultivators of the land. *Pahadi Brahmin-Chhetris* make up the lowest proportion (0.7 percent). However, there is an overlap between tenants and owner-tillers, in that some rural people have small plots of agricultural land while also renting-out land from landlords. In total, 74.9 percent of households own land but also till the land of others; the other 25.1 percent are totally landless, and usually work as sharecroppers, tenants, or agricultural labourers. It should thus be noted that some households in the survey indicated more than one farming status, as reflected in Table 6.3.

Table 6.3: Farming Status of Households Having Agriculture as the Major Occupation

Caste/Ethnicity		Total households with agriculture as key occupation	Farming status			
			Tenants	Owner-tillers	Share-croppers	Public land tillers
<i>Pahadi Brahmin/Chhetri</i>	Count %	1043	7 0.7%	851 81.6%	64 6.1%	263 25.2%
<i>Tarai Brahman/Chhetri</i>	Count %	87	14 16.1%	76 87.4%	11 12.6%	2 2.3%
<i>Pahadi Janajati</i>	Count %	828	51 6.2%	658 79.5%	58 7.0%	200 24.2%
<i>Tarai Janajati</i>	Count %	2960	384 13.0%	2204 74.5%	1252 42.3%	975 32.9%
<i>Pahadi Dalit</i>	Count %	350	1 0.3%	197 56.3%	53 15.1%	162 46.3%
<i>Tarai Dalit</i>	Count %	400	64 16.0%	196 49.0%	116 29.0%	59 14.8%
<i>Muslim</i>	Count %	174	16 9.2%	120 69.0%	57 32.8%	13 7.5%
<i>Madhesi</i>	Count %	880	108 12.3%	736 83.6%	75 8.5%	24 2.7%
Total	Count %	6722	645 9.6%	5038 74.9%	1686 25.1%	1698 25.3%

Source: Field Survey, 2016.

Nepali agriculture is in transition from feudalism to capitalism. There have been some notable efforts to eliminate systems of bonded labour such as *Kamaiya*, *Haliya*, *Harawa*, *Kamalari* (in which a girl-child works as a semi-bonded labourer for a landlord or rich family), and *Charawa*, which are all remnants of slavery continued from the heyday of feudalism in Nepal. Despite the formal liberation from such bondage, these ex-bonded labour groups are still controlled by landlords (rich peasants/capitalist farmers) due to their economic powerlessness and vulnerability triggered by their landlessness or near-landlessness in a predominantly rural economy controlled by the landed elite class of society. Despite a number of political changes made after 1951, the hierarchical social structure based on class, caste, and ethnicity is continuing in Nepal, and it impinges upon agrarian life as well. Thus, tenants, sharecroppers, and agricultural labourers

remain at the bottom of an entrenched social hierarchy, with the landowning class and business elites at the top (Beteille, 2007:154). In the past, elite groups bought land for agricultural livelihood, but now they are buying lands for speculation, real estate, or commercial farming in the context of neo-liberal economic development, which treats land as a ‘commodity’.

6.2.1 State Support and Subsidies

The marginalised status of peasants (including low-caste peasants) can also be seen in the case of state support and subsidies, and agricultural loans, which have been mobilised largely for promoting the interests of rich peasants who are in effect capitalist farmers. The field survey shows that government support goes primarily to landlords (rich peasants/capitalist farmers) or middle class peasants. The reasons for this start at the very beginning of the loan-acquirement process: the possession of land certificates is a key prerequisite for obtaining government services or subsidies, which poorer sharecroppers and tenants often lack. In order to access government services/subsidies, sharecroppers and tenants thus have to submit either their own land certificates (for those tenants who are also smallholders) or they have to obtain and take land certificates from the landlords with the latter’s consent (Pyakurel and Upreti, 2011). The second option is, in fact, not possible for most sharecroppers or tenants, as most landlords do not allow this to take place. It follows, then, that most peasants, tenants, and sharecroppers are deprived of government services for the promotion of their own agricultural activities (Tamang et al., 2015).

Prior to the promulgation of a new constitution in Nepal in September 2015, a Committee of Agriculture Development and Environmental Protection was formed by Village Development Committees (VDCs) and Municipalities for the promotion of agriculture. The function of this committee was meant to develop and implement programmes benefitting agrarian communities. FGDs with peasants have subsequently revealed that it takes one entire day to visit most of the VDC offices, Municipalities or Agriculture Service Centres to even find out about these programmes or their details. Hence, even those with land certificates are faced with daunting obstacles when trying to secure government support or subsidies. Furthermore, government support is only for peasant groups or farmers’ cooperatives, such that those who are unorganised (which is often the very poor) are denied any support. This has serious implications for peasant

production. For instance, since peasants cannot afford chemical fertilisers, pesticides, or improved seeds, they are compelled to regularly leave the land barren, or to give it to those who are investing for commercial purposes.

These peasants are also not fully aware of the monetary value of the basic subsidy given by the government of Nepal or agricultural offices. From the state budget for agricultural promotion, one person is, in fact, supposed to receive (only) Rs 81 (USD 0.80); and still, the government is not able or willing to earmark funds for peasants.⁷⁰ In 2016, the then Chairperson of the Parliament Committee on Water and Agriculture noted that the government allocated one billion Nepali Rupees to cover the overall subsidy for farmers, but only NRs. 117,000 was actually spent in the fiscal year of 2014/2015. He added that the problem is not the availability of resources, but budget under-utilisation, which arises from lack of access peasants in villages have to these government services. He further argued that the main challenge relates to the inefficiencies of the state bureaucracy and the prevailing institutional mechanisms of government resource-sharing. In addition, the state's advertising and exposure of available agricultural support programmes take place in workshops and meetings which do not reach the ears of the peasants (Tamang et al., 2015). An unjustifiable portion of the state's budget for agricultural programmes is also spent on administrative costs during workshops, meetings and exposure visits. It is interesting to note that India and China give more significant subsidies to smallholders, such that the agricultural products of Nepal cannot compete with their foreign agricultural products. As a result, the agricultural sector in Nepal is always in a trade deficit.⁷¹

One of the key problems is that the Committee of Agriculture Development and Environment Protection consists of party *apparatchiks* (a member of a political organisation), who themselves tend to receive government support, though they do not invest in agriculture. This, in part, explains why marginalised peasants, sharecroppers and tenants do not have access to agricultural offices even in their respective villages and districts. Corruption around the subsidies is rampant such that

⁷⁰ Interaction programme on "Land, Food and Agriculture Rights" organised by CSRC and Oxfam on 14 February 2015 at SAP Phalcha, Kathmandu.

⁷¹ Views of Bamdev Gautam, Vice-chair of UML, expressed on "Land Issues in Nepal and Way- forward" at an interaction programme organised by the UML's Land and Agriculture Department on 15th Sep. 2016 at Hotel Himalaya, Lalitpur.

close relationships with the relevant agricultural offices often ensures subsidies by way of a bribe (Pyakurel and Upreti, 2011). In general, because the government's agricultural programmes tend to entail coordination between rich and powerful farmers, political leaders, and government officials, peasants as well as low-caste and indigenous people have great difficulty in accessing them. The reality of rural Nepal is that 'one who is not a peasant gets the programme in the name of the peasant'; in other words, though land reform in Nepal is meant to benefit marginalised farmers, it often entails the very opposite.⁷² To give one example marked by scandal, the Sikta irrigation scheme in mid-western district catchment area in Kohalpur, Banke has been completed, but the whole Kohalpur area is now to involve urban infrastructural developments (including housing) with no meaningful investment in irrigation.⁷³

6.2.2 Accessing Agricultural Loans

Commercial banks are typically established for the economic and political elites and are located in urban areas. There are no banks in the rural areas⁷⁴ and, in any case, access of the rural poor to commercial loans is exceedingly limited (Rokka, 2004:155-174). During the course of the fieldwork, it became known that 200 peasants had applied for bank loans but only 19 gained access to these agricultural loans. Such loans are potentially of great importance for peasants but, overall, political leaders (who may have no experience in agriculture) do not seem to understand the necessity of support for peasant production⁷⁵ and the sheer complexities of trying to cultivate land. The Agricultural Development Bank and Small Farmers Development Bank were established in the 1980s to support peasants in their agricultural production but their support has, for the most part, benefited middle and upper-class people (i.e. capitalist farmers/commodity producers); these banks need collateral but poor peasants especially share-croppers and tenants do not have any land for collateral purposes.⁷⁶

⁷² Views of Barshman Pun, Maoist Leader and Ex-Finance Minister, expressed on "Policy of Land and Agriculture" at an interaction program organised by NLRG and NFGF 15 July 2015, Indreni Banquet, Banaswar.

⁷³ Views of Gagan Thapa, Chair of Agriculture and Water Parliament Committee, expressed on "Policy of Land and Agriculture" at an interaction program organised by NLRG and NFGF 15 July 2015, Indreni Banquet, Banaswar.

⁷⁴ Views of Bharat Mohan Adhikari, Ex-Finance Minister and UML leader, expressed on "Policy of Land and Agriculture" at an interaction program organised by NLRG and NFGF 15 July 2015, Indreni Banquet, Banaswar.

⁷⁵ Views of Lal Bahadur Airi, Correspondent of Kantipur TV expressed on "Six Decades of Land Reform in Nepal" at an interaction programme in Doti, organised by Public Policy *Pathasala*.

⁷⁶ Views of Shusila Gahrtri Chhetri, Nepali Congress Cadre of Doti, expressed at an interaction programme on "Six

In a discussion with the Assistant Manager of the Agricultural Development Bank at Biratchok, Morang District, eastern part of *Tarai*, it was made clear that poor people were often excluded from using the services of the bank due to the criterion about the ‘source of income’, which needs to be shown for obtaining loans. In other words, in order to receive a loan, the bank insists on evidence of the monthly source of income. Without solid proof of a regular monthly income stream, the applicant is ineligible for a loan. He also added that there are only a limited number of offices of the Agricultural Development Bank in each district and they cannot provide services to all farmers. For instance, in Okhadunga district, there is only one Agricultural Development Bank office; it takes two days for a poor peasant living in the rural parts of the district to travel to the district headquarters (where the bank is located) to apply for a loan. If any peasant receives a loan, he or she has to pay interest on a monthly basis at the office. It is extremely difficult for the peasants to visit the bank every month (because if the amount of interest is around Rs 1,000, the transportation and accommodation expense would be Rs 4,000). Hence, there is no real benefit, only a cost, for the peasants in applying for and receiving a loan from the Agricultural Development Bank.

The bank official stressed the importance of collateral and that there is no culture amongst banks to give loans without collateral. Most smallholders or tenant farmers are unable to show evidence of sufficient collateral for the bank loans. Further, if any peasant was able to receive a loan from the Agricultural Development Bank, he/she would need to open a bank account with a minimum balance of Rs 5,000 as well as pay a service charge of 1.25 percent including the expenses of registration and commission. He openly admitted that smallholders, sharecroppers and tenants are simply unable financially to visit, and then revisit monthly, the Agricultural Development Bank.⁷⁷ In this same context, when landlords visit banks, they are provided loans quite easily and within 3 to 7 days.⁷⁸

Decades of Land Reform in Nepal” organised by Public Policy *Pathasala*.

⁷⁷ Discussion with Mr. Bholanath Khatiwada Assistance Manager, Agriculture Development Bank, Biratchok, Morang District on 10 November 2016 at his office.

⁷⁸ Views of Muhamad Safik, leader of Sadbhavana, expressed at an interaction programme on “Land Issues in Madesh” organised by UNDP, IOM on 3rd April 2016, Birgunj, Parsa.

Rather than the practice of the traditional money lending system such as the *Dhikur* (rotating credit association and its credit-related activities) among the *Thakalis* of the western Hill/Mountain of Nepal (a practice that is mostly illegal now), the survey carried out for this academic study found in rural areas the predominance of savings and credit groups organised by both government and non-government sectors and local co-operatives (both general and commodity specific). The locals have their memberships and are required to make monthly contributions as per their financial statuses. These institutions channel credit among the members of the groups at 18 percent interest rates. The poor peasants, and at times the middle peasants too, have benefitted to some extent from these institutions.

One of the consequences of the marginalisation of peasants, though, is that they turn to moneylenders, and may lose their land due to exorbitant interest rates charged by the same. Referring back to the time before 1990, FGDs revealed that peasants who had taken a loan of Rs 100 in that period had had to pay 10 *Pathis* of paddy annually as interest (around 55-60 kilogrammes, the value of which was five times higher than the principal amount). The FGD peasants also said that because the interest accumulated, up to two-thirds of their cultivated goods had to be submitted to moneylenders to pay the interest. Further, when they experienced food deficits, they needed to borrow food-grains from landlords or moneylenders. This meant that sometimes they were compelled to work at the homes of landlords (i.e. moneylenders) as domestic labourers and sometimes they were even obliged to give their daughters to them as *Kamalaris* (girl-child servants). Evidently, about 80 percent of the surveyed rural people had been compelled to take loans from informal institutions, which charge exorbitant interest rates. Government policy does not allow for more than a 10 percent interest rate in cash and not more than 25 percent in kind. This is provided for in the Lands Act of 1964 but has not been implemented on behalf of poor peasants. Thus, the produce and earnings of poor people contribute to enhance the income of landlords and moneylenders.

This clearly shows that peasants are forced to take loans at exorbitant interest rates from moneylenders, landlords, or local shopkeepers, which undercuts their capacity to engage in viable cultivation. In failing to pay back the high interest loans, peasants at times have to give up their already meagre lands and end up landless (Tamang et al., 2015). This reinforces the impression

that the duty of the cultivator is to satisfy the landlords and those in alliance with them, and to accept all kinds of injustices for the benefit of landlords, rather than to claim their land-based rights and pursue an agricultural livelihood in the process (Thapa, 2000). In fact, due to the debt bondage system and eviction from (or confiscation of) land due to loan accumulation, large numbers of peasants have migrated to India, especially to Asham, Bengal, Bihar and Uttarakhand (Regmi, 1999). As per Table 6.4, the fieldwork indicated that around 21 percent of peasants are taking loans from moneylenders and around 35 percent are taking loans from local financial institutions (which exclude mainstream banks like the Agricultural Development Bank). No peasants received subsidies and loans from government.

Table 6.4: Loan Taken from Financial Institutions and Moneylenders

Loan from FIs (including local cooperatives)	Response	Number	%
	Yes	4835	34.7
	No	9090	65.3
Total		13926	100%
Loan from moneylenders	Response	Number	%
	Yes	2010	20.9
	No	11013	79.1
Total		13,926	100%

Source: Field Survey, 2016.

Note: FI= financial institution.

There is, as indicated, minimum access to credit markets for poor peasants living in rural areas. Under the tenancy system whereby peasants pay a fixed agricultural rent, peasants are expected to access their own inputs (such as seeds and fertilisers) but because they lack property for purposes of collateral for loans, they struggle to access inputs (Basnet, 2013). If they need financing for inputs, and they are unable to obtain credit from other sources, invariably they have to turn to their landlords, who impose exorbitant interest rates. Though there are some small local cooperatives formed by women or other peasants in specific locales which might facilitate loan access, peasants still need to show proof of land as collateral or some form of group-based collateral. Given the

limited collateral available, any forthcoming loan tends to be quite limited as well. In the end, the absence of land and citizenship certificates in the possession of peasants inhibits access to loans (Adhikari, 2010:55). The tenants and sharecroppers present during the FGDs generally did not have citizenship cards or collateral for obtaining loans from mainstream financial institutions. Although there was a Small Farmers Development Programme (SFDP) in existence to facilitate peasant access to banks, in the end, this programme tended to benefit the better-off peasants and smallholders.

Landlords then are in a position to use cash to lend at high interest rates or at times to invest in land, while peasants remain heavily dependent on landlords. Peasants, in fact, have to spend any extra cash available in managing or overcoming food deficits. This ends up maintaining the unequal distribution of wealth in rural areas (Sharma and Domini, 2012:11). Insofar as peasants receive loans, the end result is often an inability to pay back loans, and a change in rural status from peasants to agricultural labourers. All poor rural people of Nepal are vulnerable to such processes of proletarianisation. While the loan system brings extraordinary profits to small numbers of creditors, the vicious cycle of debt leads – for the rural poor – from temporary debt burdens to at times permanent alienation from the land (Levine, 1988:214). Ultimately, members of peasant households who lost their land have two choices: either leave the village, or accept the status of bond-servant.

This problem of high interest loans, the poor becoming bonded labourers, and peasants leaving or abandoning the land, is particularly pronounced amongst low-caste groups, but it is not a strictly ethnic or caste issue, as there are also intra-ethnic dynamics. For instance, *Subba* was the title given to those within the *Limbu* ethnic group who used to collect money from Limbu peasants; likewise, *Chaudhary*, the title for tax collectors in the *Tharu* community, had been engaged in the same act vis-à-vis the *Tharus*. So, even within ethnic groups, there were and are hierarchies and class divisions. Two rich *Subbas*, for example, in the eastern part of Nepal, had owned considerable *Kipat* land, controlling it through mortgages and exorbitant interest rates (Levine, 1988). In the western districts, such as Dang, Banke, Bardiya, Kailali and Kanchanpur, it was also found that *Tharus* peasants acted as *Kamaiyas* (semi-bonded labourers which existed until 2000) for the *Chaudhary*. Until quite recently, the system of *Kamalari* (girl-child bonded labourers) prevailed

in many communities of mid and far-western *Tarai* of Nepal where the *Tharu* landless peasants had to send their daughters to stay and work for rich *Chaudhary* landlords and other wealthy Brahmin-*Chhetri* migrant households.

6.2.3 Promotion of Rent-Receiving Class in Land

Evidence shows that those who own land do not work on the land and those who have no land ownership work on the land, on the basis of informal tenancy, sharecropping, and contracts/leases. This entails, if not by design, the promotion by the state of a rent-receiving class. Table 6.5 shows, by development region, that up to 25 percent of households rented land in Nepal, mainly for subsistence. In terms of the three geographic/ecological regions, a higher proportion of people (25 percent) in the *Tarai* region rented land under sharecropping, informal tenancy, and leasing arrangements. The same table not only shows that 22.4 percent of poor peasants are renting land in Nepal, but that 11.9 percent of rich landowners are also renting land. In the latter's case, though, they are doing it for commercial business purposes, to facilitate the production of agricultural commodities for the market, embedded within the objective of generating profits. For the most part, doctors, lawyers, engineers, business-people, government bureaucrats, and political cadres are buying up land, not investing in it, and simply renting it out or receiving a share of the production generated by the actual tillers. It is mainly the poorest of the peasants, as the Table indicates, who are renting-in land because of their landlessness.

The increasing prevalence of landlessness is also evident from the drop in number, over the past two decades, of rural people who are self-employed in agriculture (for example, family farming) and not dependent upon access to wage labour, with there being a drop from 70.7 percent in 1995/1996 to 61.3 percent in 2010/2011. At the same time, there have been remarkable changes in wage employment across the agricultural and other economic sectors. The share of wage earners in the agricultural sector has decreased from 53 percent in 1995/96 to 35 percent in 2010/11 while the share in non-agricultural wage-employment has increased from 47 percent to 65 percent during the same period (see Table 6.6). Those who have been unable, increasingly, to farm on their own plots are either renting-in land from landlords or, if turning to wage labour, becoming employed

in the non-agricultural sectors of the Nepali economy. This is a clear indication of ‘de-agrarianisation’ in progress.

Table 6.5: Total Operated Own Land and Rented-In Land

Development Region	Operated own land	Rented-in land	Total in %
Eastern Region	75.2%	24.8%	100
Central	81.8%	18.2%	100
Western	82.2%	17.8%	100
Mid-western	89.9%	10.1%	100
Far West	82.7%	17.3%	100
Ecological Region			
Mountain	87.8%	12.2%	100
Hills	86.2%	13.8%	100
Tarai	75.1%	24.9%	100
Urban/Rural			
Urban	72.1%	27.9%	100
Rural	82.5%	17.5%	100
Class-wise rented in land			
Poorest	77.6%	22.4%	100
Less poor	79.0%	21.0%	100
Average	80.5%	19.5%	100
Less rich	83.0%	17.0%	100
Richest	88.1%	11.9%	100

Source: Nepal Living Standards Survey 2011/2012, Central Bureau of Statistics, National Planning Commission Part Two, Table 9.8, P. 16.

Table 6.6: Wage Employment and Self-Employment

Description	1995/96	2003/2004	2010/2011
Share of agriculture in wage employment	53.0%	37.0%	35.0%
Share of non-agriculture in wage employment	47.0%	63.0%	65.0%
Share of self-employment in agriculture (smallholders)	70.7%	64.3%	61.3%

Source: Nepal Living Standards Survey 2011/2012, Central Bureau of Statistics, National Planning Commission Part Two, Box 12.1 & 13.1 pp. 52 & 62.

Table 6.7 shows the different sub-classes of peasants with access to land in Nepal, ranging from 0.1 hectare to more than 15 hectares. Those with less than 0.1 hectare fall under the landless class, and those with between 0.1 and 0.5 hectare fall under the label of smallholders. In the case of *Tarai* specifically, more than 50 percent of peasants have less than 0.5 hectares. This clearly illustrates the skewed land ownership structures in the *Tarai* region of Nepal. Another key issue is that more than 24 percent of *Tarai* landlords (i.e. rich peasants) have more than 1 hectare of land and 6.8 percent hold over 2 hectares of land (whereas, in the Hill region, only 15% have more than 1 hectare of land). In the context of Nepal, land ownership and structures of the class-caste system support the landlords in accumulating both economic and political domination.

Table 6.7: Agricultural Land Holding (in ha)

Area	Less than 0.1	0.1 to 0.25	0.25 to 0.50	0.50 to 1	1.0 to 2.0	Over 2	Total
<i>Tarai</i>	11.2	18.5	20.7	24.9	17.9	6.8	100
Hill	8.1	18.6	28.5	29.0	13.2	2.6	100
Himal	3.4	17.2	28.3	31.3	16.7	3.2	100
Total	9.1	18.4	25.2	27.4	15.5	4.4	100

Source: Nepal Living Standards Survey 2010/2011, Census Report Part Two. Table 9.5, p. 13.

The fieldwork in the *Tarai* districts provides an understanding of the root causes behind the economic situation of *Harawas*, *Charawas*, *Kamaiyas* and *Haliyas* as well as other agricultural

labourers, notably from the lower castes. In the first instance, the landlessness of peasants historically has meant that they were compelled to work for others (landlords), even though they are the producers of agricultural wealth. They became dependent upon their masters for meeting their basic economic requirements (Dhakal, 2007). In this regard, there have been structural and legal restrictions placed on them in terms of owning the land they cultivate. This includes the requirement of citizenship certificates as the precondition for owning/registering land, which, in turn, cannot be obtained unless proof of ownership of land is shown. It also includes the official regulation requiring documentary evidence of ploughing of land for tenancy claims, which is ubiquitously denied by landlords.

Landlessness often forces peasants to become bonded or agricultural labourers and, consequently, exploited by the elite ruling class. This bondage even compels them to serve their masters at times from an early age, which does not allow them to attend or complete their schooling (a function thus of economic exclusion). Hence, an entire generation is denied education along with access to alternative viable economic opportunities. As a corollary of this, generation after generation, these groups are forced to accept their fate within a societal structure which continuously reproduces (albeit in different forms) the agrarian *status quo*. In the past, Nepal was a feudal country where land and power were strongly interconnected but, increasingly, this is also connected to market forces which have played an instrumental role in the burgeoning commodification of land. In noting these challenges for peasants, and the possible transformation of them into agricultural labourers, it is important to reiterate that these are magnified challenges for the poorer sections of lower caste groups in Nepali society.

6.3 Caste and Ethnicity

As noted earlier, the detailed field survey was conducted in 2016 in nine sampled districts of Nepal. These districts included three mid-western districts (Dang, Banke and Bardiya), two central *Tarai* districts (Mahottari and Sarlahi), two eastern *Tarai* districts (Siraha and Saptari) and two eastern Hill districts (Udayapur and Okhaldunaga). The survey shows that the highest number of agricultural labourers are *Tarai Dalits* (65.76 %) followed by *Pahadi Dalits* (49.07 %) and *Muslims* (47.28 %). In terms of involvement in agriculture (as peasants), 62.02 percent of *Pahadi*

Janajatis are so engaged, followed by *Pahadi Bramin-Chhetris* (55.87 %) and *Tarai Janajatis* (53.22%) (see Table 6.7). *Pahadi* and *Tarai Janajatis* are mostly involved in agriculture due to fewer opportunities in the service sector and their low educational levels, triggered by poor economic conditions.

Overall, out of a total 13,926 surveyed households, 6,722 (48.27 %) had adopted agriculture as their main occupation. In addition, 5,370 (38.56 %) households depended upon agricultural labour. The survey shows that 38.56 percent of households have been de-peasantised, becoming bound to sell their labour power and become agricultural labourers to secure the means of household reproduction. Another 13.44 percent have been ‘de-agrarianised’, in the sense of being forced out of the agricultural sector to become workers in the service sector, migrant workers, petty traders, and porters. The largest concentration of these de-peasantised households are amongst *Tarai Dalits* at 65.7 percent (1,189) followed by *Pahadi Dalits* at 49 percent (527), and *Muslims* at 47.3 percent (217) (see Table 6.8).

In this respect, Table 6.8 gives a tabular representation of caste/ethnicity, agriculture, occupation and de-peasantisation in Nepal. It shows the interlinkages between the caste-based hierarchy and the class-based hierarchy. We see that the lowest class and castes are being de-peasantised, while the middle class/castes are subject to processes of de-agrarianisation. Since members of the middle classes have proper access to education (due to more secure landownership), many gradually migrated to urban areas in times of need. Lacking the same sort of ownership or security, the lower peasant castes-classes have been compelled to rely continuously on access to their landlords’ land, perpetually vulnerable to the possibility of being evicted (due to a lack of tenancy rights), as well as to becoming agricultural labourers. In Nepal, de-peasantisation and de-agrarianisation are taking place simultaneously alongside the further establishment of the capitalistic economy.

Table 6.8: Household Occupation of the Surveyed Communities by Caste/Ethnicity

Caste/Ethnicity	Family Occupation							Total
	No answer	Service	Agri-culture	Agri-cultural labour	Migrant work (unskilled)	Carpentry/masonry	Petty trading/portering	
<i>Pahadi Brahmin/Chhetri</i>	11 (0.59)	148 (7.93)	1043 (55.87)	482 (25.82)	76 (4.07)	9 (0.48)	98 (5.25)	1867 (100.00)
<i>Tarai Brahmin/Chhetri</i>	0 0.00	17 (9.39)	87 (48.07)	70 (38.67)	1 (0.55)	0 0.00	6 (3.31)	181 (100.00)
<i>Pahadi Janajati</i>	3 (0.22)	47 (3.52)	828 (62.02)	309 (23.15)	110 (8.24)	17 (1.27)	21 (1.57)	1335 (100.00)
<i>Tarai Janajati</i>	8 (0.14)	99 (1.78)	2960 (53.22)	2059 (37.02)	119 (2.14)	125 (2.25)	192 (3.45)	5562 (100.00)
<i>Pahadi Dalit</i>	14 (1.30)	25 (2.33)	350 (32.59)	527 (49.07)	57 (5.31)	21 (1.96)	80 (7.45)	1074 (100.00)
<i>Tarai Dalit</i>	24 (1.33)	18 (1.00)	400 (22.12)	1189 (65.76)	102 (5.64)	23 (1.27)	52 (2.88)	1808 (100.00)
<i>Muslim</i>	1 (0.22)	5 (1.09)	174 (37.91)	217 (47.28)	27 (5.88)	2 (0.44)	33 (7.19)	459 (100.00)
<i>Madhesi</i>	1 (0.06)	45 (2.74)	880 (53.66)	517 (31.52)	120 (7.32)	13 (0.79)	64 (3.90)	1640 (100.00)
Total	62 (0.45)	404 (2.90)	6722 (48.27)	5370 (38.56)	612 (4.39)	210 (1.51)	546 (3.92)	13926 (100.00)

Note: Figures within parentheses indicate percentages.

Source: Field Survey, 2016.

6.3.1 Land Tenurial Status of the Peasants in Terms of Caste and Ethnicity

The field survey also shows that, out of 6,722 agricultural households, 1,295 (19.26 %) have been registered as tenants, and thus are legally eligible to claim 50 % of tilled land, as per the land ceiling measure. In the case of the *Tarai* region, this means that registered tenants are only eligible to receive 2.7 hectares, with any tenants with access to more than 2.7 hectares not being eligible under this tenancy arrangement. At the same time, landlords are entitled to 6.7 hectares. Of those eligible for tenancy rights, and indeed receiving such rights, there is a predominance amongst the more literate ones who have an enhanced awareness of their rights as tenants.

Table 6.9 shows that the highest number of total tenants are amongst the *Tarai Janajatis* (52.3 %), followed by *Tarai Dalits* (19.2 %), *Madeshis* (17.4 %), and *Pahadi Janajatis* (4.9 %). Overall, the

highest number of tenants and sharecroppers come from the *Janajatis*. Given the overall small percentage of registered tenants, it becomes clear that many caste groups are subject to processes of de-peasantisation. Besides these tenants, and those tilling their own land, most other groups are marked by insecure land tenure or have become agricultural labourers.

Table 6.9: Number of Households Engaged in Farming by Type of Tenurial Status and Caste/Ethnicity

Caste/ethnicity		Tenant	Share cropper	Owner-tiller	Tiller of public land	Owner-tiller & renting-in peasants	Agricultural labourer	Freed <i>Kamaiya</i>
<i>Pahadi Brahmin/Chhetri</i>	Count %	10 0.8%	130 4.7%	1318 15.7%	707 15.7%	191 7.7%	774 18.5%	8 1.9%
<i>Tarai Brahmin/Chhetri</i>	Count %	34 2.6%	24 0.9%	120 1.4%	18 0.4%	19 0.8%	25 0.6%	0 0.0%
<i>Pahadi Janajati</i>	Count %	64 4.9%	87 3.2%	876 10.4%	508 11.3%	141 5.7%	716 17.1%	8 1.9%
<i>Tarai Janajati</i>	Count %	677 52.3%	179 2 64.9%	3704 44.2%	2128 47.3%	1627 65.7%	1576 37.7%	383 90.5%
<i>Pahadi Dalit</i>	Count %	2 0.2%	100 3.6%	356 4.2%	729 16.2%	120 4.8%	260 6.2%	3 0.7%
<i>Tarai Dalit</i>	Count %	249 19.2%	370 13.4%	601 7.2%	258 5.7%	198 8.0%	531 12.7%	6 1.4%
<i>Muslim</i>	Count %	34 2.6%	116 4.2%	235 2.8%	85 1.9%	73 2.9%	62 1.5%	2 0.5%
<i>Madhesi</i>	Count %	225 17.4%	142 5.1%	1175 14.0%	66 1.5%	107 4.3%	239 5.7%	13 3.1%
Total	Count %	1295 100.0 %	2761 100.0 %	8385 100.0%	4499 100.0%	2476 100.0%	4183 100.0%	423 100.0 %

Source: Field Survey, 2016.

In the year 1912, the largest number of significant land taxpayers were *Tharus* (an indigenous group in the *Tarai*). But in 1960, the *Tharus* were mostly illiterate (barring a few exceptions from the landed gentry-class), and hence did not have any significant awareness about the land regulations of the 1960s. At the same time, the *Tarai* region had suddenly become opened up to new settlements by the elimination of malaria, which led to migrants from other regions moving in and grabbing land (Pyakurel and Upreti, 2011). For instance, the *Pahadiyas* (the migrant upper

caste people) became the first to pay the land tax to the land revenue offices in the region, which developed and consolidated their position as landlords. This process played a crucial role in turning 80 percent of *Tharus* into tenants, sharecroppers, and agricultural labourers on land largely owned by *Pahadiyas*. By the mid-2000s, 90 percent of agricultural land tilled by the *Tharus* had come under the control of the *Pahadiyas* (Fusikura, 2006:189). Thus, these *Tarai Janajatis* were in the past landlords, but within three generations had become landless due to the extractive character of the state alongside feudalistic social and economic institutions and practices. The intent of the Lands Act of 1964 was to redistribute land acquired after the imposition of the land ceilings (Sharma, 2012). This one example shows the manner in which unequal landholdings and landlessness were actually preserved, because of the ongoing political-economic power nexus. Peasants and tillers, especially indigenous people like *Tharus* and agricultural labourers (*Tarai Dalits*), remain for the most part deprived of their legally-given rights (including registration in the case of tenants).

6.3.2 Caste/Ethnicity and Landlessness

In the past, some groups were landless due to their low caste and ethnic status, which was embodied in the state's civil code for the first time in 1854 under the *Rana* regime and legitimised later by other state policies and programmes. Though eliminated now in terms of law, these systemic differences still exist in practice and animate Nepali society. Despite the difficulty of making unqualified generalisations, the term '*Tarai Dalits*' is in the main synonymous with the term 'landless' (Upreti, Sharma & Basnet, 2008). This situation of landlessness prevails as well among some indigenous people, such as a sizable segment of the population of the *Tarai* ethnic group (the *Tharus*, *Rajbansis*, *Santhals* and others). The people belonging to the lower economic rung in these ethnic groups are largely agricultural labourers, including bonded labourers. Before 1990, the ruling classes had established a relationship with specific families and caste groups to sustain their power, and gave the responsibility of generating tax revenues or of working as state intermediaries to for instance the *Chaudhary*, *Subba*, *Rai*, *Talukdar*, *Dware*, *Mukhiya* and *Jimidar*. Those who had close relationships with the state and landlords became a privileged class within a particular indigenous or ethnic group. This is seen in the case of the Kathmandu Valley's indigenous *Newars* (which was also caste-stratified), many of whom were involved in trade and

became economically prosperous over time, and bargained with the state for some form of power. Non-literate *Newars* were, in large part, landless, including agricultural labourers, tenants, and sharecroppers, and they were subordinate to state and ruling class directions. Some specific groups like *Harawa*, *Charawa*, *Kamaiya* and *Haliya* became landless especially due to debt bondage and dependency on the landlords (Dhakal, 2007). These groups mostly represent *Dalits* and *Tharu* (indigenous groups of *Tarai*).

Based on the fieldwork conducted as part of this study, Table 6.10 shows that the highest number of landless people in the *Tarai* are *Janajatis* (42.8 %) followed by *Tarai Dalits* (17.9 %), *Pahadi Dalits* (15.5 %), and *Madeshis* (8.3 %). Thus, the *Tarai's* indigenous people, such as the *Tharus* and *Tarai Dalits*, have been subjected to pronounced processes of de-peasantisation, followed by *Pahadi Dalits* and *Madeshi* people. More specifically, the population of *Tarai Tharu Janajatis* is high in the western *Tarai*, and they are amongst the most de-peasantised people, losing their land and being turned into agricultural labourers.

The highest number of people from landless households live in *Gaun* (village) block land (sometimes also called public land) which is made cultivable by them. *Gaun* block land is unregistered land on which a number of households have constructed their houses on small plots. As higher caste landowners needed agricultural labourers or some iron work done, they brought these *Dalits* or indigenous people and put them on this nearby block land, or pushed them off their land and onto this land during the 1964 land reform programme. In the *Tarai* in particular, a large number of landless households are found in these blocks (Upreti et al., 2008).

Tarai Jajajatis (such as the *Tharus*) and *Tarai Dalits* are sharecroppers for landlords in the *Tarai*. They had in the past deforested some areas of *Tarai* for cultivation purposes, but the extractive land system led to them becoming mere sharecroppers or existing on *Gaun* land mainly as labourers (Gaze, 1975). People from the higher castes and classes often insult and threaten those that live on public land, which the former seek to use for purposes of grazing cattle. As indicated already, the status of sharecroppers, tenants and labourers in Nepal's social structure is a lowly and widely-despised one, certainly from the perspective of the landlords. Most of those on *Gaun*

land do not have electricity in their homes, as they do not have land certificates or legal proof of land access.

Table 6.10: Number of Landless Households by Caste/Ethnicity

Caste/ethnicity of the households		Total households	Number of landless households	Number and settlement status of landless households		
				Households settled in Gaon block	Households settled in public land	Migrant households
<i>Pahadi Brahmin/Chhetri</i>	Count %	216 8.1%	46 5.6%	1 0.2%	47 10.0%	25 16.8%
<i>Tarai Brahmin/Chhetri</i>	Count %	21 0.8%	3 0.4%	1 0.2%	1 0.2%	2 1.3%
<i>Pahadi Janajati</i>	Count %	237 8.9%	46 5.6%	18 3.2%	42 8.9%	16 10.7%
<i>Tarai Janajati</i>	Count %	1046 39.1%	352 42.8%	209 37.2%	292 62.1%	45 30.2%
<i>Pahadi Dalit</i>	Count %	277 10.3%	127 15.5%	3 0.5%	65 13.8%	35 23.5%
<i>Tarai Dalit</i>	Count %	426 15.9%	147 17.9%	128 22.8%	14 3.0%	13 8.7%
<i>Muslim</i>	Count %	81 3.0%	33 4.0%	31 5.5%	2 0.4%	2 1.3%
<i>Madhesi</i>	Count %	373 13.9%	68 8.3%	171 30.4%	7 1.5%	11 7.4%
Total	Count %	2677 100.0%	822 100.0%	562 100.0%	470 100.0%	149 100.0%

Source: Field Survey, 2016.

Some of them do have land certificates given by the Landless Problem Solving Commissions (LPSC) but still government offices have not recognised them legally for reasons unknown to these tenants. Those without land certificates have to deposit Rs 10,000 (which is around USD 100) if they want electricity connected to their homes. Such people have no land-based social identity and they are without social, economic and political status in their respective communities. They also have no representation in local agencies responsible for designing and implementing development activities – a function of their poor economic status. Since they do not have a secure livelihood, they are compelled to accept low wage labour rates and high interest rates for loans, and at times contribute free labour to the landlords just for access to sharecropping or tenancy.

Most of the *Tarai* land has been made cultivable by the *Tharus* or *Tarai Dalits* but the Rehabilitation Company of the state has not provided them with ownership over that very land.⁷⁹ *Mushars* (*Tarai Dalits*) are the permanent inhabitants of the *Tarai* but they have been landless for the last three generations. If there were no *Mushars*, agricultural activity in the *Tarai* would not exist; yet, they themselves remain landless and homeless.⁸⁰ Those who do not have land cannot afford to go to a Gulf country as migrant workers; they have been limited to becoming migrant workers in India only.

6.3.3 Caste/Ethnicity and Women's Land Ownership/Access

Nepali society historically and today is patriarchal, and landholdings are still predominantly controlled by male members of families. The patriarchal system has deep roots in land ownership structures where land is mostly held by the father (or father-in-law) of the family. In a feudal social structure, landownership is the source of power at the household level.⁸¹ In Nepal, more than 90 percent of rural women are engaged in agricultural production, contributing to all stages of the agricultural production process from farming to marketing (Karki and Basnet, 2012). Women are the primary source of labour in small and medium farms, and even in large farms, their labour contribution is equivalent to that of men. However, women rarely have legal ownership of the land they till. According to the 2011 population census, only 19.71 percent of women own land and fixed property in the country. Their main access to land is through their relationship with their male relatives, such as husbands, sons, fathers, and/or fathers-in-law. This means that women are considered secondary owners of land, which is owned legally by male patriarchs. Without a certificate of ownership of land, they are not viewed as peasants or farmers, and are instead perceived as home-workers by the government and the general public at large. At the heart of all this, thus, lies women's unequal rights to land in Nepal which remains, in fact, one of the most unequal in all of South Asia (Karki and Basnet, 2012).

⁷⁹ Views of Baidhanatha Chaudhary, UML CA Member, expressed at the interaction programme with political parties on 8 November, 2014.

⁸⁰ Discussion with Mr. Bhola Paswan, Land Rights Activist of CSRC on 11th November, 2016.

⁸¹ Plenary discussion on "Kinship Studies in Nepali Anthropology" workshop organised by the Central Department of Anthropology, TU on 30th September 2016 at Local Development Centre, Lalitpur.

Although the government of Nepal has made attempts for land reform, they have not been completely effective in improving women's access to – or ownership of – land. This is certainly the case with the Lands Act of 1964 and its subsequent revisions. In general, this Act was enacted to provide land to tenants and secure the tenancy rights of tillers. However, the Act was not able to institute any sort of women-centric land reform (Sharma, 2012). As per the amendment of 2001, though, the word 'daughter' has been inserted after the word 'son', appearing in sub-clause (2) under the definition of a 'family': before 2001, then, land rights litigation in Nepal did not even recognise women as tenants. Table 6.11 shows that only 16.9 percent of rural women have independent rights of land and 5.7 percent of couples have joint land ownership. In total, it seems that around 22 percent of women have land, but in reality, agriculture has been increasingly feminised due to the emigration of male members, as youths have migrated mainly to Gulf countries as well as to Malaysia to work as labourers and earn remittances.

Table 6.11 also shows that women's land ownership is the highest amongst the *Tarai Bramin-Chhetris*. In this respect, it is not uncommon for a man to buy land in the name of his wife to protect his landholdings, due to the fear of sharing property with immediate or extended family members, and thus land and assets are retained ultimately by him. Also, given the fact that *Tarai Bramin-Chhetri* and *Pahadi Bramin-Chhetri* are groups whose members are likeliest to own land above the stipulated ceiling, it is clear that these men maintain land in their spouses' names to save their land from confiscation by the state; in reality, these women do not control the land which is simply legally or *de jure* kept under their control. The highest number of male-female joint ownership arrangements is found among the *Madhesis* and *Madesh Janajatis* in the context of a policy provision around tax rebates. In 2011, the government of Nepal had encouraged the buying of land as joint property by men and women. The field survey evidence also clearly demonstrates discrimination of land ownership among women within the *Pahadi* grouping.

Table 6.11: Caste/Ethnicity Distribution of Households in Relation to Women's Ownership of Land Property

Caste/ethnicity of the households		Women's Land Ownership			Total
		Men single	Women single	Joint	
<i>Pahadi Brahmin/Chhetri</i>	Count	1302	488	77	1867
	%	69.7%	26.1%	4.2%	100.0%
<i>Tarai Brahmin/Chhetri</i>	Count	105	65	11	181
	%	58.0%	35.9%	6.1%	100.0%
<i>Pahadi Janajati</i>	Count	1148	161	26	1335
	%	86.0%	12.1%	1.9%	100.0%
<i>Tarai Janajati</i>	Count	4694	553	315	5562
	%	84.4%	9.9%	5.7%	100.0%
<i>Pahadi Dalit</i>	Count	993	66	15	1074
	%	92.5%	6.1%	1.4%	100.0%
<i>Tarai Dalit</i>	Count	1346	330	132	1808
	%	74.4%	18.3%	7.3%	100.0%
<i>Muslim</i>	Count	340	100	19	459
	%	74.1%	21.8%	4.1%	100.0%
<i>Madhesi</i>	Count	849	593	198	1640
	%	51.8%	36.2%	12.1%	100.0%
Total	Count	10777	2356	793	13926
	%	77.4%	16.9%	5.7%	100.0%

Source: Field Survey, 2016.

In Nepal, despite women's overwhelmingly high engagement in agriculture as labouring classes, they have hitherto limited legal ownership of land in Nepali society. In the absence of certificates of ownership of land, they are socially treated – as indicated – as domestic workers by the government of Nepal and not as *Kishans* (peasants), thereby officially diminishing their contribution to the agrarian and national economy. Three points are relevant here. Firstly, gaps are discernible in policies regarding women's rights to land. For instance, the Eleventh Amendment of the *Muluki Ain* (national civil code) of 2002 still retains discriminatory clauses towards women. Although women have rights over their ancestral property either as a daughter or wife, in practice, they cannot socially compel their parents to give them their share of property while their parents and husbands are alive. Secondly, traditional and patriarchal mind-sets still exist in rural communities, which is hindering full-fledged implementation of any new policies that might

enhance the position of rural women. For instance, cultural stigma promotes the belief that sons are ‘future caretakers of parents’, whereas daughters are married off into another family (Sharma et al., 2016). As a result, regardless of what the laws say, it is only sons who are considered authentic heirs, which acts as an obstacle for women to inherit family land and property. Thirdly, there is a lack of gender-sensitive programming and practices within the government system. There is no budget allocation for programmes to secure women’s land rights at local or district levels. In addition, there is limited outreach by the government with reference to the existing provisions to promote tenure security of women on land. As a result, many women have not been able to take advantage of the legal provisions set for them (Sharma et al., 2016). Nonetheless, the current constitution of Nepal, promulgated in September 2015 includes a provision on gender equality, including in terms of property rights. More specifically, daughters/wives/sisters are not constitutionally discriminated in the regime of property, and this has been manifested in some recently codified acts governing the public life. However, the implementation remains to be seen in a deeply patriarchal society.

6.4 Conclusion

This chapter provided an analysis of class and caste in the context of the land and agrarian structure of Nepal. It highlighted, along class lines, the ways in which the peasantry as a whole has been subjected to processes of marginalisation, and it then went on to examine more specifically the interrelationship between class and caste, noting the ways in which ‘lower’ caste groupings are disproportionately located amongst the peasantry. Thus, processes of de-peasantisation are particularly pronounced amongst lower caste people. This includes transitioning to the status of agricultural labourer (or non-agricultural labourer), or cultivating on the land of landowners under highly insecure sharecropping or informal tenancy arrangements on a short-term basis. This came out quite clearly in the surveyed districts studied during the fieldwork. The largest concentration of de-peasantised households, therefore, exists amongst the *Tarai Dalits*, *Pahadi Dalits*, and *Muslims*, who are increasingly becoming common labourers. Though not central to the thesis, it was also highlighted that women amongst the peasantry are particularly disadvantaged in terms of access to land and agricultural livelihoods.

To a lesser extent, this chapter also noted the ways in which the land reform measure has helped smallholders become peasants of the ‘intermediate layer’, and then petty commodity producers (an example of ‘accumulation from below’). Similarly, there has also been analysis of how the state’s agricultural and credit policies have been geared towards commercial production, which employs agricultural labourers (‘accumulation from above’ in the case of commercial farmers). The chapter that follows will turn to a more focused analysis of the post-1990 period in Nepal, where reform was carried out under conditions of neo-liberal restructuring; the focus of the chapter will be on the ways in which this restructuring has led to further de-peasantisation.

Chapter Seven: Neo-Liberal Restructuring and Commodification of Land

7.1 Introduction

In 1985, Nepal accepted a Structural Adjustment Programme (SAP) imposed by the WB and the IMF, and supported by other financial donor agencies like IFAD and ADB. The SAP was introduced in the guise of political and economic reforms which would ensure poverty reduction and strengthen good governance. In this context, in 1992, the new democratic government, unilaterally formed by the Nepali Congress (one of the oldest democratic parties) officially adopted a neo-liberal macro-economic framework based on marketisation and commodification. This chapter examines the multiple dimensions of the neo-liberalisation taking place in Nepal, and the ways in which it relates to the lives and livelihoods of peasants. These dimensions include the commercialisation of agriculture, the marketisation of land, and the financialisation of land transactions (with a burgeoning real estate industry being central to this). Urbanisation is also pronounced, in part because of the Maoist insurgency which created insecurity in rural villages, but also because of urban-centric infrastructural development (for example, in relation to water, health, and sanitation) along with a decline in livelihood possibilities within the agrarian economy, especially among smallholders, tenants, and sharecroppers. The state and political parties have not been detached from these processes, and have at times encouraged and taken advantage of them for selfish gain. Overall, these various dimensions of neo-liberalisation can be understood as entailing processes of commodification. In all this, there is some evidence of de-agrarianisation but the main focus will be the consequences of neo-liberal restructuring for de-peasantisation.

7.2 Global-Local Interface

Neo-liberal policies of monetisation, deregulation, liberalisation, and privatisation were first introduced in advanced capitalist nations and subsequently pursued and implemented throughout Latin America, Africa and Asia (Khanal, 2012:3). Initially, this entailed the introduction of SAPs and then a range of post-SAP neo-liberal macro-economic packages along the lines of the Washington Consensus. The World Trade Organisation (WTO), with its main focus on trade liberalisation or 'free trade', was central to global restructuring along neo-liberal lines (Rokka,

2004). One of the mechanisms used by the WB and IMF to facilitate neo-liberalisation in Africa, Latin America and Asia was the adoption at national levels of a *Poverty Reduction Strategy Paper* (PRSP). Though some nations sought to block this process, Nepal readily accepted the implementation of a PRSP. The main objective of a PRSP was to enforce property rights, promote private sector investment, generate employment, and deregulate the market mechanism, treating the latter as the foundation for economic growth and supposedly poverty reduction, with the Nepali state expected to bring about governance reforms to facilitate all this (Rokka, 2004).

Against this backdrop, Nepal's neo-liberal economic policies created an open environment for foreign investment, which contributed to the expansion of private corporations and financial institutions (and even private hospitals) consistent with the acceleration of privatisation and profit-generation (Borras, 2006). It is notable that the Nepali state accepted the neo-liberal restructuring, including specifically the SAP and PRSP, without any consultation and discussion with parliament and civil society organisations (CSOs), let alone ordinary people and peasant organisations. In this sense, this restructuring was imposed on Nepali society by the WB and IMF with the approval of the ruling party (Rokka, 2004). The protection of property rights and the privatisation of landed property are clearly of direct relevance to the lives and livelihoods of peasants; yet, as indicated, peasant organisations were not afforded the opportunity of engaging in discussions around neo-liberalisation. As we shall see, peasants were adversely affected by the neo-liberal policy, and neo-liberalisation programmes directly contributed to the de-peasantisation process in Nepal.

In fact, under neo-liberalisation, large-scale farming and market-led land and agrarian reform have been prioritised all over the world as a staple of the new global economic system; in so doing, there has been a de-emphasis on systems of small-scale family farming and the peasant economy more broadly (Borras, 2006: 99). More specifically, the introduction of special economic zones of all sorts under privatisation, along with related processes, has led to the treatment of land as a commodity to be freely bought and sold in the marketplace (Kumar, 2011). In fact, land is increasingly being commodified in line with the project of urbanisation, the marketisation of real estate, and the commercialisation of agriculture, leading to the possibility that any vestiges of a peasant economy (or an agricultural system with peasants as smallholders, tenants and

shareholders) may be transformed into an agrarian market economy increasingly reliant on agricultural wage-labourers.

In this context, the Ministry of Industry in Nepal formulated a new Industrial Policy in 2010 which prioritised the promotion of private investment, both domestic and foreign, to accelerate industrialisation in Nepal (MoI, 2010). This policy provided many facilities and incentives to new investors including tax concessions and rebates. A Foreign Investment and Technology Transfer Act, as amended on at least two occasions, was aimed at ensuring a favourable economic and political environment for foreign investors in Nepal. Simultaneously, changes were taking place with specific reference to agriculture, which was still marked by significant feudalistic characteristics when neo-liberalisation began.

Before 2002, the regular five-year development plans (which began in 1956) did not include any significant references to 'land issues' and 'the rights of peasants'. However, the tenth such plan, which ran from 2002 to 2007, contained a Land Reform and Management Programme which highlighted the need to maximise land utilisation, implement land information and land management systems, and enhance agricultural productivity; a series of agenda points effectively aligned with the interests of the middle or rich class peasants in particular (Khanal, 2012). The plan also made reference to a rehabilitation programme for freed *Kamaiyas* (ex-bonded labourers), to ensure that they acquired a basis for alternative livelihoods. Under the *Three-Year Interim Plan* (2007-2010), the Land Reform and Management Programme focused on ending the long-established feudal-types of land ownership and related agricultural patterns, with the goal of these reforms being to increase land and agricultural productivity, as well as to grant land rights and access for landless people, tenants, and freed *Kamaiyas*. In a similar vein, the 2010-2013 and 2013-2016 *Three Year Periodic Plans* supported the commercialisation of agriculture, the formation of a land use policy, and the updating of survey maps to allow for a proper land management system (CSRC, 2017).

All these interim and periodic plans, while making occasional reference to peasants, did not outline and explain specifically the land rights of tenants, sharecroppers, and smallholders in the context of a meaningful land reform programme. In this regard, the ADS, as formulated with donor

assistance and approved by the Council of Ministers in 2015, laid stress on the commercialisation of agriculture (with cash crops as a priority) and the development of a competitive agricultural industry instead of promoting and sustaining the peasant economy (Forest Action, 2016). The ADS totally ignores the crucial question of peasants in relation to land and agriculture.

Generally speaking, neo-liberalisation globally tends to involve the pursuit of a ‘one-size-fits-all’ or universalised conception of development, which is regularly insensitive to national contexts and histories. In practice, of course, in being implemented within very diverse national conditions, it tends to take on specific characteristics within each context. In the case of Nepal, neo-liberal restructuring has been imposed upon a country struggling to emerge from its feudal past, involving economic and political systems of extraction, and a marginalised and disenfranchised peasantry. Despite the nagging need for land redistribution of some significance in Nepal, the land reform agenda has been left in limbo and, as a corollary of this, the issue of “social equity” has been abandoned, thus paving the path for the further peasant marginalisation and de-peasantisation.⁸²

7.3 Land as Individual Property in New Constitution

The Constitution of Nepal of 2015 guarantees the right to property and also recognises land as individual property. The Constitution’s Part 3 on Fundamental Rights, Article 25 Clause 1, states that “[e]very citizen shall, subject to laws, have the right to acquire, enjoy, own, sell, have professional gains, and otherwise utilise, or dispose of property”. This clause gives full authority and protection of property rights in land to individual owners. Clause 2, however, mentions that the “[s]tate can take the property, especially land, for the public purpose and development”, and Clause 3 goes on to note that “[i]n the case when the land of a person is confiscated according to clause (2), the basis of compensation and the relevant procedure shall be as prescribed by Act and regulation”. Article 25 as a whole makes it clear that the state seeks to increase the productivity of land, to modernise agriculture, and to bring about urban development, and that any attempt to obstruct the role of the state in this regard goes contrary to its constitutional mandate (Basnet, 2016). The constitution does not provide any clear message about the significance of land reform

⁸² Dr. Yuwaraj Khatiwada, Vice Chair of Planning Commission Member, Government of Nepal, National Land Policy Consultation organised by Ministry of Land Reform and Management on 8 Jan. 2013.

on behalf of marginalised peasants such as tenants, sharecroppers, and smallholders. Crafted in the neo-liberal age, it appears that the constitution places greater emphasis on civil and political liberties rooted in a private property regime (including commercialisation of agriculture) at the expense of redistributive measures and the socio-economic rights of the rural poor.

Regarding the article on property rights, the new Constitution hence recognises land as individual property, not as state property or communal property (Basnet, 2016). Since agricultural land becomes subject to such private property-centered provisions under private titling (and is protected as such on this basis), the door leading to meaningful land distribution seems to be shut. Effectively, land redistribution as part of a broader land reform process is locked under the terms of the constitution into a market-driven mechanism, despite any claims in the constitution about a commitment to a socialist-oriented economic system. In a socialist economic system, land is not recognised as individual property and it gives only ‘use rights’ under the control of the state. Further, the Constitution neglects the land rights of communities or of indigenous people, who for decades have tilled and cultivated land and made it productive. It fails to even recognise customary practices like *kipat*, which has long been practiced in Nepal. As per such customary practices, land is controlled by the community and not by individuals (CSRC, 2017). This new arrangement under the constitution goes contrary to the situation in a number of other countries, including in Africa, whereby customary land and practices are given some level of priority in the respective constitutions. Land in Nepal, therefore, has become increasingly commodified under private titling, and becomes a source of profit through various means.

From 2008 to 2015, there was an enormous debate on the issue of ‘compensation’ or ‘no compensation’ with regard to land owned over the land ceiling. Land Rights Forums (LRFs) mobilised large numbers of marginalised peasants, tenants, sharecroppers and smallholders against compensation. If the constitutional provision allowed for compensation to property-owners for the seized land over the ceiling, there would be no justice to marginalised farmers, especially to those who have made the land cultivable. The Maoists also initially supported a ‘no compensation’ policy, but eventually they chose not to take any specific position on the matter when the Constitution was being drafted and finalised. Most of the other parties, including Nepali Congress (NC) and Communist Party of Nepal-United Marxist-Leninist (CPN-UML) accepted that land was

now individual property and made the ‘no compensation’ position into a human rights issue: to deny compensation would entail a human rights violation as it would entail outright confiscation. The Constitution in the end contained a provision for compensation for all kinds of lands. For land destined for development activities, it was stated that the “[s]tate can confiscate land with enough compensation” (CSRC, 2017).

This shows that Nepal has a land-based power structure and economic-political power nexus based on the interests of rulers, landlords, and, increasingly, commercial property-owners. Historically, land grants were mainly limited to the priests, religious teachers, soldiers, and members of the nobility and the royal family, and they became the foundation of social and political life until political change in 1950 (Khanal 2012, Karki 2002:6) and in certain ways even until now. Besides *Shahas*, *Ranas* and *Thakuris*, the key beneficiaries of these land grants were *Brahmins*, *Chhetries*, *Newars* and *Madheshis* of higher castes. In other words, ethnic minorities and *Dalits* were not included in the process of making such land grants throughout the history of Nepal. In a significant manner, each new Constitution tended to be devoid of historical memory and the deep historical injustices experienced by peasants in the pre-neoliberal era. Justice to the marginalised peasants who have cultivated the land and grown food crops for Nepal’s population was not forthcoming. The new Constitution simply legalised and legitimised past land dispossessions, and has set the basis for the further entrenchment of land displacements in the present and future (CSRC, 2016). Given the massive rise in land prices, compensation will be quite substantial. Further, under market-led land redistribution, the state would unlikely be able to afford to purchase land to distribute on behalf of marginalised peasants.

In specific ways, the constitution embodies the prevailing power structure in Nepali society. In Nepal, an economic-political power nexus remains firm, though it is taking on new forms under neo-liberalisation. To give one example, Shivaraj Pant, a large landlord from Dhangadi, Kailali, sold six *Kattas* of land and then donated NRs 10 million to Far Western University. Subsequently, he was nominated as a council member of this university⁸³. He could, of course, have provided land or even cash to *Kamaiyas* (the ex-bonded labourers) to buy land and put up housing facilities.

⁸³ Nepal Matribhumi Khawar, October 2012. Mr. Pant was appointed as the council member of the University based on his donation.

This is not consistent with his interests, with the power and resources he acquires through becoming a university council member being of greater significance to him. Two other examples are worth mentioning. Ex-Prime Minister, Jhala Nath Kanai, the leader of CPN-UML, who articulated the ‘land to the tiller’ slogan and advocated the ‘rights of the proletariat’, granted around two hectares (37 *ropanis*) of his land in Ilam, in eastern Nepal, to a technical school, not to the tillers of his land. Baldev Sharma Majgaiya, a leader of NC, provided land to the Sanskrit University in Dang in the mid-western region, but likewise never thought of giving land to *Kamaiyas* of Dang. Providing ex-bonded labourers or other marginalised rural people access to their own independent pieces of land means that they step outside the boundaries of the unmediated power of property-owners (Basnet, 2013). Despite this situation, a scholar could also argue that the ‘improvement of educational infrastructure is also positive for the communities’ which cannot be refuted. But the fundamental focus in a political economy approach is upon land, first of all, as it is a critical resource for shelter and livelihood for land-poor people, and only after meeting their bare survival needs can we begin to tackle education in a poverty-stricken country. Hence, in Nepal, land is the source of social and political status and power, due partly to its feudal history, which has direct bearings on the de-peasantisation process and proletarianisation.

In Nepal, land ownership has historically entailed a control regime over rural people, their lives and their futures. Under neo-liberalism, with processes of proletarianisation taking place because of increasing landlessness, rural people become subject to the powers-that-be through their dependence on wage-labour. Local peasant economies and cultures rooted in independent access to land undercut this dependence. The new constitution reinforces the marginalisation and dependence of such poor rural people in new and old ways.

7.4 Promotion of Commercial and Corporate Farming

When Nepal adopted neo-liberal policies in 1992 for the purpose of promoting market-led economic growth, commercial farming was initiated in different parts of the country with the support of WB, ADB, USAID and DFID. In 2004, Nepal was also granted membership of the World Trade Organisation (WTO) to enhance the country’s integration into the global economy on free-market terms. Though neo-liberal policy has been implemented since 1992, corporate

farming only really took off after the Comprehensive Peace Accord (CPA) between the then government of Nepal and Maoists in 2007 (Rokka, 2004). During the conflict period, there was no corporate farming of any significance, but commercial farming more broadly dates back to the restoration of democracy in 1990, with the support of different projects from the international financial institutions, bilateral organisations and international NGOs (INGOs). Corporate farming has thus arisen over the past decade, with ownership of land and agricultural operations gradually being transferred from individuals to corporate organisations⁸⁴.

As of early 2013, a total of 186 industries (agricultural and non-agricultural) were in operation in Nepal and established with the support of foreign development investment, which is also converting agricultural land for non-agricultural purposes.⁸⁵ For instance, a hillock in Ilam district in eastern Nepal has been given to an Indian company for the development of a tea estate by the government of Nepal for a total of 50 years. The Indian company does not declare any profit from the tea estate and does not pay any tax to the government of Nepal (currently, it indicates that it is experiencing substantial losses despite the generation of income). Recently in Nepal, a number of Indian and Chinese companies have been in collaboration with Nepalese companies and individuals and grabbing agricultural land in the name of the generation of employment for Nepali people.⁸⁶

In Nepal, corporate farming began with chicken farming, cattle farming, buffalo farming, and sugar production, but now the entire agricultural sector (or at least commercial agriculture) is moving toward corporate farming by rich farmers and some limited agro-business by the middle class. At times, individual landlords have also sought to move into commercial farming with their own investments, and to move in the direction of a corporate establishment. The move to corporatist farming and other neo-liberal restructuring in Nepal must be seen as well from a gender perspective. Large-scale land deals and other land market transactions affect women and men differently because women and men have different social roles, rights and opportunities. They are

⁸⁴ View of Deependra Bahadur Keshtri, Former Vice- Chair of Planning Commission on an interaction programme organised by NLRf on 'Land Use' on 7 October, 2015.

⁸⁵ Annapurna Post Nepali Daliy, Foreign Investment for Industry, 13 July, 2013.

⁸⁶ View of Ganesh Prasad Bhatta, Joint Secretary, Survey Department, and Ministry of Land Reform on an interaction programme organised by NLRf on 'Land Use' on 7 February, 2016.

differentially affected by any major change in tenurial regimes, including land transfers involving foreign investors. Even prior to such land deals and land restructuring, poor rural women often do not have reliable access to land, secure land tenure, or customary land rights.

7.5 Recognition of Land as a Financial Property rather than a Means of Production

Until 1992, land was the principal resource for the production of food-grains; this land is increasingly being transformed into the commercial property of elite, landed, and corporate groups (Chakravorty, 2013). All three recent constitutions of Nepal (i.e., the Westminster model from 1991 marked by monarchism, the Interim Constitution of 2007, and the constitution of 2015) recognise land as freehold private property. Land is now often used as a financial asset rather than as a site for maximising agricultural production, being held as a way of gaining access to financial loans (Basnet, 2016). Because of this, most of the collateral pledged with banks is land in rural areas. During the fieldwork in 2016/17, it became clear that more than 50 percent of agricultural land is used as collateral at various financial institutions in the names of different businesses and elite groups, who are pursuing commercial activities with loans from these institutions. This means that agricultural land, despite the neo-liberal emphasis on increasing the agricultural productivity and capacity of Nepal, is often used as financial property rather than being seen as a means of production as such.⁸⁷ Whatever use is prioritised with reference to rural property under neo-liberalisation, the land is increasingly subjected to market-mechanism processes of commodification. In this context, any prospect for land redistribution becomes exceedingly bleak.

This process, as well, has had differential impacts on men and women. Due to the commodification of land, smallholders, tenants and sharecroppers are displaced from their traditional village settlements, and many men in particular have been compelled to leave to work either as migrant workers in Gulf countries or in India, with women left behind to work in rural areas, both in production and by taking care of their children and elderly relatives. Due to male emigration to Gulf countries, India, or urban areas of Nepal, rural agriculture has been feminised and women's workload in agriculture has substantially increased. Similarly, migrant workers with better

⁸⁷ View of Dr. Biswa Paudel expressed at an interaction programme on 'Six Decades of Land Reform' during the book launching programme organised by Public Policy Pathasala, January 22, 2016.

remittances and savings are buying land in urban centres for housing, and as a result, the land plotting business is growing exponentially. This has contributed to the displacement of yet more smallholders, tenants and sharecroppers, and increasing numbers of women are compelled to work as wage labourers in their respective rural areas, giving a gendered dimension to de-peasantisation in some areas.

It was also revealed from fieldwork in the study districts that a number of people who have retired from the civil and military services have invested their savings in land for speculative purposes, expecting the market price to rise in the foreseeable future. At the same time, some professional groups have started corporate farming by acquiring large tracts of land. Additionally, there is evidence that politicians, lawyers, policy-makers and government officials are converting ‘black’ money into ‘white’ money through the buying and selling of land. This entails buying land at a comparatively cheap price at first and then reselling it at a higher price while, throughout extended periods of time, the land is kept fallow. These sales are often facilitated by government officials and political leaders in Nepal (Béteille, 2007).

Furthermore, following the peace process, land plotting has taken place on an unprecedented scale. This involves dividing agricultural land into small plots for housing and then selling the plots as housing plots at high prices. The Parliament Committee on Natural Resources sought to issue a directive in 2010 to prevent any further land plotting with regard to agricultural land, but this was vehemently protested by the landed class and land plotters, who highlighted the fundamental individual property rights enshrined in the constitution.⁸⁸ It is notable that Parliament represents these vested interest groups through the major political parties, with these groups generally providing hefty donations to the political parties for their daily organisational activities. Once land is legally treated as financial property and a speculative resource, and as crucial for collateral, the political elites (politicians and bureaucrats), land speculators, and proprietors of commercial/industrial establishments seek to secure greater access to it. As a corollary to this, indigenous people, smallholders, tenants and sharecroppers who have been tilling the land for generations are gradually being pushed off it. This is linked, in turn, to the strident neo-liberal

⁸⁸ View of Dr. Yuwaraj Khatiwada, Vice Chair of Planning Commission Member, Government of Nepal on ‘National Land Policy Consultation’ organised by Ministry of Land Reform and Management on 8 Jan. 2013.

recognition of land under a private titling regime, which undermines the existence of collective or community property (Acemoglu and Robinson, 2013: 76), notably with respect to the property of indigenous people.

The focus is almost exclusively on the property rights of the existing *status quo* or the expanding landed class rather than on the property rights and livelihoods of peasants, tenants and sharecroppers. During the *Rana* (1846-1951) and *Panchayat* (1960-1990) periods, members of the ruling class transferred state-owned land into their own names and the names of their loyalists, which was legalised through the machinations of the existing power nexus (Adhikari, 2008). Neo-liberalisation effectively accepted this historical legacy (including individual property rights without significant agricultural investment) such that this legacy has been reinforced rather than reformed. But it is not only the government which is pursuing this agenda under neoliberal conditions, but also many human rights organisations, which tend to represent middle class interests. Nonetheless, a handful of these organisations represent the lower and middle strata of the peasant class in rural Nepal, and these continue to advocate for the tenancy or land rights of peasants, as they have for more than two decades (see next chapter).

To date, through the market mechanism, a considerable amount of agricultural land has been converted into non-agricultural land, or is being kept fallow for possibly speculative reasons. At the same time, significant numbers of absentee landowners continue to maintain control over their lands, with ongoing feudal-type arrangements with tenants and sharecroppers. This has led to a situation in which the agricultural production of food crops has declined (CSRC/Oxfam, 2013). Thus, though political speech after political speech from government leaders claim that “*Nepal is an agricultural country, in reality, we are surviving on imports*”.⁸⁹ Since land is under freehold titles, the Nepali state, even if it had the political will, would not have the authority to prevent landowners from holding land for speculation or as collateral.

⁸⁹ View of Balkrishana Ghimire, Joint Secretary, National Planning Commission, expressed at the national workshop on ‘Land Management and Food Security Addressing Unutilized Agricultural Land Issue in Nepal’, Staff College Lalitpur on 29 April, 2016.

Due to the growing interest in generating profits from land speculation, agricultural land is being kept fallow by big land owners/plotters and even by the middle class. Put differently, the main objective of land-buying has been for speculation, not for agricultural production. The owners (rich and middle class) have multiple occupations and have enough income for savings, and hence have no interest to cultivate such land. Agricultural production has been decreasing in rural areas triggering food insecurity – a function of this practice. As a result, food dependency on India has been increasing day by day in the form of food imports.⁹⁰ Hitherto, the government of Nepal has no policy to prohibit land fallowing, and hence owners of land have no obligation to utilise land for agricultural production. As a result, speculators have the motivation to buy land and keep it fallow. All this has also been triggering food production deficits in a country with a growing population, leading, predictably, to food insecurity in a number of rural areas.

7.6 Promotion of Extractive Financial Institutions

As indicated earlier, there has recently been an unprecedented explosion of new financial institutions as a function of the adoption of a neo-liberal economic development policy in Nepal. These institutions have also been instrumental in mediating the effects of these policies on the smallholders, tenants and sharecroppers in the rural hinterland. Many of these newer institutions have been pursuing opportunities of extraction from the rural poor in a context in which older commercial banks have not been providing banking services to the rural underclass (Tamang et al., 2015). It was discovered during the fieldwork in 2016/17 that there are more than five financial institutions which have been granting loans to poor people in the area of one Village Development Committee (VDC) or Municipality (both of these being the local self-government units until early 2017). These financial institutions, which are newly established, claim to be working in the name of poverty alleviation and economic upliftment in far-flung agrarian spaces. In obtaining loans, rural people pledge their land as collateral if repayment of the loan is not forthcoming.

⁹⁰ View of Dr. Biswanath Oli, Secretary, Ministry of Environment, expressed at the national workshop on ‘Land Management and Food Security Addressing Unutilized Agricultural Land Issue in Nepal’, Staff College Lalitpur on 29 April 2016.

In reality, these local institutions are merely extracting savings from smallholders, tenants and sharecroppers. In depositing their savings with these financial institutions, local people accrue only between six to eight percent interest for their savings. At the same time, the interest rate on loans from these financial institutions, which is often done on a small group or even community basis, is about triple this figure. Not surprisingly, due to the incessant cash-crunch situation in the rural hinterland and the existence of a multitude of financial institutions, rural people are often forced to take loans from one institution in order to pay back a loan taken from another institution. This, of course, becomes a vicious cycle. Eventually, when they fail to repay the last loan taken from one of the local financial institutions, they end up losing or selling any small plots of land in their possession and become landless. For instance, in a group discussion at Dhaibung VDC Ward number 1 (in Itapare, Rasuwa, the mountain district of Central Nepal), one woman provided the finer details of this:

Financial institutions had said that their interest rate [on loans] is only 18 percent but I found that they take more than 30 percent. I had taken NRs 200,000 as a loan and I am paying Rs 20,000 monthly (over 12 months). When I finish paying NRs 240,000, then I take out another loan again at 30 percent. If I cannot repay the loan, community members become agitated because the loan is obtained on a group guarantee basis, not on the individual collateral. Last month [May 2016], one of the woman members of our group failed to pay the monthly installment. The financial institution and community members called the police and she was kept in custody for three days. Later, she took another loan from a moneylender and sold her small plots of land as a loan repayment. Now she has almost become landless and forced to work as wage labourer. Her household has taken a piece of land from a local landlord on a sharecropping arrangement for her family's subsistence. If we take loans amounting to more than NRs 45,000, we have to pledge land as collateral. In so doing, we have to go to the land revenue office at district headquarters to pledge the land as mortgage. All this involves transaction costs. For instance, we have to pay for transportation, accommodation, the fee of the scribe (i.e., the person writing the necessary legal documents), and the cost of land transfer to the financial institution (which is around Rs 10,000 to Rs 20,000).⁹¹

Financial institutions also take one percent of the loan as a service charge and two percent for insurance on the loan. This means that if a loan of NRs 200,000 is taken out, only NRs 184,132 is, in fact, received. Overall, rural people obtain only about 60 percent of the loan because of the service charge, insurance, mortgage registration, and cost of accommodation, transportation and scribe.

⁹¹ Group discussion, Itapare, Rasuwa, Daibung VDC Ward No 1, on 9th August 2016, on 'Review of Community-Led Reconstruction Programme', Actionaid and NAF.

In Daibung VDC of the same Mountain district, a number of financial institutions were found during the fieldwork. These included *Nirdhan*, *Mirmire* and Reliance financial institutions. Besides these private financial institutions, government-owned financial institutions were also in existence, known as Small Farmers' Development Bank (SFDB) and Cooperatives. These financial institutions also encourage the rural poor to deposit their savings and acquire loans, and there is evidence that only a few peasants were able to repay the loans which they had taken from these government financial institutions.⁹²

Commercial banks are also increasingly investing in real estate. For example, housing loans, which amounted to a total of NRs 47384.60 million in 2011/2012, had gone up to NRs 127877.73 million by 2016.⁹³ This has led to a sharp rise in the conversion of agricultural land into non-agricultural (and often fallow) land, and has displaced smallholders, tenants, and sharecroppers. Thus, through processes of privatisation and monetisation, financial capitalism is intimately involved in shifting land usage away from agriculture through the flow of credit.⁹⁴ This has resulted in sharp increases in the value of land over recent years; in certain places, land valued at NRs 100,000 at the time of registration at the land revenue office a couple of years previously is now priced at around NRs 1 million, with landlords and land-plotters benefiting through land transactions.

These financial institutions are, in large part, extractive, and work with the intent of generating maximum profits; very often, the result of this intervention in rural areas is to render smallholders landless. Even a few middle class peasants succumb to this pauperisation process. Rather than facilitating transactions for the promotion of the peasant economy, loan-centered financial institutions are deepening the process of landlessness and de-peasantisation. In fact, during the fieldwork, rural people shared the view that they were victimised more by financial institutions than by the devastating earthquake of April 2015.

⁹² Usha Acharya, Manager, Reliable Finance Company Kalika, Daibung VDC.

⁹³ Ashish Gyawali, Unproductive Areas- centered Investment, Annapurna Post, Business (April 29, 2016 Friday) p. 1.

⁹⁴ View of Dr. Prem Dangal on 'Development of Mansantro in Nepal' at the interaction programme organised by FACT Nepal on 8th Feb 2014 at Hotel Pacific, Jamal Kathmandu.

In summary, financial institutions give loans to the rural poor with the one hand and extract their earnings with the other hand. Indeed, they often earn double their investments, supposedly as a basis for facilitating economic activities in the rural areas (Chakravorty, 2013: XXIII). During the pre-1990 period in Nepal, peasants were compelled to take loans from moneylenders in order to meet their credit needs, such as for food deficits, celebrating festivals, and arranging marriage ceremonies. Generally, peasants often resorted to handing over their small plots of land to these moneylenders in the cases of failure to repay loans, given the exorbitant interest rates. Today, with neo-liberalism and the flourishing of the financial sector under deregulation, new extractive financial institutions have arisen which replace the local moneylenders. In the end, though, like the old arrangements, the new arrangements are also leading to the dispossession of land from peasants. In the context of Nepal, it seems that one (modern) exploitative institution has replaced another exploitative and extractive institution (Chakravorty, 2013:151). In both cases, land is used for security of loans and most of the poor peasants fail to pay back their loans to either moneylenders or financial institutions or banks, leading to the transfer of land from the poor to the rich.

7.7 Land Price and Marketisation

Discussions with different stakeholders, including government officials, show that there are basically two types of land prices currently prevailing in Nepal. There is the market price (real price of selling and buying land), where the land value is, say, NRs 5,000,000 per *Katta* or *Bigha* (with variations across urban and rural settings), and there is the government price, which is based on an official evaluation of the value of the land, which is the basis for taxation. The government value is generally lower than the market-value of the land. In transferring (or selling) land, it is very common for the government value for the land to be cited in the official transaction. This is done in order to ensure that the tax paid on the purchased land is based on the lower government value instead of the significantly higher market-value, thus leading to a loss of revenue for the Nepali government.

Peasants cannot buy land for agricultural purposes due to the rising price of land, largely triggered by market forces and real estate companies. In this context, peasants of Digiya Banke, in the

western *Tarai*, indicated that during the period between 1974 and 1983, the cost of land was NRs 1,600 per *Bigha* of land. Now the price of one *Kattha* of land is NRs 0.8 million along the roadside and NRs 0.5 million for the same amount of land in the interior part of rural agricultural areas. This means that now, the value of one *Bigha* of land is NRs 1.6 million, compared to NRs 1,600 only 35 years ago. During the conflict period (between 1996 and 2006), Hill people had come to these areas as migrants, as they were forced to leave their villages due to the insecurity resulting from the conflict between Maoist and government forces. They sold the little lands they had at cheap prices due to the insecurity triggered by the decade-long conflict, and migrated to safer places. This influx of people contributed to the rise in the land prices. Hill migrants came with cash funds but the local *Tharu* people did not have access to cash. The locals were often convinced to sell their lands at relatively cheap prices, and, as a result, they were displaced and rendered landless.

However, it is during more recent times that the price of land has really skyrocketed, and for different reasons than immigration. The main cause is the plotting of the land, which has transformed agricultural lands into commercial housing-lots. The economy of land plotting has meant that the indigenous peasants have been pushed off their lands; the rising costs of living mean that they often opt to sell their lands to meet their cash needs (Pyakurel and Upreti, 2011). Very recently, awareness has grown in these areas of the fact that peasant-tenants can have a 50 percent share of the land cultivated under tenancy. But, in terms of actual contemporary practices on-the-ground, landlords give only one-fourth of their land by misinforming the tillers that the tenancy registration arrangement currently in place is the same as the pre-1996 situation (during pre-1996, tillers were only legally entitled to one-fourth of tilled land, but the current legal clause, post-1996, raised this to fifty percent). By literally hoodwinking or swindling the tillers in this way, landlords are selling off land which they are often not entitled to sell, and are doing so at an accelerated pace and receiving high prices, as determined by market forces (CSRC/Oxfam, 2013).

In this way, to reiterate, land is being purchased not for agricultural production but for speculative purposes, or for alternative land uses, notably housing or any kind of corporate business. Additionally, because peasants are unable to purchase land due to prevailing prices, new land owners sometimes rent-out land to the landless on a sharecropping basis. The fact that the price of

land is not set or constrained in any manner by the state in Nepal means that the market mechanism is left unrestrained.⁹⁵ This goes contrary to any imperative to redress historical injustices arising from the feudal era, leaving the landless and land-short peasantry subject to processes of proletarianisation. The fact that both the state and the political parties have not made land reform a key priority issue in Nepal, and treat land almost exclusively as a commodity to buy and sell, devalues the cultural and livelihood significance of land for Nepali peasants.⁹⁶ The state is well aware of the negative consequences of the land market in contemporary Nepal for the rural poor, but it is failing to address it.

To give further examples, over the course of field investigations, respondents in Dang, a western *Tarai* district, claimed that the price of land has phenomenally increased by up to 400 percent in the last 5-10 years. The main factor contributing to this unprecedented rise in the market price of land is the infrastructural development taking place, such as development of hydropower, airports, roads, cement factories, and construction of new premises for government buildings. In this context, there are no longer any restrictions in relation to land purchasers being required to show their sources of income. In the past, before 2011, the LRO would request evidence (based on the policy of the National Bank) from potential buyers of land of income sources of more than NRs 5 million. This has been scrapped by the National Bank in 2014 due to the pressure from land plotters, given that the price of land is increasing constantly. Further, the National Bank Policy with regard to commercial banks now encourages the latter to invest up to 10 percent of their investments in real estate. With more than 70 commercial banks operating in Nepal, the real estate market has been flooded with loans, resulting in a vibrant and competitive real estate market which is constantly pushing up the price of land in the country.⁹⁷ At Bardibas, Mahottari, in the central *Tarai*, participants of a FGD with the District Land Rights Forums (DLRFs) highlighted the escalating prices by noting that they have stopped talking in the millions, and now talk in terms of

⁹⁵ View of Dr. Yuwaraj Khatiwada, Vice Chair of Planning Commission Member, Government of Nepal at the interaction programme on 'National Land Policy Consultation' organised by Ministry of Land Reform and Management on 8 Jan. 2013.

⁹⁶ View of Dr. Yuwaraj Khatiwada, Vice Chair of Planning Commission Member, Government of Nepal, at the interaction programme on 'National Land Policy Consultation' organised by Ministry of Land Reform and Management on 8 Jan. 2013.

⁹⁷ Nagarik Daily. August 15, 2016, news on 'Fearful Price Hike on Land', Republica Publishers, Kathmandu, Nepal.

in billions, since it now costs more than one billion for a *Bigha* of land (0.67 hectare), making the land unaffordable for peasants.⁹⁸

During interaction in a land dialogue programme organised by UNDP in Pokhara, Kaski district, in western Nepal, in May 2016, participants brought to the fore the following:

The area which was marginal farmland three decades ago has now been converted into a city only for rich people; and middle and smallholder peasants, tenants and sharecroppers are totally being displaced and de-peasantised. Only rich people can buy the land in Pokhara, which is unaffordable for peasants or poor people. The price of land has increased by more than 500 percent within a seven year period. When Pokhara was the valley for agriculture, government invested large amounts from the budget for the irrigation canal but now it has become the city of richer people, making the earlier investments of the government in irrigation a wastage of resources.

Studies show that the price of land in Nepal is determined by utility, which is identical with profitability in the age of neoliberalism (Chakravorty, 2013:140-141). What is discernible in Pokhara (now a tourist city) is that peasants are being converted into labourers, including within the city's service sector, such as at hotels. The cost of land in Pokhara city has meant that many of the rural poor have migrated to rural areas of Chitwan, a *Tarai* district in central Nepal.

During fieldwork in 2015, the Chief of the District Agriculture Development Office (DADO) in Chitwan estimated that around 300 hectares of land was already plotted for home-lots by real estate companies in the 2012/2013 fiscal year, but that no development had taken place. At the same time, it was noted that smallholders, tenants and sharecroppers do not have any incentive to invest in agricultural production, because they know that they can receive substantial amounts of money far beyond any agricultural earnings if they sell their land instead. In addition, the burgeoning urban development taking place in the area drives landless people into urban spaces. Earnings for agricultural wage-labourers are comparatively low compared to wages in the urban construction and transport sectors, leading agricultural labourers to migrate into urban spaces.

Even agriculturally-active landowners are at times struggling to keep their businesses profitable in the face of neoliberal restructuring, and hence they pay very low wages to their labourers (Khanal, 2012). The costs of inputs such as seeds, fertilisers, and pesticides, and the absence of stringent

⁹⁸ View of the members of DLRF Mahottari during discussion on the 'Land Issues and Land Plotting in Mahottari' on 12th November, 2016.

regulations protecting Nepali agricultural produce from cheaper imports (including unfettered imports of Indian agricultural produce through the open border), is working to drive agricultural wages down. Such circumstances have compelled some agricultural landowners to sell their lands to real estate companies at a price many times higher than the value of crops cultivated over a number of years; these profits are pocketed by the landowners, and the lands are converted into housing zones (CSRC and NGO Federation, 2010). Landowners obtain unusually high rates of returns from their lands because they work as a ‘hedge fund’. These processes, as spurred on by neo-liberalisation, are insensitive to the long-term consequences for food production and food security, and how they cripple the lives of land-tillers.

7.8 Land Plotting and Development Projects

The combination of neo-liberal policies and the decade-long conflict between the Maoists and the government (1996-2006) led to a rural-to-urban (or semi-urban) exodus, which was directly responsible for the boom of the real estate business (at the expense of agricultural production).⁹⁹ The investment policy of the banking institutions has also facilitated the unprecedented increase of ‘land speculation’ by real estate businesses and their land-plotting ventures. Inquiries revealed that such institutions provide five to ten times larger loans to these businesses than they do to agricultural ventures.

Furthermore, the banks’ loan policies, along with the government’s neo-liberal policies, has given birth to *Bhu-mafiya* - literally the ‘land-mafia’, an ironic label for land brokers who act unscrupulously - who engage in land-plotting for profiteering purposes at the expense of the historically much-trumpeted land reform for genuine peasants.¹⁰⁰ These brokers are the main actors in the land-plotting and sale business and they pocket substantial profits from their land dealings. Now even the land set aside for different industries during the implementation of land reform in the mid-1960s (in an effort to legalise the land above the ceiling set by the government) is being

⁹⁹ View of Dr. Hari Dahal, Ex-joint Secretary, Ministry of Agriculture, expressed at the national workshop on ‘Land Management and Food Security Addressing Unutilized Agricultural Land Issue in Nepal’, Staff College, Lalitpur on 28 April 2016.

¹⁰⁰ View of Giriraj Kathayat, Nepali Congress Cadre, Kailali, expressed at an interaction programme on ‘Six Decades of Land Reform in Nepal’, in Dhangadi, Kailali, organised by Public Policy Pathasala.

plotted by the new owners (CSRC/Oxfam, 2013). This includes the plotting, for instance, of the tea estate of Jhapa in the eastern *Tarai*, which was once owned by the ex-royals, who sold it in order to purchase land in another site. More specifically, the government of Nepal gave its approval to sell the land of the original tea estate and to purchase land for another tea estate in Dhankuta, a Hill district. In reality, it was only a way to sell the land at a high price in Jhapa and buy the land in the Hill area at a cheaper price, which contributed to the de-peasantisation of the Hill peasants.

From the fieldwork, it became clear that a plot of land is generally bought and sold three or more times a year. Rural people have been choosing plotted land which is accessible to roads, has proper water and sewage facilities, or is far away from their place of origin (so as to avoid long-term conflicts with neighbours). Even these transfers of land between the rural poor are subject to land-plotting transaction costs arising from the role of land brokers. The market-oriented model, though, has mostly tended to involve land transfers amongst the economic and political elites.¹⁰¹ Whatever the character of the land transaction, field evidence shows that land-plotting does not only enrich some, but also entails the use of hooligans or thugs who have links with the police, government officials and political parties. For instance, one participant from the focus group discussion from Bardibas, Mahottari, stressed that there is no possibility of plotting land without political backing and hooligans. For the plotting of land, members of this group said that four conditions basically need to be met: (i) political party's backing; (ii) hired hooligans; (iii) the manipulation of government officials; and (iv) the exchange of ill-gotten money.¹⁰² This shows that the main actors involved in land plotting and its acceleration are the cadres of political parties, moneyed people, hooligans, and government officials. All these actors are contributing to the plotting of land in all regions and districts of Nepal, generally at the expense of the rural poor.

In recent times, 17,837 hectares of land over a three-year period have been plotted and sold in the Western Region for housing or business purposes. Table 7.1 shows that in the year of 2015/2016 alone, 298,128 hectares of land in the Western Region's 16 districts have already been plotted, as shown by government records; it also shows the loss of agricultural output arising from this. This

¹⁰¹ View of Bijaya Kunwar, Planning Commission Member, expressed at the national workshop on 'Land Management and Food Security Addressing Underutilized Agricultural Land Issues in Nepal', organised by IUCN and Planning Commission and Forest Action 29th April 2009 at Staff College, Lalitpur.

¹⁰² Interview with Baburam Adhikari on 'Land Plotter', Bardibas, Mahottari on 12th November, 2016 at Bardibas.

region has three *Tarai* districts, two mountain districts, and 11 Hill districts. If this data was extrapolated for all regions of Nepal, 1.5 million hectares of land would have been plotted in any year, deepening the de-peasantisation process of tenants, sharecroppers and smallholders (see Table 7.1). Due to the implementation of federalism, new urban centres are being developed and agricultural land is being plotted for urban centres and housing in Nepal.

An officer of the District Land Revenue Office of Makawanpur district in central Nepal admitted that land plotting in Makawanpur district is increasing, due to various reasons: (i) the recent conflict in the *Tarai* region (which pushed the Hill migrants out of it); (ii) land becoming a more secure area of investment (in terms of producing profit, as some other sectors seem to be becoming increasingly risky); and (iii) investment in land development by the banking institutions. The same informant also revealed that the government’s policy provision of granting a 25 percent discount for land registration taxes for women is also being grossly misused by land plotters. Generally, large swathes of land are bought by misusing this discount (by signing the initial registration in the name of women); these lands are then plotted and resold at more profitable prices. In this respect, it is the husbands taking the profits from the land plotting, not the women.

Table 7.1: Land Plotting in Western Region

Year	Area in hectares	Production in metric tones
2012/13	316,032	1,090,014
2013/14	316,006	1,176,035
2014/15	311,147	1,149,374
2015/16	298,195	950,320

Source: *Nagarik Daily Nepali*, June 29, 2016.

Informants from Hetauda, Makawanpur district, indicated that in their district, the same piece of land is sold and bought five times within a year through the same broker’s facilitation. A discernible trend is that wealthy buyers come from outside of Hetauda municipality, particularly

from Kathmandu and Birgunj (a border town in the central *Tarai*), and buy land for speculative purposes only. Generally, the middlemen (brokers) are well-connected to the buyers and sellers, and pocket substantial amounts of profits from each land dealing (which is possible by collecting 3 percent to 5 percent commission during the sale). This kind of direct commission encourages brokers to find and identify land for sale on a daily basis, and to connect buyers and sellers. Plotted land with access to electricity, water supply, and roads is in particular demand.¹⁰³ Overall, plotting has led to encroachment onto public land by land plotters in different districts, which is leading to the violation of community rights to utilise the commons.

In terms of urbanisation in Nepal, a strong industrial capitalism has yet to emerge; if anything, it appears that a service sector capitalism is coming into being. This is evident in the case of land transactions in recent years. For instance, during fieldwork in 2016, local people from the Makawanpur district in central Nepal highlighted that the Makawanpur Health and Care Foundation bought land in Bhairab Danda (Tamang village) measured at 10 *Bigha* (6.7 ha). A similar amount of land was bought by Janaki Medical College in Hetauda, the hub of Makwanpur. Thus, large tracts of land are now being occupied by private educational and health institutions. This is part of a broader process of land being acquired for so-called development projects, including for roads, airports or hydro-electrical projects - the construction for which is often contracted out to private companies. In most cases, rural people experience displacement from the acquired land, though it is claimed that these projects are pursued in the public interest.

For example, Kali Gandaki 'A' Hydropower project acquired 208.68 hectares of land for its project sites. This land was, at the time of purchase, occupied by the rural poor, with 412 structures, including 217 houses and 195 cowsheds. According to a CSRC/Oxfam report, a total of 1,468 families lost their land (or parts of it), or their houses, or both, as a result of this land acquisition (CSRC/Oxfam, 2013). The much hyped West Seti Hydro Project, to be constructed in the Far West, would have acquired 2,325 hectares of land permanently (if it was constructed according to its original plan), of which 659 hectares was cultivated land (WSHL/ADB 2007). Overall, 2,421 households (approximately 18,269 individuals) would have been affected by the project, including 1,579 households requiring resettlement outside the project area (CSRC/Oxfam, 2013). Recently,

¹⁰³ Field note by Jagat B. Basnet on Jan 21-24 from the field discussion, Baniyabhar, Bardiya.

the government of Nepal has been developing the Budigandaki Hydropower project, which is going to displace 3,560 households on around 1,232,921 *ropanis* of agricultural land.¹⁰⁴ Overall, as Chakravorty (2013) notes, these development projects entail significant land dispossession and undercut the rights and livelihoods of marginalised people in local communities. These are classic examples of ‘development by dispossession’. Meanwhile, the Nepali state argues that land has been confiscated to strengthen the export-led growth of the Nepali economy.

It is also worth noting that much land remains under the eminent domain of the state, in the context of the historical trajectory of state landlordism. Because of this, the state has the authority to dispossess individuals from land (with compensation) when it comes to pursuing the national or public interest, as conceptualised and articulated by the state. In the end, however, it seems that only elites benefit from this. In fact, elites have bought up land at cheap prices for speculative purposes in the hope that the state might decide to use the land for infrastructural and development projects. In selling the land for these projects, massive profits are made because of inflated prices.

Matthew and Cornell (2007) argue that the ‘public interest’ remains undefined and that governments often collaborate with real estate and commercial developers to seize land in the name of the public good, and then sell it to developers for a profit. Thus, the state acts in a manner similar to land speculators. Under current real estate law in Nepal, rural land does not have market value, but once the state expropriates land, it accrues market value and can be conveyed as a commodity (CSRC/Oxfam, 2013). As a final qualitative observation, in the end, those who are involved in the land-plotting business (buyers, sellers and brokers) seem to end up with luxurious lifestyles; the entire process of land speculation is emblematic of the widening gap between the poor and rich in Nepali society.

7.9 Impact of Commodification of Land

Statistical data have shown that the importation of rice from India in recent years has increased by 61 percent, while at the same time, rice production in Nepal has decreased by 700,000 metric tonnes (see Table 7.2). The latter statistic is in part because of the expansion of land plotting and

¹⁰⁴ Kathmandu Post, ‘Land Compensation of Budigandaki’, 30th November, 2016.

urbanisation, despite the annual rise of the national budget for agriculture. This clearly shows that the marketisation and commodification of land in Nepal, including a shift to cash crops, is undercutting food security in the country. Until the 1980s, Nepal had been a food-sufficient country and used to export to India. This has changed dramatically in the last 30 years, and Nepal has been importing rice worth NRs 29,430,000,000.00 yearly, which shows the heavy dependence on India. There has been an increase of paddy import in Nepal by around 15 percent (see Table 7.2). The increase of the demand for food is the function of population increase. Similarly, food habits have also changed from a preference for maize/millet to rice, triggering the demand of rice even in rural areas. In the past, while there was a peasant economy, smallholders, tenants, sharecroppers and agricultural labourers used mostly to eat maize and millet. But with the growth of urbanisation and the market economy, there have been changes in food preferences and rice is made available everywhere for all classes of people - though there are, of course, differences in the quality of rice available to different classes.

Table 7.2: Agriculture Budget and Production of Rice

Fiscal Year	Agriculture budget (NRs)	Rice imported (NRs)	% of increased import of rice	Rice produced in Nepal (Metric tonnes)
2015/2016	21515484000	29430000000	15%	4300000 met.
2014/2015	23280000000	25240000000	22%	4788612 met.
2013/2014	21400000000	16930000000	21%	5047047 met.
2012/2013	11790000000	13400000000	15%	4504503 met.
2011/2012	12430000000	11560000000	-	5072243 met.

Source: Rajesh Brama, High Percentage of Rice Import, Annapurna Post, Economic p. A, September 9, 2015. Agriculture Development Ministry, Trade and Export Promotion Centre 2015 & 2016 & Ekantipur October 19, 2016.

The traditional skewed system of landholdings in Nepal is being reinforced under neo-liberal restructuring, and it continues to be a major cause of injustice, discrimination and deprivation. Market forces have both deepened and widened inequalities, and exacerbated poverty. In this respect, the major drop in rice production implies lower rates of local consumption by rural people, a more monetised rural economy, and an increased dependence on purchased rice by rural households. Outward migration of labourers, beyond the borders of Nepal, is also a clear manifestation of this disproportionate burden imposed upon the poor by neoliberal restructuring (see the following subsection). The same trends are also evident in rural youths migrating within Nepal to cities and towns (Sharma and Domini, 2012). This has led in particular to a shortage of male labourers, and the feminisation of rural spaces. Given this, in addition to the marketisation of land in rural spaces, peasants have limited incentives and capacities to cultivate their land and they are increasingly selling it off. ¹⁰⁵ Trends with reference to cereal crop production show and tell a similar story (see Table 7.3).

¹⁰⁵ View of Madhav Kumar Nepal, Leader of CPN-UML on 'Land Issues in Constitution' organised by NLRG and NFGF, 22 July 2015, Staff College, Lalitpur.

Table 7.3: Cereal Crop Production

Crops	2013-14	2014-2015	Change %	2015-2016	Change %
Paddy	5.04 Million metric tonnes	4.78 Million metric tonnes	-5.1	4.29 Million metric tonnes	-10.25
Maize	2.28 Million metric tonnes	2.14 Million metric tonnes	-7.0	2.3 Million metric tonnes	-7.47
Wheat	1.88 Million metric tonnes	1.97 Million metric tonnes	4.9	1.73 Million metric tonnes	-12.18
Millet	304105 Metric tones	308488 Metric tonnes	1.4	302397 Metric tonnes	-1.97
Barley	34824 Metric tones	37334 Metric tonnes	7.3	32806 Metric tonnes	-12.12
Buckwheat	10335 Metric tones	10870 Metric tonnes	5.2	11640 Metric tonnes	7.08
Total			-3.1		-9.35

Source: Cereal Production Expected to Drop by Three Percentage this Fiscal Year, Kathmandu Post June 03, 2015, Money p.5; Sangam Prasai- Cereal Crop Output Down for Second Straight Year, Money, p A, Kathmandu Post Daily, June 24, 2016.

Traditionally, the main food-type in the urban and semi-urban areas has been paddy, while in the higher Hills it has been maize. The production of paddy has been decreasing significantly over the past few years, with maize production showing a similar trajectory. Overall, in terms of the different cereal crops, total production has decreased by 3.1 percent over one agricultural season and then 9.35 percent over the next. The fact that Nepal does not have a proper land use plan means that agricultural land is often subject to land transactions, which lead to agricultural land being converted into non-agricultural land¹⁰⁶. Increasingly, the rural poor are becoming wage labourers on cash crop-centred commercial or corporate farms, due to the promotion of corporate farming. Also, as noted, the price of land has skyrocketed, such that landowners prefer to sell their land and

¹⁰⁶ View of Dr. Hemant Ojha at the national workshop on ‘Land Management and Food Security Addressing Unutilized Agricultural Land Issue in Nepal’, Staff College Lalitpur on 28 April 2016.

invest in businesses rather than allow for tenancy or sharecropping arrangements on their land, thus heightening de-peasantisation.

7.9.1 Migration and Remittances

National statistics show that 14 percent of the Nepali population is currently working overseas as migrant workers, and, through remittances, their contributions comprise 29 percent of the total gross domestic product (GDP). As a breakdown, 56 percent of these Nepali migrant workers work in Gulf countries, 26.6 percent in Malaysia, 8.1 percent in developed countries, and 4.4 percent in India.¹⁰⁷ The high rate of emigration has led to a shortage of labourers in the village economy, as most migrants are from rural areas. The transfer of remittances benefits the national economy, but they primarily benefit banks and other money exchange institutions, because of the differential buying and selling rates for Nepali currency and the commission earned. Furthermore, in deciding to migrate outside of the country, workers often do not fully understand or calculate the costs incurred, including commissions taken by employment agencies and travel agencies.¹⁰⁸ One of the *Dalit* respondents of the fieldwork in Sarlahi district, in the central *Tarai*, indicated that people going to Gulf countries do not have funds to pay upfront for the cost of airfare and the commissions required by the employment agencies. Because of this, they have to take loans from moneylenders, such that much of their initial earnings in the Gulf countries are used simply to pay back the high-interest loans (Shrestha, 2001). This significantly reduces their capacity to remit substantial amounts of money back to Nepal.

In certain rural areas, up to 30 percent of land is fallow, partly due to the lack of people to work on it in these areas; most of the local labour is working overseas.¹⁰⁹ Because of this, the so-called ‘food basket’ districts of the *Tarai* - traditionally areas that have produced enough food to distribute to various parts of the country - are being converted into food deficit zones, with this being complicated by rural-urban migration within Nepal itself.¹¹⁰ In the past, when *Tarai* people

¹⁰⁷ Onlinekharwar on 28th September 2016 “Nepal is the Second Country of Sending Migrant Workers based on the Population”.

¹⁰⁸ Eriko Shrestha, ‘The Missing Men’, the Kathmandu Post p. 6, 14 August 2016

¹⁰⁹ Plenary discussion on national workshop on ‘Land Management and Food Security Addressing Unutilised Agricultural Land Issue in Nepal’, Staff College Lalitpur on 29 April 2016 by IUCN

¹¹⁰ View of Mr. Nahendra Khadka at an interaction programme on the ‘Contemporary Transformation of Land and

retired from any off-farm employment, most of them would return to their respective villages; but now, they no longer do so. Rather, with remittances received, they try to invest in land in semi-urban/urban settings so that, amongst other things, their children or grandchildren receive an urban-based schooling to enhance their employment opportunities in the future, given the decline in the agricultural sector (Sunam and McCarthy, 2015).

Rurally-based people in particular seek to ensure that their sons and daughters are able to migrate out of Nepal for employment. This involves ensuring that they acquire citizenship cards and passports for their children. Increasingly, agriculture as a livelihood activity is frowned upon because it is not financially viable.¹¹¹ Older-generation farmers also do not want their children to become farmers as agriculture is not recognised anymore as a prestige-conferring occupation, due to the very different paths promoted by institutional education, technology, and the changing environment.¹¹²

There is a popular stereotype that Nepali people have a culture of ‘aping’ what their neighbors do, while at the same time worrying about how to out-earn their neighbours. It may be similar attitudes that have propelled the belief that educated people should work in the service sector, either in the government or the private sectors - but not in agriculture. Since Nepali agriculture traditionally demands arduous labour, due to the lack of mechanisation on a large-scale, educated people do not prefer it (or at least are discouraged from preferring it). Put succinctly, agriculture is a round-the-year, arduous, and very unpredictable source of livelihood, whereas migrating beyond the Nepali border (though not without its own difficulties) is seen as a preferable alternative from a simple cost-benefit perspective.¹¹³ Hence, many rural people are ready to pay interest rates at up to 60 percent in order to go to the Gulf countries rather than work in Nepal. Landlords are in fact involved in this process. They are the ones providing loans to tenants, sharecroppers, and smallholders to facilitate the exodus to the Gulf countries. There is no loss for the landlords even

Agriculture over Mid-Eastern Tarai’, Hotel Hardik, Bagbazaar, Kathmandu organised by FACT and CSRC Nepal, 20 December 2014 (5 Paush, 2071)

¹¹¹ View of Dr. Shiva Sharma during the discussion on the ‘Research on Agrarian Reform among the FACT Nepal Advisors’, 18th January 2014, Hotel Pacific, Jamal Kathmandu

¹¹² View of Ganesh Shah, Ex-Minister of Technology during the discussion on the ‘Research on Agrarian Reform among the FACT Nepal Advisors’, 18th January 2014, Hotel Pacific, Jamal Kathmandu

¹¹³ Prakash Kaphale, CARE Nepal RtF Project Manager, ‘Draft Finding Sharing on Young Farmers’, 28 Jan. 2014

if the land is then left fallow, since their aims with regard to the land are non-agricultural anyway. The land is held for speculative purposes, and the price of land is increasing day by day; plus, the landlord obtains loan repayments with significant interests accrued.¹¹⁴ In the *Tarai*, the rural poor who have some land obtain loans at a lower rate of interest than those who are landless, as the latter have no security or collateral for the loan. Because of this, landless people find it difficult to obtain loans, and hence, they mostly go to India as seasonal workers and discontinue the sharecropping due to the very low return from the agricultural production.

7.10 Role of Donors/INGOs

Under a neoliberalisation framework, European and American bilateral organisations and multilateral organisations, such as the ADB and WB, have a land agenda which privileges existing property rights, compensation to landlords, and commercialisation of agriculture, and which often does not allow for ensuring justice for smallholders, tenants, sharecroppers, and agricultural labourers. In other words, these institutions often simply contribute to reproducing the marginalisation of peasants, in terms of landholdings and livelihoods. They also de-historicise the agrarian economy in Nepal, by failing to offer interventions rooted in a historical understanding of existing inequalities in rural spaces. In terms of land redistribution, they tend to argue for compensation and, due to the increasing commercialisation of land in Nepal and significant land speculation, the market value of land has increased considerably in recent years; compensation in this regard becomes a very profitable business in itself. Market-led land reform, therefore, is liable to benefit landlords and rich landlords. In this way, there seems to be an unholy alliance between landed property-owners, the state, and foreign donors.

During the course of the fieldwork, the researcher encountered one of his colleagues working in the development sector, whose work was focused on the remote rural hinterland. While interviewing him on the role of donors/international non-governmental organisations (INGOs), with which he was associated, he shared the voices of the villagers. He remarked:

¹¹⁴ View of Dr. Shiva Sharma, NLA Director, expressed during the interaction on the ‘Contemporary Transformation of Land and Agriculture over Mid-Eastern Tarai’, Hotel Hardik, Bagbazaar, Kathmandu organised by FACT and CSRC Nepal, 20 December 2014 (5 Paush, 2071).

Villagers do not need *Bikash* [development]. One of the INGOs imposed the programme of apple plantation in some villages of Mustang, one of the remote high hill districts where government's horticulture department had already started apple farming in early 1975. Later, apples were produced in large quantities but there was no market. They did not have the habit of eating apples and nor did they have road access until a couple of years back to sell it at markets. They were producing the local varieties of apples and exchanging for potatoes, barley, maize, millet, buckwheat, etc. But the INGO which initiated apple farming left the village without linking farmers to the market. The local people did not have any connection with the market and did not have the habit of selling their produce; as a result, some of the people sold their land to buy food. Since it is high hill district, there is less population and most of them have some trees of apple and no local market.

INGOs, as well as bilateral donors, first came to Nepal chanting slogans of poverty alleviation, and they established thousands of local NGOs supporting this slogan. These INGOs, donors, and national NGOs have launched and pursued a significant number of income-generating and agricultural productivity programmes, seeking to turn peasants into small-scale commercial farmers. In doing so, they have highlighted the significance of markets in selling produce for commercial-focused farming. Broadly speaking, subsistence peasants accepted these development interventions, but it has become clear that the landless along with sharecroppers and tenants are not fully incorporated into these 'development' processes. The middle class peasants have been the main beneficiaries; however, because NGO programmes are short-term, even these middle peasants have at times lost their limited land because of an inability to sustain agricultural activities on a commercial basis. In the case of Mahottari, for example, peasants shared with the researcher that only 10 percent of households were benefiting from development programmes, while 90 percent were not. However, NGOs have had the tendency of claiming development successes in the area.¹¹⁵

In the field, the researcher also met a *Madeshi* woman in the village of Kapilbastu, a mid-western *Tarai* district. She represented the *Kewat (Madhesi)* community. She said:

My friend and I were only two people making the public land a cultivable one in my community but now those who came later and grabbed the land have land certificates. Those who came later have land certificates because of their relations with local landlords and government officials. Now these people with land certificates are threatening the *Kewat* community to evict them from the land they have occupied. They are planning to make the land as part of the Community Forestry Project to plant trees. We *Kewats* have been eking out our livelihood by sharecropping for last 50 years for our livelihood and subsistence. The foreign project [community forest project] should protect our rights but they are evicting us. Is this justice for us and poverty alleviation by NGOs?

¹¹⁵ Focus group discussion with peasants of Laxmimiya, Mahottari district, on 12th November 2016.

In this regard, the IFAD is promoting leasehold forests by giving degraded land to landless peasants or agricultural labourers on lease for a specific period of time. But this programme, while pro-poor in the character of its design, is not actually benefitting the majority of poor and marginalised farmers.¹¹⁶ The World Wildlife Fund (WWF), an American INGO, funded the MoLRM and Parliament Committee on Natural Resources. In doing so, it provided funds to formulate the ‘land use policy’. One of the staff of the ministry shared that, instead of officially formulating ‘land use policy’, the guidance and input of the WWF turned it into a ‘forest management policy’. WWF even used their influence to push parliamentary members to protect 40 percent of the forest area under the land use policy. WWF’s concern has only been to protect the forests and wild animals, without any real concern for the landless, sharecroppers, and tenants. In another example, NGOs and INGOs, including the UN Habitat, are campaigning for the construction of pit latrines in rural Nepal; but ironically, former *Haliyas*, *Harawas*, *Charawas*, *ex-Kamaiyas* and agricultural labourers do not even have enough land to construct pit latrines; and so the landless continue to be excluded.

With respect to NGO involvement in supporting contract farming in Nepal, a participant in one of the programmes in Kathmandu shared the following:

In one of the cases of contract farming support to poor peasants in a livelihood programme, NGOs paid Rs 3000 as rent for land, which produced food-grains worth Rs 1000 only. They also supported landlords in the name of contract farming. INGOs/NGOs discussed agriculture but they did not talk about land reform or the rights of the peasants. Rather they are contracting the land to the smallholders and increasing the value of landlord's land [by way of providing irrigation equipment]. NGOs are taking land on rent for agriculture and invest in irrigation to boost agricultural productivity which only benefitted the landlords. NGOs use political leaders, government officials and news published in media for their publicity.¹¹⁷

By focusing on development without considering the land rights of peasants, many NGOs are in the end depoliticising agrarian change and acting in a manner which benefit landlords. Photos with political leaders and press cuttings, however, present the interventions of donors and NGOs in a positive light. Though officially non-government organisations, NGOs seem to ultimately conduct themselves as state-centred organisations (not as peasant-centred organisations), and follow

¹¹⁶ View of Yamuna Ghale during the discussion on ‘National Land Policy Consultation’ organised by Ministry of Land Reform and Management on 8 Jan. 2013.

¹¹⁷ Somat Ghimire and Krishna Paudel, Formation of Federation of Land and Agriculture- Related NGOs, 30th May. 2014.

government rules and directions. In reality, by providing limited agricultural support to peasants on the land of landlords, they support the existing economic inequality in agrarian spaces (Tamang et al., 2015).

At the same time, some NGOs claim that they are focusing specifically on land and peasant issues in their development interventions; much of the time, however, this is mere pretense. On the basis of their claims, they receive financial resources from INGOs and donors. However, once the particular land project is completed, the NGO is likely to chase other funding for an issue which is unrelated to land reform - whatever is in vogue at the time. This means that there is only a negligible number of NGOs (two or three at most) working with land movements on a regular basis. This, of course, relates to the short-term funding cycle for NGOs, but it also highlights the fact that the NGOs are not inherently concerned with aligning fully with the concerns of peasants in rural Nepal. This was also notable during the peace process. In unison with the UN transitional agency set up in Nepal for facilitating the peace process after the signing of the CPA in 2006, NGOs and donors only highlighted the need to return land seized during the decade-long conflict; they did not emphasise fundamental land reforms, including regarding ongoing tenant evictions. Thus, even if only unintentionally, they spoke on behalf of landlords but not on behalf of peasants, tenants and sharecroppers.¹¹⁸

Finally, FGDs during the fieldwork revealed that many locals believe NGOs tend to disempower the very marginalised people they supposedly aim to empower. The formation of NGO-sponsored local groups in communities have led to intra-community schisms, with different sub-groups aligned to different NGOs engaged in different sets of activities. This absence of coordination amongst NGOs, and indeed competition between them, is widely prevalent in Nepal and beyond. For instance, *Kamaiya*, *Haliya*, *Harawa* and *Charawa*, smallholders are divided along the lines of programmes pursued by different NGOs; they have failed to raise their voices collectively.

¹¹⁸ Field discussion with land rights team in Kailali, 18 July 2014 Masuria, Kailali.

7.11 State Institutions and Political Parties

During the course of the neo-liberal restructuring which has taken place in Nepal, the state and political parties have played important roles in facilitating the process. In this sense, the grand promises of the national land policy of Nepal remain unfulfilled - particularly the intent of guaranteeing the land rights of the rural poor. Every year, the MoLRM plans to finalise the land policy, but thus far it has failed to submit the policy to the Council of Ministers. In this light, the land revenue, land survey and land reform offices at local levels are not acting within a progressive land policy framework (Basnet, 2016a). In addition, there tends to be an urban bias in the work of these offices. For instance, land surveys are being carried out in mostly urban and peri-urban areas. This is partly because of the value of urban land and the possibilities of earning money by state officials through urban land transactions, including by way of bribes. In a discussion with a former Secretary of MoLRM, he claimed that: *“The MoLRM is the most corrupt office among the government offices and its staff are only focused on the money or bribe and not on the dispensation of justice among marginalised people. Regrettably, government has no strong mechanism to monitor this”*¹¹⁹.

In Nepal, land policies are prepared and drafted by consultants who have close ties to the landed class as well as policy-making bodies, like the parliament and high level government offices.¹²⁰ Thus, land policy formulation has not entailed any processes of genuine societal participation. Peasants are mainly excluded from processes of formulation of land and agriculture-related acts and policies. Any attempt by the MoLRM to engage with peasants in the policy processes is merely perfunctory (Chakravorty, 2013: xvi). In the case of the Land Use Policy, the government took nearly three years to formulate the legislation, and it was endorsed in 2014. Despite the urgency of enacting legislation to implement the policy, it has still not been implemented in this way. Jhabindra Man Ghale, a Member of Parliament (MP), even spoke of the exclusion of parliament from significant inputs into policy:

We [parliamentarians] are only the rubber stamp for any policy, act and regulation prepared by MoLRM. There is on-the-spot acceptance and approval by the MPs on such instruments prepared by

¹¹⁹ Seminar on ‘Conceptualizing Peasantry: Understanding Peasants and Peasant Economy in Nepal’ organized by CSRC and the Central Department of Anthropology, TU at Thapathali Trade Tower on 28th July 2017.

¹²⁰ Lyam Bahadur Darji, Chair of National Land Rights Forum at the interaction programme on ‘Land Use Act’ organized by NLRG on 7th Feb 2016 at Udhami Ghar, Kathmandu.

bureaucrats, provided that the ideology of the bureaucrats and MPs are of a similar nature. Generally, there is no implementation of the recommendations of parliament committees by the MoLRM. Within the Agriculture and Water Resource Committee of Parliament, the sub-committee on land reform and management [of parliament] failed to submit its report but no one questioned this failure.¹²¹

This is indicative of parliament's tacit approval of the process of the non-preparation and non-implementation of land policy, such that the agrarian *status quo* is never challenged. Additionally, the government has not forcefully implemented the land ceiling provision. For instance, it approved 472.27 hectares of land for 7 national companies to hold (which is above the land ceiling), for industrial development and hydropower projects in the fiscal year 2014/2015. This was made possible because of the close links between government officials and company shareholders. In this regard, Table 7.4 provides details of these land transactions. Generally, the land brokers form a company and buy tracts of land in the company's name in different places, in order to circumvent the land ceiling of 7.6 hectares. The government has neither the mechanisms nor the data to track these circumventions: data regarding land ownership is yet to be computerised, along with any data regarding single land certificates. As a matter of fact, the government has actively allowed the formation of as many companies as possible, leading to the creation of an environment in which individuals retain as many land certificates as possible. This clearly shows that the government of Nepal facilitates companies and real estate agents in transferring agricultural land into non-agriculture sectors and, in the process, de-peasantising existing smallholders, tenants and sharecroppers.¹²²

¹²¹ Plenary discussion on 'Gender Responsive and Conflict Sensitive Approaches' organised by UNDP on 26th April 2016 at Hotel Gokarn Resort, Kathmandu.

¹²² View of Ram Bahadur Deuwa, cadre of Nepali Congress, Kailai on 'Six Decades of Land Reform in Nepal' at an interaction programme in Dhangadi, Kailali, organised by Public Policy *Pathasala*.

Table 7.4: Approval of Excess Land above the Ceiling for the Utilisation by Companies 2014/2015

S.N.	J.T. No.	Organisations (consensus for purchase)	Date approved from Nepal government (from the minister)	Description of decision	
				Duration for purchase	Purchase for land ceiling limit
1	2475	Himal International Pvt.Ltd.	4/30/2071	Within a year	13.54 ha
2	2477	Eastern Star Agriculture	6/1/2071	Within six months	20.32 ha
3	2479	Green Venchar Pvt.Ltd.	6/8/2071	Within a year	25.95 ha
4	2480	Upper Sholu Hydro	7/4/2071	Within a year	265.87 ha
5	2491	Saptakoshi Agricultural Research and Development	8/18/2071	Within a year	67.73 ha
6	2524	Varati Agricultural Farm	12/12/2071	Within a year	33.86 ha
7	2508	Lower Sholu hydro Pvt. Ltd	12/27/2071	Within a year	45 ha
Total					472.27 ha

Source: Land Administration Section, Ministry of Land Reform and Management (2015), Progress Report of Land Administration Department (Annual year 2071/72- 2014/2015) Sidhdubar, Kathmandu Nepal.

Other problems relate to the emergence of protected areas in Nepal, which now include 10 national parks, three wildlife reserves, one hunting reserve, six conservation areas and 11 buffer zones,

covering an area of 34,186.62 sq. km (i.e. 23.23 percent of the total area of the country). These protected areas are defended by the state, as they are seen as central to promoting and building the tourist industry. But they have many negative consequences for the lives and livelihood systems of marginalised peasants. The rural poor who had historically been accessing and utilising resources by acting out their traditional collective rights are now being denied such access, which violates their cultural and occupational rights as provisioned by ILO 111 & 169 (CSRC/Oxfam, 2013). Finally, the government of Nepal has recently announced the development of 10 megacities along the border with India. The process of the development of these cities will trigger the displacement of large number of smallholders, tenants and sharecroppers.¹²³ The Nepali state is thus displaying a flagrant negligence of the interests of the rural poor.

Besides the state itself, political parties have also been involved either directly or indirectly in processes of commodification under neo-liberal conditions. Their proximity to power allows political parties, or at least individuals within them, to manipulate any existing land policies and procedures, and to forestall any progressive land reform in favour of land tillers.¹²⁴ For instance, the fieldwork revealed that representatives of the political parties in Sarlahi and Banke (districts in the central and mid-western *Tarai*) had engaged in land transactions in Kathmandu as early as the mid-1990s. These are the same individuals beginning to invest in land plotting for housing in different parts of the country, with financial investment support from the commercial banks. In this context, it seems that many cadres of political parties are landlords themselves. At a Regional Conference of Land Rights Forums held on the 10th of September, 2016, in Nepalganj (mid-western region), political leaders objected to the strong position taken by tenant farmers to redistribute land. It is also known that high-ranking members of political parties hold shares in major financial institutions, and that they often receive land loans on this basis (Acemoglu and Robinson, 2013:36). Even certain members of the communist parties are advocating for the commercialisation of agriculture at the expense of land reform and the rights of peasants.¹²⁵ During the fieldwork, peasants in the Sunsari district of eastern Nepal claimed that whenever elections

¹²³ Onlinekhawar, 'Government is Going to Establish 10 Mega Cities in *Tarai*', 1st September 2016.

¹²⁴ Nahendra Khadka, Member of Revolutionary Farmers' Association on 'Development of Monsanto in Nepal' at an interaction programme organised by FACT Nepal on 8th Feb 2014 at Hotel Pacific, Jamal Kathmandu.

¹²⁵ Kamal Chaudhary on 'Development of Monsanto in Nepal' at an interaction programme organised by FACT Nepal on 8th Feb 2014 at Hotel Pacific, Jamal Kathmandu.

come around, political parties claim to represent the interests of the rural poor but, once the election is over, the same tenants they claimed to support are considered encroachers on the land.

Most of the main political parties in existence were established under some variation of the slogan ‘land to the tillers’, but the class of political leaders (along with state bureaucrats) have used their power to amass significant amounts of land property to accumulate profit through land transactions. Nepal’s entire political system is not only marked by a failure to bring about meaningful land reform, but also by significant amounts of corruption related to its implementation. All this, as this chapter shows in the context of neo-liberalisation and commodification, has been at the expense of the historical tillers of the land.¹²⁶

7.12 Conclusion

This chapter has examined neoliberal restructuring in Nepal since the 1990s, in the context of broader global restructuring, and it shows how this restructuring has impacted on agrarian spaces and de-peasantisation in Nepal. It was highlighted that neoliberal restructuring is variegated in that it invariably becomes embedded in a specific social, economic and political system (and acts on that system), such that the neo-liberalisation process in Nepal has taken on particular characteristics given its pronounced (and recent) feudal system. This does not deny the fact, however, that neoliberal restructuring in Nepal has all the important hallmarks of neoliberalisation globally, including commercialisation, privatisation, corporatisation and financialisation. In the case of Nepal, as is the case elsewhere in the Global South, neoliberal restructuring was imposed on the country, certainly without any consultation with the rural poor.

Over the chapter, it was demonstrated that de-peasantisation is occurring on a significant scale in Nepal under neo-liberal conditions. Large-scale commercial and corporate farming is being prioritised at the expense of land for the peasant tillers. Land is now considered first and foremost a commodity, and it is being openly bought and sold at a seemingly feverish pace, with real estate companies and land-plotters centrally involved in this. Any earlier commitment to land reform

¹²⁶ Lalbabu Raut, CA member, Vice-chair of Madeshi Janaadhikar Forum during the interaction programme on ‘Policy Issues and Alternatives’ organized by UNDP in Pokhara on 4th December 2015.

appears to have dissipated as a diverse array of elite groups are seeking to maximise their gains through market-led change, including by way of land speculation. Peasants and other rural poor are simply unable to enter the land market on favourable terms, and they often engage in land sales as distress sales. Urbanisation is leading to further loss of agricultural land for possible distribution to peasants, and the Nepali economy is increasingly subject to processes of de-agrarianisation. Current de-peasantisation is in part taking place because of neoliberal de-agrarianisation, but the causes of de-peasantisation clearly run deeper than this, as the agrarian economy is increasingly hostile to the presence of small-scale land cultivators and to secure tenancy arrangements.

Overall, it is the pre-1990 landlords and other landowners who have benefited from neoliberal restructuring in the countryside (including corporations), who are they taking full advantage of market openings in maximising profit through sales and speculation. At the same time, it is the marginalised peasants who are suffering the most under neo-liberalisation, as they become increasingly land insecure and are turning into wage-labourers (in rural and urban Nepal and beyond) in order to somehow pursue basic livelihoods.

Chapter Eight: 'Land to the Tillers' and Peasant Resistance

8.1 Introduction

In a nutshell, this chapter considers the land discourse of the many political parties in Nepal, which has often been based on the slogan 'land to the tillers', as well as the opposition and resistance by peasants to their marginalised status in rural Nepal. When initially established, many major political parties articulated the slogan 'land to the tillers'; in practice, however, more often than not, they have all abandoned the far-reaching implications of this slogan by defending the *status quo*. This is despite the fact that the parties sought to mobilise and organise peasants in the pursuit of land redistribution, including in opposition to the much-trumpeted 1964 land reform agenda of the late king Mahendra Bir Bikram Shah. In addition, at times, peasant movements aligned to political parties have been subservient to the interests of the parties in the latter's quest for political power. Further, since 1990 in particular, the mobilisation of peasants has been the domain of international and national Non-Governmental Organisations, which have brought about a new series of challenges for sustained peasant mobilisation. Though peasant organisations have historically often been aligned to either political parties or NGOs, there is some evidence of autonomous peasant mobilisation as the foundation for a more vibrant rural movement. Before examining the themes of 'land to the tiller' and peasant resistance, this chapter first describes the broad political economy within which these themes have been played out.

8.2 Towards a Market Economy and Market-Led Land Reforms

Traditionally, the Nepali economy was based on agriculture, which was predominantly of a peasant character under feudalistic conditions. Until 1990, peasant households often exchanged seeds, labour, and grains amongst themselves in a largely 'moral economy', in which there was food sufficiency and security. Under neoliberalism, a 'commodified market economy' has slowly emerged within agrarian spaces, and this has had disastrous consequences for traditional mutual exchange and support systems amongst peasant families and communities in Nepal (Acharya, 2014:3). The market economy is making rural people more dependent upon market forces and less

able to practice sustainable peasant farming. Further, with the commercialisation of agriculture, traditional agricultural tools such as the plough, sickle, muscle-powered threshing limit and oxen are becoming a less common sight in rural Nepal, as they are being replaced by powered-tillers, tractors, electric threshing machines, and harvesting tools/machines.

These changes are increasingly shifting the economy towards the development of a monoculture-focused and market-dependent commercial agricultural system, in which the traditional peasant-landlord relationship is turning into a wage-and-market relationship along typically capitalist lines. The feudal-style dyadic relationship between landlords and tenants/sharecroppers is being undermined (Dhakal, 2007). Tenants and sharecroppers are being converted into agricultural wage labourers (or entering into non-agricultural sectors of the economy as labourers) because of a loss of access to land, or the inability to engage in meaningful cultivation. Sharecropping and tenancy farming is giving way to lease and contract farming or corporate farming. The growing service sector has absorbed much of the rural labour and has converted peasants into urban migrants, who are normally paid on a daily, weekly or monthly basis as precarious labourers. At the same time, the feudal landed class, rooted in the landlord-peasant relationship, is being converted into a commercial farming class engaging in profit-making farming or land speculation (CSRC & NGO Federation, 2010). Food commodity items for daily consumption are now coming from these farms via the market rather than from the fields of peasants and smallholders. Even more worrying, multinational companies have started to colonise land, agriculture and food systems in the rural areas of Nepal (Patnaik, 2008). These processes are all indicative of an acceleration in the pace of de-peasantisation amongst Nepali peasants.

Under these circumstances, land has become a financial resource rather than a natural resource for agricultural activities and food production. Currently, land transactions - even in rural areas - are not always based on agricultural land-usage, as land speculation, infrastructural developments and housing projects have become increasingly common in these areas, with commercial gain as the predominant motive (Borras, 2006). Gradually, land which used to be under the control of the state has fallen under the control of the market, though the formal process of land transfers still involves the state. The market (and not the state) determines the prices of land and food. Land as a commodity is the preserve of the rich in Nepal, due to the unprecedented rise of land prices as

determined by market forces. Both the Nepali government and its mainstream development partners are facilitating this, in part through a focus on investments in commercial-corporate agriculture.

The substantial increase in landless people and wage labourers and the burgeoning commercialisation and corporatisation of agriculture, as well as the proliferation of slums in urban areas, are glaring manifestations of the heightened process of de-peasantisation. The expansion of credit markets, labour emigration (to overseas), and the emergence of a pronounced real estate industry in urban, semi-urban and peri-urban areas are also embodied in this process (Chakravorty, 2013). Further, of late, Nepal has seen growing investments in industries by the private sector (both Nepali companies and multinationals) and a government emphasis on the development of special economic zones aimed at strengthening the industrialisation process, all of which involves the incorporation of the rural poor into non-agricultural spheres of employment as labourers. The overall synergistic effect has been a reduction in agricultural employment and production, and a reduction in the contribution of agriculture to the GDP from 75 percent in the 1970s to 27.4 percent in 2018. In broad terms, both the state and market are contributing to the development of capitalist cities in lieu of self-sustaining peasant households and villages, which is tied to the commercialisation of agriculture and the acceleration of the process of de-peasantisation in the surrounding areas of cities and beyond. In the end, capitalism leads to de-peasantisation, as argued aptly by Marx (Patnaik, 2007).

To illustrate some of the dimensions of this, this section refers to two examples arising from the fieldwork. First of all, during the fieldwork, interactions with the *Tharu* people of Digiya (Banke district) from the mid-western development region revealed that they were the owners of agricultural land in the area prior to the eradication of malaria in the Tarai in the late 1950s. Prior to this eradication, *Pahadiyas* (Hill dwellers) tended to stay away from these areas due to the fear of malarial infestation. When malaria was eradicated, the *Pahadiya* people started moving into the area. Regarding this influx, *Tharu* people from Digiya village, Banke district, remarked in March 2016:

After land reform and the eradication of malaria, some of us became tenants or sharecroppers and *Kamaiyas* [semi-bonded-labourers] due to the arrival of Hill people. When democracy was reinstated in 2006 [after a brief coup by the king], we were converted into sharecroppers, agricultural labourers

and unregistered tenants. Our traditional land was taken by *Brahmin* families [higher caste] through “foul means” such as by creating a situation so that we were buried in heavy debts; and then grabbing the lands as the repayment [for debts], which arose due to their alliance with the corrupt officials of the land reform and land revenue officials. Of late, roads are being constructed and villages are being converted into semi-urban or urban areas. Plotters are coming for substantial land purchase for business purposes and the whole process is making us wage laborers of new landlords, mostly land plotters and speculators.

This quotation reveals an early instance of the process of de-peasantisation, which has taken place over time and for different reasons.

As a second example, in Bankatuwa VDC of Banke district, the researcher came across a Khanal (*Brahmin*) family which had a *Maujha* (which corresponds to a village area) with 34 tenants living in a village (*Dighiya*). Mostly, the tenants were from poor *Tharu* families. Though the Khanal family has been an absentee landlord for many years, it still exercises its control over the tenant families there.¹²⁷ This is not unusual, as some landlords are based in foreign countries, with no one present at the village except the landlord’s bailiff (who receives the cultivated grains from the tenants and issues the grain payment receipt). When a tenant files a case for tenancy rights, there is no authentic landlord representative attending to the case file and signing papers at the Land Reform Office or Court. Some of the landlords have, in fact, died, and it is only his or her sons who are alive but residing elsewhere. For purposes of filing a tenancy rights claim, tenants need to acquire receipts of grain transactions from the landlord; in a context where the landlord is perpetually out the country, the tenant is badly disadvantaged.¹²⁸ One of the *Tharu* informants amongst this group of tenants remarked:

I have one problem sir. I had given the money I earned from wages to one of the *Brahmin* brothers to buy five *Katthas* of land in 1985 but they have not transferred ownership in my name. Now they are in Kathmandu and it is difficult and expensive for me to visit Kathmandu. They are the sons of our *ex-Jimidar*. Now the price of land has increased more than 500 times compared to the original amount and they are asking me for more money for the land. How can I give them more money? I paid the full amount of money in 1985 for the land.

During the discussion, another woman shared her experience: “We had exchanged the land with a *Brahmin* family. We transferred our land in his name but he did not transfer his land in our name.” While we were discussing this issue, another *Tharu* woman came to me and explained: “We are totally landless. We had two *Katthas* of land that was measured in our name but one of our

¹²⁷ Digiya, Banke, Focus Group Discussion on March 8, 2016.

¹²⁸ View of Shuvaraj Chaudhary, Land Rights Activist on 7th March, 2016.

neighbours, the ward member of Nepali Congress Party [who became a member of the landless commission later on], measured 17 *Dhurs* land in his name and gave us only 13 *Dhurs*.” Yet another story was told by an old *Tharu* woman, who noted: “In the year 1980, I had a block of land which was measured in my name, but I could not receive the land certificate due to the lack of a citizenship card at that time”. Now she has a house in that block of land, where she has been working as a sharecropper.

These two examples speak to the diverse processes historically and today, which over time have led to landlessness, de-peasantisation, and proletarianisation. The fact that the Nepali state under neo-liberalisation is focusing more and more on maximising agricultural productivity and land profitability, with land redistribution reduced to market-led reform, is serving to reinforce de-peasantisation tendencies.

In this respect, a couple of years back, the researcher had incidentally participated at a land policy level workshop in Kathmandu, organised by some UN agencies and MoLRM. During the discussion in the workshop, one Member of Parliament (MP) from the *Tharu* community remarked:

My grandfather was involved in the land movement and started to talk about land reform two generations back. Now I am also talking about land reform but I did not believe it would happen within my life. The Nepali government has no factual data on land like the number of families having land above the government ceiling, number of tenant families and number of landless families. Those who do not till the land have land certificates but the real peasants have been tilling the land without any ownership, recognition and support. The interests of landlords and bureaucrats are a match and they formulate the policy as per their interests, which is at the cost of the peasants’ interests. The commissions which are formed are only meant for appeasing the land rights’ activists, tenants and sharecroppers. In reality, cadres of the political parties are given space in the commissions but they do not necessarily work for land reform and distribution. Land reform is the most hotly-debated political issue which still requires a lot of effort for resolving it.¹²⁹

These days, most of the influential leaders of major political parties are saying that the agenda of “land to the tillers” is obsolete because the slogan was given in 1951 during the heyday of feudalism and landlordism in Nepal. Now, supposedly, Nepal has already entered into the age of capitalism, and as such these issues have not been pertinent since the 1990s. These leaders are thus

¹²⁹ Yogendra Chaudhry, CA member, Forum Lokatrantick, at the national symposium on ‘Land Use Planning and Improved Tenure Security’, Ministry of Land Reform, UN Habitat, UNDP. 14th December 2014, Shankar Hotel, Kathmadnu Nepal.

of the opinion that because land has been recognised now as ‘individual property’, it is no longer necessary or appropriate to discuss the ‘land issue’ with the tillers, as land redistribution in the end was designed to address inequalities in the feudal era; of course, the linkages between the landed class, the land plotters, and political parties likely account for such a view. The political parties mainly speak not of the rights of the peasant but of the rights of the farmer (Basnet, 2016a). The land agenda has shifted from ‘land reform’ to ‘right to food’ (through markets), ‘right to housing’, and ‘right to wages’, under the commercialisation and corporatisation of agriculture. In this respect, the WB, ADB and bilateral donors are promoting the ‘willing buyer-willing seller’ approach to land redistribution, with land redistribution being secondary to building capitalist agriculture. The ‘willing buyer-willing seller’ market-led approach to land and agrarian reform is mainly supporting middle and rich class people who are interested in pursuing commercial farming for the production of agricultural commodities for the market. In addition, the land reform agenda is now becoming re-spatialised as an urban question focusing on urban squatters.

8.3 ‘Land to the Tillers’- A Fake Slogan

In this context, it becomes possible to critically appraise the ‘land to the tiller’ slogan as propagated by diverse political parties over an extended period. Despite decades of using the slogan ‘land to the tillers’, political parties simply have not committed themselves to this in practice. A communist senior leader shared the following song at a land dialogue programme in Kathmandu, organised by the UNDP and another organisation working around land issues: “*Bhitra Kuheko Anar, Herda Ramo You Bhusi sudhar* [All rotten on the inside; but it looks nice, this ‘land reform’]. *Sadhai Ruwayar, Phakauchha Garibalai Mithai Khuwyar* [Forever weeping; they try to placate the poor with their sweets¹³⁰].” During the *Panchayat* regime, leftists sang this song while the late king Mahendra promulgated his royal land reform programme, which was implemented from 1964 to 1990. Political parties severely criticised the royal land reform and put forward the slogan ‘land to the tillers’ with their revolutionary pledges. They apparently seemed to be committed to pro-peasant or revolutionary land reform by organising and mobilising peasants. At the same time,

¹³⁰ Ms. Radha Bhattarai, leader of Nepal Communist Party (United), member of former High Level Land Reform Commission, shared her views at a programme organised jointly by COLARP and UNDP on 19 September 2016 at Hotel Himalaya, Lalitpur.

landlords protested against the king's land reform programme and sought to prevent its implementation.

In September 2016, CPN-UML organised a discussion programme on land issues and the way forward in Kathmandu. Bamdev Gautam, in his capacity as the Chair of All Nepal Farmers' Association (ANFA) and the Vice Chair of CPN-UML declared: "There is no meaning in revolutionary land reform in Nepal today, because we do not have big landlords. High-level land reform implemented by the late king Mahendra cannot happen because there is no need of such a programme".¹³¹ This is, in effect, contradictory to what leftists were saying during the *Panchayat* regime (between 1961 and 1990); certainly, it represents a swing to the political right. Even more paradoxically, a Nepali Congress Party Minister who wanted to secure the tenancy rights of peasants was sacked from his ministerial position by the Prime Minister of the same party after the restoration of democracy in 1990. Even more surprisingly, the Nepali Congress-led government in 1996 repealed the provision for tenancy in the name of eliminating dual ownership, which adversely affected around 450,000 unregistered tenants who lost their rights to land. All this happened without promulgating the new land reform act (Upreti et al., 2008).

In Nepal, 'land to the tillers' is regularly used in political party election manifestos, but only for the purposes of attracting voters. The election manifesto of each political party is prepared by a team of party experts and the manifesto is generally not read by most of the leaders, including central committee members and party candidates.¹³² Furthermore, in election manifestos, only the slogans that attract the most people are included. The Rastriya Prajatantra Party (RPP) requested this researcher to present a paper on land issues at its central gathering in Kathmandu in 2013. However, party organisers did not want the researcher to provide a comprehensive overview of land questions in Nepal; rather, they requested that he present on an issue which would attract voters. Thus, they openly asked: "Help us also on what land issues we should include in our election manifesto to attract the voters in coming elections". This anecdotal evidence suggests that political parties may prepare their election manifestos to attract maximum votes, and that promises

¹³¹ Bamdev Gautam, Vice-Chair of CPN UML, Land Issues in Nepal and Way Forward, Programme Organised by the UML Land and Agriculture Department on 15th Sep. 2016 at Hotel Himalaya, Lalitpur.

¹³² Binayadwaj Chanda, Nepali Congress Leader on Interaction Programme on Policy Issues and Alternatives, Organised by UNDP in Pokhara on 4th December 2015.

within the manifesto are unlikely to be actually implemented if the party comes into power. In 2008, most of the political parties included the notion of ‘scientific land reform’ in their manifestos but, in reality, this was merely included to win over the sentiment of poor people, not because of any party commitment to genuine land reform. People voted in significant numbers for the Maoists in 2008, such that they became the largest party in the Constitution Assembly (CA), in large part because their party had propagated a ‘land to the tillers’ slogan during the conflict period as well as later in the election.

8.3.1 Political Parties and ‘Land to the Tillers’

The general understanding of the political slogan ‘land to the tillers’ has often been equated with having a communist agenda. But the 6th declaration of the Assembly of the Nepali Congress (NC), which was held in Birgunj, Parsa in 1957, clearly mentioned the political slogan ‘land to the tillers’, and this was a priority issue for B.P Koirala, Founder Chair of the Nepali Congress (CSRC, 2010: 12). In the 1950s, the Nepali Congress popularised the slogan, which was taken up and continued by the CPN-UML in the 1990s and again ‘hijacked’ by the Maoists during the insurgency period.

With the influx of members of the landed classes into the party, the Nepali Congress abandoned its land reform agenda in 1992, switching to promoting a neoliberal agenda; and in this, too, they were soon followed by the CPN-UML in 2006. After 10 years of the peace process, the Maoists also gave up the political slogan ‘land to the tillers’. Thus, it is increasingly clear that the ‘land to the tillers’ slogan is pure party rhetoric used for electoral purposes. In this light, the Nepali Congress adopted the slogan and won the election in 1959. The CPN-UML used the slogan and won the elections of 1992 and 1995. Maoists adopted the slogan from the beginning of their armed conflict and won the election in 2008¹³³. In none of these cases was any significant action taken by the ruling party to bring about genuine land reform; the slogan was simply useful rhetoric while they were in the opposition. In the meantime, in many places around the country, including in the *Tarai* district, tillers continue to be evicted from the lands. Nowadays, the land agenda has been

¹³³ Lalbabu Raut, CA member, Vice-chair of Madeshi Janaadhikar Forum, during the interaction programme on ‘Land Reform Issues and Alternatives’ organized by UNDP in Birgunj, Parsa on 03 April 2016.

diverted away from distribution of land towards issues of land productivity, which is not a strong basis for enhancing social justice or alleviating poverty for the rural poor.

Following the election of the CA in 2008, the Maoist-led government was formed in collaboration with CPN-UML. The NC party and some regional parties (especially *Madeshi* parties) remained in opposition and, as indicated, raised the issue of returning land seized during the Maoist insurgency. But they did not raise the issue of land reform and tenancy rights for the tillers, who were denied the right to file tenancy cases in April 2008. When the landless and tenant farmers questioned these parties' political leaders and parliamentary members about this, they were met with retorts such as 'it is the time for drafting the constitution, not for land reform. There will be land reform after the drafting and promulgation of the new constitution'. One of the cadres of the CPN-UML admitted, privately, that:

We are talking about land reform and we are also talking about private ownership, which is the main barrier of land reform. Our party has the highest number of land brokers and land plotters and we have also nominated MPs from the community of land brokers and plotters. I am saying this here because there are no journalists in this session. The peasants' associations develop one document [stating their position on land] which is not the document of the party. Land reform and peasant demands are never discussed at party meetings or within the party.¹³⁴

The unresponsive attitude of these parties (including the NC and CPN-UML) towards land reform exists despite the land reform commitment embodied in the CPA, Interim Constitution and their election manifestos.

8.3.2 Communist Governments and Land Reform Commissions

After the election of the first CA in 2008, the Maoist-led government formed a High Level Land Reform Commission (HLLRC) under the chairmanship of Mr. Haribol Gajurel (a Maoist leader). The HLLRC was formed as a powerful commission, set up with the aim of clarifying what land issues needed to be dealt with by the new government and constitution. The authority of the commission was such that its chairperson was given the same status as a cabinet minister, and was directly responsible to the Prime Minister. Yet, the commission failed to submit its final report

¹³⁴ Plenary discussion on 'Land Issues in Nepal and Way Forward' at the interaction programme organised by the CPN- UML Land and Agriculture Department on 15th Sep. 2016 at Hotel Himalaya, Lalitpur.

within the stipulated time.¹³⁵ Unexpectedly, the Maoist-led government resigned in 2009, due to the unfavorable internal politics. This was largely triggered by the Maoists' high-handedness in the overall governance structures, including within the military apparatus, leading to the untimely demise of the HLLRC (Basnet, 2016a). Subsequently, a CPN-UML-led government was installed, which again formed another High Level Commission on Scientific Land Reform (HLCSLR), under the chairpersonship of Mr. Ghanendra Basnet (a CPN-UML leader), who was accorded the status of State Minister and reported to the Minister of MoLRM. The Gajurel-led Commission filed a petition at the Supreme Court to allow it to continue its work, but the Court gave recognition to the Basnet-led Commission, which worked continuously for six months and submitted its report in June 2010 within the stipulated time to the then-Prime Minister, Madhav Kumar Nepal.¹³⁶ Prime Minister Madhav Kumar Nepal, the CPN-UML leader, promised to implement the Commission's report, but soon after, his government was also forced to step down by internal pressure. Madhav Kumar Nepal was succeeded as Prime Minister in 2011 by Mr. Jhalanath Khanal, another leader of the CPN-UML, who also expressed his commitment to implement the Commission's report. However, he too was forced to step down in a short period (within six months). Finally, after the formation of the Dr. Baburam Bhattarai-led government, the original Haribol Gajurel-led Commission also submitted its report.¹³⁷

In the end, such high-level land reform commissions did not benefit the landless, smallholders, and tenant farmers. The various sitting governments had commission reports submitted to them, but they did not mobilise for the implementation of the reports. Both the Maoist and UML parties formed high-level land reform commissions, but they did not implement the commission reports even while they led their successive governments. However, they are not yet tired of talking (and only talking) about land reform. In contrast to this, the National Land Rights Forum (NLRF), a people's organisation of landless, tenant and marginalised farmers, with the support of the Community Self-Reliance Centre (CSRC, a CSO), brought one thousand women farmers to Kathmandu in 2011 and tried to pressure the government to implement the reports of the

¹³⁵ The High Level Land Reform Commission was formed with the chairpersonship of Mr. Haribol Gajurel on December 10, 2008 with six months' tenure till September 29, 2009 but he submitted his report on July 13, 2011.

¹³⁶ Ghanendra Basnet-Led Scientific High Level Land Reform Commission was formed on October 7, 2009 and Mr. Basnet submitted his report on May 5, 2010 to the Prime Minister, Madhav Kumar Nepal.

¹³⁷ Mr. Gajurel submitted his High Level Land Reform Commission Report on July 13, 2011 to the Prime Minister Dr. Baburam Bhattarai.

Commissions including, prominently, the land rights of women farmers as enshrined in the CPA and Interim Constitution (CSRC, 2007). However, ultimately the frequent change of sitting governments created an unfavourable situation for any sustained effort at implementing the commissions' recommendations.

In December 2011, the government formed a Committee under the MoLRM to study previous and existing land reform recommendations, to identify areas of overlap and differences between reports, and issue recommendations for implementation of a comprehensive land reform policy.¹³⁸ The Committee identified 13 major land-related issues, and developed recommendations to address them, including suggested timeframes for implementation. Notably, the Committee has recommended that the government conduct a comprehensive land census/audit to assist with the formulation of policies governing land use, land ceilings, redistribution, and other matters.¹³⁹ The Committee's report was submitted to the government in April 2012, but it was not implemented (The Carter Centre 2012:4-5). Indeed, the Council of Ministers did not recognise and accept the Committee's report and hence implementation was a non-starter.

Hence, although successive governments mandated the formation of two HLLRCs and four Landless Problem Solving Commissions (LPSCs) within a 10 year period (2007 to 2016), ultimately, due to political disputes and the absence of political will, no meaningful land reform was enacted, and governments did not distribute land to the genuine landless and marginalised people - a problem, of course, which has deeper historical roots (NHRC, 2009:45). Although there was considerable debate about the collection of data on land seized by the Maoists, the government failed to collect this data. When the Maoist-led government was formed, the Nepali Congress party and *Madesh*-based parties constantly raised the issue of the returning of land seized by Maoists, rather than discussing systemic land reform including the dispensation of justice to the tillers and landless people. During the democratic and republican periods, it seems that land reform became reducible to the formation of high level land reform commissions, without any actual practical follow-ups to these recommendations (a total of 13 LPSCs were also formed during this period).

¹³⁸ Carter Center interview with a senior government official and committee member, Kathmandu, April 2012.

¹³⁹ Recommendations from the Carter Center's June 2010 Land Report.

Hence, the governments in this period have only paid lip-service to land reform, while the number of landless people continues to grow.

8.3.3 Unfulfilled Promise in Comprehensive Peace Accord

From 2006 onwards, leftist political parties held the ministerial position in the office of the MoLRM and, since 2008, the government has also been formed exclusively by left parties. Leftist parties controlled 62 percent of the seats in the first Constituent Assembly (CA) between 2008 and 2013. Despite this apparent electoral success, the parties in power have continued to neglect the concerns of tenants in favour of a focus on other issues. As a part of the CPA of September 9, 2011, the government called for the immediate return of land and property captured by Maoists during the decade-long conflict (The Carter Centre, 2012:2-3). On September 13, 2011, the government of Nepal announced that the Prime Minister's Office (PMO) had issued directives to District Administration Offices (DAOs) to immediately begin the process of returning seized property, starting with collecting data on all outstanding cases. The PMO also reported that central and district-level mechanisms would be put in place to monitor implementation of the process and resolve local disputes related to the return of specific pieces of land. A ministerial-level committee composed of the then Finance Minister (Barsaman Pun) from the Unified Communist Party of Nepal-Maoist (UCPN-M), the then Minister of Energy Post Bahadur Bogati (UCPN-M), and the then Information and Communication Minister Jaya Prasad Gupta (MJF-Republican) was formed to monitor the land return (The Carter Centre, 2012:3).

On November 1, 2011, the UCPN-M, United Democratic *Madhesi* Front (UDMF), NC, and CPN-UML signed a Seven-Point Agreement that reiterated major commitments embodied in the peace process. The agreement was mainly focused on resolving issues related to integration, voluntary retirement and the rehabilitation of Maoist combatants, and it took significant steps forward on this core peace process commitment. The agreement also included points about land return and land reform similar to those contained in previous accords. Specifically, the parties agreed upon the following:

UCPN (Maoist) shall return all property seized or occupied by the party to rightful owners by November 23, 2011. With the return of the land, the owners will be given appropriate compensation; farmers' rights will be ensured as per the spirit of the CPA, Interim Constitution and scientific land

reform system; and local administration will monitor and implement the agreement pertaining to the return of the seized property (The Carter Centre 2012:4).¹⁴⁰

Finally, on January 16, 2012, in a turnabout position, the cabinet announced that land dealings authorised by the Revolutionary People's Councils under the conflict-era Maoist People's Governments in fact would be recognised and made legal (The Carter Centre 2012:5). Reportedly, the government instructed DLROs to begin issuing land certificates to people on the basis of the conflict-era decisions. In some districts, People's Governments had made hundreds or even thousands of rulings on land-related issues during the conflict (The Carter Centre, 2015). The announcement was strongly opposed by the opposition parties including the NC and CPN-UML. Both NC and CPN-UML announced that they would boycott the legislature or parliament until the decision was withdrawn (The Carter Centre 2012:4-5). On January 19, 2012, the Supreme Court stayed or prevented the government from implementing the decision. Although the decision formally remained pending in the cabinet on February 9, 2012, the then Prime Minister Dr. Baburam Bhattarai addressed the legislature and promised that the government would not implement the decision in order to end the NC and UML boycott.¹⁴¹

8.4 Peasant Movements

Before the emergence of democracy in 1950 and after the restoration of democracy in 1990, some independent land movements were launched by the peasants themselves. During the *Panchayat* period (1961-1990), peasant movements were politically motivated and largely guided by the political parties. Later, during the conflict period (1996-2006), farmers' association under the Maoist insurgents mobilised people by indoctrinating them with a particular revolutionary political ideology. But after the restoration of democracy in 1990, political parties accepted neo-liberalisation and this changed the form of peasants' movements. It seems now that all political parties have abandoned genuine land redistribution and reform, and hence have abandoned the

¹⁴⁰ Seven-Point Agreement, Nov. 1, 2011. Unofficial Translation. <http://www.ekantipur.com/the-kathmandu-post/2011/11/01/nation/draft-of-the-7-point-agreement/227733.html>.

¹⁴¹ "Controversy over Conflict-era Property Deals," *The Kathmandu Post*, Feb. 9, 2012. <http://www.ekantipur.com/the-kathmandu-post/2012/02/09/top-story/controversy-over-conflict-era-property-deals/231381.html>.

rural poor. As a result, land rights movements have shifted from being under the wings of political parties to becoming autonomous people's movements or linked to NGOs.

Until the 1950s, resistance related to land and land rights were often limited to disputes between the central government, the ruling elite, and feudal landlords (Karki, 2002:9). In particular, conflicts and contradictions with the central government involved owners of *Birta* and other forms of land tenure systems around the issue of land tax and inheritance rights on these land tenure systems (Regmi, 1999: 13-15, 111-131). But L. Caplan, a British anthropologist, states that in the late nineteenth century, some sporadic attempts of organising *Limbus* were made to protect *Kipat* (communal land customarily held) from being converted to *Raikar* tenure by the government (Caplan 2000: 175). In 1913 and 1917, the *Limbus* of Ilam were able to forge an alliance with the *Subbas* to challenge the government's efforts regarding the abolition of *Kipat* tenure. According to Caplan, over 300 men, mostly *Subbas*,¹⁴² came forward and challenged the government's decision to restrict *Kipat* tenure, which led to the withdrawal of efforts to abolish the *Kipat* tenure (Caplan 2000:176). Until the 1950s, the *Subbas* of *Limbuwan* were organised in an *ad hoc* committee defending traditional *Kipat* tenure. Although this resistance was against the state's policies around the central control of land and related issues, it was a movement which arose from within the ruling elite of indigenous groups at that time, and thus, it cannot really be considered a movement from below.

Though peasants' movements were taking place in Nepal sporadically since the 1800s, it was only from the 1950s that they began to take on a more organised form (Regmi, 1999). From 1950 to 1960, many of these peasant land rights movements tended to be under the wing of the political parties. The political parties were convinced that law, order and stability would be undermined if the vast majority of the rural poor were left to suffer in conditions of extreme poverty; and this, in the end, would cause serious problems for landlords and landowners. But the political parties, despite any 'land to the tiller' slogan being propagated, tended to confine themselves in practice to calling for only minor land reforms to the existing system, rather than bringing about radical changes in the economic structure of the feudal system (Upreti et al., 2018).

¹⁴² There is a difference in *Limbus* and *Subbas*. All *Limbus* are not *Subbas* and *Subba* is the position given by the state to collect the tax.

However, following the institution of democracy in 1950, some autonomous movements seemed to emerge as well. For instance, an organised movement started from Somlingtar (Bhaktapur, one of the Kathmandu valley districts), which focused on the non-payment of grains (*Kutbali*) and the rights of tenants tilling the land (Thapa, 2001). At the same time, there were other organised movements, including: on tenancy rights in Bhaktapur and Kathmandu (adjoining districts) against *Bataiya* (the remaining part of the harvested paddy, or a kind of chaff); similar movements in Bardiya (mid-western part of *Tarai*); *Jamindar Birodhi Andolan* (movement against the landlords) in Lumbini (western part of *Tarai*); and *Dharmabhakari Andolan* (movement against the government scheme to collect grains compulsorily from the peasants in community storage at the time of the harvest) in Bara and Rautahat districts (central part of *Tarai* districts) (Thapa, 2001). The above movement of Bhaktapur proceeded in an organised way and focused on *Birta*, the *Jamindari* system, and the rights of the tenants on tilling land. For this movement, a common farmers' association (*Akhil Nepal Kishan Sangh*) linked to all existing political parties was formed and mobilised. From 1953 to 1955, in almost all districts of *Tarai*, *Khamar Rok* (a strong peasant's movement) took place, which was controlled and led mostly by the young peasants of *Tarai* (Thapa, 2001).

Initially, when the major political parties were founded, they began forming allied organisations of peasants. Thus, in Nepal, farmers' movements regularly existed only in and through the direction of political parties, especially during the *Panchayat* period from 1961 to 1990. No significant independent and autonomous farmers' movements emerged.¹⁴³ So, until 1990, peasants were active, mobilised, and organised in the struggle for land reform under the control of various political parties. There were, however, some sporadic instances of autonomous peasant activity. For example, there was a popular movement in the *Tarai* called *Bhakari Phod* ('breaking the grain stores'), which led to a struggle in 1979-80 in which farmers demanded a higher price for their products (Uprety et al., 2018). However, the army took action against the peasants in this case. This struggle started from Dhanusa and spread over different parts of the country, mostly in the *Tarai* districts.

¹⁴³ View of Ghanshayam Bhusal, Deputy General Secretary CPN-UML, at an interaction programme on 'Land and Agriculture', 15 Jan. 2015 Organised by Forest Action.

Ultimately, a recurring pattern emerged in which the peasant base of political parties facilitated electoral victories for the latter in successive elections; but once in power, the promised land reforms were abandoned. Thus, after the restoration of democracy in 1991, peasant organisations linked to these parties often were demobilised and deactivated to various degrees, as the quest for national power was the main focus of political parties (Basnet, 2013). This was the case even with the Maoists. Farmers' associations falling under the Maoists were active during the conflict period but, with the emergence of the peace process, the Maoist party turned their back on these associations by failing to pursue peasant interests and concerns. Again, 'land to the tillers' seemed to be exclusively for rhetorical consumption and electoral gain. The political parties continue to have farmers' organisations aligned to them, but these do not clearly articulate the interests of the marginalised rural poor.¹⁴⁴ In Nepal, leaders of these 'farmers' associations' or 'federations' are, in fact, not actually peasants, but tend to be party cadres deployed to these associations. Further, the members of these associations tend to be, if peasants at all, small-scale farmers on a path of accumulation.

8.4.1 Peasants Movement from the 1990s

In the post-1990 period, sharecroppers, tenants, landless labourers and smallholders started to become organised (particularly after 1992-93) on a more autonomous basis as they formed their own associations and federations. Some of these, though, are linked to progressive donor-funded NGOs. They include the following: the National Land Rights Forum (NLRF), a peasants' organisation facilitated by CSRC; *Kamaiya Samaj* (a society/organisation of ex-bonded labourers); National *Haliya* Federation (an alliance of ex-*haliya* groups (ploughmen)); *Kamalari* Elimination Committee (an alliance for girl child semi-bonded labourers); *Kamaiya* Concern Group (a mix of an alliance of INGOs and national NGOs); tenant and *Guthi* Land Concern Group (an organisation of tenants and *guthi* land tillers' organisation); National Land Rights Concern Group (an alliance of NGOs); Landless Struggle Committee (an organisation of landless people); and Concern Group of Housing Rights (an organisation of squatter people). Below is provided a brief overview of the different movements launched between 1993 and 2015 and some of their demands and activities (Field notes from 2015 to 2017; Basnet, 2015; CSRC, 2016; CSRC Land Rights Bulletin, 2016).

¹⁴⁴ Hari Rokka, Political Analyst on Formation of Alliance on 'Land and Agriculture', 30 May 2014, Forest Action.

1993 – *Kanara* Land Rights Movement: In Bardiya district, in the Tarai part of the mid-western development region, agricultural labourers, tenants, and sharecroppers of the *Tharu* community launched this movement for their land and livelihood rights, which was eventually ruthlessly suppressed by the newly formed Nepali Congress government, which was democratically elected in 1993.

1995 – No Grain Payment Movement: In Rasuwa, a mountain district in the central development region, remnants of *Birta* tenure were widely prevalent even after the legal abolition of *Birta* land in 1959 by the Nepali Congress government. The tenants of *Birta* owners had been compelled to pay agricultural rents in grains to the fraudulent landowners. So finally, the *Birta* tenants united to stop the payment of agricultural rents. For this, tenants of *Birta* land mobilised and demanded their rights to the tilled land (i.e., registration of the tilled land in their names because they had been tilling such land for generations).

1996 – Filing of the Applications on Tenancy Rights: This movement was facilitated by CSRC, a community-based organisation which was facilitating the tenants and sharecroppers' land rights movement. They started filing cases for tenancy rights at the District Land Reform Office, Sindhupalchok, which is an adjoining district of Kathmandu. The tenancy rights movement was initiated with the facilitation of CSRC, a movement organisation which is now led by NLRP, a people's organisation in which only the land deprived and marginalised peasants can be members. This movement has now been expanded into 59 districts (out of 75) of Nepal. Though the movement was started with some small financial support from Actionaid Nepal in 1994, it has since expanded to be able to switch to a model of generating some financial resources locally.

1997 – *Bagdari* and *Pitmari* Land Rights Movements: *Bagdari* and *Pitmari* movements were launched in Bardiya and Banke districts in the mid-western *Tarai*. The stakeholders in these movements were the indigenous people from the *Tharu* community, who had been tilling the land for generations and yet deprived of tenancy rights. While the tenants and sharecroppers themselves mobilised for their rights, the government tried to suppress these movements.

1998 – Movement against Illegal Land Transference by the Government: Landless people and sharecroppers of Gijara Farm in Banke district, in the mid-western *Tarai*, mobilised and organised themselves against the government's approval for converting the excess land

above the land ceiling into the property of a company (Gijara Farm) and doing so for industrial purposes. The local indigenous peasants and tillers organised a strong protest programme vis-à-vis this governmental move, and demanded the distribution of the land to the landless and sharecroppers.

2000 – *Kamaiyas* Movement: *Kamaiyas* were organised by local NGOs and INGOs working on land and human rights. This took place in five districts, namely, Dang, Banke, Bardiya, Kailali and Kanchanpur. Besides mobilising in large numbers in the five districts, *Kamaiyas* were also mobilised in the capital city of Kathmandu in 2000, finally forcing the then-government to announce their liberation from bonded labour. Upon the formal announcement of their liberation, Kamaiya activists also led several local-level movements for their land rights in these five districts.

2000 – Encirclement of the District Headquarters: In a couple of districts, but primarily in Sindhupalchowk, in the central development region, peasants encircled district headquarters to claim tenancy rights with their proof of tillage. More specifically, peasants deprived of tenancy rights encircled all the land-related offices of Chautara, the headquarters of the Sindhupalchok district, with the facilitation of CSRC. They sought to pressure the local governments to address tenancy issues regarding both private and *Guthi* land. This encirclement forced the central government to form a small committee to solve the problem of tenancy and *Guthi* land in Sindhupalchok district. This was a historical initiation by the landless people of Sindhupalchok district, and had significant repercussions for the land rights struggle nationwide.

2004 – Case Registrations by the Landless People and Agricultural Labourers: More than 73,000 applications pertaining to cases of violations of settlement rights, including the landless and squatters, and fair wage rights, were filed at the land registration offices by landless peasants in more than 40 district headquarters of Nepal, mostly in the *Tarai* districts. In several districts, people encircled the offices of the CDOs and DLROs to take action on the filed applications.

2004 – Hunger Strike at Rajbiraj, Saptari District: More than 500 landless *Dalit* people organised and launched a forty-eight hour hunger strike at Rajbiraj, the district headquarters of Saptari district in the eastern *Tarai*, demanding land rights and citizenship certificates.

2004-2006 – Registration of Land Tenancy Cases: More than 21,000 tenancy cases were filed at several district land reform offices claiming 50 percent of the tilled land, with the support of CSRC in more than 30 districts of Nepal. NLRF (the land-poor people's organisation) took charge of organising this campaign, which is ongoing at the time of writing.

2006 – Relay Hunger Strike Demanding Land Rights at Inarhawa, Sunsari District: A five-day long relay hunger strike was launched by a group of tenants, sharecroppers, and landless people at Sunsari, district headquarters of Sunsari district in the eastern *Tarai*. The protestors were demanding their land rights and land reform in front of the land reform offices.

2006 - Padlocking the District Land Revenue Offices: In some districts, the land revenue offices were padlocked, including in the districts of Dang, Banke, Bardiya, Sunsari, Sindhupalchok, Sapatri, Siraha, and Mahottari (all in the *Tarai* region) by the landless, sharecroppers, smallholders and tenants, who were protesting the inefficiency of reform efforts so far and demanding land rights and land reform (under the coordination of the NLRF).

2007 – ‘Sit-in’ Programmes for Land Reform: The NLRF organised ‘sit-in’ programmes at the offices of major political parties at both the district and the central levels, demanding the realisation of the land rights for the land-poor. It organised the programme at the gate of the Prime Minister's Office and his residence too, demanding the immediate addressing of the issues of land rights (while an all-party meeting was going on at his residence).

2007 – *Badi* Women's Protest: *Badi* women (who were traditionally considered untouchables and have historically been forced to engage in the flesh trade, in the absence of alternative jobs for survival) started a movement demanding their land rights and security of livelihood. They demonstrated at *Singh Durbar*, the headquarters of the national government, and Maitighar Mandala in Kathmandu (which is very close to *Singh Durbar*) for nearly two months. Finally, the government agreed to provide land by forming a high-level committee, but the agreement is yet to be implemented.

2008 – ‘Sit-in Programme’ at Tudhikhel, Kathmandu: A 13-day long ‘sit-in’ programme was organised at Tudhikhel (open theatre) in Kathmandu by the NLRF, demanding the immediate formation of a high level land reform commission for the implementation of

genuine land reform on behalf of landless and tenant farmers. Consequently, the government of Nepal agreed to form a high-level land reform commission within 15 days.

2009 – Mobilisation of Peasants: Around 500 land-poor people organised themselves and initiated a ‘sit-in’ programme at Chautara, the headquarters of Sindhupalchok district, and demanded land rights over *Guthi* land and tenancy rights on tilled land controlled by landlords.

2010 – Food March by Women on Land Rights: Around 500 women marched from Dang district, in the mid-western region, to Kanchanpur district, in the far-western region, and demanded that land reform be incorporated into the constitution (which was to be drafted) on behalf of landless and tenant women farmers. This march ended after 11 days in the Kailali district of the far-western *Tarai*. On the last day of the march, there was an astonishingly large mobilisation of women farmers.

2011 – ‘Sit-in’ by Women in Kathmandu: One thousand rural women came to Kathmandu and demanded land reform for women farmers, implementation of high level land reform commissions’ reports, and timely promulgation of the constitution on behalf of women farmers. The movement was coordinated by the NLRF.

2012 – ‘Sit-in’ at District Headquarters: In a repeat of the protest from 2009, around 500 tenants and sharecroppers once again organised a ‘sit-in’ programme at Chautara, the headquarters of Sindhupalchok district, and demanded land rights on *Guthi* land and tenancy rights on tilled land.

2013 – Mass Demonstration for Land Rights in Constitution: A total of 14 mass demonstrations and gatherings were organised by the landless people, tenants, and smallholders, under the leadership of NLRF, demanding the addressing of land reform issues in the new constitution.

2014 – Letter Campaign to Members of the Parliament and Constituent Assembly (CA): More than 15,000 letters were submitted by tenants, sharecroppers, and smallholders to the CA members, requesting that land reform be prioritised in the new constitution.

2014 – ‘Sit-in’ Programmes: A 27 day ‘sit-in’ programme was organised at the Land Revenue Offices of Banke and Bardiya districts in the mid-western *Tarai* by the District Land Rights Forums (DLRFs) branches of the NLRF. The protestors were demanding tenancy rights on tilled land and land reform in the constitution. Similarly, a programme

was organised by the DLRFs of Rasuwa and Nuwakot (central hills of Nepal) for tenancy rights on *Birta* lands. The government eventually agreed upon a 9-point action plan which addressed the demands of the DLRFs from Rasuwa, Nuwakot, Banke, and Bardiya; but in reality, the plan remains to be implemented.

2015 – Larger Mobilisations for Land Reform: Landless labourers, tenants, sharecroppers and smallholders organised more than 20 larger demonstrations in different parts of the country to ensure inclusion of land rights for the rural poor in the new constitution. They also invited members of the Constituent Assembly members and representatives of political parties who were sympathetic to their cause.

2016 – Mobilisation for Reconstruction and Tenancy Rights: After the earthquake of 2015, a reconstruction support programme has been implemented by the government. Under the coordination of the NLRF, there have been mobilisations in different districts to ensure that the land rights of the tenants, sharecroppers, and landless labourers are also addressed in the course of this reconstruction.

As opposed to farmers' organisations that are linked to political parties, which usually focus only on the rights of middle class farmers, these more autonomous peasant movements are of some importance in defending the rights of the marginalised rural poor. For instance, the National Land Rights Forum, an independent people's organisation (with members only from the landless, tenant, and smallholder communities) has been continuously mobilising for land rights, and to put pressure on the government in this regard since 2004. In fact, CSRC was mobilising peasants between 1993 and 2003 as well, but then recognised the need for an independent peasant movement which would not be subservient to it, and thus the formation of the National Land Rights Forum in 2004. There have been a number of policy changes which can be at least indirectly traced to the mobilisation of CSRC and other movements (Uprety, 2015). These include the inclusion of the agenda of 'scientific land reform' in the new constitution of 2015, and the sixth amendment of the Lands Act of 1964.

There is also growing recognition of the role of the NLRF by the government and policy-makers, particularly around its constructive inputs into land policy changes. In fact, the NLRF effectively used the constitution-drafting process to provide meaningful inputs into questions around land

rights for peasants. In this regard, the NLRF has membership in the National Farmers' Forum, which ensures that its land demands are placed before the various political parties (Uprety, 2015: ix). Without the mobilisation of NLRF and the facilitation of CSRC, along with some other aligned groups, it was unlikely that land issues would have been incorporated into the CPA of 2006 and the Interim Constitution of 2007. However, there is some evidence which suggests that the peasant movements lose momentum when their demands are partially addressed in some way in policy by the government.¹⁴⁵ Further, no significant implementation of policy has been forthcoming around these land issues. This national-level mobilisation and advocacy has taken place alongside the more localised direct action by peasants, as discussed above. It is difficult to examine the overall effects of these national and local actions, but at least they have likely slowed down the processes of de-peasantisation in isolated instances.

8.4.2 NGO-Facilitated Land Rights Movement

When the IMF, WB, ADB, IFAD and some other bilateral donors imposed the SAP and set the foundations of neoliberal restructuring in Nepal in the late 1980s and early 1990s, political parties and successive governments accepted these interventions unquestioningly and unconditionally, without any discussion in parliament or amongst civil society organisations (CSOs) and Nepali citizens. With political parties on the back-foot when it came to organising peasants after 1990, donor-funded projects in rural areas came increasingly to the fore (as discussed in the previous chapter). This often entailed a focus on neo-liberal commercialisation of agriculture. For instance, for the past 10 years, the IFAD has been involved in supporting and developing a Farmers Forum in South Asia and East Asia, including in Nepal. The agenda of the IFAD is not to defend the rights of peasants and generate peasant capacity to mobilise for land reform. Rather, it is to provide institutional support to the rural poor as part of its overall focus on land productivity and the commercialisation of agriculture in Nepal, a process which to date has in fact detrimentally impacted the lives and livelihoods of peasants.¹⁴⁶

¹⁴⁵ 'Civil Society and Looking Back to Forestry Movement in Nepal' organised by Forest Action and Fecofun on 20th December 2013, Dhulikhel, Kavre.

¹⁴⁶ Hari Rokka's political analysis on 'Land Issues and Neo-liberalization in Nepal' in March 2016.

However, more progressive NGOs also began work in Nepal in this period, as indicated earlier. These came together with peasant organisations to mobilise and build an alliance amongst themselves to fight neo-liberalisation and globalisation at the national and global levels. Indeed, the political changes in 1990 that led to democratic openings also facilitated the mushrooming of NGOs (mostly donor-funded NGOs), including ones specifically concerned with turning peasant organisations into a larger rural social movement. This, in turn, was facilitated by the shift in the content of the development agenda under neo-liberalism from a needs-based approach to a rights-based approach, which was brought by INGOs. This allowed for a focus on the realisation of social, economic and cultural rights in a context in which civic and political rights were supposed to be ensured by the constitutional process introduced after the political upheaval of 1990. Such social movements of national prominence included movements for the emancipation of *Kamaiyas* (bonded-labourers) and *Haliyas* (indebted bonded ploughmen). These social movements focused on the freedom of *Kamaiyas* and *Haliyas* but they did not pursue the issue of ownership of land and the rehabilitation of *Kamaiya* and *Haliya* through access to land (Tamang et al., 2015).

Thus, in the last couple of decades, the space of the political parties and their farmers' organisations has been taken by the NGOs/CSOs. As noted, farmers' organisations belonging to the political parties still exist, but members of these organisations tend to be middle class farmers, not the rural poor. During election times, it is not unusual for leaders of these movements to lobby at the political party offices of their affiliated party, since they want to safeguard the possibility of their nominations as electoral candidates or for political appointments. It is also the case that political parties are linked to (or even discretely operate with) certain donor-funded NGOs and that these NGOs mobilise peasants with the intention of strengthening party political performance during elections. Progressive NGOs unrelated to political party machinery do not pursue partisan interests in this way, but these NGOs are marked by a chameleon character in that they defend peasant rights in an often inconsistent manner, in part because of shifting donor priorities. Changes in NGO agendas and programmes invariably impact the steady development of any peasant organisations to which they are aligned (or to which they were once aligned), leading to challenges in the emergence of a solid rural social movement.

Rural people's organisations are, in this way, often products of facilitative processes led by national and international NGOs (such as NLRF) aimed at the promotion of the rights-based development approach. These organisations are financially and technically dependent on NGOs/INGOs, and are inclined to act as per their guidance and agenda. But there are signs in Nepal that the land rights movement may die a premature death without NGO facilitation. For instance, CSRC has been facilitating a land rights movement which emerged from Actionaid funding in 1994, and now has multiple sources of funding for the movement. If the CSRC is closed as a facilitating organisation, this might eventually result in the disappearance of the NLRF (which was initiated and nurtured by CSRC) and perhaps other land rights movements as well in Nepal. Most of the local NGOs in Nepal (such as CSRC) do not have their own local resources and are dependent upon INGOs. If the INGO funding is stopped, there is the possibility of a sustainability crisis for both local NGOs and peasant movements.¹⁴⁷

Because of shifting agendas and donor-funding cycles, these NGOs do not have a continuous and long-term plan to support movements, even in terms of one specific issue. For instance, movements like *Abhiyan Nepal* (eastern part of Nepal), *Janatechana Dalit Sangam* (eastern part of *Tarai*), *Mahila Sahayogtmak Samaj* (central *Tarai*) and *Indrani* (mid-western part of Nepal) were at one time supported by CSRC to work around issues of tenancy rights. But, within a year, these movements were being asked by their donors to mobilise their members around the issue of landlessness (followed perhaps even later by *Guthi* issues). This shows that local NGOs focus on land issues for which they receive funding, and funding priorities often change. Local NGOs need to go with the flow of funds for their own sustainability (Tamang et al., 2015). Thus, there is no clear and comprehensive programme and commitment on the part of local NGOs to build land movements systematically over time. This leads to all sorts of challenges with regard to the sustainability of any land or peasant movement, as any failure on the part of the movement to shift its focus may lead to a loss of NGO support on which it depends.

Furthermore, within movements themselves, there is often a dearth of any serious discussion amongst the activists and leaders about the mobilisation of financial and technical resources by the

¹⁴⁷ Discussion with the Chairperson and team members of *Abhiyan Nepal*, Sunsari, on 15 August 2016.

movements to enhance their autonomy.¹⁴⁸ At the same time, the rural poor (including women, *Dalit*, and indigenous leaders) are tactically co-opted by NGOs to galvanise the movements, without any institutional effort to build their capacity and ensure the sustainability of such social movements. The movements often take on an ephemeral character, rising and falling without any organisational durability. In the end, rural movements often become co-opted by the NGOs, who claim to be the genuine representatives of peasants at national and international levels. The genuine leaders of the peasants' movements are rarely given any space for representation in international movements and networks, due to the power nexus which exists within the donor-funded international development system. Not surprisingly, then, land rights-based social movements in Nepal are in crisis. At times, because they receive donor funds and are dependent on these funds, they do not always receive legitimacy and respect by government and political parties. This is consistent with the view of the national government that the rural organisations are not – strictly speaking – local movements; this is because of the INGO-support, which is said to go contrary to the NGO *mantra* of participatory people's movements. Additionally, because they are connected to different (regularly urban-based) NGOs and donors, they are fragmented in their agendas and programmes, which are often contradictory to each other.

Ideally, the principal parameter for assessing a social movement is the state of the capacity-building of the active members through mobilisation. But quite contrary to this basic principle, the mobilisation of rural people in Nepal largely depends upon overseas funding. For instance, if there is Rs 10, 000 available, then 500 people can be immediately mobilised; and if there is Rs.50, 000, then 1,000 people can be mobilised.¹⁴⁹ When NGOs have money, they organise large-scale programmes in five-star hotels in the metropolitan and sub-metropolitan cities with much fanfare. But when they have limitations in financial resources, they organise their programmes perfunctorily, as if they act according to the flow of money and not based on some broader justice-based principle. In this way, the NGOs have become sites for employment rather than sites for genuine land transformation.¹⁵⁰ This means that the salaried staff of NGOs, as the supposed representatives of the rural poor, often act against the basic premises of rural justice.

¹⁴⁸ PM & E writing meeting at CARE on 19 September 2010.

¹⁴⁹ Somat Ghimire on 'Civil Society and Looking Back to Forestry Movement in Nepal' organised by Forest Action and Fecofun on 20th December 2013, Dhulikhel, Kavre.

¹⁵⁰ 'Civil Society and Looking Back to Forestry Movement in Nepal' organised by Forest Action and Fecofun on 20th

There is also a tendency for one NGO person (often well-paid) to be engaged in more than four or more alliances and networks such as the NGO federation, Land Movement Alliance, Agriculture and Food rights Alliance and National Farmers' Alliance. In this context, such a person – even if deeply committed to agrarian justice – simply does not have the time to work in a focused and intense manner on building land rights movements and articulating the rights of the rural poor. Such a person participates in many meetings and workshops at the international, national, regional and district levels and, as a result, is not able to support people at the local level. Whatever changes are generated at the local level are thus often due to the contributions of the frontline leaders of the movement who, unlike NGO staff, work as volunteers.¹⁵¹

In the beginning, though, there were solid relationships between NGOs and rural people's organisations. Local people praised them by claiming that 'nothing positive will happen in this village without their contributions'. In becoming involved in movements with the support of NGOs, the expectations of people were raised beyond what was realistic, culminating in conflict at times. For instance, at times CSRC has imposed decisions on the NLRG in terms of the latter's leadership at the level of District Land Rights Forums. This raises the fundamental question about the leadership of peasant movements and the role of external facilitators, and the importance of deeply-rooted local peasant-based organisations which are able to display levels of autonomy and initiative. In many instances in rural Nepal, the local peasant movement leadership is weak and ineffectual, but the very presence of a local peasant organisation linked to national land networks threatens the agrarian elite.¹⁵² Clearly, in terms of organisation, funding, leadership, strategy and tactics, peasant movements and their NGO allies have important work to do in the years ahead if de-peasantisation is not to undermine the lives of the rural poor even further.

8.5 Conclusion

This chapter sought to indicate the ways in which all political parties, of all political persuasions (even the Maoists), have, in effect, abandoned the cause of peasants and are failing to assist

December 2013, Dhulikhel, Kavre.

¹⁵¹ CSRC PRRP 29th December 2015 (Land and Agrarian Rights Movement), Thimura, Chitawan.

¹⁵² Discussion with Keshav Dahal, Saledra Rai, Puskar Gimire, Prabin Khanal by Mohan Thapa and Jagat Basnet on the Strategic Plan of CSRC 2014-2019 during the Field Visit on 23rd June 2013 at Itahari.

peasants in resisting processes of de-peasantisation. In part, NGOs have taken over the role of political parties in this regard; although, as indicated, in a problematic manner at times. At the same time, peasant movements at local and national level, with or without the assistance of NGOs, are engaged in advocacy work along with direct action. The fact that political parties and the government more generally are unwilling to pursue a genuine 'land to the tillers' programme is deeply problematic for these peasant movements, as it means that both the state and capital are waged against the interests of peasants. The ongoing development of the capitalist economy (including the agrarian economy), a government which is supportive of neo-liberal restructuring, and an NGO sector which is struggling to facilitate the emergence of strong peasant movements, all contribute to an emerging context that does not bode well for the future of the peasantry in Nepal. Though important forms of resistance against de-peasantisation have taken place and continue to do so, on the part of peasant movements, this resistance is on the back-foot, as more and more peasants become subject to de-peasantisation, become landless, and turn to wage-labour as a means of basic survival in contemporary Nepal. Unequivocally, the success of the peasants' movement is diametrically contingent on the indigenisation of the mobilisation of financial and human resources.

Chapter Nine: Summary and Conclusions

9.1 Introduction

Resigning from a permanent position as a schoolteacher, I started my social activist work in 1994 by facilitating a tenancy rights campaign in two Village Development Committees (VDCs) of my native district, Sindhupalchowk, a Hill district in central Nepal. In due course, the initial campaign turned into a broad land and agrarian rights movement. I have now spent twenty-five years involved in the land and agrarian rights movement, which has at times influenced or directly led to policy changes that empowered the land-poor and smallholder peasants in some way. All of this has given me a sense of purpose and satisfaction to a large degree. However, after two decades of land activist work, I felt compelled to pose two fundamental questions. The first of these was: ‘why are peasants being marginalised and de-peasantised?’ and the second was: ‘why are land-market forces overpowering peasants and the land rights movement?’ It was in this context that, in 2014, I decided to further develop my understanding of peasants, de-peasantisation, commodification of land, and the overall neo-liberalisation of agrarian spaces in the face of state land policies. I consulted some of my close friends, who encouraged me to pursue a PhD. In taking up the PhD, I put aside some of the management work in my organisation and movement, in order to focus on empirical research and theoretical analysis. However, throughout the process of developing my PhD thesis, I have remained firmly rooted in organisational and activist work, as a means of staying connected to struggles on the ground. Thus, this thesis as an intellectual project is not at a distance from my political activist work.

The purpose of this concluding chapter is to bring together in a coherent way the overall claims made in the thesis, and to show how the thesis objectives were accomplished.

9.2 Summary of the Thesis

The principal objective of the thesis was to offer a critical analysis of the extent and form of de-peasantisation in Nepal since the 1950s, with a particular focus on the neo-liberal period that began in the 1990s. With specific reference to Nepal, the main subsidiary objectives were as follows:

- a) to trace the legacy of land policies from the *Rana* and *Shah* dynasties (prior to the main periods of study);
- b) to understand the royal land reform programme from 1964, and the actual implementation of the programme in terms of its effects on the lives of peasants and de-peasantisation;
- c) to analyse the ways in which ‘de-peasantisation’ ties into the caste-system as the fundamental basis for the agrarian social structure;
- d) to unpack the different dimensions of neo-liberal restructuring and show how each dimension in its own way affected landholdings and peasant existence in agrarian areas;
- e) to review the role of political parties in the democratic period, as well as peasant opposition, in terms of how the democratic transition affected processes of ‘de-peasantisation’, and
- f) to identify and understand the ways in which ‘de-peasantisation’ has not been tied down to any linear trajectory, and to thus recognise the complex and diverse forms it has taken, as well as the ways in which it has been inhibited.

In this section, I indicate how the thesis was able to address the subsidiary objectives, from ‘a’ to ‘e’, with subsidiary objective ‘f’ and the main objective discussed later. Objectives ‘a’, ‘b’ and ‘d’ tend to entail temporal analyses of land, peasants, and de-peasantisation in Nepal by focusing on the pre-1950 period, the 1950 to 1990 period, and then the post-1990 period. These analyses raised a diverse range of specific developments pertinent to the main objective of the thesis. These subsidiary objectives were addressed in chapters 4, 5 and 7. Objectives ‘c’ and ‘e’ relate to more thematically-based topics (in part, across temporal periods) by considering caste and class, and political parties and peasant mobilisation; and these objectives received attention in chapters 6 and 8. I first consider the objectives entailing temporal analyses.

It should first be noted that the history of land, land ownership, and land possession in Nepal involves four phases, as follows: the phase of exclusive control of land by indigenous peoples; the

phase of land dispossession with the simultaneous emergence of the feudal system during the *Shah* and *Rana* dynasties; the phase of control of land by the state as ruled by an absolute monarchy during the *Panchayat* system; and the current phase of neo-liberal restructuring. These phases are not absolute temporal distinctions, as shifts between them involved both change and continuity. Indeed, each subsequent phase emerged from the previous one, being marked by some of the characteristics of the past, and adding another layer to the current complexities of the agrarian political economy of Nepal.

In chapter four, there was an in-depth examination of land and land history in Nepal, dating back to the pre-1950 era under the *Rana* and *Shah* regimes (objective ‘a’), but also including discussions of the *Panchayat* and neo-liberal periods. It was during the pre-1950 period that the feudal system emerged and became dominant, leading to the massive loss of communal land by smallholders (including indigenous people and certain castes) as independent peasant producers. A range of extractive land tenure systems such as *birta*, *guthi*, *jagir* and *rakam* arose (literally, to extract surplus produce) based on the rigid power relationship between landlords and peasants (mostly tenants and sharecroppers, tilling the land of landlords). This marked the onset of modern Nepal (from 1768 onwards), particularly with the conquest of the Kathmandu Valley by the Gorkhali ruler Prithvi Narayan Shah. One (autonomous) form of peasantry was thus being replaced by another (subordinated and deeply insecure form) form, though even to this day both exist to certain degrees.

Chapter five sought to examine the *Panchayat* and neo-liberal periods more fully, but the focus was specifically on the royal land reform measure (objective ‘b’), dating back to the early 1960s under the royalty-state, along with its many amendments (well into the neo-liberal period). The royal measure had a progressive and redistributive thrust to it, as it was meant to enhance the security of the peasantry tilling the land of the landlords. But there was significant resistance to this development by landlords such that, in practice, the security of peasants was actually undermined, resulting in loss of land for these peasants (and hence, de-peasantisation). Landlords simply refused to accede to the land reform, or they either identified loopholes within it or acted with the connivance of state officials to thwart peasant attempts to maintain access to land. The extractive rulers took measures to maintain and control the feudal landholdings, using the legal

system as well as the lack of citizenship cards and formal documents of tenancy to deny peasants their land rights, despite the provisions of the royal land reform measure. Land administration and reform offices were officially designed to grant tenancy rights to peasants or assist tenants in securing their land rights. However, in the end, state bureaucrats in these offices promoted the interests of landlords in the eviction of tenants, including through bribery and corruption. Often, landlords in fact benefited by gaining control over more land, including excess land designated as being above the land measure ceiling, by using unscrupulous measures. At the same time, for tenants and sharecroppers, their land access status was informalised and made less secure. Thus, tenants from the *Tarai* were even ruthlessly evicted from the tilled land.

As with the pre-1950 period, then, there was a close alliance between landlords and the political rulers (an absolutist regime) which hindered the land reform process. Members of the old nobility, landlords, relatives of rulers, and other privileged groups in Nepali society virtually monopolised the civil, political and military administration throughout the *Panchayat* period, leading to ongoing extraction of the agricultural surpluses produced by the peasantry. The extractive agricultural rent system, indebtedness of tenants, the expensive legal system, bureaucratic hassles (red-tapism), lack of citizenship certificates among tenants, and the overall nexus between landlords and absolutist officials weighed heavily against the lives and livelihoods of peasants, resulting in loss of land, insecure tenure and de-peasantisation.

Chapter seven focused on pursuing objective 'd', entailing a focus on neoliberal restructuring since the 1990s. In particular, it examined how this neoliberal agenda has involved capitalist restructuring away from the feudal system, and the commodification of land and the agrarian economy in Nepal. Though this represents a shift away from feudal landholdings (with landlords and tenants), it has yet to involve a complete break. It also has entailed a continuity with the feudal past in terms of ongoing processes of de-peasantisation, but now under neo-liberal conditions. Thus, since 1991, the democratic government of Nepal has adopted neo-liberal policies, leaving the agenda of land reform subject to the supposed leveling influences of marketisation. Land is increasingly characterised by private (freehold) titling, land-plotting, market-based transactions and commercialisation, and speculation and financialisation, as well as infrastructural development and tourism projects; all of this serves to marginalise peasants and inhibit their

capacity to pursue livelihoods through access to land. At the same time, the agrarian economy has itself become less significant to the national economy of Nepal, as de-agrarianisation tendencies are afoot - though these tendencies are not the main cause of de-peasantisation.

With the skyrocketing cost of land in neo-liberal Nepal, triggered by the commodification processes, it is now simply unaffordable for the rural poor peasants to engage in land market transactions other than through selling land. Access to land through land purchases is beyond the financial means of peasants. With the commercialisation and corporatisation of agriculture, involving a possible end to feudal-type tenant and sharecropping arrangements and the transition to landless wage-labourers, it may appear that the feudal system was more conducive to a secure existence for the rural poor. Despite the insecurity of peasant existence prior to neo-liberal restructuring, the current phase of capitalist reforms based on marketisation will likely entail the growing emergence of an ultra-exploited (landless) commodified labourer (i.e., rural proletariat), leading to increasing labour emigration (including beyond Nepal - an average of 1,500 youths already leave Nepal daily for overseas employment to earn remittance) and increasing rural-to-urban migration with life in urban informal settlements (due in part to displacements and dispossessions arising from de-agrarianisation).

Chapters six and eight, as more thematic chapters, examined caste and class, and political parties and peasant movements, respectively. Chapter six focused on subsidiary objective 'c', analysing caste, ethnicity and class with respect to de-peasantisation. One key point here is that, given the deeply-entrenched hierarchical caste system in Nepal, 'lower' castes (for example, *Dalits*) and indigenous people are proportionally more likely to be found amongst the peasantry, and thus more likely to be subject to the broad processes of de-peasantisation. In addition, historically, the highest number of agricultural labourers were found amongst the *Tarai Dalits* and *Pahadi Dalits*. It was also highlighted that in terms of class, the peasantry is internally differentiated. There are classes (or sub-classes) within the peasantry - namely, rich, middle and smallholder. The rich, in fact, included accumulators-cum-landlords who mostly farmed through the use of ploughmen, semi-bonded labourers, agricultural labourers and cattle-herders. Generally, the smallholders included peasants owning less than 0.5 ha of land, tenants and sharecroppers (using family labour). These smallholders tended to already be buried in lifelong debt to local landlords or money lenders, who

charged usurious interest rates and exacted *corvee*. In general, smallholder peasants, lower caste people and indigenous groups were and are particularly vulnerable to de-peasantisation.

In addressing objective 'e', chapter eight focused on political parties and their 'land to the tiller' slogan, as well as peasant mobilisation and resistance. Despite this slogan being articulated by political parties from both the right and the left, parties (certainly when in power) have consistently failed to pursue, support and implement land reform defending the rights of peasants and rural livelihoods. They have, in fact, been the conduit through which neo-liberal restructuring in Nepal has flowed. All the policies and programmes of neo-liberalisation, as outlined, have therefore been enacted by parties in power. All the land commissions, with their different objectives and foci, have in large part been scuttled, or their progressive recommendations not implemented. Historically, political parties have also tended to build and develop peasant movements as subservient wings of the party such that, in recent years, progressive land NGOs have come onto the scene and sought to align themselves with any autonomous peasant movements emerging. Overall, the actions and inactions of political parties have tended to facilitate processes of de-peasantisation. Peasant movements and NGOs supporting them, through advocacy and direct action, have made isolated gains, but have been unable to make any major inroads into halting processes of de-peasantisation, or even, more broadly, ensuring sustainable livelihoods for the rural poor. On the whole, the focus of this entire academic study has been on 'de-peasantisation' in Nepal, through the lens of a political economy perspective. The conclusions of this endeavour are succinctly presented in the next section.

9.3 Conclusions on the Political Economy of De-Peasantisation in Nepal

This section considers the main conclusions pertaining to the overall objective of the thesis. The preceding section has already, to some extent, raised issues relevant to the main objective, so this section presents the overall conclusions on the identified processes of de-peasantisation in Nepal from the perspective of the theoretical framing of the thesis, namely, a critical political economy approach.

It is important to highlight that, while a broad trajectory of de-peasantisation is taking place globally, any announcement about the death of the peasantry is premature. In fact, in certain instances, such as under fast-track land reform in Zimbabwe, a process of re-peasantisation is apparent. But even if the general process is identifiable, the process is variegated and open to diverse spatial and temporal manifestations. It is by no means a linear process leading to the progressive realisation of a fully-proletarianised labouring class devoid of all access to land. In the case of Nepal, it appeared that – under the royal land measure of 1964 – any process of de-peasantisation might be stalled, as the measure sought to enhance the security of smallholders, tenants and sharecroppers, and to facilitate their access to even more land. The distorted implementation of this land reform measure, or its non-implementation, had the opposite effect, ultimately further undercutting the security of tenure of smallholders, tenants and sharecroppers. Neo-liberalisation did not simply end the elongated history of the feudal system in Nepal; rather, it reworked this system as it became embedded in, and also restructured, the agrarian economy of Nepal. Further attempts to stall this process are evident from the protracted struggles of peasant movements over time. Overall, there is no global de-peasantisation template which fits neatly and tidily onto any national political economy, with this thesis seeking to show the specific complexities of the de-peasantisation process (or perhaps, processes) in Nepal.

The political economy perspective, based broadly on Marxism, was crucial to the main objective of the thesis, namely, analysing processes of de-peasantisation in Nepal from 1950 onwards, with a particular focus on the neo-liberal period. In this regard, the thesis has shown that no genuine implementation of land reform in Nepal has taken place - or at least not for the larger benefit of land tillers (peasants), despite several almost epochal political changes since the 1950s. This was because of the substantial property and power left in the hands of ruling groups in Nepal, including those accumulated through extractive political and economic institutions under feudalism, and private titling, commodification and commercialisation under neo-liberal restructuring. The consequence has been marked processes of de-peasantisation leading to the loss of land-based livelihoods for the rural poor.

In using a political economy approach, I have sought not to reduce political power to economic power, i.e. property is not the source of all power. Access to the state and its apparatuses allows

for leveraging power by party leaders and state bureaucrats, just as landed property in the hands of landlords or capitalist farmers facilitates access to, and the use of, power. In the end, during both the feudal and neo-liberal eras, there has been a symbiotic and mutually-beneficial relationship between economic and political power, all at the expense of the lives and livelihoods of the peasantry. Each phase in the history of Nepal demonstrates this, as I show below.

First of all, *pre-1950 Nepal* involved the creation of extractive land tenure systems and the creation of absentee landlordism. The old hereditary *Rana* oligarchy marked the heyday of feudalism, with the formation, consolidation and reproduction of extractive land tenure systems. During this time, there was a clear institutional separation of the economy and polity, such that the intertwining of economic and political power was an everyday reality, certainly for the peasantry. According to Regmi (1978), the main objective of the *Ranas* was to develop the extractive institutions (as fused economic and political mechanisms) in order to control land and land-related resources, while subordinating the peasantry and gaining surpluses. This involved the development of absentee landlordism and land control by certain caste groups and classes, and largely by men as well. The legacy of this general arrangement was transferred to the *Panchayat* era, and even into the democratic era.

Secondly, *between 1950 and 1990*, extractive political and economic institutions remained in place, including under the *Panchayat* regime. There were two major initiatives in the name of land reform and the rights of peasants. Firstly, in 1959, B.P. Koirala (the first democratically-elected Prime Minister, from the Nepali Congress party) did away with *Birta* land and the non-fiscalisation of *Birta* land (i.e. abolishing the tax-free status of this land). This initiative, however, did not ensure rights of security for peasants or eliminate absentee landlordism, let alone focus on the distribution of *Birta* land to tillers. The evidence from the field shows that some peasants are still struggling to register *Birta* land. The second main initiative was King Mahendra's royal land reform of 1964, which set the ceilings for landholdings and specified provisions for tenancy and tenancy registration. However, as discussed, this initiative fell far short of enhancing the status of the peasantry in rural Nepal.

Again, the symbiotic relationship between economic and political power is clear during the *Panchayat* period, such that it is, in practice, difficult to distinguish between the two. The absolutist political institutions under *Panchayat* shaped economic power, just as much as economic power shaped the absolutist state. Extractive political institutions such as Land Reform Offices, Police Offices, Courts, *Gaon Panchayat* (Local Village Council), *Zilla Panchayat* (District Council), Regional Administrators, and Ministers' of Council are identifiable organs of the absolutist state, and state bureaucrats often used and abused their access to political power to gain a foothold in economic power even as landlords. Likewise, landlords were in a mutually-beneficial alliance with state bureaucrats for their own private gain (Acemoglu and Robinson 2013). Again, this synergistic relationship undercut the existence and livelihoods of tenants and sharecroppers.

Thirdly, *from 1991 until today*, massive changes to the agrarian economy have taken place because of ongoing neoliberalisation, with neoliberal reforms focusing on property rights rather than land rights. Surprisingly, even the policy of granting tenancy rights to unregistered tenants was annulled, which de-peasantised a sizable number of peasants who had been tilling the land for generations. In 1993, the Minister for Land Reform and Management from the Nepali Congress-led majority government wanted to provide tenancy rights for peasants; largely because of this, he was promptly sacked from his own party's government. A few years later, the land ceiling was reduced from 17.6 hectares to 7.6 hectares, but landlords filed a case at the Supreme Court, arguing that the change amounted to a violation of their property rights. As a consequence, the new land ceiling has never been properly implemented. In the end, neo-liberal change has led to the privatisation of landholdings, land plotting, land speculation, and the promotion of an increasingly vibrant land market, all part of the process of commodifying land. Concomitant with this has been the undercutting of the peasant way of life and the commodification of labour through wage-labour. This is evident on growing capitalist farms, but also in urban spaces where former peasants are now crowding into informal settlements and slums, where they rely exclusively on the capacity to labour for wages (often casual and intermittent labour only) or through precarious informal economic activities.

Successive governments under the democratic dispensation, including during the republican period between 2008 and 2017, have tended to reinforce neoliberal restructuring. One of the key

touted themes of the republican period, as specified in the CPA between the government of Nepal and the Maoists, was the elimination of feudalism, and subsequent land distribution to land-short, landless, and marginalised rural people; however, this redistribution has not taken place. The end of feudalism may be on the horizon, but it is being replaced by the commercialisation of the agrarian economy under capitalist conditions; this has led to a rise in agricultural wage-labour or, for now, the payment by peasants of cash as agricultural rent. This is deeply problematic given that land inequity was the root cause of the armed conflict and continues to be the cause of considerable rural tension even now, thus leading to the need for peasant movements. The CPA was more focused on the direct consequences arising from the end to the armed conflict, such as demobilising and integrating the people's liberation army, rehabilitating internally displaced people, reconstructing demolished public infrastructure, and forming peace committees. Despite the conclusion of 71 specific agreements within the CPA process, not one focused exclusively on land reform and the rights of peasants. Likewise, significant financial resources have been expended by the government on land reform commissions, but their reports have remained unimplemented. Similarly, numerous landless problem-solving commissions have been formed, with thousands of landless people filing cases, but largely in vain. It seems that the state has been interested first and foremost in social and political stability rather than in meaningful land reform.

Under capitalist neoliberal restructuring in Nepal, an institutional separation between the economy and the polity is emerging, typical of the dis-embedding of economy and polity with the emergence and development of capitalism more broadly. In the past in Nepal, under feudalism, the economy and polity were deeply intertwined, to the extent of seeming internally related. Currently, with neo-liberalisation, a distinct economic sphere and a distinct political sphere (involving a capitalist economy and a modern democratic state respectively) are becoming increasingly evident, with economy and polity (as distinct institutional spheres) externally related. But a symbiotic relationship still exists. The imperative and logic of the capitalist economy is profit-maximisation, while the imperative and logic of the modern state is social order and stability. These imperatives are equally important in understanding the de-peasantisation processes in Nepal, as they imply a concerted focus on managed and orderly change in a manner which grows and consolidates the capitalist economy at the expense of peasant lives and livelihoods.

In a nutshell, in relation to the principal objective of the thesis, a political economy perspective which recognises the symbiotic relationship between economy and polity, or between economic and political processes, has enabled an analysis of the processes of de-peasantisation in Nepal through different phases and periods of its history, including the current neo-liberal period. This, I would suggest, marks an important contribution to the literature on de-peasantisation in Nepal and indeed beyond.

9.4 Directions for Further Research

It is hoped that this thesis stimulates further studies of de-peasantisation in Nepal. Certainly, there are a number of themes not fully covered in this thesis which require further in-depth study. I mention just a few points in concluding this thesis, but there are no doubt many others. First of all, gender has only been discussed in passing, and the patriarchal character of peasant life and de-peasantisation needs sustained examination. Secondly, the relationship between de-peasantisation, urbanisation, and migration across Nepali borders (for example, to Gulf countries, India, South Korea and Malaysia) is crucial to understanding the simultaneous processes of de-peasantisation and proletarianisation. Finally, socio-economic restructuring in Nepal is an ongoing process, and thus analyses of de-peasantisation processes need to be constantly undertaken and updated. For instance, in 2017, Nepal implemented its state restructuring plan as per the newly promulgated Constitution of 2015. In this light, the government has established 753 local self-government units and seven provincial government administrative units across the country (which cover rural municipalities, sub-metro municipalities, and metro municipalities). Because of this, it is apparent that productive land areas are going to be converted into urban and administrative centres, thereby further accelerating the depeasantisation process in Nepal. It is incumbent upon academics who are concerned with questions of social justice to continue to monitor and analyse de-peasantisation, and to support the struggles of the rural poor in their quest for justice.

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APPENDIX A: Baseline Survey Consent Form



7 Jan 2016

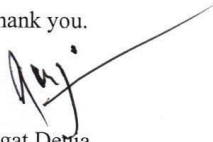
Professor Kirk Helliker
Head of the Sociology Department
Rhodes University, Grahamstown, South Africa

Subject: Approval of Use of Baseline Data

Dear Professor Helliker,

Mr. Jagat Bahadur Basnet is founder member of Community Self-Reliance Centre (CSRC). He has been facilitating the land rights movement since 1994 as a principal member of CSRC, currently Organizational Development Advisor and Ph.D. Scholar of Rhodes University, South Africa. For the knowledge building and strengthening of land rights advocacy, CSRC has planned to carry out the baseline study in 9 districts; Okhaldunga, Udayapur, Saptari, Siraha, Mahotatri, Sarlahi, Dang, Banke and Bardiya of Nepal from January to July 2016 and Mr. Basnet has been appointed as principle member of this study. In this context, CSRC is pleased to accept to use the baseline study data for Mr. Basnet's Ph.D. thesis and larger sharing. As a chief of the oragnisation, I kindly provide the approval of use of baseline data and success of his Ph.D.

Thank you.


Jagat Detja
Executive Director



सामुदायिक आत्मनिर्भर सेवा केन्द्र
Community Self-reliance Centre

Tokha- 10, Dhapasi, Kathmandu, Nepal, Tel.: 977-1-4360486, 4557005 www.csrcnepal.org

7. Children's education
 Good weather/ environment
 10. Chance for sharecropping 11. Don't know
 Others: Specify
8. Marriage
9.
12.

2.5 Land Tenure, Food Security and Livelihood

2.5.1 Land Holding and Its Amount (Please use the permanent unit of measurement)

Unit of land	Cultivated /own registered/ tilling by self			Given on contract			Estimate/land used by tenants on contract/village block/trust/granted land			Public/ wasteland			Sharecropped			Owned /operated total land		
	Big ha	kath ha	Dhur	Big ha	Kat hha	Dhur	Bigha	Kat hha	Dhur	Big ha	Kat hha	Dhur	Big ha	Kat hha	Dhur	Big ha	Kat hha	Dhur
Bigha/katta =1	ropani	aan a	Pai sa	ropani	aan a	pai sa	ropani	aan a	pai sa	ropani	aan a	pai sa	ropani	aan a	pai sa	ropani	Aan a	Pai sa
Ropani/aana = 2																		

2.5.2 If you are working at others' field, please mention the period and the basis.

Type of agreement	No. of years	Production amount	Amount paid to the landlord	If money paid, how much?	Eviction ? How many times?
Registered tenants					
Unregistered tenants					
Sharecroppers					
On contract					
Ploughman					
Trust tenant					
Using public/wasteland					
Herder/ploughman (bonded status)					
Others (specify):					

2.5.3 Do you have land registered in the name of women in your family?

1. Yes 2. No (If no, please shift to question no. 2.5.3.2)
2.5.3.1 If yes: 1. Cultivated 2. Cultivable land/arable land 3. Both

2.5.4 How long do you feed your family by your own production? (Please put circle at any one answer)

1. For three months 2. For six months 3. For nine months 4. For the whole year
5. For more than one year or for selling also 6. No production

2.5.5 How do you manage insufficient food in your family? (Answers can be more than one)

1. By doing agricultural labor 2. By laboring at other sectors 3. By taking loan 4. By doing some kind of little business
5. By borrowing money from others 6. By collecting roots of the plant
7. By receiving government aid or support 8. By working in government or nongovernmental sector/s

9. By foreign employment children at others 10. By receiving support from the friends 11. By keeping
 12. Others (Please mention it)

Part 3: Land Ownership and Participation/Inclusion

3. Some additional questionnaire related to land tenure and livelihood

3.1 Details about tenureship (Please mention in Bigha-kathha-Dhur or Ropani- aana-paisa)

SN	Types of the land	Total land			Male owners			Female owners			Joint ownership		
		bi/ro	ka/aa	dhu/pai	bi/ro	ka/aa	dhu/pai	bi/ro	ka/aa	dhu/pai	bi/ro	ka/aa	dhu/pai
1	Curtilage												
2	Irrigated field												
3	Rain-fed												
4	Slopy land												
5	Barren land												
6	Pasture land/fallow												
7	Garden												
8	Bushes												
9	Forest												
10	Fish pond												
11	Others												

3.2 The source of land owned by males (Answers can be multiple)

1. Inheritance by sharing 2. Bought by own earning 3. Land achieved by government grant; compensation or distribution
 4. By donation
 5. Acquired by tenancy right 6. By registering the trust land
 7. Received from the Commission of the Refugees 8. Received by Commission of Freed Kamaiyas
 9. Received by housing accommodation or commission
 10. Heirless property 11. Dowry
 12. Made by oneself 13. Land given by the landlord
 14. Received from other sources

3.2.1 The source of land owned by females (Answers can be more than one)

1. Inheritance by sharing 2. Bought by own earning 3. Land by government grant; compensation or distribution
 4. By donation
 5. Acquired by tenancy right
 6. By registering the trust land 7. Received from the Commission of the Refugees
 8. Received by Commission of Freed Kamaiyas 9. Received by housing accommodation or commission
 10. Heirless property 11. Dowry

12. Made by oneself 13. Land given by the landlord 14. Received from other sources

3.2.2 If the land is owned by the females, who makes the decision for purchasing the land? 1. By oneself 2. By her husband 3. By both

3.2.3 Is there any agricultural land or house or both in the name of female? 1. House only
2. House and also the land for farming 3. Only land for farming
4. Little land for farming

3.2.4. Resource of the land in joint ownership (Answers can be more than one)

1. Inheritance by sharing 2. Bought by own earning 3. Land by government grant; compensation or distribution 4. By donation 5. Acquired by tenancy right 6. By registering the trust land
7. Received from the Commission of the Refugees 8. Received by Commission of Freed Kamaiyas 9. Received by housing accommodation or commission 10. Heirless property
11. Dowry 12. Made by oneself
13. Land given by the landlord 14. Received from other sources

3.3. Did you and your family receive any type of land by the state? If yes, how? 1. Granted by the state 2. Jagir 3. Private trust 4. Compensation (Please include others if any)

3.4. Please give details if any.

3.5 Land Ownership of Family

S.N	What type of land? How did you receive the land?	Amount		
		bi/ro	ka/aa	dhu/pai
Unit of land Kathaa	1. Bigha - kathha 2. Ropani – Kathaa			
1.	Birta/ jagir			
2.	Guthi			
3.	Rehabilitation			
4.	Distributed by the commission of the refugees			
5.	The details after Kamaiyas were freed			
6.	Support for flood and landslides			
7.	Grant			
8.	Donation			
9.	Others			

3.6 Did the government or any other agencies take or seize or ban for usage your or your ancestors land?

1. Yes 2. No

3.7.1 If 'Yes' who?/ For what purpose?

S.N	Who did it?	How much land?	For what purpose?
-----	-------------	----------------	-------------------

1	Unit 1. Bigha 2. Ropani	bi/ro	ka/aa	dhu/pai	1. To build roads 2. To construct channel 3. To build schools or temples 4. To establish market 5. To build police post 6. To build playground 7. To cultivate 8. Others
2	VDC				
3	School				
4	Governmental offices				
5	Market/ or consumers' group				
6	Others (please mention)				
7	Others (please mention)				
8	Others (please mention)				

3.7.2 Was the land owned by the government? Or the elites measured the land in their names? Or Measured the land but being used by the locals? 1. Yes 2. No

3.7.3 Or did they keep the land in their names by providing some loan? 1. Yes 2. No

3.7.4 Did the landlords measure the land in their names by influencing the government officials?

3.7.5 What was the tentative price of the land when it was taken for sharecropping? Please write in figures. (Please write the price of bigha, ropani or whatever)

3.7.6 What is the current price of the same land? (Please write the price of bigha or ropani whatever)

3.8 Did your family sell any piece of land during ten years time?

1. Yes 2. No (If no, please visit question no 3.12)

3.9 If you sold, what type of land was it? How much land did you sell? Who had own the land? (It can be more than one)

S.N	Types of land	Total land			Male ownership			Female ownership			Joint ownership		
		bi/r o	ka/a a	dhu/pa i	bi/r o	ka/a a	dhu/pa i	bi/r o	ka/a a	dhu/a a	bi/r o	ka/a a	dhu/r o
1	Curtilage												
2	Irrigated field												
3	Non-irrigated land												
4	Slopy land												
5	Barren land												
6	Pasture/fallow												
7	Garden												
8	Bushes												

9	Forest												
10	Fish pond												
11	Others												

3.10 Why did you sell the prospective land? (Answers can be more than one)

1. To pay loan at banks or other financial institutions
2. To pay the loan of the landlords
3. To build the house
4. To buy the land at other place/s
5. To invest in loans
6. To invest in share or other financial sectors
7. To do business
8. To pay for children's education
9. For treatment
10. To add house hold materials
11. To celebrate festivals
12. To collect money for causal expenditure (marriage, birth rituals, death rituals, etc.)
13. To migrate
14. For not having profit from farming
15. Due to the lack of agricultural labor
16. Because of pressure by family member/s
17. To go for pilgrimage or to perform some religious activities
18. To go for foreign employment
19. Others

3.11 Did you buy any piece of land from the last decade?

1. Yes
2. No (If 'no' please visit q. no 3.15)

3.12 If you bought, what type of land was it? How much land did you buy? Who owns the land? (It can be more than one)

S.N	Types of land	Total land			Male ownership			Female ownership			Joint ownership		
		bi/ro	ka/a	dhu/pai	bi/ro	ka/a	dhu/pai	bi/ro	ka/a	dhu/a	bi/ro	ka/a	dhu/ro
Unit: 1. Bigha 2. Ropan i													
1	Curtilage												
2	Irrigated field												
3	Non-irrigated land												
4	Slopy land												
5	Barren land												
6	Pasture/fallow land												
7	Garden												
8	Bushes												
9	Forest												
10	Fish pond												
11	Others												

3.13. How did you collect money to buy the land? (Answers can be more than one)

1. Earned by oneself 2. Loan from the bank 3. Loan from the relatives 4. Loan from moneylender
 5. Loan from the group of cooperatives 6. From selling jewelries 7. By selling curtilage/ land at other place
 8. By selling land at other place
 9. Received from foreign employment 10. By pension or gratuity

3.14 Have you ever given your land to others for cultivation? If 'Yes', how?

S.N.	Types of land	Total land given for cultivation			Types of land use					
		bi/ro	ka/aa	dhu/pai	Tenant	Sharecropped	On contract	Bataiya	Mortgage	Others
1. <i>Bigha</i> 2. <i>Kathha</i>	Curtilage									
	Irrigated land									
	Unirrigated land									
	Slopy land									
	Barren land									
	Pasture/fallow									
	Garden									
	Bushes									
	Forest									
	Fish pond									
	Others									

3.15.1 Have you cultivated other's land? If 'Yes' what type of land? How?

S.N.	Types of land	Total land taken for cultivation			Types of land use					
		bi/ro	ka/aa	dhu/pai	Tenant	Sharecropping	Contract	Bataiya	Mortgage	Others
1. <i>Bigha</i> 2. <i>Kathha</i>	Cultivated									
	Irrigated land									

	Unirrigated land									
	Slopy land									
	Barren land									
	Pasture/fallow									
	Garden									
	Bushes									
	Forest									
	Fish pond									
	Others									

3.15.2 If you have been cultivating other's land, do you have any type of paper or document for this? (Answers can be more one)

1. Receipt for submitting crops paying rent
 2. Temporary paper for tenancy
 3. Receipt for
 4. Field book
 5. Nothing
 6. Others (Please mention)

3.15.3 Do you know what is written about tenancy in laws or in land acts?

1. Yes
 2. No
 3. Little only

3.15.4 Have you ever visited Land Reform Office or Land Revenue Offices?

1. Yes
 2. No

3.15.5 If you have visited, how many times?

3.15.6 Have you ever asked a receipt for tenancy with your landlord?

1. Yes
 2. No
 3. Asked but not provided

3.16.1 The landlord is from: 1. Within the village or VDC 2. Within district 3. Out of district 4.

Trust land

5. School or college

3.16.2 What is the profession of your landlord?

1. Farming
 2. Business
 3. Politics
 4. Industrialist
 5. Working at I/NGOS
 6. Government official
 7. Others

3.17. Have you taken part at any developmental works this year? If yes-

1. No. of governmental works
 2. No of non-governmental works
 3. No of community works
 4. Others

3.18.1 Have you ever kept any animals or birds of others except land? 1. Yes 2. No

3.18.2 If yes, what are they?

3.19 How have you been managing the labor for the main crops (paddy, wheat, maize, millet, etc) if you are farming at your own land or at others? (Answers can be more than one)

1. By paying daily wage labor
 2. By labor exchange
 3. By family members
 4. By community farming
 5. By migrant labors
 6. By the labors supplied by the contractor
 7. By herders or the ploughmen
 8. By using seasonal labors from India
 9. Others

3.20 Ownership and the Legal conscience

3.20.1 Provided you are working in your own land, how often do you make farming in a year?

1. One
 2. Two
 3. Three
 4. four

3.20.2 And farming at others? 1. One 2. Two 3. Three 4. four

3.21.1 Have you ever submitted any application at anywhere regarding your/ your family's land?

1. Yes 2. No

3.21.2 If yes, for what purpose?

1. To receive tenancy 2. To distribute land 3. To transfer tenancy
4. To register the land 5. For trust tenancy 6. For land dispute/ border
dispute 7. To receive guaranty for temporary certificate 8. In Landless
Commission (please write how often?) 9. Others

3.22.1 Did your family receive any loan? 1. Yes 2. No

3.22.2 If yes, what is the interest percentage?

1. 1-2 % 2. 2-3 % 3. 3-4% 4. 4-5 % 5. Above 5%

3.22.3 How much rupees have you taken as a loan?

1. Less than 10 thousand 2. 11- 20 thousand 3. 21- 30 thousand 4. 31- 40
thousand 5. 41- 50 thousand 6. Above 50 thousand

3.22.4 If yes, Why?

1. To buy/ build the house 2. To buy the land 3. To bur animals and the birds
4. To buy goods (eg. bus, motorbike, tractor, etc) 5. To pay the loan 6.
To invest at loan 7. To buy share 8. To do business
9. To collect money for children's education 10. For treatment
11. To add household stuffs 12. To celebrate festivals
13. To collect causal expenditure (birth rituals, marriage, death rituals, etc) 14.
For foreign employment 15. Others

3.22.5 How did you receive loan? (Answers can be more than one)

1. From bank or any other financial institutions 2. From relatives or neighbors
3. Landlords 4. From cooperatives or groups
5. Others

3.22.6 Have you and your family decided to take loan in near future? 1. Yes 2. No

3.22.7 If yes, why?

3.22.8 How are you thinking to get the loan? (Answers can be more than one)

1. To buy/ build the house 2. To buy the land 3. To bur animals and the
birds 4. To buy goods (eg. bus, motorbike, tractor,
etc) 5. To pay the loan 6. To invest at loan
7. To buy share 8. To do business 9. To collect money for
children's education 10. For treatment 11. To
add household stuffs 12. To celebrate festivals
13. To collect causal expenditure (birth rituals, marriage, death rituals, etc)
14. For foreign employment 15. Others

3.22.9 How did you receive loan?

1. From bank or any other financial institutions 2. From relatives or neighbors 3. Landlords
4. From cooperatives or groups 5. Others

3.23.1 Any family members at foreign employment? Please write them.

3.23.4 If yes, what are you thinking of doing with that money? (Answers can be more than one)

1. To pay the loan 2. To buy the land 3. To build the land 4. To do
business 5. To collect money for children's education
6. For marriage ceremony at the family 7. To buy ornament 8. To buy
household stuffs 9. Others

Thank you for your time and cooperation.

Name of the Filed Researcher: Date:

.....

Suggestions (If any)

.....

.....

.....

APPENDIX C: Semi-Structured Interview Schedule

Key Informant Interviews

Name of person:

Age:

Name of VDC/village name/Ward:

Occupation:

Tenant/landless/ farmers/share cropper or others

1. What are the major issues of land rights or tenancy rights or share cropping in this community or in this village/VDC?
2. Do you know the land reform measure of 1964 and its subsequent amendment?
3. Who are giving land to till others and why?
4. Why people are tilling land on sharecropping?
5. Who are landlords and who are tenants? Why?
6. Who are mostly evicted from the land? Why? Among them who are; literate or non-literate? Which caste? Which class?
7. How they have been evicted and why?
8. What does the landlord do and why? What is the relationship between landlord and tenant?
9. Who are absentee landlords? Where do they live? Which class and caste they represent?
10. Did you know the land reform of 2021? Who is benefiting and why they benefited?
11. What is role of tenancy policy to evict from tilled land? Who are more aware of land policy or land reform measure? Why political parties were not active to implement the land policy?
12. What is the economic condition of tenants or sharecroppers and why?
13. What is the educational status of tenants/landless and sharecroppers and why?
14. Who are the loan providers? Who are the loan takers? Why do they are take loans?
15. What is the role of debt to produce landless or tenant farmers?
16. What is the power relation between landless/tenant/share croppers and landlords? Why landlords active to alienate tenant?
17. What is role of national policy makers and local landlord to alienate the land or evict from the tilling land? What are the reasons?

18. What is the role of education to alienate the people from the land?
19. What are the major effects of livelihood from the marginalization of land?
20. How are women marginalized from the land?
21. Who are investing land?
22. What are the major effects from the alienation of land? What are the major effects in children's education and educational status?
23. What is the relationship between tenant and landlord? Father- son (Master client or manager and wage labour)
24. The rule governs by person or institution? Why ?
25. What are the main actions to stop the marginalization process?

Case Study Interviews

Name:
 Members of family
 Caste Group:
 Date:

Background information: Information of house, social, demography (family members, sex, education, land, income and livelihood)

- What is the history of his/her family? How much land he/she had? How did he/she get that land? How and why did he/she lose the land? How and why he/she became tenant or sharecropper? What is the present status; registered tenant or unregistered tenant? Sharecropper or contract farmers? How many times he/she was evicted? Why? Is he/she aware of legal part? e.g. tenancy? What is the relation between landlord and him/her? Is he/she taking grain payment receipt? Is he/she has filed the case for the tenancy rights? Who are main supporter for him/her? Is it enough to feed his or her family from the agriculture production? Or how he has been feeding his family? What does his/her family members? Is he/she has taken loan? From whom and for what purpose? What was the occupation of his/her father? Did they work as *Kamaiya* or bonded child or *Kamalarī*? Are the children are going to school ? If not, why? Did they drop the school? If they drop the school, which class?
- What is his/her educational status? What is his family's educational status?
- What is the role of education to alienate from the land? Why was he/she evicted from the land?
- What is the role of debt to alienate the land?

- What is the role of local/feudal system to alienate the land?
 - What is the role of policy to alienate the land?
 - How his/her land was transferred to others?
 - Now what is he/she doing?
 - How are sharecropper and tenant families dependent to landlord?
 - How have believed in the false consciousness?
 - What are the major effects from the marginalization of land? What are the major effects in children's education and educational status?
 - Do landlords visit directly or do they hire somebody to collect the production?
 - Do they do politics or what they do? Occupation of landlords?
 - Do they work in government office or other NGO/INGO etc.?
 - Who decide the rents?
 - How do they behave with the tenants?
 - Who deals with them? Women, men, son, daughter? etc?
 - Did they take loan from landlord? What is the interest rate for loan?
 - Do they give free labour? What kinds of work they have to work for landlords?
 - Are tenant people literate or semi-literate or non-literate? Why they became non-literate?
 - The origin of the landlord? Means? Which district and his native district? ?
 - How has the landlord taken this land or how he/she owns this land?
 - How much they produce and how much they provide to landlord and how much they invest for the production?
 - What system is there still, *Parma* or hire wages?
- Issue of property rights? Are they talking about the property of poor people or rich only?
Whose agenda is this?

APPENDIX D: Focus Group Discussion Guide

Village name:

Attended:

Caste Group

Economic class group

Date:

Focus group discussion

Background information on FGD

S N	Name	Caste/ethnicity	Sex	Education	Land ownership	Tenant/sharecropper/ smallholder /agri-labourers	Remarks

- Do you know land reform measure of 1964 and its subsequent amendments?
- What are the major issues of land rights or tenancy rights in this village/VDC?
- What is the history of land in this proper area? Who had land? Who came? How did they come? How was land bought? Who sold land? How did he/she sell land? Who has land now? Who loses the land? How do they lose the land?
- Who are controlling land and who are losing the land for the last 20 years? Why? Whose property is increased and who's decreased? Why?
- How has land market become strong? What is role of market to marginalize the local people?
- Who had money and who did not have money?
- Who are mostly evicted from the land? Who are literate or non-literate?
- How have they been evicted?
- Who are tenant/landless farmers and sharecroppers? Why they became tenants and sharecroppers?
- What is role of land reform policy especially tenancy?
- Who are the mostly benefited from the land reform act? Why?
- What is the economic status of tenant and landless farmers and sharecroppers?
- What is the educational status of tenants/landless and sharecroppers?

- What kinds of land tenure do poor people have?, Tenancy, contract, sharecropping?
- Who are the loan providers? Who are the loan takers? Why they became loan providers? Why they became loan takers?
- What is the role of debt to produce landless or tenant farmers?
- What is the power relation between landless/tenants/share croppers and landlords? Why?
- What is the caste/ethnicity of tenants and sharecroppers? Why?
- Who are organized and who are not organized?
- What is role of national and local system to evict the people from land?
- What is the role of education to alienate the people form the land?
- What are the major effects of livelihood from the marginalization of land?
- How are women marginalized from the land? Why?
- Who has the most powerful people in the community? Why?
- What is the role of political parties to stop the eviction process? Why?
- What are the major effects from the marginalization from land? What are the major effects in children's education and educational status?

4. Community Observations

3. What is the situation of community? Houses? Livestock? Settlement? Access to government and physical services?
4. Power relation of community members? Informal discussion.
5. Power relation in Focus Group Discussion?
6. Behaviors of each other's?
7. Who is speaking in group discussion? Who is dominating the discussion?
8. Who is taking the decision? Who is marginalized from the decision? Who are passive in group discussion? Who are accepting the decision and bad behaviours?
9. Who dominates whom? Who are respected?

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