Information on Nepal

Compliance with ILO Convention No.29 on Forced Labour (ratified in 2002)

Forced and Bonded Labour in Nepal

Bonded labour continues to exist in Nepal and can be found in different forms and across different sectors throughout the country, despite legal provisions prohibiting it. Predominantly affecting agriculture, bonded labour is also found in domestic work and brick kilns. It is also believed to exist in sectors including embroidery workshops, tea shops and small restaurants.1

Between 2004 – 2007, Anti-Slavery International undertook a research project on bonded labour in South Asia. In Nepal, the General Federation of Nepalese Trade Unions (GEFONT) conducted research which found forced and bonded labour in the agricultural, brick kiln and domestic work sectors.

Agriculture

The haliya or “tiller” system is an agricultural bonded labour practice in the Western hills of Nepal. According to the ILO, the haliya or “tiller” system affects an estimated 20,000 people in far western Nepal.2

_Haliya_ bonded labourers are indebted to their landlords and receive little or no pay in return for their agricultural work and domestic work for their landlord. When a _haliya_ bonded labourer is ill or unable to work he is compelled to send a substitute to his landlord or face a deduction from his wages. The work is generally seasonal, and _haliya_ bonded labourers are usually allowed to migrate to India during the off-season where they work to earn money to pay off some of their debt to the landlord. However, they are expected to be available during the rest of the year if needed by the landlord.

Generally, _haliya_ bonded labourers are from low caste or minority ethnic groups. The National Dalit Welfare Organisation estimates that one fifth of _haliya_ bonded labourers are dalits. Those bonded are mostly men although work obligations may extend to all family members. However women and girls are increasingly becoming

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1 ILO, _The cost of coercion. Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work_, ILO, Geneva, 2009, p17
bonded in their own right. Women under the haliya system often work for money-lender landlords while their husbands work seasonally in India.³

The kamaiya system under which thousands of agricultural labourers were bonded was abolished by law in 2002 and thousands of kamaiya bonded labourers were released. Under this system, which mainly affected Tharu indigenous people of Western Nepal, an agricultural labourer became bonded by a loan (saunki⁴) given to them by their landlord at the beginning of their working relationship which they were unable to repay because their wages were too low and because they were often compelled to borrow additional money from the landlord to cover expenses for food, medicines, and other unforeseen circumstances.⁵ Kamaiya bonded labourers lived on their employers’ land, got very little or no free time, and they and their families were bound to perform domestic work in the house of the landlord.

Despite its prohibition in law, there may be some traces of the kamaiya system remaining, particularly in interior parts of the country where Government action to identify, release and rehabilitate kamaiya bonded labourers has not reached those affected.

Furthermore, since the kamaiya system was abolished in 2002, a system called Zirayat is re-emerging, which is a practice of share-cropping under which produce is divided between landlords and tenants, and tenants are required to till additional land for the landlords without any wages.⁶

Years after the legal abolition of the kamaiya system, kamlari work, which is mostly the domestic work of unmarried girls of former kamaiya families for landlords’ households, continues in many parts of south western parts of Nepal. However, the practice has almost disappeared in some districts such as in Dang. Many kamlaris are in bonded labour to the landlord.

**Brick kilns**

GEFONT’s survey of brick kilns, which involved 1135 brick kiln workers in 5 districts of three regions of the country⁷, found a pattern of seasonal bonded labour, in which workers are bonded to brick kiln owners for a certain period of time by virtue of an advance payment taken prior to joining the brick kiln.⁸

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⁴ Saunki is a Tharu word for debt. Tharus are an indigenous people of Western Nepal, vastly affected by the Kamaiya system of bonded labour.
⁶ K. Prasad Upadhyaya, Poverty, discrimination and slavery. The reality of bonded labour in India, Nepal and Pakistan, op. cit., pp7-8
⁷ These were Morang district in Eastern region, Lalitput and Bhaktapur in Central region, Tanahun from Western region and Banke from mid-western region.
Brick making is a seasonal but labour intensive industry, running from around mid October to mid April. Labour arrangements are made well in advance. Workers are usually hired through labour contractors (naikes) who go to the villages of potential workers before the start of the agricultural season and made an advance payment to workers in return for their agreement to work at the brick kiln during the brick-making season. Sometimes the owner of the brick kiln recruits workers directly, and again an advance will be paid. The advances are deducted from the wages earned by during the season and the workers will have to wait until the end of the season to be paid any outstanding remuneration. The worker cannot leave the kiln until the brick-making season is over or the advance is repaid.

Seventy per cent of those surveyed by GEFONT had received an advance payment back in their home village. The amount received varied; 30 per cent received less than NPR 1,500 (US$20); 30 per cent received NPR 1,500 to 2,000 (US$26); 23 per cent received between NPR 2,500(US$33) to 5,000 (US$66); and 17 per cent received more than NPR 5,000 (US$66). Child labour is also found in brick kilns and many of these children are in debt bondage. In most cases, children work alongside their parents or elder family members in the brick kilns. They do work such brick moulding or carrying bricks in and out of the kilns.

In GEFONT’s study, 348 children were working alongside their parents. The parents of 64 per cent of the children had taken advances from the labour contractor or the brick kiln owner and they were therefore bonded to the particular brick kiln to repay this advance. About 19 per cent were not aware whether or not they were being paid, 68 per cent were paid on a piece rate basis, 9 per cent on a daily basis and 4 per cent on a monthly basis. Some 88 per cent of the children did not go to school. Health problems were common amongst the children, including backache, headache, earache, fever, and pain in their hands or legs. A small number reported sexual harassment by their fellow workers.

The Government of Nepal has identified over 90,100 children working in the worst forms of child labour. Of these, the Government estimates that there are 14,150 child bonded labourers working in several sectors including brick kilns and domestic work.

**Domestic work**

Bonded and forced labour is also found in the domestic work sector, affecting both adult and child domestic workers.

GEFONT carried out a study in 2007 with a sample of 292 domestic workers in rural and urban settings in Kathmandu, Morang and Banke. They predominantly came from

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rural areas and sixty per cent of those interviewed were female and 69.5 per cent were under the age of 18. More than a third were illiterate.\textsuperscript{12}

Twelve domestic workers or, in the cases of child domestic workers, their parents, had taken a loan from their employer. Of these, three had been in debt for a year, two for more than 2 years, and two for more than 4 years. Five did not know the amount of the loan taken.\textsuperscript{13}

More than 60 percent of the domestic workers surveyed worked for more than 12 hours a day. Around 34 per cent of those surveyed did not receive any salary.\textsuperscript{14} Forty per cent had subjected to psychological and physical violence, including punishments such as scolding, insults, deduction from salary and slapping.\textsuperscript{15} Around 51 per cent said that they did not take protective measures while working and worked barefoot without gloves.\textsuperscript{16}

According to the ILO, there are over 42,000 children identified as domestic labourers in Nepal, mainly in urban centres and the majority are girls.\textsuperscript{17} Children perform work such as cooking, cleaning, washing and caring for young children and the elderly. In rural areas they are also required to look after animals and undertake agricultural work.

Of the child domestic workers in GEFONT’s study, 41.4 per cent were between 10 to 14 years old and 26 per cent were between 15 and 18 years old and 2.1 per cent were under the age of 10.\textsuperscript{18} The majority of child domestic workers leave rural areas for urban centres away from their parents and relatives. It is often their parents or relatives who take them from their home to the working place, although many also travel with friends with their parents’ permission.\textsuperscript{19} Generally, these children are confined in their employer’s home, with little access to the outside world.

The legal framework and government response

Nepal has ratified ILO Convention 29 on Forced or Compulsory Labour; ILO Convention 105 on Abolition of Forced Labour; ILO Convention No. 169 on

\textsuperscript{13}GEFONT, \textit{Paying Back in Sweat and Tears: A Consolidated Report on the Studies of Kamaiya Liberation, Brick Kiln Workers and Domestic Labour in Nepal}, op. cit, pp92-93
\textsuperscript{14}GEFONT, \textit{Paying Back in Sweat and Tears: A Consolidated Report on the Studies of Kamaiya Liberation, Brick Kiln Workers and Domestic Labour in Nepal}, op. cit, p93
\textsuperscript{15}GEFONT, \textit{Paying Back in Sweat and Tears: A Consolidated Report on the Studies of Kamaiya Liberation, Brick Kiln Workers and Domestic Labour in Nepal}, op. cit, p95
\textsuperscript{16}GEFONT \textit{Paying Back in Sweat and Tears: A Consolidated Report on the Studies of Kamaiya Liberation, Brick Kiln Workers and Domestic Labour in Nepal}, op. cit, p95
\textsuperscript{17}Interview with ILO Kathmandu
\textsuperscript{18}GEFONT, \textit{Paying Back in Sweat and Tears: A Consolidated Report on the Studies of Kamaiya Liberation, Brick Kiln Workers and Domestic Labour in Nepal}, op. cit, p89
Indigenous and Tribal Peoples\textsuperscript{20}, and ILO Convention No.182 on Worst Forms of Child Labour.

The current Interim Constitution of Nepal establishes that “traffic in human beings, slavery or serfdom is prohibited.”\textsuperscript{21} The Interim Constitution also states that, among other responsibilities, the State has “to adopt a policy of providing economic and social security including lands to economically and socially backward classes including the landless, bonded labourers, tillers and shepherds.”\textsuperscript{22} And among the State’s policies: “The State shall pursue a policy of making special provision based on positive discrimination to the minorities, landless, squatters, bonded labourers, disabled, backward communities and sections, and the victims of conflict, including women, Dalits, indigenous tribes, Madhesis and Muslims.”\textsuperscript{23}

The Interim Constitution also refers to land reform stating that “the State shall pursue a policy of making provision of providing basic land to the liberated bonded labourers for settlement having determined their exact numbers.”\textsuperscript{24}

In 2000, the Government declared that the system of kamaiya was illegal and all kamaiya bonded labourers were to be liberated.\textsuperscript{25} In 2002, the Kamaiya Labour (Prohibition) Act (henceforth referred to as the 2002 Act) was adopted, which prohibited bonded labour among kamaiyas, declared all loans taken as null and void, and declared all persons working as kamaiya labourers free. The Act established Freed Kamaiya Rehabilitation and Monitoring Committees. It also established fines for anyone in violation of the law, ranging from between NPR15,000 (US$198) to NPR25,000 (US$330), alongside fines for any failure to return mortgaged property. The 2002 Act also provided that, upon completion of housing construction, the government would hand over an additional grant of NPR 2,000 (approximately US$27) for income generating activities, which included chicken, goat or pig farming.

Though intended primarily for the kamaiya bonded labourers, by prohibiting labour or services provided by a person to his creditor without any wages or at low wages to repay loans, the 2002 Act has the potential to include in its scope other forms of bonded labour.

In the 1990s, prior to the enactment of the 2002 Act, the Ministry of Land Reform and Management conducted surveys in western Nepal, confirming that 18,400 families, of whom 13,461 were identified as landless, were in bondage under the Kamaiya system.\textsuperscript{26} These 18,400 families were officially released in 2000. The majority of those who were landless moved out of the landlords’ premises and settled in camps

\textsuperscript{20} Article 20(C) of ILO Convention 169 states that government’s measures will ensure that “workers belonging to these peoples [peoples concerned by the convention] are not subjected to coercive recruitment systems, including bonded labour and other forms of debt servitude.”
\textsuperscript{21} Interim constitution of Nepal, 2063 (2007).Article 39 (3)
\textsuperscript{22} Interim constitution of Nepal, 2063 (2007).Article 33 (i)
\textsuperscript{23} Interim constitution of Nepal, 2063 (2007).Article 35 (14)
\textsuperscript{24} Interim constitution of Nepal, 2063 (2007).Article 35 (15)
\textsuperscript{25} GEFONT, Paying Back in Sweat and Tears: A Consolidated Report on the Studies of Kamaiya Liberation, Brick Kiln Workers and Domestic Labour in Nepal, op. cit, p31
\textsuperscript{26} See GEFONT, Paying back in sweat and tear, Nepal Consolidated Report, for the Anti-Slavery International Bonded Labour in South Asia Project. 2007, p23
established for them on government land, while a minority, who owned their own lands, did not leave their villages.  

The Ministry of Land Reform and Management also coordinated a programme with NGOs and government agencies to rehabilitate kamaiya bonded labourers, allocate land, distribute timber for house construction and provide vocational training.

A labour and employment policy adopted in 2005 includes the elimination of bonded labour among its objectives.  

In September 2008, the Government announced that it had abolished the haliya system and cancelled the debts of haliya bonded labourers. At the time of writing, the Government has yet to announce how it intends to implement this announcement and ensure the identification, release and rehabilitation of haliya bonded labourers.

**Problems with the scope and implementation of the 2002 Act**

While a major step forwards in efforts to tackle bonded labour in Nepal, there are gaps in the scope and implementation of the 2002 Act.

While the 2002 Act can be interpreted to cover other forms of bonded labour in Nepal, this has not been the case in practice. The implementation of the 2002 Act has focused on agriculture, and in agriculture, only the identification, release and rehabilitation of Kamaiya bonded families.

Some parts of the 2002 Act, such as monitoring through national and district level committees, have not been implemented. Committees composed of government officials, headed by elected Chairpersons were established with the responsibility of identifying kamaiya bonded labourers who were entitled to rehabilitation assistance and facilitating their rehabilitation. However, the law did not prescribe any particular method of identification of bonded labourers, and committees relied on surveys carried out in the late 1990s. Since the 2002 Act came into force, only five committees have been set up in the areas where the Kamaiya system was prevalent. Their activities were severely hampered by the armed conflict in the country between 1996 and 2006.

After the initial efforts following the 2002 Act to identify, release and rehabilitate kamaiya bonded labourers, progress appears to have stalled. An on-going programme of identification of bonded labourers has not been implemented and the committees do not have adequate funds to carry out the functions necessary for identification. This means that currently the process of identification and release of bonded labourers is on hold.

The response of the Judiciary to the problem of bonded labour has been weak. Since the 2002 Act was passed, no one has been prosecuted for the use of bonded labour.

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28 ILO, Cost of Coercion, op. cit, p17
Problems with the release and rehabilitation of kamaiya bonded labourers

There were serious problems in the process of release and rehabilitation of kamaiya bonded labourers. Measures taken by the Government were undermined by poor coordination between government departments, corruption and a lack of policy coherence.

While a substantial number of bonded labourers were identified, the release and rehabilitation programme was chaotic and led to the death of many children from the effects of intensely cold weather and water-borne diseases.29

Bonded labourers were urged to come out and settle in temporary camps because facilities, including food and shelter, did not meet subsistence needs. There was no systematic distribution of support materials to the former bonded labourers and, when they were being settled permanently, job market access and land fertility were not taken into consideration in determining their location. In many cases the land allocated to them was distant from their homes or the farmland was far away from urban centres and so meant poor access to schools, hospitals or health centres. Children who received primary education often did not have access to secondary education as there were no schools within their proximity. In some cases, the land they received was infertile and thus inadequate for making a living. Women kamaiya bonded labourers were not considered during the land allocation. Some former bonded labourers were given driving lessons even when they could not have access to vehicles, and training as electricians in areas without access to electricity, and in other non-agriculture related occupations.30 This prompted many to leave their original homes, hoping to free themselves but many subsequently found it very difficult to compete in the formal market and ended up in poverty or back in bondage.

In some cases, landlords simply evicted their former labourers and invited seasonal labourers from India to undertake farm work. Some landlords accused ex-kamaiya of theft leading to their arrest.31

Rehabilitation efforts have not reached all released kamaiya bonded labourers. Of the total 18,400 liberated kamaiya bonded households, 13,461 of which were identified as landless, some 12,000 landless kamaiya bonded labourers became the main target of interventions. These 12,000 families were each given a piece of land of 0.017 hectare to 0.169 hectare.32

Timber for house construction was given to 161 families, and over 7,900 families received the government’s housing grant of NPR 8,000 (approximately US $ 107), provided to all former kamaiya bonded labourers identified as landless. As of

30 K. Prasad Upadhyaya, Poverty, discrimination and slavery. The reality of bonded labour in India, Nepal and Pakistan, pp23-24
31 K. Prasad Upadhyaya, Poverty, discrimination and slavery. The reality of bonded labour in India, Nepal and Pakistan, p24
December 2004, in Kailali district only 74 out of 2,436 households had received the grant of NPR 2000 (approximately US $27) for income generating activities once housing construction had been completed allocated in the 2002 Act.

The situation of former kamaiya bonded labourers who did possess some land and shelter is of particular concern. These families have not received any support from the State and lack essential services, such as electricity and access to clean water. Many of their children cannot attend school. They are also in constant fear of eviction, especially those who received the land from the Maoist insurgency during the war.33

According to the ILO in Kathmandu, there reportedly remains another estimated 14,000 households in need of rehabilitation and support, including those who were identified as kamaiya bonded labourers in 2002 but did not receive any government rehabilitation support, and those who were not identified as kamaiya bonded labourers in 2002.34

Weaknesses in the rehabilitation process, including the length of time between release and the receipt of rehabilitation and the fact that bonded labourers were released without empowerment support, has left former kamaiya bonded labourers vulnerable to entering into new forms of exploitative working practices including bonded labour. Some have reportedly entered into exploitative share-cropping arrangements while others have pledged the free labour of their children for access to tenancy.35

However, it is important to stress that there were also many positive results. Freed kamaiya bonded labourers who did receive adequate land and support for housing around urban centres were able to obtain a degree of economic autonomy, raising chickens and goats and producing vegetables for sale, and were able to send their children to school. The level of literacy has increased among released kamaiya bonded labourers and the numbers of children attending school have reportedly increased, as has access to health care and access to clean water.36

The social and economic context of bonded labour in Nepal

Poverty, landlessness, discrimination and social exclusion underpin bonded labour in Nepal. Bonded labourers, both urban and rural, are chronically poor. The vast majority are initially trapped in debt bondage because they have no other way of subsisting apart from taking a loan from a landlord or employer. Most are bonded for comparative small mounts of money, often for social obligations such as weddings or funerals, or family emergencies such as ill-health. Most of those affected are also landless or near-landless, which leaves them with little choice but to work for others for subsistence rates or, in many cases, simply for food and shelter. Finally, bonded labour does not affect the population equally. The vast majority of those who are in debt bondage are dalits, of ‘low’ caste status, or are from minority ethnic groups such

33 Anti-Slavery International interview with former Kamaiya bonded labourers in Nepalgunj, February 2009.
34 Anti-Slavery International meeting with ILO-IPEC, Kathmandu, February 2009.
as the Tharus. Vulnerability to bonded labour is massively exacerbated when the chronically poor are simultaneously subjected to extensive social discrimination as a result of their membership of a particular caste or ethnic minority.

Conclusions and Recommendations

In recent years, the Government of Nepal has shown commitment to tackling bonded labour. Large numbers of kamaiya bonded agricultural labourers were freed as a result of the 2000 declaration and 2002 Act, which abolished the kamaiya system and declared all loans taken as null and void. A labour and employment policy adopted in 2005 includes the elimination of bonded labour among its objectives and in September 2008, the Government announced that it was abolishing the haliya system of bonded agricultural labour.

The majority of released landless kamaiya bonded labourers received land as part of rehabilitation efforts, which reduced their vulnerability to returning to bonded labour. The level of literacy has increased among released kamaiya bonded labourers, as has access to health care and clean water, and the numbers of children attending school have reportedly increased.

Nevertheless, there were serious problems in the process of release and rehabilitation of kamaiya bonded labourers. The release and rehabilitation programme was chaotic and rehabilitation did not reach all those affected. The weaknesses in the rehabilitation process, including the length of time between release and the receipt of rehabilitation and the fact that bonded labourers were released without empowerment support, and the failure to provide rehabilitation to all released kamaiya bonded labourers, left former kamaiya bonded labourers vulnerable to entering into new forms of exploitative working practices including bonded labour.

There are outstanding issues that need to be tackled. It is clear that forced and bonded labour continues to exist in different forms and across different sectors in Nepal despite legal provisions prohibiting it. Yet, after efforts to identify, release and rehabilitate kamaiya bonded labourers, progress appears to have stalled. The Government has yet to set out how it intends to implement its September 2008 announcement of the abolition of the haliya system and ensure the identification, release and rehabilitation of haliya bonded labourers. There has been no government effort to date to identify other groups of bonded labourers and nor has an on-going programme of identification of bonded labourers been implemented. Indeed there is a lack of knowledge and understanding about other forms of forced and bonded labour in agriculture and the non-agricultural sectors.

Research is needed so that the Government can be fully aware of the nature and extent of the forced and bonded labour problem across the sectors in Nepal and can therefore design targeted policies and interventions to address these. An effective system for the identification of bonded labourers must be established and those using forced or bonded labour must be prosecuted.
Finally, it is crucial that the root causes of bonded labour in Nepal are tackled, including addressing issues of poverty, discrimination against dalits and people from ‘low’ castes or ethnic minority groups, and landlessness.

The Government of Nepal is therefore urged to:

- Undertake a comprehensive survey and identification of bonded labourers in conjunction with relevant national stakeholders and the ILO in order to help understand the scale and dimensions of the problem across the country and across both the agricultural and non-agricultural sectors.

- Revitalise the system of Committees and include representation from appropriate departments of government, businesses, trades unions, local activists, lawyers and NGOs. Proper funding must be allocated to ensure that the Committees can carry out their work effectively.

- Ensure that all identified bonded labourers are rehabilitated. The government should ensure access to a sustainable livelihood, land, shelter, markets and services, and education for these released bonded labourers and their families. Monitoring of rehabilitated bonded labourers should be carried out to ensure that they do not return to bondage again.

- Ensure that those using bonded or forced labour are prosecuted, with sentences that act as a real deterrent to the use of forced and bonded labour.

- Undertake training for law enforcement and labour officials on the identification of bonded labourers and the implementation of laws relating to bonded labour.

- Establish a national action plan for the eradication of all manifestations of bonded labour. The plan should include a permanent national mechanism to monitor and co-ordinate the action of the multiple stakeholders involved in bonded labour eradication: government departments, local governments, trades unions, businesses and civil society (including representatives of bonded labour organisations). The ILO should be actively involved in the designing and implementation of the action plan.

- Identify remaining released kamaiya bonded labourers who did not receive any State support; in particular, those who did possess land; and provide the necessary assistance.

- Actively implement minimum wage provisions within the law to ensure that labourers earn a sufficient living wage.

- Support initiatives to organise and empower bonded labourers through trades unions.

- Address the root causes of bonded labour including issues of poverty, social exclusion and discrimination, and landlessness.